

VICTORIA

Report

of the

RURAL FINANCE COMMISSION

for the

Year ended 30 June 1983

Ordered by the Legislative Assembly to be printed

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*Rural Finance
Commission*

ANNUAL REPORT AND STATEMENT OF ACCOUNTS 1982/1983.

The Honourable R.A. Jolly, M.P.,
Treasurer of Victoria,
1 Treasury Place,
MELBOURNE, 3002.

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Dear Mr. Jolly,

The Rural Finance Commission submits herewith its Annual Report and Statement of Accounts for the year ended 30th June, 1983.

The Commission's statutory role is described in the Rural Finance Act 1958 as follows:-

"... the Commission may, in any case where it thinks that such a course would assist country industry or promote decentralization of industry throughout the State or assist the fishing industry, grant a loan ... to any person or body establishing or carrying on any country industry or a fishing industry ..."

"... where any money is provided from the Public Account for any special purpose, the Treasurer of Victoria may, subject to such directions and conditions as he thinks fit to give or impose, direct the Commission to take charge of the administration of the money for such purpose."

In accordance with the wish of our Minister, the Honourable D.E. Kent, M.L.C., we welcome the opportunity in this year's report to enlarge on the foregoing and provide detail of the Commission's perception of its operating charter and objectives.

As also further detailed in the report, the Commission was responsible for the administration of programs totalling more than \$90M. to provide some measure of relief for people affected by drought and bushfire during the year.

Normal loan programs, however, were also maintained, with outstandings at 30th June, 1983, under this heading at \$170M. It is this important ongoing lending to the rural sector which enables the Commission to provide for its own development and to maintain a capacity to handle special programs for people in need when drought and other disasters occur.

The Commission's total outstandings at 30th June, 1983, were just on \$234M., an increase of \$37M.

The Commission was able to absorb the costs of administering the natural disaster programs without seeking reimbursement from the Government and, even after allowing for these costs, a net profit of more than \$6M. was achieved.

Yours faithfully,

CHAIRMAN.

Commission	I.K. MORTON M. McG. SMITH C.J. FOX	Chairman Member Member
Executive Officers	D.H. LIVINGSTON E.B. CLOSE G.McG. BAKER D.C. GRAHAM R.C. DOUGLAS M. KNIGHT R.J. KNIGHT J.A. EDMONDS S.E. BEAMAN	Manager Administration Executive Officer Secretary Accountant Special Duties Officer Manager, Loans Administration Chief Valuer Manager, Securities Branch Manager, EDP Branch
Regional Officers and Location	I.J. CHARLTON North Western Region	Dunoon's Building Campbell Street, Swan Hill
		31-33 Deakin Avenue, Mildura
	G.E. WALSGOTT North Eastern Region	State Public Offices, Welsford Street, Shepparton
	H.A. FISHER Western Region	T. & G. Building, Liebig Street, Warrnambool
	B.M. DWERRYHOUSE Central Region	Embank House, 325 Collins Street, Melbourne



The Rural Finance Commission — Operating Charter and Objectives

The Rural Finance Commission is an organization operating under various Acts of Parliament as a major Victorian development organization administered by a Commission comprising three persons appointed by the Governor-in-Council.

The Commission's major area of influence is in rural primary production. Complementary secondary industries also qualify for development assistance.

The Commission's main charter is to encourage:—

- a better utilisation and development of the State's rural resources and communities
- stability of rural industry and communities by creating a more economically viable rural sector
- the State's fishing and aquacultural industries
- the State of Victoria as a leading centre for rural production
- the more efficient use of essential farm resources, especially water, both rainfall and irrigation
- changes of land use where economically appropriate with a minimum of social disruption
- development and re-development of particular geographic areas or industries as deemed to be important for State Government objectives

The objectives of the Commission are as follows:—

The main objective of the Commission is to maintain and further enhance its reputation for integrity, energy, co-operation and quality of assistance in the continuing development of the State's abounding rural resources, and to be vigilant in the identification of additional creative opportunities to expand the range of services to a wider circle of recipients.

To this end, the Commission will:-

1. Maintain an efficient, cost effective organization.
2. Ensure financial stability for lenders of funds, government and clients.
3. Maintain accurate records of all transactions.
4. Retain sound commercial relationships with members of the financial community ensuring integrity at all times.
5. Be continuously available as an agent of the State Treasurer to administer at his direction various rural based financial activities and elsewhere as required.
6. Act as a responsible employer, capable of attracting high calibre, multi disciplined staff.
7. Ensure all creditors claims are researched and paid promptly.
8. Maintain frequent, sound contacts with governments, parliamentarians, and rural industry leaders.

To further develop these aims the Commission will:-

1. Promote the services of the Commission to the widest range of recipients and associated organizations.
2. Develop and maintain an information base for the better evaluation of projects.
3. Research and evaluate alternative financial initiatives.
4. Expand the nature and purpose of loans.
5. Ensure the organization is always staffed with competent officers.
6. Provide loan monies to eligible borrowers on two basic premises:-
 - (a) Mortgage loans at suitable terms to finance principal assets.
 - (b) Development or special purpose loans at higher rates to finance assets required for greater financial stability or to increase production.
7. Consider all forms of borrowings to provide an adequate level of funds.
8. Maintain specialized personnel skills and techniques for use by other government departments.



The Commission's responsibilities to its clients are to:-

1. Ensure all potential clients are aware of the services available.
2. Act in a manner designed to generate friendliness, help and confidentiality.
3. Maintain accurate records of commitments, payments and arrears.
4. Ensure that all transactions are legally recorded and the relevant documents maintained in safe custody.
5. Provide a financial advisory service to clients.
6. Act in a consistent manner, assessing each application in turn without prejudice.

Highlights of the Financial Year 1st July 1982, to 30th June, 1983

The year to 30th June 1983 was one of the most difficult yet experienced by Rural Victoria, with severe drought in almost the whole State and disastrous bushfires occurring in many areas. All sectors of the community — primary producers, small businesses and householders — faced economic and social challenges.

Warning signs of the problems ahead for Communities and Industry Groups, Governments and Government Agencies became clear early in the year. With the failure of Autumn and Winter rains in 1982, it became apparent that, if good Spring rains did not fall, savage drought conditions would be experienced with many farmers facing a nil net income position or worse when terms of trade were moving against the farmer.

Drawing on the experiences of previous disasters, Governments acted promptly and effectively. Regular reviews of conditions, in conjunction with various Agencies and Industry Groups, were conducted which enabled the progressive adoption of a range of assistance measures.

In August 1982, the first measures were adopted by the Victorian Government, under natural disaster arrangements with the Commonwealth Government, approving the provision of carry on loans at concessional interest rates for primary producers in drought declared areas as well as subsidies to assist with the transport of stock to agistment and the transport of hay into drought declared areas. The Commission was asked to administer these arrangements.

Following discussions between the Commonwealth and State Governments, a fodder subsidy program was also implemented with effect from 1st September, 1982. The Commission was also asked by the Treasurer to administer this Scheme which was funded by the Commonwealth with the State bearing the costs of administration.

By mid September, loans were extended to cover eligible small businesses and with water shortages becoming serious in many areas, these further measures to be administered by the Commission were adopted:-

- Funding to assist municipalities to sink, equip and man bores or re-equip and man existing bores to provide emergency water.
- Subsidies to meet reasonable costs incurred by farmers to cart water.

Other relief measures subsequently adopted and administered by the Commission as drought problems widened were:-

- Funding to assist municipalities —
 - (a) in opening and operating pits for the slaughter of unsaleable sheep in drought areas
 - (b) with saleyard dues for unsaleable sheep put into a disposal pit
 - (c) with the transport of unsaleable sheep from saleyards to disposal pits
 - (d) with the transport of unwanted sheep from saleyards or disposal pits to rendering works
- Reimbursement of expenditure incurred by municipalities or appropriate agencies —
 - (a) in relation to approved measures to augment water storages or to supply emergency water
 - (b) to transport water to storage or to users
- Subsidies to help commercial apiarists affected by the drought with costs of sugar used to feed bees



At the height of the drought emergency in February a series of disastrous bushfires occurred culminating in that dreadful Ash Wednesday on 16th February.

The Commission, again as Agent for the Treasurer, was asked to administer a number of measures similar to drought relief programs to help bushfire victims. In addition, the provision of special loans to help with new housing and the replacement of other assets was administered by the Commission. Further details of these and other disaster relief measures administered by the Commission for the 1982/83 year are shown later in this report.

The basic objective of programs was to alleviate difficulties in stricken areas and help people to carry on through the disasters and to prepare for recovery. Unfortunately some were beyond the scope of reasonable assistance measures and the best that could be done was to help tide people in such circumstances over the worst, with the hope of better prospects ahead.

The establishment of new procedures and general administration of programs for people in desperate need was a great challenge to the Commission and fully tested its staff and technical resources. Its ongoing loan work had to continue, albeit at a somewhat lower key, but natural disaster programs taking work volumes to four times normal levels could not have been handled without additional temporary staff and a willingness to forgo annual leave plans and to work long hours, including weekends and public holidays.

Through it all, staff developed a closer affinity with those people in the country whom they were trying so hard to serve. While not everyone could receive assistance, it has been very heartening to us to receive so many warm messages of appreciation from country people for the Commission's efforts.

Thankfully, rains came early to Victoria and the seasonal outlook improved dramatically with livestock recovering their condition magnificently by the close of the year and prospects for crops very sound.

While disaster relief work was uppermost in our minds during the year, normal long term lending under Part III of the Rural Finance Act as well as Rural Adjustment Scheme loans and other programs under Commonwealth/State arrangements were again significant, although demand was lower due to the unfavourable conditions.

Particular over-capacity problems in the canning fruit industry continued and special assistance programs were adopted to help with adjustment in this industry. Its problems are continuing and further programs may yet be necessary. The dried fruits industry is also emerging as one likely to face problems in the future.

Apart from being a testing time for staff, the diversity and volume of work coming to us during the year also tested to the limit our EDP facilities and, to provide additional capacity and backup, additional equipment was acquired.

In reviewing performance during the year, it also became appropriate to consider what steps should be taken to ensure that the Commission will have the staff and technical resources to meet the demands of the future for its important ongoing lending and other rural based activities, including emergency relief.

With this in mind, a review and planning program is being taken up in stages with emphasis on future E.D.P., staff and other resource requirements having regard to the Commission's functions as well as short and long term objectives.

In a historical context, the Commission has moved from the emphasis placed on Soldier and Land Settlement activities by predecessor organizations to an authority substantially concerned with the provision of finance to assist the efficiency and development of the rural sector.

While this is the ongoing emphasis, a continuing capacity to administer various special State and Commonwealth programs is regarded as essential, the value of which was highlighted during the 1982/83 year.

These and other issues will be addressed in the corporate planning processes currently in hand.



Rural Finance Commission

Expenditure Approved Under Disaster Relief Programs

The following expenditure under disaster relief programs was approved during the 1982/83 year:-

Type of Assistance	No. of Cases	Amount	
		\$M.	\$M.
Loans			
Drought – Primary Producers	1,517	30.3	
– Small Business	119	3.0	
Bushfire – Primary Producers	179	4.6	
– Housing	450	7.5	
– Small Business	74	1.5	
Other	15	<u>.2</u>	
			47.1
Grants and Subsidies			
Fodder		38.4	
Other		<u>4.9</u>	
			<u>43.3</u>
			<u>90.4</u>

Other Special Purpose Programs

Other special purpose programs were administered by the Commission and particulars of amounts approved are:

Program	No. of Cases	Amount
		\$
Salinity Works	54	880,000
Soil and Water Improvement	27	138,000
Other	3	141,000
Canning Fruit Tree Pull	39	<u>452,000</u>
	<u>123</u>	<u>1,611,000</u>

Loans for the Rural Sector

In accordance with its charter, derived from Part III of the Rural Finance Act, loans are provided by the Commission for farmers and other country industries.

Funds for these loans are provided from interest and loan repayments from borrowers as well as loan raisings from Government and market sources.

Loans approved totalled \$15.2M during 1982/83 including the loans for salinity works and \$411,000 provided to help young farmers to become established in farming. While conditions generally were not conducive to people, especially young people, taking on their first farm projects, it is expected some increased demand for this lending will occur again in 1983/84 with more favourable farming conditions.

Finance for young people is provided in three categories. Loans are available to help with the purchase of Stock and Equipment and to cover "Deposit Gap" requirements. Young people may also qualify for "Stepping Stone" finance to help them acquire a modest farm property as a first step before moving to a more commercial venture.

Rural Adjustment Scheme

Rural Adjustment programs are administered by the Commission in Victoria and are funded through the State Treasury by the Commonwealth.

Loans are provided to build up the size of farms to more viable units as well as to assist with farm improvement works and, in appropriate circumstances, to help with the reconstruction of debts. Other special help may be provided under the heading of Household Support to assist farmers who may wish to move out of the industry with living expenses.

During 1982/83, Rural Adjustment Scheme assistance totalled more than \$4M including carry on loans for canning fruit growers.



OTHER ACTIVITIES

- Soldier Settlement** The Soldier Settlement Program involved a total outlay of almost \$100 million over a period of years and 5,956 settlers participated. During the 1982/83 year, a further 54 settlers completed full repayment of their liabilities to the Commission taking the total number of settlers to have done this to 4,686. Repayments for the year were \$900,000 and a total of \$14M remained outstanding at 30th June 1983.
- Land Settlement** The Commission finalized the sale of a further 17 properties involving 1,487 hectares at Heytesbury during the year. The total sale value of these properties was \$2,104,000 and further sales are planned for 1983/84. The disposal of this land is carried out in accordance with statutory provisions and involves notice being given to the public of the availability of land and opportunities given for offers to be made for the purchase of properties.
- Rural Finance Insurance Fund** At 30th June 1983, the value of improvements insured was \$153.4M and insurance fund reserves were increased by \$30,000 to \$2.83M during the year.
- Acknowledgements** The Commission is again very appreciative of the co-operation and assistance it has received from Banking Organizations, Pastoral Houses, Primary Producer Groups, both State and Commonwealth Government Departments, and other professional people. The importance of sound working relations with these Groups has been highlighted many times and is often so necessary if rural borrowers are to achieve the best possible package of assistance. Advice we have been given by Mr. G.E. McGuiness has been most helpful in corporate planning activities and we are appreciative of his efforts. The Commission also wishes to record its gratitude for the support given by staff at all levels during the year. As previously noted, 1982/83 was a very demanding year for staff and their willingness to serve well beyond normal requirements is very gratifying to us.

I.K. MORTON

– Chairman

M.McG. SMITH

– Member

C.J. FOX

– Member

Rural Finance Fund Balance Sheet as at 30th June, 1983

	1982	1983
	\$	\$
RURAL FINANCE FUND (<i>see Note 2</i>).....	<u>59,002,881</u>	<u>60,863,775</u>
Represented by:-		
Current Assets		
Cash at Bank and at State Treasury	155,119	392,808
Investments at cost maturing within one year (<i>see Note 4a</i>)	9,872,073	21,381,982
Prepayments and Miscellaneous Debtors (<i>see Note 3</i>)	10,102	27,472
Debtors for Insurance Premiums	29,015	37,437
Interest Due and Accrued	<u>5,060,639</u>	<u>7,529,256</u>
	15,126,948	29,368,955
Investments at cost maturing beyond one year (<i>see Note 4a</i>)	<u>5,528,138</u>	<u>1,398,547</u>
Other Assets		
Debtors for Loans less Provision for Doubtful Debts (<i>see Note 5</i>)	162,458,612	199,462,848
Amount due under Contract of Sale	17,521	6,062
Residences, Office Equipment & Motor Vehicles at cost less Depreciation (<i>see Note 6</i>)	<u>406,813</u>	<u>578,948</u>
	<u>162,882,946</u>	<u>200,047,858</u>
TOTAL ASSETS	<u>183,538,032</u>	<u>230,815,360</u>
Less:		
Current Liabilities and Provisions		
Sundry Creditors and Amounts in Suspense (<i>see Note 7</i>)	648,620	858,309
Interest Accrued on Loan Liabilities	2,189,234	2,289,784
Insurance Claims Admitted but not Paid	43,966	162,981
Loan Liabilities Payable within 1 year (<i>see Note 8</i>)	3,862,378	5,283,737
Provision for Long Service Leave	575,486	571,459
Provision for Superannuation	<u>5,192,438</u>	<u>5,639,237</u>
	12,512,122	14,805,507
Rural Finance Insurance Fund (<i>see Note 10</i>)	<u>2,772,316</u>	<u>2,833,066</u>
Non Current Liabilities		
Loan Liabilities (<i>see Note 8</i>)	103,840,096	144,169,960
Other Advances (<i>see Note 9</i>)	<u>5,410,617</u>	<u>8,143,052</u>
	109,250,713	152,313,012
TOTAL LIABILITIES	<u>124,535,151</u>	<u>169,951,585</u>
NET ASSETS	<u>59,002,881</u>	<u>60,863,775</u>



The accompanying notes form part of these accounts.

D.H. LIVINGSTON, Manager Administration

D.C. GRAHAM, Accountant

The above accounts of the Rural Finance Commission in respect of the Rural Finance Fund for the year ended 30th June, 1983 have been prepared at our direction and to the best of our belief are correct.

I.K. MORTON, Chairman

M.McG. SMITH, Member

C.J. FOX, Member

DEPUTY AUDITOR-GENERAL'S REPORT

The books and accounts of the Rural Finance Commission in respect of the Rural Finance Fund have been audited as required by sub-section (1) of Section 27 of the Rural Finance and Settlement Commission Act 1961.

In my opinion, the balance sheet and profit and loss account which have been prepared under the historical cost convention as stated in note 1 are properly drawn up so as to give a true and fair view of the state of the affairs of the Rural Finance Fund as at 30th June, 1983 and of the financial operations for the year then ended.

A.M. MEGGS,
Deputy Auditor-General.
4/11/1983

Rural Finance Fund

Profit and Loss Account for year ended 30th June, 1983

	1982	1983
	\$	\$
Interest Earned on Loans	15,199,852	18,232,737
Interest Earned on Investments (<i>see Note 4b</i>)	1,056,317	1,318,287
Other Income	488,406	465,182
Total Income	<u>16,744,575</u>	<u>20,016,206</u>
Less: Interest Paid and Payable	7,737,627	8,306,708
Salaries (<i>see Note 13</i>)	1,713,864	2,252,073
Other Administration Costs (<i>see Notes 11, 12 & 13</i>)	1,386,183	2,271,100
Discounts and Expenses on Loans	26,115	57,794
Provision for Doubtful Debts	389,562	1,099,489
	<u>11,253,351</u>	<u>13,987,164</u>
Operating Profit for Year	<u>5,491,224</u>	<u>6,029,042</u>
Net Profit for Year Transferred to Appropriation Account	<u>5,491,224</u>	<u>6,029,042</u>

Profit and Loss Appropriation Account for year ended 30th June, 1983

	1982	1983
	\$	\$
Balance 1st July, 1982	21,463	20,324
Add:- Net Profit for Year	5,491,224	6,029,042
Amount provided by Consolidated Fund pursuant to Act 6846 Sec. 25 (5) as amended	316,759	305,316
Transfer from General Reserve	450,000	-
	<u>6,279,446</u>	<u>6,354,682</u>
Less:- Costs of Administration for Soldier and Land Settlement	550,543	501,055
National Debt Sinking Fund Contribution	70,698	70,698
Provision for Long Service Leave attributable to former years	437,881	-
Provision for Doubtful Debts in respect of former years for Natural Disaster Loans (<i>see Note 1(d)</i>)	-	103,458
Transferred to Loan Equalization Account	5,200,00	5,650,000
	<u>6,259,122</u>	<u>6,325,211</u>
Balance 30th June, 1983	<u>20,324</u>	<u>29,471</u>



Rural Finance Fund
Statement of Sources and Applications of Funds (see Note 1 (a))
for the year ended 30th June, 1983

SOURCES OF FUNDS	\$	\$
Advances from Treasurer of Victoria		
Special Appropriation pursuant to Sec. 25 (5) Rural Finance and Settlement Commission Act.....	305,316	
Government Agency Advances		
- General	322,000	
- Soil and Water.....	200,000	
Drawings from Natural Disaster Relief Account		
- Drought.....	34,660,000	
- Bushfire.....	3,325,170	
- Miscellaneous.....	235,766	
Loans Part III Rural Finance Act.....		
- General.....	200,000	
- Young Farmer Finance.....	1,850,000	
- Salinity	470,000	
	<u>41,568,252</u>	
Advances from Commonwealth Government		
Natural Disaster - Fodder Subsidy Scheme.....	41,663,000	
Rural Adjustment Scheme.....	3,896,123	
Canning Fruit Growers Carry-on Advances.....	167,750	
Canning Fruit Growers Tree Pull Advances	470,000	
Apple & Pear Assistance Advances	43,333	
	<u>46,240,206</u>	
Issue of Inscribed Stock.....		1,500,000
Principal and Interest Receipts from Borrowers.....		30,668,111
Interest on Investments (inc. Surpluses at Maturity)		2,714,189
Insurance Premiums Received	360,224	
Less: Fire Authority Contributions	133,173	
		<u>227,051</u>
Fees etc. received.....		227,969
Movement in Interest Bearing Deposits with Commission... ..		83,928
Movement in Suspense and Miscellaneous Items (net)		889
TOTAL		<u><u>123,230,595</u></u>
 THESE FUNDS WERE APPLIED AS FOLLOWS:		
Increase in Cash and Investments		7,617,521
In payment of Interest and Debt Charges and repayment of principal and interest under various agreements		13,360,300
In making Loans to Borrowers (see Note 14).....		53,254,116
In paying Subsidies (see Note 14)		43,308,472
In meeting Administration Costs (inc. payments in respect to Long Service Leave and Superannuation)		5,348,256
In paying Insurance Claims.....		341,930
TOTAL		<u><u>123,230,595</u></u>

Rural Finance Fund

Notes to and forming part of the accounts of the Rural Finance Commission in respect of the Rural Finance Fund for the year ended 30th June, 1983.

I. Accounting Policies

- (a) The accompanying financial statements with the exception of the Statement of Sources and Applications of Funds have been prepared in accordance with historical cost principles using the accrual basis, but modified as necessary in the case of State Government Agency and Carry On Schemes where the agreements under the scheme have been negotiated on a cash basis. The Statement of Sources and Applications of Funds has been prepared on a cash basis.

No significant changes in accounting policies have been made in the year, with the exception of the treatment of advances of funds by the State Government for carry-on loans to primary producers and others under the Natural Disaster Arrangements with the Commonwealth Government (see Notes (c) & (d) below).

- (b) Depreciation is provided for fixed assets at varying rates so as to write the asset off over its anticipated useful life. Office Furniture and Fittings are written off in the year of their acquisition.
- (c) Provision for Doubtful Debts for loans made under Part 3 of the Rural Finance Act have been charged against profits. The provision for Doubtful Debts in respect of Natural Disaster Loans are also now being charged against profits instead of against the non-repayable portion of advances as in previous years. Amounts calculated at the rate of 3% of debtors for loans outstanding in respect of Rural Adjustment, and Rural Reconstruction Schemes have been provided for doubtful debts and off-set against the non repayable portion of Commonwealth Advances in respect of those schemes. No provision has been made in respect of remaining schemes.

Bad Debts written off during the year amounted to \$10,065.

- (d) The Hon. the Treasurer of Victoria has ruled that the Commission be required to repay advances made by the State in respect of Natural Disaster Schemes. This ruling has involved changes in the composition of the amounts as at 30th June 1983 in respect of "Rural Finance Fund", "Loan Liabilities", and "Other Advances". The estimated provision for Doubtful Debts in respect of loans outstanding by borrowers of the Commission for Natural Disaster Schemes as at 30th June, 1982 has been charge against Profit and Loss Appropriation Account in the year ended 30th June, 1983.



Rural Finance Commission

2. Rural Finance Fund	The Fund comprises the following:-	1982	1983
		\$	\$
	General Reserve	2,606,357	2,945,183
	National Debt Sinking Fund Equity.	5,568,384	5,966,670
	Loan Equalization Account.....	17,430,000	23,080,000
	Profit and Loss Appropriation Account	20,324	29,471
	Non Repayable Portion of Advances from Commonwealth and State Governments -		
	Dairy Adjustment Program** ...	4,404,373	4,384,373
	Rural Reconstruction Scheme**..	16,340,238	16,334,238
	Rural Adjustment Scheme** ...	5,395,713	5,950,625
	Natural Disaster Schemes	5,629,640	-
	Carry On Schemes - Beef	1,387,351	1,632,918
	- Dairy Adjustment	1,951,533	2,120,835
	- Wine Grape Growers	6,323	7,530
	- Fruit Growers.....	-	2,877
		35,115,171	30,433,396
	Less: Provision for Doubtful Debts other than from Profits as indicated**	1,737,355	1,590,945
		33,377,816	28,842,451
		59,002,881	60,863,775
3. Prepayments and Miscellaneous Debtors	Other Debtors	1982	1983
		\$	\$
	Salaries in Advance.....	6,672	21,943
		3,430	5,529
		10,102	27,472

4a. Investments

Investments were held in the following approved securities as at 30th June, 1983 including investments maturing under one year totalling \$21,381,982 (1982 – \$9,872,073):–

	1982 \$	1983 \$
Deposits with Authorized Dealers – Short Term		
Money Market	500,000	2,050,000
Deposits with Victorian Development Fund.	–	5,550,000
Deposits with Banks	3,150,000	9,650,000
Commonwealth Inscribed Stock.	97,170	–
Inscribed Stock Victorian Semi-Government Authorities	11,580,056	5,472,112
SEC Extension Deposits	72,985	58,417
	<u>15,400,211</u>	<u>22,780,529</u>

These Investments were made on account of the following:–

Provision for Long Service Leave	575,486	571,459
Provision for Superannuation	5,192,438	5,639,237
General Reserve.	2,606,357	2,945,183
Rural Finance Insurance Fund.	2,772,316	2,833,066
	<u>11,146,597</u>	<u>11,988,945</u>
Temporary Investments.	4,253,614	10,791,584
	<u>15,400,211</u>	<u>22,780,529</u>

4. Interest Earned on Investments

Interest Earned on Investments	2,326,845	2,759,668
	<u>2,326,845</u>	<u>2,759,668</u>

Interest has been apportioned as follows:–

Provision for Long Service Leave	18,636	68,881
Provision for Superannuation	593,262	675,017
General Reserve.	343,322	338,826
Rural Finance Insurance Fund.	315,308	358,657
Rural Finance Fund (Temporary Investments)	1,056,317	1,318,287
	<u>2,326,845</u>	<u>2,759,668</u>

5. Debtors for Loans

Balance owing by borrowers for loans made by the Commission through the Rural Finance Fund were as follows:–

	1982 \$	1983 \$
Rural Finance Act Part III.	103,660,334	112,498,558
Rural Finance Act Part IV.	8,032	6,187
Rural Reconstruction Scheme.	19,089,965	17,354,382
Dairy Adjustment Program – Vats	1,147,393	483,439
– Carry on.	566,922	32,484
– Other	4,270,100	3,775,149
Rural Adjustment Scheme	30,048,246	31,879,932
Beef Industry Assistance Carry on Scheme.	1,175,463	684,329
General Government Agency Schemes	2,909,365	2,857,492
Natural Disaster Schemes.	3,342,189	34,544,388
Fruitgrowing Reconstruction Schemes.	309,728	460,260
	<u>166,527,737</u>	<u>204,576,600</u>
Less Provision for Doubtful Debts	4,069,125	5,113,752
	<u>162,458,612</u>	<u>199,462,848</u>



Rural Finance Commission

6. Residences, Office Equipment, and Motor Vehicles

	Cost	Accumulated Depreciation	Balance
	\$	\$	\$
Residences	215,755	70,688	145,067
Office Equipment	870,214	558,455	311,759
Motor Vehicles	133,952	11,830	122,122
	<u>1,219,921</u>	<u>640,973</u>	<u>578,948</u>

Depreciation for the year 1982/83 amounting to \$112,972 was charged against profits under the heading of Other Administration Costs.

7. Sundry Creditors and Amounts in Suspense

	1982	1983
	\$	\$
Creditors for Administration Costs and Accrued Expenses	63,822	294,150
Interest Bearing Deposits from Borrowers	14,225	98,153
Amounts due to Commonwealth in respect of Carry on and other schemes	250,227	136,963
Amounts in Suspense	<u>320,346</u>	<u>329,043</u>
	<u>648,620</u>	<u>858,309</u>

8. Loan Liabilities including amounts payable within one year amounting to \$5,283,737 (1982 \$3,862,378)

	1982	1983
	\$	\$
Inscribed Stock issued by the Commission. . . .	5,489,904	6,906,208
Liabilities to the Treasurer of Victoria for:-		
Advances under Rural Finance Act repayable through the National Debt Sinking Fund** . . .	22,921,358	22,574,865
Other Advances repayable by Fixed Instalments:-		
Rural Finance Act	12,636,047	15,094,511
Natural Disaster Schemes*	1,609,059	39,935,233
Dairy Adjustment Program	7,579,145	6,544,778
Rural Reconstruction Scheme	27,313,542	25,693,279
Rural Adjustment Scheme	<u>30,153,419</u>	<u>32,704,823</u>
	<u>107,702,474</u>	<u>149,453,697</u>

* See also Note 1(d).

** Details of the Loan Liability repayable through the National Debt Sinking Fund are as follows:-

	\$
Advances by Treasurer of Victoria under the Rural Finance Act	28,143,518
Add: Discounts and Expenses on Loans to 30th June, 1983 . . .	<u>398,017</u>
	<u>28,541,535</u>
Less:- Securities redeemed and purchased through the National Debt Sinking Fund to 30th June, 1983	5,960,711
Cash held in National Debt Sinking Fund at 30th June, 1983	<u>5,959</u>
	<u>5,966,670</u>
Net Liability	<u>22,574,865</u>

9. Other Advances Repayments to the Treasurer of Victoria for the following are based upon repayments from borrowers, with the exception of Miscellaneous Advances and Natural Disaster Advances which are advances held for current relief schemes which had not been expended as at 30th June, 1983.

	1982	1983
	\$	\$
Farmers' Debt Adjustment Act 1935	8,032	6,187
General Government Agency Schemes.....	2,779,081	2,674,353
Dairy Adjustment Program Carry on Loans	566,922	32,484
Beef Industry Assistance Carry on Loans	1,175,463	684,329
Wine Grape Growers Carry on Loans	5,825	3,090
Rural Adjustment Scheme Household Support. . .	-	28,964
Fruitgrowers Carry on Loans	-	127,338
Fruitgrowing Reconstruction Schemes.....	309,728	460,260
Miscellaneous Advances	-	3,281,434
Natural Disaster Advances***	565,566	844,613
	<u>5,410,617</u>	<u>8,143,052</u>

***See also Note 1(d).

10. Rural Finance Insurance Fund

Details of the operations of the fund are as follows:-

	1982	1983
	\$	\$
Balance 1st July, 1982	2,495,710	2,772,316
Add:- Premiums Receivable.....	351,814	356,172
Interest on Investments	315,308	358,657
	<u>3,162,832</u>	<u>3,487,145</u>
Less:- Claims Admitted.....	179,903	458,324
Fire Authority Contributions	133,861	133,173
Administration Costs.....	76,752	73,853
	<u>390,516</u>	<u>665,350</u>
	2,772,316	2,821,795
Add:- Claims Recovered.....	-	11,271
Balance 30th June, 1983.....	<u>2,772,316</u>	<u>2,833,066</u>

11. Provision for Long Service Leave

The provision for long service leave is based upon the contingent liability of all officers with an entitlement to long service leave as at 30th June, 1983. An amount of \$28,347 was charged against profits under the heading of Other Administration Costs.

12. Provision for Superannuation

An amount of \$453,805 was provided in the year and charged against profits under the heading of Other Administration Costs.

13. Administration Costs

The administration costs of all schemes and funds including those administered on behalf of the Treasurer pursuant to Section 35 of the Rural Finance Act are met by the Commission through the Rural Finance Fund. Under the various Commonwealth/State arrangements the administration costs of carry-on schemes are recouped from repayments by borrowers, and a small recoup is received each year (38,630 in 1982/83) from the Commonwealth towards Rural Adjustment Scheme administration costs, but apart from these amounts the full costs of administration of all funds are borne by the Commission. The allocation of administration costs over the various schemes is as follows:-



Rural Finance Commission

	1982	1983
	\$	\$
Rural Finance General Business	1,339,118	1,120,577
General State Government Agency Schemes...	108,278	95,894
Rural Adjustment Scheme	564,923	550,363
Rural Reconstruction Scheme	333,390	246,280
Natural Disaster Schemes	239,872	1,597,912
Dairy Adjustment Program	221,306	176,610
Commonwealth/State Carry-on Schemes	293,160	266,715
Commonwealth Drought Fodder Subsidies ...	-	468,822
Total Administration Costs Rural Finance Fund.	<u>3,100,047</u>	<u>4,523,173</u>

14. Loans to Borrowers

Loans advanced to borrowers during 1982/83 were made under the following Schemes:-

	\$	\$
Rural Finance		
General Business	15,031,904	
Young Farmers Finance	<u>1,061,305</u>	
		16,093,209
General State Government Agency		469,291
Natural Disaster		
Drought 1982	29,042,705	
Bushfire 1983	3,222,469	
Other	<u>234,575</u>	
		32,499,749
Rural Adjustment		3,604,701
Canning Fruit Growers		<u>587,166</u>
		<u>53,254,116</u>

Subsidies Paid

The subsidies that were paid under the various Natural Disaster Schemes in 1982/83 were:-

	\$
Drought 1982 Fodder Subsidies	38,432,150
Drought 1982 Other	4,743,243
Bushfire 1983	<u>133,079</u>
	<u>43,308,472</u>

15. Contingent Liabilities

(a) Loan Commitments

The Commission has a commitment to clients in respect of loans approved but not yet paid out of \$22,365,358.

(b) Leases

The Commission has a contingent liability in the form of leases over premises it occupies in Melbourne, Swan Hill, Warrnambool and Mildura which total \$388,639 for the year ending 30th June 1984. This sum does not include amounts that are normally payable in respect of premises the Commission occupies at Shepparton and Camperdown over which no formal leases apply. The terms of the formal leases vary from six years with two yearly reviews down to less than a full year.

Soldier Settlement Balance Sheet as at 30th June, 1983

	1982 \$	1983 \$
ACCUMULATED DEFICIENCY (<i>See Note 2</i>).....	<u>34,234,081</u>	<u>34,796,058</u>
Represented by:-		
Liabilities		
Liability to Treasurer of Victoria (<i>see Note 3</i>)	5,276,138	4,624,821
Loan Liability to Commonwealth Government.....	10,951,704	10,733,053
Amounts provided for Interest and Costs of Administration (<i>see Note 4</i>).....	<u>32,971,214</u>	<u>33,532,144</u>
TOTAL LIABILITIES	<u>49,199,056</u>	<u>48,890,018</u>
Less:- Assets		
Debtors for Loans and Advances (<i>see Note 5</i>).....	14,857,933	13,997,715
Interest Due and Accrued	93,177	93,538
Cash at Bank due to Treasurer of Victoria	<u>13,865</u>	<u>2,707</u>
TOTAL ASSETS	<u>14,964,975</u>	<u>14,093,960</u>
NET LIABILITIES	<u>34,234,081</u>	<u>34,796,058</u>



Rural Finance Commission

The accompanying notes form part of these accounts.

D.H. LIVINGSTON, Manager Administration

D.C. GRAHAM, Accountant

The above accounts of the Rural Finance Commission in respect of Soldier Settlement for the year ended 30th June, 1983 have been prepared at our direction and to the best of our belief are correct.

I.K. MORTON, Chairman

M. McG. SMITH, Member

C.J. FOX, Member

DEPUTY AUDITOR-GENERAL'S REPORT

The books and accounts of the Rural Finance Commission in respect of Soldier Settlement have been audited as required by sub-section (1) of Section 27 of the Rural Finance and Settlement Commission Act 1961.

In my opinion, the balance sheet and profit and loss account which have been prepared under the historical cost convention as stated in note 1 are properly drawn up so as to give a true and fair view of the state of the affairs of Soldier Settlement as at 30th June, 1983 and of the financial operations for the year then ended.

A.M. MEGGS,
Deputy Auditor-General.
4/11/1983

Soldier Settlement
Profit and Loss Account for year ended 30th June, 1983

	1982	1983
	\$	\$
Interest Earned.....	306,141	280,435
Fees and Charges.....	5,422	3,616
Total Income.....	<u>311,563</u>	<u>284,051</u>
Less:- Interest on Loan Liabilities (net)	566,849	602,588
Costs of Administration	265,760	243,440
Discounts and Expenses on Renewal Loans.....	1,314	-
	<u>833,923</u>	<u>846,028</u>
Net Loss Transferred to Profit and Loss Appropriation Account ...	<u>(522,360)</u>	<u>(561,977)</u>

Profit and Loss Appropriation Account for year ended 30th June, 1983

	1982	1983
	\$	\$
Accumulated Deficiency 1st July, 1982.....	33,711,721	34,234,081
Add:- Net Loss for Year	<u>(522,360)</u>	<u>(561,977)</u>
ACCUMULATED DEFICIENCY 30th JUNE, 1983	<u>34,234,081</u>	<u>34,796,058</u>



Notes on Soldier Settlement Financial Statements 1982-83

Notes to and forming part of the accounts of the Rural Finance Commission in respect of Soldier Settlement for the year ended 30th June, 1983.

1. Accounting Policies

- (a) The accompanying financial statements have been prepared in accordance with historical cost principles using the accrual basis. The Commission's equity in the National Debt Sinking Fund in respect of Soldier Settlement has not been taken into account in these statements.
- (b) Settlement under the provisions of the Soldier Settlement Act has been completed for a number of years and administration by the Rural Finance Commission is confined to collection of liabilities.
- (c) Having regard to the increase in farming land values since Purchase Lease liabilities were established and Single Unit loans were made it has not been considered necessary to make any provision for doubtful debts.

2. Accumulated Deficiency

The Accumulated Deficiency is due mainly to the provisions of the agreement between the Commonwealth and the State of Victoria and of State Legislation designed to assist the establishment of discharged soldiers on the land. The effect of these provisions is as follows:-

(a) Remissions of Rent and Interest – During the early stages of occupation referred to in the agreement as the Assistance Period, all interest and rent charges were remitted. The cost was shared equally by the Commonwealth and State Governments. The total State share included in the Accumulated Deficiency is:-	\$	
		378,359
(b) The Act fixed the rate of interest to be charged to settlers at 2% per annum. Having regard to the interest rate payable on loan moneys the reduced rate is estimated to be a statutory concession of:-		23,438,939
(c) The costs of administration of the Acts have also been borne by the State directly or from 1st July, 1963 through the Rural Finance Fund. Costs to date are:-		<u>10,502,490</u>
Estimated Total Cost of Concessions		34,319,788
Add: Capital Expenses not borne by estates		<u>1,352,282</u>
		<u><u>35,672,070</u></u>

The above amount has been partially off set by the net profit on past operations to give a total net deficiency of \$34,796,058.

3. Liability to
Treasurer of
Victoria

The Liability consists of amounts as detailed below:		1982	1983
		\$	\$
Amounts Advanced		<u>116,891,334</u>	<u>116,891,334</u>
Less:- Amounts transferred and Borne by State under Section 53 of the Soldier Settlement Act 1958 reduced by amounts received from the Commonwealth Government for Capital Contributions		22,922,413	22,922,413
Repayments.....		<u>88,695,947</u>	<u>89,347,193</u>
		<u>111,618,360</u>	<u>112,269,606</u>
		5,272,974	4,621,728
Add:- Liability for Crown Lands Taken Over. . .		3,093	3,093
Amount due to Assurance Fund		71	-
Net Liability.....		<u><u>5,276,138</u></u>	<u><u>4,624,821</u></u>

4. Amounts Provided
for Interest
and Costs of
Administration

Details are as follows:-		1982	1983
		\$	\$
Amounts Provided by Consolidated Fund for Costs of Administration to 30th June, 1963 and for Interest charges less repayments of interest and other income to the Fund as at 30th June, 1982		27,633,161	27,864,196
Add:- Interest on Loan Liabilities for year . . .		<u>566,849</u>	<u>602,588</u>
		<u>28,200,010</u>	<u>28,466,784</u>
Less:- Interest and fees received from debtors and paid to the Treasurer of Victoria for the year		335,814	285,098
		<u>27,864,196</u>	<u>28,181,686</u>
Costs of Administration met from the Rural Finance Fund since 1st July, 1963 as at 30th June, 1982		4,841,258	5,107,018
Administration Costs provided from Rural Finance Fund for the Year		<u>265,760</u>	<u>243,440</u>
		<u><u>32,971,214</u></u>	<u><u>33,532,144</u></u>



Rural Finance Commission

5. Debtors for Loans	1982		1983
	\$	\$	\$
Settlers' Liabilities under Purchase Leases.....		6,863,539	
Less:- Settlers' Credit Accounts..		<u>155,090</u>	
	7,538,266		6,708,449
Settlers' Liabilities for Purchases Leases converted to Mortgages under Section 67A of the Soldier Settlement Act 1958	4,932,276		5,077,898
Settlers' Liabilities under Mort- gages pursuant to Part VII of the Soldier Settlement Act 1958 (Single Unit Loans)		2,251,524	
Less:- Mortgagors' Credit Accounts		<u>40,156</u>	
	2,385,824		2,211,368
Settlers' Liabilities on Advances made for Stock, Plant and Equipment	<u>1,567</u>		-
	<u>14,857,933</u>		<u>13,997,715</u>

Land Settlement Balance Sheet as at 30th June, 1983

	1982	1983
	\$	\$
ACCUMULATED DEFICIENCY (<i>see Note 2</i>)	<u>4,271,448</u>	<u>2,659,705</u>
Represented by:-		
Liabilities		
Liability to Treasurer of Victoria (<i>see Note 8</i>)	15,691,100	13,949,483
Amounts Provided for Interest and Costs of Administration (<i>see Note 9</i>) . . .	<u>9,647,509</u>	<u>9,254,019</u>
TOTAL LIABILITIES	<u>25,338,609</u>	<u>23,203,502</u>
Less:- Assets		
Debtors for Loans (<i>see Note 3</i>)	15,395,183	15,800,908
Interest Due and Accrued	285,486	342,537
Cash at Bank due to Treasurer of Victoria	45,007	2,517
Livestock Proceeds held in Treasury Trust Fund	938,411	855,610
Land and Improvements at Cost.	4,051,234	3,258,096
Working Plant, and Vehicles at Cost less Depreciation (<i>see Note 4</i>) .	48,895	56,259
Livestock at Valuation (<i>see Note 5</i>)	<u>302,945</u>	<u>227,870</u>
TOTAL ASSETS	<u>21,067,161</u>	<u>20,543,797</u>
NET LIABILITIES	<u>4,271,448</u>	<u>2,659,705</u>



The accompanying notes form part of these accounts.

D.H. LIVINGSTON, Manager Administration

D.C. GRAHAM, Accountant

The above accounts for the Rural Finance Commission in respect of Land Settlement for the year ended 30th June, 1983 have been prepared at our direction and to the best of our belief are correct.

I.K. MORTON, Chairman

M. McG. SMITH, Member

C.J. FOX, Member

DEPUTY AUDITOR-GENERAL'S REPORT

The books and accounts of the Rural Finance Commission in respect of Land Settlement have been audited as required by Sub-section (1) of Section 27 of the Rural Finance and Settlement Commission Act 1961.

In my opinion, the balance sheet and profit and loss account which have been prepared under the historical cost convention as stated in note 1 are properly drawn up so as to give a true and fair view of the state of the affairs of Land Settlement as at 30th June, 1983 and of the financial operations for the year then ended.

A.M. MEGGS,
Deputy Auditor-General.
4/11/1983

Land Settlement

Profit and Loss Account for the year ended 30th June, 1983

	1982	1983
	\$	\$
Interest and Other Income earned	894,029	1,018,407
Profit on Livestock Trading (<i>see Note 6</i>)	229,515	220,031
Surplus on Sale of Land (<i>see Note 7</i>)	<u>1,234,106</u>	<u>1,328,281</u>
Total Income	<u>2,357,650</u>	<u>2,566,719</u>
Less:- Interest on Loan Liability (Net)	786,941	661,821
Costs of Administration	284,783	257,615
Discounts and Expenses on Renewal Loans	<u>19,827</u>	<u>35,540</u>
	<u>1,091,551</u>	<u>954,976</u>
Net Profit for Year Transferred to Profit and Loss		
Appropriation Account	<u>1,266,099</u>	<u>1,611,743</u>

Profit and Loss Appropriation Account for year ended 30th June, 1983

	1982	1983
	\$	\$
Accumulated Deficiency 1st July, 1982	5,537,547	4,271,448
Less:- Net Profit for Year	<u>1,266,099</u>	<u>1,611,743</u>
ACCUMULATED DEFICIENCY 30th JUNE, 1983	<u>4,271,448</u>	<u>2,659,705</u>



Notes on Land Settlement Financial Statement 1982-83

Notes to and forming part of the accounts of the Rural Finance Commission in respect of Land Settlement for the year ended 30th June, 1983.

1. Accounting Policies

- (a) The accompanying financial statements have been prepared in accordance with historical cost principles using the accrual basis.
- (b) Depreciation on Land Settlement assets is provided for at various rates so as to write off the asset over its useful life.
- (c) Settlement under the Land Settlement Act has ceased for the time being. By legislation alternative procedures for the disposal of land developed for settlement have been available to the Rural Finance Commission since 1977. Under these procedures land has been disposed of by way of sale by tender (Refer Note 7). Pending disposal, livestock operations are being carried out on the land (Refer Note 6).
- (d) Having regard to the increase in farming land values since Purchase Lease liabilities were established, and to the 40% deposit required in respect to land sold by the Commission it has not been considered necessary to make any provision for doubtful debts.

2. Accumulated Deficiency

The Accumulated Deficiency shown has been mainly brought about by the provisions of the Land Settlement Act 1959 which was designed to establish settlers on the land. The concessional interest fixed by the Act to apply to a settlers liability under Purchase Lease has been insufficient to meet the cost of money borrowed and the administration costs applicable. Estimated cost of concessions to date are as follows:—

Interest Concessions – the net loss on account of interest since 1st July, 1966 amounts to:—	5,994,770
The costs of administration of the Act borne by the State directly or since 1st July, 1963 through the Rural Finance Fund amounts to:—	<u>5,321,217</u>
Total Estimated Cost of Concessions	<u><u>11,315,987</u></u>

These concessions have been mostly off set by profits on livestock operations and sale of land resulting in a net deficiency of \$2,659,705.

3. Debtors for Loans

	1982	1983
	\$	\$
Settlers' Liabilities under Purchase Leases. . . .	9,819,688	9,125,905
Less:- Settlers' Credit Accounts.	<u>136,661</u>	<u>116,955</u>
	9,683,027	9,008,950
Settlers' Liabilities under Purchase Leases Converted to Mortgages under Section 23(2) of the Land Settlement Act 1959.	660,994	694,480
Settlers' Liabilities for Advances made for Stock, Plant, and Improvements.	39,784	18,664
Amounts due from Purchasers of Land under Contracts of Sale	2,350,717	3,369,984
Amounts due from Purchasers of Land under Mortgages.	<u>2,660,661</u>	<u>2,708,830</u>
	<u>15,395,183</u>	<u>15,800,908</u>

4. Working Plant, and Materials

	Cost	Accumulated Depreciation	Balance
	\$	\$	\$
Motor Vehicles	67,108	33,098	34,010
Plant & Equipment	<u>67,930</u>	<u>45,681</u>	<u>22,249</u>
	<u>135,038</u>	<u>78,779</u>	<u>56,259</u>

Depreciation for the year 1982/83 amounting to \$14,008 was charged against Livestock Trading.

5. Livestock at Valuation

Cattle have been valued at a consistent level at the beginning and end of the financial year. Rates adopted are \$10 per head in respect of calves, and \$55 per head in respect of all other cattle. Cattle on hand as at 30th June, 1983 were as follows:-

		\$
1,491	Calves @ \$10	14,910
<u>3,872</u>	Cattle @ \$55	<u>212,960</u>
<u>5,363</u>		<u>227,870</u>

6. Profit on Livestock Trading

Operating details of Livestock Trading are as follows:	1982	1983
	\$	\$
Sales	<u>1,016,443</u>	<u>931,148</u>
Gross Profit.	909,878	847,011
Less:- Operating Expenses.	<u>680,363</u>	<u>626,980</u>
Net Profit for Year	<u>229,515</u>	<u>220,031</u>

Operating Expenses include the cost of pasture and property maintenance which in the year amounted to \$300,829 (1982 \$336,929). Proceeds received from cattle sales are paid to the Treasurer of Victoria, firstly in repayment of loan funds advanced for livestock operations and secondly as general revenue.



Rural Finance Commission

7. Surplus on Sale of Land

Sales of land finalised during the year at Heytesbury under Sections 5 and 5A of the Land Settlement Act 1959 totalled \$2,292,460 (1982 \$2,332,273). Surpluses realized for the year over the cost of the land and improvements in the books of the Commission amounted to \$1,328,281 (1982 \$1,234,106). Terms of sales made during the year included a deposit of 40% of the Purchase price with the balance repayable over 10 years with interest at 12.5% per annum.

Under provisions of the Act surpluses on sales made under Section 5A totalling \$5,692,186 to date are applied against the Accumulated Deficiency and are not applied against amounts previously transferred and borne by the State pursuant to Section 41 of the Act (see Note 8).

These amounts previously transferred pursuant to Section 41 represent the difference between the gross costs of allotments including public roading and other indirect costs, and the Purchase Lease liabilities of settlers.

The net capital surplus on land development to date is as follows:-

	\$
Surpluses on sales of land under Section 5A of the Act	5,692,186
Less:- Amounts transferred and borne by the State under Section 41 of the Land Settlement Act 1959	4,811,016
	<u>881,170</u>

Receipts in respect of sales are paid to the Treasurer of Victoria.

8. Loan Liability to Treasurer of Victoria

	1982	1983
	\$	\$
Amounts Advanced	44,501,943	45,291,258
Less:- Amounts transferred and borne by State under Section 41 of the Land Settlement Act 1959	4,811,016	4,811,016
	<u>39,690,927</u>	<u>40,480,242</u>
Less:- Repayments	24,839,417	27,366,489
	14,851,510	13,113,753
Add:- Liability for Crown Lands taken over	17,112	13,252
Liability to Consolidated Fund for Interest Capitalized	822,478	822,478
	<u>15,691,100</u>	<u>13,949,483</u>

9. Amounts Provided for Interest and Costs of Administration	1982 \$	1983 \$
(a) Amounts provided by Consolidated Fund for Costs of Administration to 30th June, 1963 and for interest charges less payments made to 30th June, 1982.....	6,050,406	5,210,305
Add:- Interest Charged on Loan Liabilities during year.....	<u>786,941</u>	<u>661,821</u>
	<u>6,837,347</u>	<u>5,872,126</u>
Less:- Interest received from Debtors and paid to Treasurer of Victoria during year... Cash Surplus on Livestock Operations for the year.....	828,361	964,008
Cash Surplus on Land Sales for the year..	<u>786,172</u>	<u>336,079</u>
	<u>12,509</u>	<u>12,839</u>
	<u>1,627,042</u>	<u>1,312,926</u>
	<u>5,210,305</u>	<u>4,559,200</u>
(b) Amounts met from Rural Finance Fund for Costs of Administration to 30th June, 1982.	4,152,421	4,437,204
Add:- Costs of Administration during the year met from Rural Finance Fund.....	<u>284,783</u>	<u>257,615</u>
	<u>4,437,204</u>	<u>4,694,819</u>
TOTAL	<u><u>9,647,509</u></u>	<u><u>9,254,019</u></u>

Summary of Results 1982/83

		Expenditure	Total	Balance
		Etc.	To	Outstanding
		During	30th June	30th June
		Year	1983	1983
		1982/83	1983	1983
		\$	\$	\$
PART III.	Primary Loans	12,223,178	180,050,003	101,173,871
RURAL FINANCE ACT	Fishing Loans	184,874	2,076,964	1,278,674
	Secondary Loans	1,863,727	28,372,123	5,153,446
	Salinity Loans	760,124	1,913,528	1,758,918
	Young Farmers Finance	1,061,305	3,236,204	3,133,648
	Total	16,093,208	215,648,822	112,498,557
SECTION 35	Primary Loans			
RURAL FINANCE	(Including Natural Disasters)	30,096,391	52,444,548	33,859,021
ACT	Secondary, Tourist & Natural Disaster			
	Small Business Loans	2,872,649	10,098,026	3,542,859
	Grants & Subsidies	43,308,725	49,798,688	-
	Special Canneries Assistance Loans	-	8,450,388	-
	Total	76,277,765	120,791,650	37,401,880
RURAL	Debt Reconstruction	-	25,624,956	5,672,887
RECONSTRUCTION	Farm Build-up	-	26,237,921	11,681,495
SCHEME	Rehabilitation	-	52,600	-
	Total	-	51,915,477	17,354,382
DAIRY	Bulk Milk Vats	-	9,034,451	483,439
ADJUSTMENT	Carry-On Loans	-	5,349,204	32,484
PROGRAM	Other Loans, etc.	-	9,211,824	3,775,148
	Total	-	23,595,479	4,291,071
RURAL	Debt Reconstruction	1,014,500	8,466,169	5,592,288
ADJUSTMENT	Farm Build-Up	1,780,304	29,330,566	23,532,729
SCHEME	Farm Improvement Loans	769,161	3,214,354	2,542,474
	Wine Grape Growers Carry-On	-	21,500	3,090
	Household Support	34,063	167,695	34,063
	Rehabilitation	5,000	57,666	36,667
	Salinity	1,674	12,000	11,285
	Total	3,604,702	41,269,950	31,752,596
BEEF INDUSTRY	Assistance Scheme	-	4,101,820	684,329
FRUIT GROWING	Reconstruction Scheme	-	1,699,759	8,594
CANNING FRUIT	Treepull	451,666	451,666	451,666
GROWERS SCHEME	Carry-On	135,500	135,500	127,338
	Total	587,166	587,166	579,004
SOLDIER	Single Unit Loans	-	23,917,339	2,211,369
SETTLEMENT	Assistance Period Allowance	-	2,432,592	-
	Commonwealth Agricultural Loans	-	3,593,702	-
	Advances for Stock, Plant, Equipment and			
	Working Expenses	-	12,568,333	-
	Purchase Leases Granted	-	57,402,664	6,708,449
	Mortgages under Section 67A	-	-	5,077,898
	Total	-	99,914,630	13,997,716
LAND	Advances for Stock, Plant, Equipment and			
SETTLEMENT	Working Expenses	-	1,846,729	18,664
	Purchase Leases Granted	-	21,556,213	9,008,950
	Mortgages under Section 23	-	-	694,480
	Disposals of Land - Section 5A	2,292,460	10,978,040	5,559,820
	Total	2,292,460	34,380,982	15,281,914
TOTAL		98,855,301	593,905,735	233,850,043