

1983

PARLIAMENT OF NEW SOUTH WALES

REPORT
OF
THE AUDITOR-GENERAL
UNDER THE AUDIT ACT, 1902
FOR THE
YEAR ENDED 30 JUNE, 1983

PART II

STATUTORY AUTHORITIES

Ordered to be printed, 22 September, 1983

PART II

CONTENTS

	Page
Aboriginal Lands Trust, The	235
Aboriginal Land Rights Act, 1983, The Minister	234
Alexander Foundation, C.B.	309
Albury-Wodonga (New South Wales) Corporation	248
Anzac Memorial Building Fund	104
Architects Board of New South Wales	100
Armidale College of Advanced Education	173
Art Gallery of New South Wales	128
Art Gallery of New South Wales Foundation	New Audits - Part I
Associated General Contractors Insurance Company Limited Act, 1980 - Fund created by	384
Auctioneers and Agents, Council of	94
Australian Museum Trust	125
Banana Marketing Control Committee	306
Barley Marketing Board for the State of New South Wales	287
Bathurst-Orange Development Corporation	252
Board of Architects of New South Wales	100
Board of Governors of the New South Wales State Conservatorium of Music	175
Board of Veterinary Surgeons of New South Wales	101
Broken Hill Water Board	61
Building and Construction Industry Long Service Payments Corporation	87
Builders Licensing Board	82
Bush Fire Council of New South Wales	80
C.B. Alexander Foundation	309
Cancer Council of New South Wales	105
Central Coast (N.S.W.) Citrus Marketing Board	280
Chicken Meat Industry Committee	261
Chipping Norton Lake Authority	117
CLANN Limited	213
Coal and Oil Shale Mine Workers Superannuation Tribunal	334
Coastal Council of New South Wales	230
Cobar Water Board	58

CONTENTS - continued

	Page
Colleges of Advanced Education -	
Armidale	173
Cumberland College of Health Sciences	177
Hawkesbury Agricultural College	181
Kuring-gai	185
Milperra	187
Mitchell	189
Nepean	192
Newcastle	194
New South Wales Institute of Technology	196
Northern Rivers	204
Riverina	206
Sydney	211
Sydney College of the Arts	208
Commissioner of Dormant Funds	104
Commonwealth Aid for Roads	373
Conservatorium of Music, the Board of Governors of the New South Wales State	175
Consulting Organisation of Sydney College of the Arts Limited	210
Council of Auctioneers and Agents	94
Cumberland College of Health Sciences	177
Cumberland College Foundation Limited	179
Dairy Industry Marketing Authority of New South Wales	274
Dams Safety Committee	45
Department of Environment and Planning	240
Department of Main Roads	368
Department of Motor Transport	362
Director, Macarthur Growth Area	246
Dried Fruits Board, New South Wales	282
Drug and Alcohol Authority	108
Dumaresq-Barwon Border Rivers Commission	71
Egg Corporation, New South Wales	266
Election Funding Authority of New South Wales	399
Electricity Commission of New South Wales	15
Energy Authority of New South Wales	31
Environment and Planning, Department of	240
Farrer Memorial Research Scholarship Fund	307
Film Corporation, New South Wales	123
Fish Marketing Authority	277
Fish River Water Supply	69
Floating Crane and Slipways - Newcastle	44
Forestry Commission of New South Wales	256
Friends of the University of Wollongong Limited	172
Government Agency Department - State Bank of New South Wales	389
Government Engineering and Shipbuilding Undertaking, New South Wales	40
Government Insurance Office of New South Wales	374
Government Insurance Office of New South Wales - Statutory Funds	383
Grain Handling Authority of New South Wales	284
Grain Sorghum Marketing Board for the State of New South Wales	294

CONTENTS - continued

	Page
Hawkesbury Agricultural College	181
Hawkesbury Agricultural College Research and Development Company Limited	183
Heritage Council of New South Wales	231
Historic Houses Trust	115
Homebush Abattoir Corporation	261
Housing Commission of New South Wales	215
Hunter District Water Board	54
Hunter Valley Conservation Trust	74
Insearch Limited	198
Insearch Services Proprietary Limited	200
Institute of Psychiatry, New South Wales	107
Institute of Technology, The New South Wales	196
Insurers' Contribution Fund	383
International House Limited, University of New South Wales	154
Kensington Colleges, The	152
Kuring-gai College of Advanced Education	185
Land Commission of New South Wales	223
Legal Services Commission of New South Wales	400
Lemon Marketing Board for the State of New South Wales	279
Library Council of New South Wales	130
Local Government Superannuation Board	320
Lord Howe Island Board	111
Macarthur Growth Area, Director	246
Macquarie University	161
Main Roads, Department of	368
Maritime Services Board of New South Wales	344
Meat Industry Authority, New South Wales	265
Metropolitan Waste Disposal Authority	33
Metropolitan Water Sewerage and Drainage Board	46
Milperra College of Advanced Education, The	187
Mine Subsidence Board	76
Mines Rescue Board	78
Mitchell College of Advanced Education	189
Mitchellsearch Limited	191
Motor Transport, Department of	362
Motor Vehicle Repair Industry Council and the Motor Vehicle Repair Disputes Committee	92
Mulwala Water Supply and Sewerage Service	67
Murray Valley (N.S.W.) Citrus Marketing Board, The	281
Museum of Applied Arts and Sciences	127
National Parks and Wildlife Service	114
Nepean College of Advanced Education	192
Newcastle College of Advanced Education	194
Newcastle, Floating Crane and Slipways	44
Newcastle, University of	164
New England, University of	158
New South Wales Dried Fruits Board	282
New South Wales Egg Corporation	266
New South Wales Film Corporation	123

CONTENTS - continued

	Page
New South Wales Government Engineering and Shipbuilding Undertaking	40
New South Wales Institute of Psychiatry	107
New South Wales Institute of Technology	196
New South Wales Meat Industry Authority	265
New South Wales Retirement Board	314
New South Wales State Cancer Council	105
New South Wales, University of	146
New South Wales University Press Limited	156
Nominal Defendant, The	384
Northern Rivers College of Advanced Education	204
Northumberland Insurance Company Limited Act, 1975 - Fund created by	384
Oats Marketing Board for the State of New South Wales	298
Observatory Hill Resumed Area	222
Oilseeds Marketing Board for the State of New South Wales, The	300
Parliamentary Contributory Superannuation Fund	331
Plumbers, Gasfitters and Drainers Board	90
Police Superannuation Fund	333
Poultry Farmer Licensing Committee	266
Prickly-pear Destruction Fund	307
Public Servant Housing Authority of New South Wales	226
Public Trustee	102
Public Vehicles Fund	364
Railway Service Superannuation Board	318
Rental Bond Board	232
Retirement Board, New South Wales	314
Rice Marketing Board for the State of New South Wales	291
Riverina College of Advanced Education	206
Riverina Insurance Company Limited and Another Insurance Company Act, 1971 - Fund created by	383
Road Transport and Traffic Fund	363
Road Transport and Traffic Fund Advance Payments Account	365
Royal Botanic Gardens and Domain Trust	132
South-West Tablelands Water Supply	65
Sporting Injuries Committee	109
State Bank of New South Wales	385
State Brickworks	36
State Library of New South Wales	130
State Rail Authority	350
State Superannuation Board	311
Suitors' Fund	101
Sydney College of Advanced Education	211
Sydney College of the Arts	208
Sydney County Council	24
Sydney Cove Redevelopment Authority	237
Sydney Cricket and Sports Ground Trust	137
Sydney Educational Broadcasting Limited	202
Sydney Entertainment Centre	122
Sydney Farm Produce Market Authority	271
Sydney Opera House Trust	120
Sydney, University of	141

CONTENTS - continued

	Page
Teacher Housing Authority of New South Wales	228
The Minister, Aboriginal Land Rights Act, 1983	234
The Nominal Defendant	384
Tobacco Leaf Marketing Board for the State of New South Wales	305
Totalizator Agency Board	395
Traffic Authority of New South Wales	365
Travel Agents Registration Board	97
Treasury Finance Corporation	393
Trotting Authority of New South Wales	134
Unisearch Limited	150
University, Macquarie	161
University of Newcastle	164
University of Newcastle Research Associates Limited	167
University of New England	158
University of New South Wales	146
University of New South Wales International House Limited	154
University of Sydney	141
University of Wollongong	169
University of Wollongong Limited, Friends of the	172
Urban Transit Authority	358
Veterinary Surgeons of New South Wales, Board of	101
Waste Disposal Authority, Metropolitan	33
Water Resources Commission of New South Wales	72
Wheat Marketing (Barring of Claims) Act, 1929, Fund created by the	306
Wild Dog Destruction Fund	308
Wine Grapes Marketing Board for the Shires of Leeton, Griffith, Carrathool and Murrumbidgee	304
Wollongong, University of	169
Workers' Compensation Commission of New South Wales	338
Workers' Compensation (Dust Diseases) Board	342
Workmens' Compensation (Broken Hill) Joint Committee	343
Yellow Maize Marketing Board for the State of New South Wales	283
Zoological Parks Board of New South Wales	118

PUBLIC SECTOR STATUTORY AUTHORITIES

1. What are they?
2. Basic differences - public / private sector financial objectives.
3. Some problems in disclosure.
4. Developments in Recent Years.
5. An Annual Reports Act.
6. Auditing standards.

* * * * *

1. What Are They?

In its recently issued Seventh Report, the Public Accounts Committee listed three hundred of the "more readily identified authorities" and stated:

"The precise number of New South Wales statutory authorities is problematic and depends entirely upon the definition used. If all ... were included the number would approximate some thousands."

One definition of statutory authority would be a body created by or under an Act of Parliament. Strictly speaking, a private sector company could then be called a statutory authority because it comes into existence under authority of the Companies Code.

For public sector identification purposes a narrower definition is needed, emphasising the connection with "the State". In a Schedule to the Public Finance and Audit Bill financially separate entities were listed using the definition in the Bill:

"authority of the State" means -

- (a) a statutory body representing the Crown; or
- (b) a person, group of persons or body appointed, constituted or regulated by or under an Act the accounts of which are, pursuant to this Act or any other law, required or authorised to be audited by the Auditor-General or to be laid before the Legislative Assembly;

The expressed link with legislation shows that a statutory authority could be regarded as, in essence, any agency of Government which is not a Ministerial department or sub-department. The statutory authority is created as an entity by or under specific legislation, which specifies its powers and duties, the source of funding (usually) and the administrative and reporting mechanisms. The primary features are budgetary freedom from the annual appropriation cycle, and a large degree of autonomy in goal setting and operating methods. A Ministerial department, on the other hand, exists as the traditional machinery to give effect to Government policies and Ministerial directions.

2. Basic Differences. Public / Private Sector Financial Objectives.

In Appendix 1 to my Report for 1979-80 I outlined the historical and fundamental differences between the capital funding and financial objectives of the public and private sectors - and my view as a professional accountant of the effects on financial statements.

As a very first principle, it is important to remember that in the private sector it is profits and maintenance of shareholders' equity which counts. For the public sector, the expectation is that society will get value for money and that this will be demonstrated by a fair distribution of costs over successive generations of users. A result is that the public sector emphasis is on the components of cost in an income and expenditure statement - not on the "bottom line", simpliciter. The object of the accounting is to enable the reader to assess whether the price to the consumer of government services, is set at the right level just to cover costs. This sensitivity carries further. It explains the reluctance to use the title "Profit and Loss" account and the preference for the less emotive description of income and expenditure account.

In the world of business accounting it is still unresolved whether some version of current cost accounting is essential and fair in the maintenance of (private) shareholders' equity. If current cost accounting were used to determine the charges for government services it would, by definition, result in consumers paying more than the historical cost of the dams, power stations, etc. used to provide those services. It can be argued that it is for the future users of successive replacements of those dams, power stations, etc. to pay for the higher (or lower) costs of the assets they in turn use.

This is not to say that the real values of assets should not be disclosed e.g. in notes to the accounts. In fact if the current market value of investments is not "noted", it becomes impossible to assess the authority's performance in managing its portfolio. Similarly, if the market value of real estate is not "noted", again the reviewer cannot assess whether the authority's use of land is providing the right kind and extent of benefit to the public - or whether the land could be better used for some other purpose.

Settling the timing and necessity of adjustments to book values, should be addressed, within the framework of proposed Annual Reports legislation, as possible future amendments to regulations.

3. Some Problems in Disclosure.

By the same token, accounts need to disclose all the costs incurred in providing the services "sold" in the accounting period. It would be contrary to accounting standards not to do so and it could then be professional misconduct for an auditor not to disclose the position. In this context, any omission to disclose in accounts the current and past service costs of employees' deferred benefits is of increasing concern. Although not payable until future dates, present day accounting thought is that the liability accrues during employees' service as part of the cost of the goods and services they are producing.

Pages 197 and 36-37 of my 1981-82 Report commented on factors affecting assessment of unfunded past service costs for pensions and suggested that a review by the Public Accounts Committee could be worthwhile.

What steps may or should be taken to fund current costs and arrears out of current and future incomes is properly a matter for management decision. My role as auditor is to ensure that the accounting does correctly disclose all costs, incomes, assets and liabilities. I therefore support and commend the action of the Treasurer in formally referring the question of accounting for superannuation costs to the Public Accounts Committee for investigation.

The Report also commented, at page 320, that prior to August, 1979, Commonwealth funding policy precluded Universities and Colleges from setting aside any portion of their recurrent grants to meet future payments for long service leave and superannuation contributions.

A recent review of the six Universities and thirteen corporate Colleges in this State showed that, in aggregate, some \$19 million had been set aside as provision for future long service leave payments. The already accrued liability, however, was in excess of \$75 million. This means that the unfunded long service leave liability of the institutions, for past service at year-end 1982, was of the order of \$56 million - approximately \$40 million for Universities and \$16 million for Colleges.

The situation regarding deferred superannuation contributions is worse. The amount provided for this liability at 31st December, 1982, was less than \$1.5 million. Although actuarial reviews have not yet been carried out it can be expected (based on similar reviews made for other statutory bodies) that the superannuation liability will be greater than that for long service leave.

It can be seen, therefore, that the total unfunded liability of Universities and Colleges, currently, could be well in excess of \$130 million. This is the measure of costs incurred in the course of past years' operations, but not treated as a cost in those years, and therefore left to be paid by future taxpayers.

Additional Commonwealth grants have been authorised to assist in meeting superannuation costs - not exceeding \$4.4 million for all States in 1983 and \$8.8 million in 1984. Clearly, a progressively increasing proportion of future grants and other income will have to be applied to meet long service leave and superannuation commitments.

The problem is not confined to the tertiary education sector. At page 133 of my 1981-82 Report there was reference to the under provision of \$54 million for employee benefits at Sydney County Council and to the probable need to make this good out of future income. The December, 1982, position of the Council, as set out later in this Part shows no real improvement in the position.

The operations of the Railway Service Superannuation Board graphically illustrate the reality of failure to account for all current costs in the years when they are contributing to operational income. Subsidies of the order of \$24 million per annum are now needed to pay the unfunded costs of employees' pensions, the rights to which accrued during past years services.

Progressively, I have been requiring statutory authorities to disclose in their accounts, situations where there are unfunded liabilities. Actuarial assessments of superannuation liability have been received for the Electricity Commission and the Sydney Water Board and are currently under study by those bodies and the Treasury.

4. Developments in Recent Years.

The basic principles governing true and fair presentation of Statutory Authority accounting also were outlined in Appendix 1 of my 1979-80 Report. They have been applied progressively to subsequent years' accounts as and when they were produced. In my opinion those principles still hold good and are helping in the accountability progress.

As foreshadowed in last year's Report, all Colleges of Advanced Education are now producing accounts in a standard format of modified accrual accounting with statements of changes in financial position.

Also, anticipating changes to their published accounts, the presentation throughout this Report of Capital, Reserves and Retained Earnings of Authorities has been re-formatted. Perceiving previous confusion over whether Reserves were "available" or "spent", a standard presentation has been adopted. This involves including grants, etc. in "Other Capital" with all Reserves which have been applied and used up in the repayment of loans, the acquisition of fixed assets, etc. Retained Earnings are held in the form of accumulated funds, general reserves, reserves which have been ear-marked for purposes such as future capital works, and reserves which are available for the repayment of loans. The distinguishing criterion for a Reserve is that it relates to a future contingency or capital requirement. Except for funds held for loan repayment, rarely are the retained earnings held in the form of cash or equivalents. Usually they make up part of the working capital of the entity.

Provisions, in general accounting usage, represent expenses such as depreciation, accrued annual leave, retirement benefits and other costs which accrue as part of current operations - and are charged in the income and expenditure account as such - but for which the occasion to make payment has not yet arisen. Throughout this Report, therefore, they are grouped with Sundry Creditors for Balance Sheet presentation.

The format used in this Report is consistent with current accounting standards - adapted mutatis mutandis for public sector differences.

5. An Annual Reports Act.

I have read with great interest the Public Accounts Committee proposal for an Annual Reports Act and note that a Bill is being drafted. I regard as particularly important the proposals that the principles be embodied in Regulations - to allow ease of updating for new developments in accounting and technology - and that Public Accounts Committee review of proposed changes be provided for.

It can fairly be said that those who keep the accounts, whether they are of private sector companies or of any other area, may have vested interests to protect and are not sufficiently independent to set the disclosure standards. There is already criticism of excessive flexibility in private sector standards and calls for more control through the parliamentary system. I believe the same principle of providing independence for standard setting should apply in the public sector, but with stronger insistence on uniform compliance to allow comparisons of relative performance by authorities.

The Public Accounts Committee is eminently situated to draw inputs from the accountancy profession, from management and from all the users of public sector accounting statements. By having the regulations reviewable by the Public Accounts Committee there would be a clear demonstration that they were impartially set and drawn from the best possible sources.

The two professional accountancy bodies in Australia have joined in proposing that there should be a Public Sector Accounting Standards Board. Such a board could provide a resources backing (on an Australia-wide basis) for the best possible accounting standards for the public sector's particular needs. The proposed Board would then be available to provide comments and assistance to the Public Accounts Committee in reviewing standards to be incorporated by new regulations in the proposed Annual Reports Act.

6. Auditing Standards

In the conduct of audits, this Office adheres to the principles in the Statement of Auditing Standards issued by the Australian professional accountancy bodies.

In relation to statutory authorities, the Accounts are reviewed for:

- . adequacy of disclosure;
- . compliance with accounting standards;
- . consistency in application of accounting principles and policies;
- . adherence with relevant statutory and regulatory legislation.

Should the need arise, it is my intention to identify within future Reports those public sector undertakings which have not been successful in achieving and maintaining a desirable level in established accounting and reporting standards. When enacted the proposed Annual Reports Act would be the relevant criterion.

In considering the application of accounting standards I have been unable to accept as appropriate for the public sector, the illustrative example given in Australian Accounting Standard 12 for the format of funds statements.

The example in AAS12 starts with the operating profit then adds back or subtracts non-cash items. By contrast the exposure draft for the standard adopted a concept of gross inflows and outflows of funds between the entity and external bodies. That concept was supported before, and seemingly endorsed by the Joint Committee of Public Accounts of the Commonwealth (see Report 199 at pages 43-46).

A funds statement is useful to answer the question of what funds were available to a public sector body and to what uses those funds were put. The external funds flow approach was used when settling the statements of "Movement in Funds" published in this Part for Colleges of Advanced Education. It was also used in preparing the experimental overview statement of operations of the Department of Main Roads. A major advantage is that the concentration is on a total available funds concept instead of a sometimes irrelevant income / capital dichotomy.

It is noted that private sector respondents to the exposure draft objected to disclosing operating fund inflows and outflows and claimed that the net profit adjusted for non fund items "would be more readily understood".

While it may be that the statement is valid for public companies, I doubt its suitability for readers who are not skilled in accountancy. The gross flow concept is absolute and in my view easier for the layman to understand. On the contrary, the system of adding back "non cash charges" has an aura of jargon which must be unclear to the uninitiated.

In the public sector field with which I am directly concerned, the majority of users of the accounting statements are non accountants. My impression from discussions with Parliamentarians and other non accountant users is that the adjusted net operating result concept of AAS12 is of much less use to them than the gross inflow / outflow concept of the exposure draft.

I have therefore adopted a practice of including the funds statement in the ambit of the audit attestation on accounts only if it complies with the gross external funds flow concept.

* * * * *

ELECTRICITY COMMISSION OF NEW SOUTH WALES

REVENUE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Income -			
1,014,507	Sales of Electricity	1,441,338		42.1
13,883	Sundry Income	15,725		13.3
1,028,390		1,457,063		41.7
	Expenditure -			
457,275	Generation	438,602		(4.1)
99,121	Purchases of Electricity #	261,650		164.0
56,820	Transmission	67,339		18.5
36,208	Development, Design and Construction	40,977		13.2
18,086	Stores, Handling and Transport	21,143		16.9
24,172	Miscellaneous Operating	20,211		(16.4)
35,338	Administration	36,867		4.3
135,428	Interest and Loan Expenses	166,330		22.8
56,809	General Expenses	67,188		18.3
14,659	Pay-roll Tax	16,977		15.8
60	Audit Fee	125		108.3
11,138	Contributions	11,725		5.3
	Provisions for -			
103,195	Depreciation	145,765		41.3
24,294	Employees' Accrued Entitlements	56,885		134.2
6,705	Insurance	7,505		11.9
1,079,308		1,359,289		25.9
	Balance prior to Providing for Asset Replacement, Loan Repayment, Exchange Rate Fluctuations and Extraordinary Item	97,774	97,774	+
(50,918)				
	Less Transfers to Reserves -			
37,192	Asset Replacement	51,723		39.1
23,305	Loan Repayment	30,258		29.8
....	Exchange Rate Fluctuations	12,895		*
60,497		94,876		56.8
	Balance of Income prior to Extraordinary Item	2,898		+
(111,415)				
	Add Profit on Sale -			
138,880	Eraring Unit 1	....		(100.0)
....	Eraring Unit 2	58,262		*
	Net Balance of Income transferred to General Reserve	61,160		122.7
27,465				
1,028,390		1,457,063		41.7

* Nil in previous year - not calculable.

+ Deficiency in previous year - not applicable.

Includes a net addition of \$5,661,470 to the Snowy Equalisation Reserve. Accounting practice requires that contributions to reserves be treated as an appropriation.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
497,834	State Government	448,896		(9.8)
1,222,082	Loans Raised by the Commission	1,704,204		39.5
	Loans Raised by the Bega Valley			
192	County Council	96		(49.9)
30,000	Deposit under Deed	30,000		..
1,750,108			2,183,196	24.7
	Other Capital -			
79,538	Loans Repaid Reserve		86,926	9.3
	Retained Earnings - Reserves -			
150,397	Loan Repayment	209,176		39.1
71,060	Eraring Asset Replacement	122,783		72.8
17,703	Snowy Equalisation	23,365		32.0
....	Exchange Rate Fluctuations	38,037		*
47,149	General Reserve	108,578		130.3
286,309			501,939	75.3
2,115,955	TOTAL		2,772,061	31.0
	REPRESENTED BY -			
	Fixed Assets - (At Cost)			
1,421,067	Property, Plant and Equipment (Less Depreciation \$1,339,818,264)		1,951,435	37.3
	Plant Under Agreement for Sale -			
401,668	Eraring Power Station Under Construction (At Cost)		476,243	18.6
	Investments # -			
	Inscribed Stock, Term Deposits -			
150,397	Loan Repayment Reserve	209,176		39.1
19,670	Insurance Fund	29,330		49.1
762	Superannuation Fund	847		11.2
....	Exchange Rate Fluctuations	38,037		*
	Property (At Cost) -			
34,533	Insurance Fund	34,533		..
	Commission Collieries, etc. -			
69,870	Shares and Advances, less Provision for Amortisation	79,930		14.4
275,232			391,853	42.4

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Other Non-Current Assets -			
	Long Term Debtors -			
2,646	Housing Commission of N.S.W.	2,616		(1.1)
1,540	Councils and Others	2,939		90.9
826	Employees Housing Schemes	787		(4.7)
....	Discount on Loans	1,023		*
5,012			7,365	47.0
	Current Assets -			
59,635	Stores and Materials	65,749		10.3
122,220	Fuel Stocks	199,186		63.0
	Debtors -			
271,402	Eraring Power Station Sale	96,455		(64.5)
161,023	Electricity Supply	238,551		48.1
31,687	Miscellaneous	20,528		(35.2)
668	Advance Loan Raisings	95		(85.8)
3,982	Prepayments	6,609		66.0
53	Cash	1,926		+
650,670			629,099	(3.3)
2,753,649			3,455,995	25.5
	Less -			
	Current Liabilities -			
	Creditors -			
60,202	Stores and Materials	54,536		(9.4)
124,451	Works and Services, etc.	106,109		(14.7)
44,853	Accrued Interest	77,484		72.8
240,000	Bills Payable	224,000		(6.7)
9,769	Bank Overdraft	8,895		(8.9)
479,275		471,024		(1.7)
	Provisions -			
103,454	Employees' Accrued Entitlements	148,200		43.3
762	Superannuation	847		11.2
54,203	Insurance	63,863		17.8
158,419		212,910		34.4
637,694			683,934	7.3
2,115,955			2,772,061	31.0

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

Investments shown at cost except inscribed stock of Loan Repayment Reserve which is shown at face value. The figures quoted include accrued interest and uninvested cash.

At the time of preparation of this Report, audit of the accounts of the Commission had not been completed and the figures for 1982-83 are not necessarily final.

After meeting a number of contributions and transfers to various reserves and introduction of an extraordinary item in respect of the profit on sale of Eraring Power Station Unit 2, \$58,262,119 (referred to later), the result for the year was a net balance of income transferred to General Reserve of \$61,160,167 compared with \$27,465,094 in 1981-82.

Income - Sales of electricity yielded \$1,441,338,420, an increase of \$426,831,500 (42.1 per cent). Excluding power interchanged with the State Electricity Commission of Victoria, the quantity of electricity sold was 32,003.7 gigawatt hours, a decrease of 658.6 gigawatt hours or 2.02 per cent. The overall average selling price per kilowatt hour for the year was 4.5037 cents, a rise of 1.3977 cents, equivalent to 45.0 per cent.

Charges for electricity sold in New South Wales are based, for the most part, on the Commission's two-part bulk supply tariff, consisting of a fixed demand charge designed to meet capital costs and an energy charge to meet operating expenses.

Demand Income increased by \$241,380,052 to \$581,237,893. This represents an increase of 71.02 per cent comprising 73.13 per cent due to higher demand tariffs and a decrease of 2.11 per cent in demand registered on the Commission's system. Demand by distributing authorities was 1.75 per cent below the previous year and demand by industrial customers decreased by 8.79 per cent.

Energy Income - Sales of energy increased by \$185,451,448 to \$860,100,527 or 27.49 per cent over the previous year. The energy rate for sales to distributing authorities rose by 29.31 per cent. Energy sales decreased by 658.6 gigawatt hours (2.02 per cent) over actual sales in 1981-82. Sales to distributing authorities were 0.26 per cent below last year, whilst sales to industrial customers decreased by 17.4 per cent.

The average selling price (demand and energy component) to the distributing authorities was 4.6583 cents per kilowatt hour, an increase of 44.45 per cent over 1981-82 when the average selling price was 3.2249 cents per kilowatt hour.

The demand rate was increased from 1st July, 1982. The energy rate for the year 1982-83 remained frozen at the level applicable in the quarter ended June, 1982, subject to the application of a new structure from 1st July, 1982, which provided for a winter loading of 20 per cent for both demand and energy and a further loading of 12.5 per cent to apply for energy taken by distributing authorities during the peak hours of 7 a.m. to 10 p.m. on working weekdays and a discount of 12.5 per cent to apply to energy taken outside these hours.

Further structural changes to the bulk supply tariff took effect from 1st March, 1983. The modification introduced an off-peak demand rate of 20 per cent of the normal rate for the excess of off-peak demand over on-peak demand and a variation in the surcharge/discount for on-peak/off-peak from 12.5 per cent to 15 per cent.

An increase of 8 per cent in the bulk supply tariff for both demand and energy rate has been approved to apply from 1st October, 1983 and to remain in force until December, 1984.

An Extraordinary Item of Income in the year was a profit of \$58,262,119 on the sale of Eraring Power Station Unit 2.

The sale price of Unit 2 of the Eraring Power Station, \$287,000,000, was negotiated as an amount equal to:

- (i) the value of all construction work for Unit 2 and certain associated works which are essential for the operation of Unit 2;
- (ii) interest paid on loans raised to provide funds for the construction work attributable to Unit 2, and;
- (iii) engineering costs entailed in the design and supervision of the construction works attributable to Unit 2.

As most of the interest and engineering costs had been charged against the revenue of previous years, the profit on the sale consists of the recovery of interest of \$36,362,119 and \$21,900,000 of engineering costs previously charged to revenue.

Expenditure - A continuation of the expansion of the generation and transmission systems, together with further rises in costs, resulted in expenditure, including provisions, increasing by \$279,981,220 or 25.9 per cent.

Costs of Generation at Commission-owned power stations, \$438,602,242, were lower by \$18,672,844 or 4.1 per cent. Eraring Power Station, which is operated by Commission staff on behalf of the Eraring Power Company of New South Wales Ltd., however, contributed 5,817.5 gigawatt hours (810 gigawatt hours in previous year) which was treated as purchased electricity. Including the generation expenses of Eraring Power Station, for comparative purposes, the costs of generation increased by \$52,043,884 or 11.1 per cent. The total energy sent out by stations increased by 1,869.3 to 32,368.9 gigawatt hours. Cost of fuel increased while the quantities of coal and oil consumed decreased. The average cost per tonne of coal burnt during the year increased by \$2.20 to \$22.83 or 10.66 per cent, while the average cost of oil increased by \$77.66 to \$374.61 or 26.15 per cent per tonne compared with the previous year. The cost of gas consumed increased by 0.08 cents to 0.35 cents per megajoule.

Purchases of Electricity. Commission stations produced 77.0 per cent of the energy distributed during the year compared with 84.6 per cent in 1981-82. The balance of the available energy comprised 16.8 per cent from the Eraring Power Company of New South Wales Ltd., 4.5 per cent from the Snowy Mountains Hydro-Electric Authority, 1.2 per cent from the State Electricity Commission of Victoria, and 0.5 per cent from the Queensland Electricity Generating Board.

Charges by the Snowy Mountains Hydro-Electric Authority are not related to the quantity of power drawn from the Scheme but are based on the net cost of production, of which interest and depreciation are the major components. To avoid marked fluctuations from year to year in the unit cost of Snowy power, the Commission in 1962-63 established an Equalisation Reserve. The adequacy of the Reserve is reviewed periodically. The upper limit of the Reserve is the estimated cost, at current coal prices, of purchasing the additional fuel required for alternative thermal generation in the event of drought. After a review of the adequacy of the Reserve, a net addition of \$5,661,470 was made to the Reserve and charged as Purchases of Electricity. At the close of the year, the Reserve balance was \$23,364,500.

In December, 1981, the Eraring Power Station was sold to the Eraring Power Company of New South Wales Ltd. under agreements whereby the Commission purchases all electricity generated by the power station, provides staff and pays all operating costs. It was further agreed that the Commission would be recouped by the Company for the running cost of the station. Unit 1 of the power station was synchronised and commissioned in March, 1982 and Unit 2 in November, 1982.

All operating costs and payments have been included with Purchases of Electricity. The total costs as calculated for the period amounted to \$193,266,906. Payments included \$107,702,183 to the Company under the Power Supply Agreement and contributions of \$25,588,000 to the Commission's Loan Repayment Reserve and \$17,123,000 to the Exchange Rate Fluctuation Reserve. The Commission received a payment of \$107,702,183 from the Company under the Station Management Agent's Agreement.

After setting off investment earnings, \$17,810,147, Interest, etc., charges rose by \$30,901,494 to \$166,330,137.

Expenditure classified as General Expenses was higher by \$10,378,236. This increase was attributable to rises in leave payments and sick and accident pay, together with a larger outlay for travelling expenses and employer's contributions to various superannuation funds.

The expense item Contributions comprised:

1981-82		1982-83
\$'000		\$'000
400	Energy Authority - Rural Electricity Supply	386
	Special Assistance Scheme - Rural Electricity	
3,500	Extensions	3,500
1,766	Traffic Route Lighting	1,534
	Consolidated Fund -	
4,441	Administrative Expenses - Energy Authority	5,086
1,031	In lieu of Council Rates	1,219
<u>11,138</u>		<u>11,725</u>

The amount provided for Depreciation, \$145,765,411 was higher by \$42,570,492. Depreciation is based on the original cost of assets and their expected life under the straight line method.

As the Eraring Power Station was sold to the Eraring Power Company of New South Wales Ltd., depreciation is not applicable to that power station. In accordance with the policy adopted in 1981-82, an amount of \$51,722,922 was appropriated to the Asset Replacement Reserve in 1982-83, representing the amount which would have been provided for depreciation had the power station not been sold. The Reserve is intended to provide a capacity to renew or replace Eraring Power Station upon expiry of the present arrangements.

For Employees' Accrued Entitlements, an amount of \$56,885,000 was provided for the year, higher by \$32,591,000 than in 1981-82. The aggregate Provision at 30th June, 1983, was \$148,199,879. For State Superannuation component, the amount in the Provision at 30th June, 1983 was \$57,729,856.

In 1982-83, the Government Actuary, at my request, carried out an evaluation of the Commission's deferred liability for State Superannuation. The Commission has acknowledged that it should proceed to extend the annual provision. However, because of the complex issues involved it is seeking further advice and consultation with Treasury before adopting a revised basis of calculating the annual provision. In the meantime, in recognition of the need to augment the Provision a total of \$29,630,000 was provided in 1982-83, comprising a special appropriation of \$12,000,000 and \$17,630,000 based on the previous method of calculation.

Insurance at \$10,345,480 was higher by \$1,661,957. Premiums paid to external insurers, classified under General Expenses, amounted to \$2,840,007, while \$7,505,473 was contributed to the Commission's internal Insurance Fund. This contribution was calculated at rates which would have been charged by external insurers for similar risks or at rates recommended by the Commission's insurance consultants.

The transfer from revenue for Loan Repayment increased by \$6,953,000 to \$30,258,000. For loans raised prior to January 1981, an amount has been transferred to the Loan Repayment Reserve in respect of domestic loans which, invested at 3 per cent per annum compounded, would repay the loan in 50 years. The average earning rate of the Reserve has increased substantially in recent years and it was considered appropriate that the contribution for new loans be based from 1st January, 1981, on a factor that is more in line with the actual earnings of the Reserve. Thus the contribution for loan raisings in 1982-83 has been based on the actual earning rate of the Reserve of 11.0 per cent. In addition, a contribution of \$25,558,000 was made to the Reserve as a result of the Eraring Power Supply Agreement. As referred to earlier in this comment, that amount is included under Purchases of Electricity.

The Reserve for Exchange Rate Fluctuations has been calculated on the basis of the variations between the actual interest rates applicable to overseas loans and the interest rate that would have applied had the loans been raised in Australia. In previous years, such contributions were made to the Loan Repayment Reserve, however the Commission resolved to create a separate Exchange Rate Fluctuation Reserve. Accordingly an amount of \$8,019,189 was taken back from the Loan Repayment Reserve, and a contribution of \$12,895,000 was made in 1982-83 to provide for adverse movements in exchange rates. In addition, \$17,123,000 was paid to the Reserve to provide for adverse variations in exchange rates relating to Eurocurrency Loans, which are part of the Eraring sale package.

Although this method of providing a hedge against adverse movements in the exchange rate is not in accordance with proposed accounting standards, it is a method that has been applied by the Commission since 1978-79. At 30th June, 1983, the total of the Reserve was \$38,037,189. The notional foreign exchange loss for all overseas borrowings at that date amounted to \$117.8 million of which \$92.4 million is attributable to the Commission's obligations for the Eraring Eurocurrency portion of outstanding overseas debts. The total Reserve of \$38 million is invested and is estimated to grow to \$108 million in 10 years time, even without further contributions, on the basis of an earning rate of 11 per cent per annum which was the actual earning rate of investments of the Loan Repayment Reserve in 1982-83.

Assets - The net addition to Fixed Assets was \$668.7 million of which \$464.3 million related to power stations, \$141.0 million to transmission and distribution systems and, \$63.4 million to land, buildings, vehicles etc.

At 30th June, 1983, fixed assets (at cost) comprised:

	\$'000
Power Stations	2,275,969
Transmission Circuits	443,334
Substations and Equipment	385,823
Communication Equipment, etc.	21,273
Land, Buildings, Transport Vehicles, etc.	164,854
	<u>3,291,253</u>

Expenditure at Bayswater Power Station during 1982-83 aggregated \$308,279,759. An earlier proposal to commission the Bayswater units at nine monthly rather than six monthly intervals was abandoned in view of the effect of cost penalties on existing contractual obligations. Units 1 and 2 are now scheduled for commissioning in October, 1985 and April, 1985, respectively.

For Mt. Piper Power Station, expenditure during 1982-83 aggregated \$33,094,287. Contractual options which allow deferment of the first unit by six months (to August, 1987) and of the second unit by twelve months (to August, 1988) have been exercised by the Commission.

The generating capacity of Commission power stations was 8,525 megawatts at the close of the year. Including the State's share of Snowy power and the installed capacity of the Eraring Power Station, available under agreement with the Eraring Power Company of New South Wales Ltd, the nominal system capacity was 12,504 megawatts compared with 11,850 megawatts at 30th June, 1982.

Plant Under Agreement for Sale, Eraring Power Station Under Construction, \$476,243,077 represents the costs incurred to 30th June, 1983, in the construction of generating Units 3 and 4 at Eraring Power Station. The Units being constructed are under an asset sales agreement with the Eraring Power Company of New South Wales Ltd.

The first two Units of Eraring Power Station have been placed in service and the remaining two units are scheduled to come into operation during the second half of 1983 and the first half of 1984, respectively.

Investments, \$391,853,570 (as detailed in the balance sheet) were higher by \$116,621,620. The total includes \$137,862,241 invested in the Commission's own stock.

During the year, additional advances totalling \$2,000,000 were made to Huntley Colliery Pty Ltd. Advances to Elcom Collieries Pty Ltd. to meet expenditure incurred by the company as a shareholder in Mount Arthur South Coal Pty Ltd. increased by \$9,171,000. In February, 1983, the Commission approved the termination of the Birds Rock Joint Venture Project. Birds Rock Colliery Pty Ltd. is being wound up and endeavours are being made to dispose of the assets. As the net value of disposable assets is not expected to be large, an amount of \$1,600,000 from the advance of \$1,684,000 to Elcom Collieries Pty Ltd. to participate in the joint venture was written off.

Amounts owing by Long Term Debtors increased by \$1,330,630 to \$6,342,134, which included \$2,939,352 in respect of sales of assets to Councils and others, and \$2,615,790 being the balance of advances to the Housing Commission for construction of cottages in country areas for rental to Commission employees. Debtors for sales and loans under employees' housing schemes totalled \$786,992 as at 30th June, 1983.

During the year, the Commission raised some private loans at a discount on face value. As the loans must be repaid on maturity at face value, the discount is amortised over the term of the loans, as part of the Commission's financing charges.

Current Assets. Debtors for electricity supply increased by \$77,528,008 to \$238,550,527, while fuel stocks at \$199,186,440 were higher by \$76,966,368.

No provision has been made for doubtful debts as the Commission expects to collect in full all amounts outstanding.

Liabilities - At 30th June, 1983, the loan liability of the Commission aggregated \$2,183,195,846, an increase of \$433,087,995 for the year. The increase includes net additional loan raisings by the Commission of \$482,122,058 (including investment of Reserve Funds in the Commission's own stock) less reductions \$48,938,000 in Treasury debt.

The Commission, under the infrastructure program, borrowed funds to finance capital works at Glennies Creek associated with the Bayswater Power Station. A payment of \$43,000,000 to the State Treasury for those works has been treated as a reduction of the Commission's capital liability to the State Government.

An amount of \$30,000,000 was received during 1980-81 under the provisions of a Deed of Deposit dated 27th April, 1981, between the Electricity Commission and an Aluminium Company Consortium. This sum is to be held on deposit and is repayable on 31st May, 1984. The liability to repay is matched with a corresponding liability on the part of the Consortium to make a repayment to the Commission on the same date and in the same amount for future supplies of electricity.

Promissory Notes at 30th June, 1983, amounted to \$224,000,000 (face value) and were issued for periods up to 360 days.

Accumulated Financial Position - The surplus for 1982-83 was carried to General Reserve which, after bringing to account miscellaneous adjustments of \$269,198 had a balance of \$108,578,208 at 30th June, 1983.

SYDNEY COUNTY COUNCIL

REVENUE ACCOUNT for the year ended 31st December, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
548,361	Sales of Electricity	755,835	37.8
10,389	Sundry Income	13,116	26.3
<u>558,750</u>		<u>768,951</u>	37.6
	Expenditure -		
358,477	Purchases of Electricity	504,005	40.6
45,093	Sub-transmission and Distribution	54,249	20.3
20,285	Miscellaneous Operating	22,962	13.2
28,178	Administrative Expenses	30,989	10.0
	General Expenses -		
	Contribution to Employees'		
4,300	Accrued Entitlements Fund	27,000	527.9
2,300	Contribution to Insurance Fund	3,300	43.5
40,836	Other General Expenses	51,412	25.9
26,544	Depreciation	28,528	7.5
24,078	Interest and Loan Expenses	24,648	2.4
550,091		747,093	35.8
8,659	Balance of Income transferred to Revenue Appropriation Account	21,858	152.4
<u>558,750</u>		<u>768,951</u>	37.6

REVENUE APPROPRIATION ACCOUNT for the year ended 31st December, 1982

Previous Year \$'000		\$'000	Increase % (-)
8,659	Balance of Income from Revenue Account	21,858	152.4
	Transfers from -		
3,000	Tariff Stabilisation Reserve	....	(100.0)
<u>2,834</u>	General Reserve	<u>....</u>	(100.0)
14,493		<u>21,858</u>	50.8
	Transfers to -		
14,088	Development Works - Special Reserve	19,218	36.4
405	Sinking Fund	437	8.0
<u>...</u>	General Reserve	<u>2,203</u>	*
14,493		<u>21,858</u>	50.8

* Nil in previous year - not calculable.

BALANCE SHEET as at 31st December, 1982

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
<u>318,586</u>	Loans Raised by the Council		331,669	4.1
	Other Capital -			
2,922	Contributions for Capital Works	3,486		19.3
<u>99,026</u>	Development Works - Special Reserve	<u>118,244</u>		19.4
101,948			121,730	19.4
	Retained Earnings -			
71,521	Sinking Fund	73,840		3.2
<u>62,615</u>	General and Other Reserves	<u>69,299</u>		10.7
134,136			143,139	6.7
<u>554,670</u>	TOTAL		<u>596,538</u>	7.5

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	REPRESENTED BY -			
700,937	Fixed Assets (At Cost)	757,548		8.1
254,457	Less - Provision for Depreciation	282,059		10.8
446,480			475,489	6.5
	Investments* - Held for -			
71,521	Sinking Fund	73,840		3.2
48,156	Employees' Accrued Entitlements	54,181		12.5
12,278	Insurance Fund	14,816		20.7
131,955			142,837	8.2
	Trust Account -			
21,224	Investments*	24,405		15.0
4	Securities lodged as Deposits	3		(33.3)
21,228			24,408	15.0
	Current Assets -			
23,700	Stores and Materials (At Average Purchase Cost)	23,988		1.2
53,857	Debtors (Less - Doubtful Debts, \$105,952)	79,247		47.1
5,785	Short Term Investments (At Face Value)	9,140		58.0
165	Prepayments	271		64.2
41	Cash	44		9.0
83,548			112,690	34.9
683,211			755,424	10.6
	Less -			
	Current Liabilities -			
41,144	Creditors	59,697		45.1
2,708	Bank Overdraft	2,758		1.8
43,852		62,455		42.4
	Provisions -			
51,183	Employees' Accrued Entitlements	57,207		11.8
12,278	Insurance Fund	14,816		20.7
63,461		72,023		13.5
	Trust Account -			
21,084	Customers' Deposits (including accrued interest)	24,314		15.3
144	Contract and Tender Deposits	94		(35.0)
21,228		24,408		15.0
128,541			158,886	23.6
554,670			596,538	7.5

* Investments are included at face value. The figures quoted include accrued interest and uninvested cash.

The balance of income for 1982, before appropriations, was \$21,857,774 compared with \$8,658,846 in the previous year. In each case, the balance included the effect of a levy (2.65 per cent) for development works which is part of the tariff structure and hence of the income from electricity sales. After transferring a sum equal to the levy (\$19,218,000) to the Development Works - Special Reserve, and meeting the sinking fund allocation, there was a surplus of \$2,202,489 for 1982 transferred to the General Reserve. (In the previous year there was a shortfall of \$5,833,731 which was met by drawing in the remaining balance, \$3,000,000, of the Tariff Stabilisation Reserve and \$2,833,731 from General Reserve).

In analysing the effect of the 1982 results on the financial position, it is noticeable that while the cost of electricity purchased rose by 40.6 per cent, the sales income rose by only 37.8 per cent. The growth in sales income was held back by the late application of increases in Council's charges to consumers. Increases approved by Council on 5th July, 1982, to be effective from 2nd August, 1982, were deferred and became effective on 1st October, 1982, in respect of customers billed quarterly and 5th August, 1982, in respect of customers billed monthly. As 1983 would receive a full year's benefit of the 1982 tariff increases, while the Electricity Commission's charges were to be frozen to September, 1983, some of Council's tariffs were reduced on 1st January, 1983.

While the balance sheet shows that \$69.1 million is held as a general reserve, it also shows that, in accordance with established practice, the reserve is used in the business and is not represented by cash. Perhaps of greater significance in this context is that there is a large part of the accrued liability for employee benefits for which provision has not been made in the accounts.

Improvements granted in 1981 in employees' leave and retiring allowance conditions and introduction of optional early retirement at age 55 in lieu of 60 are reflected in the Council's estimated accrued liability for employee benefits of \$107.2 million at 31st December, 1982. It is relevant to note that the estimate includes for retiring allowances and sick leave, only the entitlements of employees who have reached age 55 years. The estimate must therefore be accepted as substantially lower than the existing "past service" liability.

Against the estimated accrued liability only \$57.2 million has been provided leaving a balance of at least \$50 million for which no provision has been made. Unless and until this can be made good out of future income, the general reserve should be regarded as hostage for the cost of employee payments.

In 1982, the Employees' Accrued Entitlements Fund received an allocation of \$27.0 million out of earnings and \$4.7 million as interest on investments - a total of \$31.7 million (\$9.5 million in 1981). Payments, mainly to employees ceasing employment, totalled \$26.0 million (\$11.5 million in previous year). It is evident that there will be further heavy payouts in 1983.

Income - Income from sales of electricity was \$755,834,576. That figure is net after allowing for rebates to eligible pensioners (at \$12 per account) which totalled \$6,462,668 (compared with \$5,050,120 at \$10 per account in 1981). No external subsidies are received towards the cost of this concession. Major components of sundry income, \$13,116,465, were \$8,392,185 from the recovery of maintenance costs and fixed charges relating to the lighting of streets and public places and \$1,410,704 from property rental.

The volume of electricity sold decreased by 458 gigawatt hours (3.8 per cent) over the 1981 sales to a total of 11,753 gigawatt hours. Council statistics, which combine the rates charged to different classes of users, show that the average selling price per kilowatt hour rose from 4.491 cents to 6.431 cents (43.2 per cent). In accordance with accepted practice within the electricity and gas supply industry, income does not include consumption as recorded in unread meters at balance date.

Expenditure - The bulk supply tariff of the Electricity Commission incorporates an energy charge for the quantity of electricity drawn and a fixed demand charge related to the maximum monthly load rating. The charge for the demand component was increased by approximately 10.0 per cent from 1st January, 1982, with a further increase of 53.8 per cent from 1st July, 1982. Increases (March and June, 1982 quarters) in the energy component brought that part of the tariff to 31.6 per cent higher than in the last quarter of 1981. In August, 1982, the Premier announced that the Electricity Commission's bulk supply tariff was to be frozen at its present level for the remainder of 1982. Subsequently it was announced that the tariff would be frozen till 30th September, 1983.

Electricity purchases, \$504,004,621, including the demand and energy components, represented an average cost of 4.101 cents per kilowatt hour compared with 2.812 cents in 1981 - i.e., an increase of 45.8 per cent.

The effect of the greater percentage rise in cost of electricity, compared with sales revenue, was ameliorated by slower growth in most other costs.

The sum provided for depreciation, \$28,528,257 in 1982, is calculated on a straight line basis by reference to the original capital cost of fixed assets and their estimated useful lives. The increase for the year was 7.5 per cent and is in line with the increase in fixed assets.

Interest and loan expenses, after deducting earnings of \$4,730,871 from short term investments, increased by \$570,589 to \$24,648,341. Interest earnings on Insurance, Employees' Accrued Entitlements and Sinking Funds are credited direct to those Funds.

The Sinking Fund allocation of \$437,285 was based on a notional earning rate of 8 per cent per annum. Actual earning rates have been considerably in excess of the required minimum return (set at only 3 per cent prior to 1981). As a result, the Fund balance of \$73,839,777 at 31st December, 1982, was approximately \$34.2 million in excess of the prescribed minimum accumulation and represented 22.3 per cent of the total loan debt. Any surplus on maturity of individual loans which have reached the end of their 50 year sinking fund cycle is transferred to the General Reserve.

Retained Earnings - The balance of the General Reserve at 31st December, 1982, was \$69,099,063, after bringing in transfers of \$4,253,440 from the Sinking Fund for loans which reached the end of their sinking fund cycle during 1982 and \$2,202,489 surplus on the Revenue Appropriation Account. The reserve is used by the Council to finance its working capital needs and also should be seen as backing for the beforementioned shortage in the provision for employees' accrued entitlements. Future income receivable from consumption recorded on balance date represents a further reserve. However this consumption is not converted into income until the meter reading cycle dates are reached and the accounts issued. As these conditions recur at about the same level each year, they have little effect on annual operating results.

Capital Debt - Additional liability comprised new loan raisings, \$15,552,366 (\$12,452,366 from external sources and \$3,100,000 invested by internal funds) less loan repayments, \$2,469,815.

Other Capital - A Reserve, "Contributions for Capital Works", records sums received from subdividers and developers, mainly towards the capital cost of the undergrounding of overhead mains. The net total received in 1982 was \$678,587.

Assets - The increase of \$56,611,101 in the value of fixed assets was financed as to \$13,082,551 from net loan raisings with the balance of \$43,528,550 coming from internal funds. It will be noted that, of investments (face value) totalling \$172,875,234 (market value, \$166,171,208) held at 31st December, 1982, \$91,649,534 was invested in the Council's own inscribed stock. It has become commonplace for internal funds to be used in this manner instead of investing them externally then borrowing externally for new capital works. The effect on this of the State's new borrowing corporation is still to be assessed. Significant expenditures in 1982 were on mains, \$26,446,687, substation equipment, \$15,115,063, buildings, \$3,115,422 and on plant, tools, meters and motor vehicles, \$5,393,025.

Up to 31st December, 1982, further internal funding for capital works to the extent of \$118,243,958 has been provided by levies, included in tariffs and appropriated to the Development Works - Special Reserve. Expenditure has included costs totalling \$42,529,597 incurred since 1966 in undergrounding overhead mains; \$11,538,900 in connection with the Head Office building; and \$19,547,710 in respect of the office accommodation portion of the City South Development project (Roden Cutler House).

Debtors for electricity supplied, \$74,650,268, represented 9.9 per cent of sales, the figure for 1981 being 9.0 per cent. Bad debts written off in 1982 in respect of electricity and appliance sales, after taking credit for recoveries, amounted to \$1,043,067 (\$757,200 in 1981).

Provisions - The Insurance Fund at 31st December, 1982, stood at \$14,815,825 after a contribution of \$3,300,000 from revenue. In addition to workers' compensation claims, the Fund meets losses in excess of cover arranged with insurance companies and provides cover against any other risks normally insured against. Payments were \$2,909,279 for workers' compensation and to incapacitated employees and \$128,582 for fire and general losses.

Statement of Changes in Financial Position

An analysis of changes in financial position shows that:

Previous Year \$ million		\$ million
	<u>Funds were obtained from -</u>	
13*	Net increase in external borrowings	10 *
..	Increase current liabilities	21
5	Disposal of external investments	..
1	Contributions by subdividers, developers, etc.	1
<u>1</u>	Sale of fixed assets	<u>2</u>
20		34
—		—
	<u>Funds were applied to -</u>	
50	Capital expenditure	60
7	Increase current assets	29
..	Increase external investments	9
<u>4</u>	Decrease current liabilities	<u>..</u>
61		98
—		—
	<u>Difference - obtained by use of funds retained for</u>	
	<u>future outlays on employee benefits, replacement</u>	
<u>41</u>	<u>of assets, etc.</u>	<u>64</u>
\$ million		\$ million
19.5	* Loans raised less loans repaid	13.1
<u>6.5</u>	Less: Internal subscription to loans raised	<u>3.1</u>
13.0		10.0
—		—

ENERGY AUTHORITY OF NEW SOUTH WALES

The Authority's principal functions are to investigate and plan the locating, development, conservation, and use of energy resources. Other functions are to regulate the sale and hiring of electrical apparatus and provide for the licensing of electrical contractors and electricians.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
8,283	Contribution from Consolidated Fund	9,236	11.5
1,084	Contributions by Electricity Commission	236	(78.3)
162	Grant - Electric Vehicle Programme	197	21.5
....	Grant - Energy Management Projects	46	*
857	Fees	1,205	40.7
24	Miscellaneous	24	1.9
<u>10,410</u>		<u>10,944</u>	<u>5.1</u>
	Expenditure -		
6,308	Salaries and Associated Charges	6,903	9.4
871	Office Accommodation Expenses	1,420	63.1
49	Fees - Members and Committeemen	39	(20.7)
9	Audit Fee	13	50.0
47	Petroleum Restriction Expenses	48	0.6
24	Depreciation	32	31.8
732	Other Costs	810	10.7
<u>8,040</u>		<u>9,265</u>	<u>15.2</u>
	Special Projects -		
....	Inquiry into Electricity Councils	450	*
944	Electricity Conservation Awareness Programme	236	(75.0)
400	Solar Energy - Grant to University of Sydney	150	(62.5)
348	Solar Power Generator Project - White Cliffs	227	(34.6)
284	Electric Vehicle Programme	265	(6.7)
306	Other Grants and Projects	215	(29.7)
<u>2,282</u>		<u>1,543</u>	<u>(32.4)</u>
<u>10,322</u>		<u>10,808</u>	<u>4.7</u>
88	Surplus	136	54.9
<u>10,410</u>		<u>10,944</u>	<u>5.1</u>

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital -		
1	Land Acquired Free of Capital Liability	1	..
<u>451</u>	Retained Earnings - Accumulated Funds	<u>587</u>	30.0
452	TOTAL	588	30.0
<u>==</u>		<u>==</u>	
	REPRESENTED BY -		
	Fixed Assets -		
1	Land Acquired Free of Capital Liability	1	..
<u>424</u>	Plant, Equipment and Motor Vehicles	<u>451</u>	6.2
425	(At Cost Less Depreciation, \$105,743)	452	6.1
<u>---</u>		<u>---</u>	
	Current Assets -		
21	Stocks of Publications, Stationery, etc.	18	(14.1)
114	Debtors and Prepayments	249	119.3
<u>1,117</u>	Cash at Treasury, etc.	<u>1,725</u>	54.5
1,252		1,992	59.2
<u>---</u>		<u>---</u>	
1,677		2,444	45.7
	Less - Current Liabilities -		
<u>1,225</u>	Creditors and Accrued Charges	<u>1,856</u>	51.6
452		588	30.0
<u>==</u>		<u>==</u>	

The contribution from Consolidated Fund towards meeting research, development and administration expenses increased by \$1,176,037 to \$9,236,400.

The Electricity Commission provided \$200,000 for an Electricity Conservation Awareness Programme, bringing total contributions to \$1,250,000 of which \$1,180,314 (\$235,848 in 1982-83) had been expended by 30th June, 1983. The balance, \$69,686 was refunded to the Commission in July, 1983.

Income from electrical contractors' and electricians' licences and examinations rose by \$241,283 to \$673,660 due to increased fees from 1st January, 1982 for contractors' licences (raised from \$15 to \$50) and electricians' licences (from \$3 to \$10).

An Inquiry under Section 27(1) of the Energy Authority Act, into pricing and billing for electricity supply, and financial management generally of electricity supply councils, cost \$450,000.

Further funds of \$150,000 (making \$1,833,100 in all) were granted to the University of Sydney for research on solar collectors. Expenditure on the Solar Power Generator Project - White Cliffs, included a grant of \$200,000 (\$1,248,000 to 30th June, 1983) to the Australian National University for the design and construction of a generator at White Cliffs.

METROPOLITAN WASTE DISPOSAL AUTHORITY

The Waste Disposal Act, 1970, constituted the Authority as a corporation for the disposal of waste within the Metropolitan Waste Disposal Region as defined in the Act.

REVENUE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Revenue -		
621	Contributions from Councils' Depots, etc.	559	(10.0)
10,623	Authority's Regional Depots	11,976	12.7
318	Licensing and Registration Fees	348	9.4
1,991	Income from Investments	2,585	29.8
9	Sundry Income	25	177.8
<u>13,562</u>		<u>15,493</u>	14.2
	Expenditure -		
7,649	Regional Depots	8,539	11.7
206	Supervision	217	5.3
457	Technical Salaries and Expenses	447	(2.2)
207	Licensing and Registration	243	17.4
904	Management and Administration	1,106	22.5
777	Interest	906	16.6
82	Depreciation - Furniture, Plant, etc.	89	8.6
	Provision for -		
5	Doubtful Debts	10	100.0
71	Accrued Leave	95	33.8
58	Superannuation	85	46.6
5	Insurance	10	100.0
<u>10,421</u>		<u>11,747</u>	12.7
3,141	Direct Operating Surplus	3,746	19.3
....	Surplus on Sale of Land	55	*
<u>3,141</u>		<u>3,801</u>	21.0
		\$'000	
	Allocation for -		
2,125	Liquid Waste Treatment Facility	1,931	(9.1)
289	Research Investigations	198	(31.8)
661	Property Acquisition and Development	<u>1,446</u>	118.9
<u>3,075</u>		<u>3,575</u>	16.3
66	Addition to Accumulated Funds	<u>226</u>	242.4

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
8,359	Loans Raised by Authority	9,419	12.7
	Other Capital -		
537	Land Acquired from Internal Sources (Property Acquisition Reserve)	537	..
8,896		9,956	11.9
	Retained Earnings -		
7,974	Reserves	11,318	41.9
1,097	Accumulated Funds	1,323	20.6
9,071		12,641	39.4
17,967	TOTAL	22,597	25.8
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
367	Head Office Equipment, etc. (Less Depreciation \$306,612)	377	2.7
4,094	Regional Facilities (Less Amortisation and Depreciation \$4,456,007)	4,508	10.1
4,461		4,885	9.5
5,507	Investments -		
	Government Securities	5,076	(7.8)
	Current Assets -		
1,894	Debtors (Less Doubtful Debts, \$61,882)	2,082	9.9
9,892	Interest Bearing Deposits	15,252	54.2
11,786		17,334	47.1
21,754		27,295	25.5
	Less -		
	Current Liabilities and Provisions -		
885	Creditors	1,110	25.3
31	Bank Overdraft	166	442.2
	Provisions -		
312	Accrued Leave	406	30.1
255	Superannuation	340	33.3
55	Insurance	63	15.3
2,249	Other	2,613	16.1
3,787		4,698	24.1
17,967		22,597	25.8

After providing \$3,574,784 for various special reserves, the net surplus of \$226,372 brought accumulated funds to \$1,323,229 at 30th June, 1983.

Occupiers of Council and privately run depots are required to pay a prescribed contribution based on all waste received. After an increase in the previous year, contributions decreased by \$61,687 to \$559,554 due to lower receivals.

On the other hand, income from the Authority's regional depots showed overall increases:

	1981-82 \$'000	1982-83 \$'000	Increase % (-)
Castlereagh	2,723	2,980	9.4
Jack's Gully	390	521	33.6
Lucas Heights	2,541	2,728	7.4
Grange Avenue	909	1,020	12.2
Homebush Bay	545	237	(56.5)*
Bare Creek	850	1,071	26.0
Rockdale	458	530	15.7
Merrylands	1,321	1,808	36.9
Thornleigh	886	1,081	22.0
	<u>10,623</u>	<u>11,976</u>	12.7

* Ceased operations on 5th December, 1982.

The rise was due to an increase in solid waste input and increases in charges for both solid and liquid wastes. Regional depot primary costs rose by \$889,697 to \$8,538,251.

Expenses attributable to the year's operations but met by transfers to Provisions were as follows. (The first three items, while clearly costs of usage of present facilities, are of a nature which will not call for cash disbursement until the respective operations have closed down):

	Transferred in - 1981-82 \$'000	Held at 1982-83 \$'000	30.6.83 \$'000
Environmental Restoration of Regional Depot Sites	319	364	996
Deferred Interest on Loans Used to Pay for Regional Facilities	171	208	994
Future Maintenance of Castlereagh Depot	78	89	616
Major Repairs of Plant, etc. and Transfer Stations	5	8	7
Employees' Accrued Leave	71	95	406
Employees' Superannuation	58	85	340
Insurance	5	10	63
	<u>707</u>	<u>859</u>	<u>3,422</u>

Allocations from the direct operating surplus to reserves for future major works, replacements, etc., were:

	1981-82 \$'000	1982-83 \$'000	Reserve at 30.6.83 \$'000
Liquid Waste Treatment Facility	2,125	1,931	7,196
Property Acquisition and Development	661	1,446	3,573
Research	289	198	549
	<u>3,075</u>	<u>3,575</u>	<u>11,318</u>

During the year the Authority negotiated one new private loan of \$1,500,000 and repayments totalled \$439,882. Loans outstanding at 30th June, 1983, were \$9,419,389. Repayments are on a credit foncier basis.

Major capital payments related to regional depot facilities at Auburn (\$798,580) and Eastern Creek (\$300,520).

Debtors at the close of the year included \$1,210,257 for regional depot charges and \$846,257 for accrued interest.

STATE BRICKWORKS

MANUFACTURING AND TRADING ACCOUNT for the year ended 31st March, 1983			
Previous Year \$'000		\$'000	Increase % (-)
11,472	Sales	10,257	(10.6)
	Manufacturing Expenses -		
4,171	Wages and Associated Costs	3,908	(6.3)
1,224	Coal, Fuel Oil, and Natural Gas	1,334	8.9
1,348	Repairs and Maintenance	1,287	(4.5)
623	Raw Materials	451	(27.6)
268	Stores	193	(28.1)
390	Electricity	597	53.0
348	Plant and Lorry Hire and Operating	348	0.1
349	Depreciation	327	(6.3)
69	Other	92	33.8
8,790		8,537	(2.9)
471	Less - Increase in Stocks	490	3.9
8,319		8,047	(3.3)
88	Less - Net Profit on Cartage, etc.	72	(18.0)
8,231	Cost of Sales	7,975	(3.1)
3,241	Gross Profit to Profit and Loss Account	2,282	(29.6)
11,472		10,257	(10.6)

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
3,241	Gross Profit - Manufacturing and Trading	2,282	(29.6)
415	Interest on Investments	441	6.1
75	Sundry Income	254	236.9
2	Profit on Sale of Assets	11	588.4
<u>3,733</u>		<u>2,988</u>	<u>(20.0)</u>
	Less -		
1,123	Salaries and Other Administrative Charges	1,294	15.2
	Provision for -		
13	Depreciation	12	(3.2)
41	Long Service Leave	53	28.9
69	Doubtful Debts	11	(85.0)
80	Contribution in lieu of Council Rates	85	6.6
724	Interest, etc.	685	(5.5)
<u>2,050</u>		<u>2,140</u>	<u>4.4</u>
1,683	Operating Surplus	848	(49.6)
27	Sinking Fund Contribution	27	(1.0)
116	Employees' Bonus Provision	57	(50.4)
<u>143</u>		<u>84</u>	<u>(41.1)</u>
<u>1,540</u>	Net Surplus Added to Accumulated Funds	<u>764</u>	<u>(50.4)</u>

BALANCE SHEET as at 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
7,553	Capital Debt - State Government	7,124	(5.7)
	Other Capital -		
251	Loans Repaid	277	10.6
	Retained Earnings -		
<u>2,173</u>	Accumulated Funds	<u>2,960</u>	<u>36.2</u>
<u>9,977</u>	TOTAL	<u>10,361</u>	<u>3.8</u>

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
	Homebush -			
888	Land	888		..
2,137	Building, Kiln, Plant, etc. (Less Depreciation, \$2,509,031)	2,052		(4.0)
	Blacktown -			
9	Land	9		..
2,902	Building, Kiln, Plant, etc. (Less Depreciation, \$1,390,589)	2,727		(6.0)
5,936			5,676	(4.4)
18	Intangible Assets - Capitalised Expenditure		109	496.2
690	Investments (Depreciation Provision) - Deposit at Treasury		1,904	175.7
	Current Assets -			
1,489	Debtors (Less Doubtful Debts, \$160,309)	1,731		16.3
	Brick Stocks (At Lower of Cost or Market Price)	1,967		33.1
1,478		793		1.2
783	Stores and Materials - Note (a)	1,612		(55.1)
3,589	Deposits at Treasury		6,103	(16.8)
7,339				
13,983			13,792	(1.4)
	Less -			
	Current Liabilities -			
1,121	Creditors	487		(56.6)
380	Deposits on Orders, etc.	172		(54.9)
1,501		659		(56.1)
	Provisions -			
1,417	Employees' Leave	1,550		9.4
787	N.S.W. Retirement Fund	951		20.9
142	Repairs and Maintenance	169		18.9
43	Mobile Plant Insurance	45		6.0
116	Employees' Bonus	57		(50.4)
2,505		2,772		10.7
4,006			3,431	(14.3)
9,977			10,361	3.8

Note (a) - Stores and Materials valued at last purchase prices. This is contrary to the accounting standard AAS 2. The amount involved has not been assessed but is not considered to have a material effect.

The Undertaking operates brickworks at Homebush and Blacktown. The overall result of operations for the year was a net surplus of \$763,708 (after provision of a bonus to employees, \$57,483) compared with one of \$1,539,950 in 1981-82 (when the bonus was \$115,910). On a sectional cost basis, Homebush's surplus was \$351,913 (\$874,268 in 1981-82) and Blacktown's was \$482,295 (\$882,816 in 1981-82).

Income - Sales decreased by \$1,214,680 or 10.6 per cent. Volumes fell by 7.26 million bricks to 35.02 million at Homebush, and by 2.04 million to 15.51 million at Blacktown. Average prices obtained were \$207.10 and \$193.80 per thousand ex Homebush and Blacktown yards, respectively, compared with \$195.33 and \$183.22 in 1981-82.

Sundry income rose by \$178,997, mainly from licence agreements for the extraction of sandstone and the disposal of waste at Homebush.

Expenditure - Manufacturing expenses fell by \$253,128 (2.9 per cent) to \$8,537,430. The net cost of sales represented 77.8 per cent of sales compared with 71.8 per cent in 1981-82.

Administrative costs rose by \$170,998 (15.2 per cent) to \$1,294,493.

The Undertaking paid the Treasury \$71,896, being a sum equivalent to Council rates on Homebush land. In addition, a payment of \$13,419 in lieu of rates was made to Blacktown City Council. As reported previously, there is no statutory authority for these payments. Treasury advice has been sought about future contributions.

Assets and Liabilities - The balance sheet shows land (at cost) at Homebush, \$888,246 and at Blacktown, \$8,695. Valuations by the Valuer-General were \$5,500,000 (L.V.) at Homebush (1st January, 1982) and \$460,000 (L.V.) at Blacktown (22nd May, 1981). The intangible asset "capitalised expenditure", \$109,358 is the unamortised balance of preparing land for income earning activities (\$12,813) and for shale extraction at Blacktown (\$96,545).

Including the net result of operations and a previous year adjustment of \$22,827, accumulated funds rose to \$2,959,608 at 31st March, 1983.

NEW SOUTH WALES GOVERNMENT ENGINEERING
AND SHIPBUILDING UNDERTAKING

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
25,111	Sales and Services	26,158	4.2
511	Interest on Investments	535	4.5
309	Sundry Income	218	(29.3)
25,931		26,911	3.8
	Expenditure -		
	Direct Works Expenditure -		
9,355	Wages	8,860	(5.3)
7,092	Materials	5,539	(21.9)
4,317	Expenses	4,256	(1.4)
20,764		18,655	(10.2)
	Indirect Works Expenditure -		
1,305	Salaries	1,326	1.7
2,180	Leave and Holiday Pay	1,988	(8.8)
884	Pay-roll Tax	929	5.0
1,969	Workers' Compensation Insurance	1,752	(11.0)
229	Depreciation	219	(4.2)
948	Repairs and Maintenance	907	(4.4)
317	Power and Water	362	14.3
1,569	Other Costs including Store Charges	1,579	0.7
9,401		9,062	(3.6)
30	Less - Recovered in Sundry Sales or Charged to Construction	3	(88.0)
9,371		9,059	(3.3)
2,574	Administrative Expenditure	2,981	15.8
13	Audit Fee	13	..
11	Board Fees and Allowances	17	46.8
491	Interest, etc., on Capital	553	12.8
....	Warranty Expenses	248	*
	Provision for Periodic		
50	Maintenance on Floating Dock	165	230.0
	Provision for Shipbuilding		
....	Shut-Down Expenses	100	*
33,274		31,791	(4.5)
7,343	Operating Loss	4,880	(33.5)
61	Loan Repayments	62	0.9
7,404	Loss Added to Accumulated Deficiency	4,942	(33.3)

* Nil in previous year - not calculable.

BALANCE SHEET as at 31st March, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
CAPITAL AND RETAINED EARNINGS -				
<u>10,105</u>	Capital Debt - State Government		16,344	61.7
	Other Capital -			
100	Plant Provided by Commonwealth	100		..
<u>1,215</u>	Loans Repaid	<u>1,277</u>		5.1
1,315			1,377	4.7
<u>11,420</u>			<u>17,721</u>	55.2
<u>7,588</u>	Less-Accumulated Deficiency		<u>12,394</u>	63.3
<u>3,832</u>	TOTAL		<u>5,327</u>	39.0
REPRESENTED BY -				
	Fixed Assets (At Cost or Written Down Value) -			
83	Land	83		..
<u>3,400</u>	Buildings, Wharves, Plant, etc. (Less Depreciation, \$4,146,824)	<u>3,257</u>		(4.2)
3,483			3,340	(4.1)
	Investments (At Cost) - Held for -			
4,026	Provision for Depreciation	4,026		..
82	Long Service Leave	82		..
<u>61</u>	Employees' Retirement Benefits	<u>61</u>		..
<u>4,169</u>			4,169	..
	Current Assets -			
	Works in Progress	46,425		*
	Less: Advances	<u>43,838</u>		*
....		2,587		*
	Stores and Materials (At Last Purchase Price)	318		(25.7)
5,621	Debtors (Less Doubtful Debts, \$80,000)	3,191		(43.2)
<u>905</u>	Cash at Treasury, etc.	<u>509</u>		(43.7)
6,954			6,605	(5.0)
<u>14,606</u>			<u>14,114</u>	(3.4)

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Less -			
	Current Liabilities -			
1,664	Advances - Net	....		(100.0)
3,875	Creditors and Accrued Charges	3,007		(22.4)
5,539		3,007		(45.7)
	Provisions -			
3,072	Long Service Leave	2,933		(4.5)
2,028	Employees' Retirement Benefits	2,317		14.3
135	Periodic Maintenance on Floating Dock	300		122.2
....	Warranty	130		*
....	Shipbuilding Shut-Down Expenses	100		*
5,235		5,780		10.4
10,774			8,787	(18.4)
3,832			5,327	39.0

* Nil in previous year - not calculable

Note 1 - A contingent liability of \$4,141,003 exists in respect of moneys, provided by the Treasury to meet retrenchment payments, that may become repayable at a future date.

Note 2 - Land controlled by the Undertaking at Carrington and vested in the Minister for Public Works was valued at 31st May, 1982 by the Valuer-General at \$2,760,000 (L.V.).

Operations resulted in a loss of \$4,941,860 compared with \$7,404,328 in the previous year. Adding in the loss for the year, and deducting \$136,994 for adjustment of costs arising from the previous year's operations, the Undertaking's accumulated deficiency rose from \$7,588,722 to \$12,393,588.

Liquidity problems continued and the State Treasury provided further cash advances of \$6.3 million (in addition to \$4.8 million in 1981-82). The interest and repayment terms of these advances are to be determined later.

The heavy losses have been incurred mainly in the Shipbuilding Division. For example, in 1982-83 after meeting direct labour and materials costs for shipbuilding, there was a margin of only \$1 million from assessed income to meet the Shipbuilding Division's share of indirect costs.

As reported last year, labour hours and payments for materials, etc., have been far in excess of the estimates which made up the tender prices. For two offshore supply vessels and a Manly Ferry, the Undertaking's assessment of the value of works-in-progress at 31st March, 1983, takes to account a progressive overrun of nearly 500,000 hours of labour on original estimates (as adjusted for variations) of 687,000 hours. There was also substantial excess of material costs for these three vessels (approximately \$3.0 million). The problem was compounded when overruns on production time led to claims for damages for late completion. The conclusion must still be that either the estimates used to fix prices for tendering purposes were grossly understated, or there was unsupportable subsequent deterioration in performance.

The Minister announced in August, 1982 that shipbuilding would cease on completion of ships currently under construction.

The assessed results of the Engineering Division moved down from a \$0.5 million profit in the previous year to a loss of about \$1.2 million in 1982-83. Although sales value for the Division increased by \$1.3 million, direct costs rose by \$2.6 million.

Sales and services of the several Divisions of the Undertaking were:

	1982-83 \$'000	Increase from Previous Year \$'000	% (-)
Shipbuilding	8,248	(2,668)	(24.4)
Ship Repairs, Floating Crane and Slipways	10,576	2,420	29.7
Power Station and General Engineering	7,334	1,295	21.4
	<u>26,158</u>	<u>1,047</u>	4.2

The income from sales and services, \$26,157,978, is made up of work completed during the year, \$15,400,734, plus \$10,757,244 increase in estimated sales value of work in progress. As the total involved in works in progress is about \$46.4 million (including shipbuilding, \$30.2 million and engineering works, \$14.5 million), the result of operations becomes very largely dependent upon the assessment, by management, of the sales value of those works at the close of the year. Profit is recognised on contracts in progress under the percentage of completion method but this is done, in terms of accounting standards, only when costs to complete can be reliably estimated. The assessment of works in progress is tested in the audit process by reference to costing records, sales claims issued subsequent to balance date, and job progress reports. So far as can be judged, and assuming the works involved proceed to completion as planned, the assessment seems to be reasonable.

Vessels are retained as work in progress pending finalisation of modifications and the completion of a guarantee period which usually extends for approximately twelve months after handing over.

Work turnover on Ship Repairs, etc. increased by \$2,419,759. Statistics furnished by the Undertaking show that 19 vessels totalling 132,159 tons were docked and repaired in the year compared with 24 and 219,737 tons in the previous year. However, the Dock "Mulooabinba" was occupied on 267.5 days compared with 210 days in the previous year. Repairs which did not require docking facilities dropped from 46 to 32 vessels.

Power Station Engineering sales, \$4,689,965, comprised the sales value of work completed during the year on the construction of condensers for the Bayswater and Mount Piper Stations, \$2,125,418, Eraring Power Station, \$2,005,790, and for the Loy Yang Power Station, \$558,757. Pending determination of costs to complete, the assessed sales value of certain condenser work was taken in at the equivalent of direct costs (\$2.7 million in 1982-83) and no margin included for recovery of overheads (other than labour) or profit on these works.

General Engineering orders are, for the most part, obtained by submission of quotations. In the year ended 31st March, 1983, sales decreased from \$2,749,389 to \$2,644,011 due mainly to a decline in construction of demountable buildings and in fabrication works.

The cash funds provided by the State Treasury for working capital during the year resulted in the Undertaking's external capital debt rising to \$16.3 million. Including \$4.1 million provided for retrenchment payments (\$810,000 in respect of current retrenchments), the State's investment is about \$20.4 million. The backing for this investment is only the net book value of current assets and investments less current liabilities and provisions. This amounts to about \$2 million, plus any residual value of land and equipment.

FLOATING CRANE AND SLIPWAYS - NEWCASTLE

The operation and maintenance of a floating crane and two slipways at the port of Newcastle are carried out by the New South Wales Government Engineering and Shipbuilding Undertaking on behalf of the Public Works Department. Financial transactions are recorded through a working account in Special Deposits Account and losses (net cost of operations) are met by subsidy from Consolidated Fund.

Operating results for the past two years were:

	<u>Year ended 30th June</u>			
	<u>1982</u>		<u>1983</u>	
	<u>Hirings</u>	<u>Expenses</u>	<u>Hirings</u>	<u>Expenses</u>
	\$	\$	\$	\$
Floating Crane	187,290	231,206	68,985	134,235
Slipways	42,610	236,250	30,101	189,752
	<u>\$229,900</u>	<u>\$467,456</u>	<u>\$99,086</u>	<u>\$323,987</u>
Deficiency		<u>\$237,556</u>		<u>\$224,901</u>

Floating Crane - The crane was used on 10 external hirings and on 3 hirings by the Undertaking compared with 17 and 14 times respectively, in 1981-82. As a result income in 1982-83 was lower by \$118,305. Expenditure also fell with the decreased activity but the financial result, a loss of \$65,250, was 48.6 per cent more than the loss of \$43,916 recorded in the previous year. Hire charges for the crane were increased in April, 1983 by approximately 50 per cent. However, this has not yet produced tangible benefits as no hirings of the crane were recorded in the last three months of the 1982-83 year.

Slipways - Income was down by \$12,509 and expenditure by \$46,498. The result was that the loss fell from \$193,640 in 1981-82 to \$159,651 in 1982-83. The slipways were used on only 15 occasions and for a total of only 57 chargeable days. On this basis the subsidy cost of operations seems particularly high in relation to the degree of usage / benefit derived therefrom.

Accumulated Financial Position - These operations have been chronically unable to break even on costs, and substantial subsidies have been needed from the Consolidated Fund to keep facilities operating.

The result, as reported previously, is that there is a hidden subsidy to the operator, i.e., the Shipbuilding Undertaking, which is not reflected in the Undertaking's accounts. Any work done on behalf of private hirers also receives the benefit of the continued subsidy from public funds.

Additional advances of \$270,000 in 1982-83 brought total payments towards losses, including those of the old floating dock taken out of service in March, 1977, to \$9,770,303, at 30th June, 1983.

Management is now reviewing possible courses of action.

DAMS SAFETY COMMITTEE

The Committee was constituted a corporation as from 31st January, 1979, by the Dams Safety Act, 1978, to formulate measures to ensure the safety of some 200 dams scheduled in the Act. Functions include investigating the design, maintenance and operations of dams and maintaining a surveillance of the dams and their environs and contents.

Financial transactions of the Committee are recorded in a Special Deposits Account at the Treasury. Receipts for 1982-83 comprised an allocation of \$190,000 (\$175,000 in 1981-82) from the Consolidated Fund vote of the Minister for Public Works and a temporary advance of \$7,812 from the Public Works Department's General Working Account. Payments totalled \$198,873 (\$190,769 in 1981-82) and included \$128,529 for salary costs, \$34,473 for consultants' services, \$27,751 for members' meeting fees and travelling expenses and \$4,000 for repayment of a temporary advance made in 1981-82. Consultants' services related primarily to the effect of mining in the vicinity of stored waters. A balance of \$3 remained in the Committee's account at 30th June, 1983, compared with \$1,064 at the close of the previous year.

METROPOLITAN WATER SEWERAGE AND DRAINAGE BOARD

The Board, constituted under the Metropolitan Water, Sewerage and Drainage Act, 1924, is responsible for the provision of water supply, sewerage facilities and certain stormwater drainage in an area extending from the Hawkesbury River in the north to Gerringong/Gerroa in the south, and westward to Mount Victoria in the Blue Mountains. In this total area of operations (some 13,000 sq. km.), Board estimates are that water is supplied to a population of about 3.4 million people, while sewerage facilities are presently provided to approximately 3.2 million.

INCOME AND EXPENDITURE ACCOUNT (ALL FUNDS) for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
142,514	Water Rates	166,584	16.9
245,948	Sewerage Rates	305,119	24.1
9,129	Drainage Rates	10,877	19.1
37,180	Water Meter Accounts	45,932	23.5
6,618	Trade Waste Charges	8,165	23.4
3,124	Sundry Charges, Fees, etc.	3,436	10.0
<u>444,513</u>		<u>540,113</u>	<u>21.5</u>
	Expenditure -		
146,299	Working Expenses	169,240	15.7
52,290	Administration and Management	59,785	14.3
149,281	Interest (net)	181,600	21.7
1,217	Loan Flotation and Management Expenses	1,496	23.0
8,844	Provision for Long Service Leave	8,300	(6.2)
	Provision for Deferred Liability -		
2,000	N.S.W. Retirement Fund	2,200	10.0
12,100	State Superannuation Fund	23,500	94.2
<u>372,031</u>		<u>446,121</u>	<u>19.9</u>
	Amount Available for Depreciation Charges or Renewal of Assets and for Capital Purposes	93,992	29.7
	Applied -		
8,097	Loan Repayment Reserve	4,397	(45.7)
29,709	Loans Repaid	32,414	9.1
34,676	Renewals and Other Purposes Reserve	57,181	64.9
<u>444,513</u>		<u>540,113</u>	<u>21.5</u>

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
1,292,454	Loans Raised by the Board	1,291,933		(*)
297,587	Loans from Internal Reserves	428,901		44.1
271,072	State Government Loans	260,187		(4.0)
14,919	Other	14,133		(5.3)
<u>1,876,032</u>			1,995,154	6.3
	Other Capital -			
302,898	Loans Repaid	335,312		10.7
352,910	Assets Acquired from Internal Sources	372,070		5.4
397,539	Assets Acquired at No Cost	438,614		10.3
21,117	Debt Remission by the State Government	21,117		..
<u>1,074,464</u>			1,167,113	8.6
	Retained Earnings -			
332,294	Loan Repayment Reserve	381,498		14.8
26,368	Renewals and Other Purposes Reserve	63,029		139.0
<u>358,662</u>			444,527	23.9
3,309,158			3,606,794	9.0
21,021	Less - Assets Written Off		21,334	1.5
<u>3,288,137</u>	TOTAL		<u>3,585,460</u>	9.0

* Less than 0.1 per cent

The most striking feature of this side of the balance sheet is a reduction - although slight - in the external debt. This resulted from net loan raisings being marginally less than the principal repaid in instalments on credit foncier loans. Largely, the Board's internal reserves are being drawn on (mainly by direct investment in the Board's own stock) to finance capital works. Compared with \$91.3 million in 1979, there is now \$428.9 million invested internally this way. A further \$41.1 million of assets was acquired at no cost from developers, subdividers, etc. in 1982-83.

On the other side of the balance sheet, the total funds were:

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	REPRESENTED BY -			
	Fixed Assets (At Cost or Estimated Value) -			
2,882,947	Property, Dams, Pipes, Plant, etc.		3,121,885	8.3
	Investments, etc.* -			
332,294	Loan Repayment Reserve	381,498		14.8
85,793	Provisions - Employee Entitlements	131,471		53.2
418,087			512,969	22.7
	Current Assets -			
10,329	Stores and Materials (At Cost)	11,222		8.7
24,164	Debtors	27,400		13.4
87,177	Short Term Investments*	94,154		8.0
4,524	Cash	1,266		(72.0)
126,194			134,042	6.2
3,427,228			3,768,896	10.0
	Less - Current Liabilities and Provisions -			
53,298	Creditors	51,965		(2.5)
47,357	Provisions - Long Service Leave	61,338		29.5
	Deferred Liability -			
11,759	State Superannuation Fund	36,949		214.2
26,677	N.S.W. Retirement Fund	33,184		24.4
139,091			183,436	31.9
3,288,137			3,585,460	9.0

* Investments (except real property which is, at cost, \$7,555,230) are at face value and include accrued interest.

My reports in recent years have contained further statements to analyse where the Board obtained funds to meet its working expenses and capital works programmes. The following funds statement is again designed to show the extent to which cash obtained from external sources has been insufficient to meet the cash outgoings of the Board - with the consequence of a balancing run down of cash and disposal of external investments.

Previous Year \$ million		\$ million
	Funds Were Obtained From -	
442	Rates, Fees and Charges	538
42	Interest on Investments	44
127	Loans and Advances	97
36	Contributions from Subdividers, Developers, etc.	33
<u>647</u>		<u>712</u>
	Funds Were Used For -	
144	Working Expenses	168
53	Administration and Management	60
14	Long Service Leave and Retirement Benefits	14
148	Interest and Loan Flotation Expenses	167
86	Loan Repayments	109
17	Renewal of Works	17
3	George St. Sydney, Development Site*	8
5	Purchase of Computer Equipment	3
191	New Capital Works	203
<u>661</u>		<u>749</u>
	Difference met from -	
14	Net Disposal of Cash and External Investments	37
<u>647</u>		<u>712</u>

* Expenditure in 1982-83 recorded in the Balance Sheet as an investment on behalf of the Provision for Deferred Liability - State Superannuation Fund.

Borrowing restrictions imposed by the Loan Council and State Government have reduced the amount of external loan funds available for new capital works from a peak of \$140 million in 1977-78 to \$25 million in 1982-83. The Board, in seeking to maintain its capital works programme has been drawing upon internal reserves and the investment backing held as provisions to meet known liabilities. The present position is that out of \$513 million of investments covering sinking funds for loans and provisions for employee entitlements, only \$76.3 million is in an external, realisable, form. Assuming a continuation of limits on external loans, the Board will soon need to increase its revenues or reduce its running costs if it is to find sufficient liquidity to maintain the present level of capital works expenditure.

Under increasing pressure to account for the economy, efficiency and effectiveness of its operations, the Board has a difficult task in determining a capital works programme. Projects which could be classified as environmental and thereby not contributing additional rate revenue have escalated from \$44 million in 1977-78 to \$102 million in 1982-83. In other words, expenditure for environmental benefits as a proportion of the Board's capital works expenditure has increased from about 22 per cent to 49 per cent.

Of course, additional loan funds do not provide an easy solution to the financial problems of the Board. Massive injections of loan capital bring a corresponding increase in debt service charges. The net cost of interest alone in 1982-83 was \$181.6 million. Five years ago it was only \$100.3 million. Even with the restricted scope for external borrowing, the continuation of investment in the Board's own stock and the "rolling over" of maturing loans (usually at higher interest rates) ensures that the interest burden on ratepayers will continue to rise.

The accounts show that after meeting operating costs for the year, repayments on credit foncier loans, and sinking fund contributions, a total of \$57.2 million was appropriated to the Reserve for Renewals and Other Purposes. Amongst other things this reserve is intended to cater for depreciation or renewal of assets. As the Board currently has no formalised depreciation policy in respect of its installed system assets and there has been no determination of an amount fairly representing the extent to which assets have been used up in obtaining revenue, the adequacy of the amount appropriated is open to speculation.

The nature of the water, sewerage and drainage reticulation systems adds to the difficulty of precisely identifying the physical assets which back up the financial balances in asset accounts. This will, of course, have to be resolved prior to the Board implementing any depreciation strategies.

As previously mentioned there has been an increasing reliance on reserves and provisions to maintain the capital works programme via investment in the Board's own inscribed stock. A total of \$428.9 million of these investments remained outstanding at balance date having been used to pay for part of the \$3,121.9 million of fixed assets. Consequently these investments are not realisable in cash. If the position is restated to compare the reserves and provisions with their externally invested backing it shows:

Previous Year \$ million		\$ million
	Assessment of Obligations -	
	As shown in Balance Sheet -	
332.3	Loan Repayment	381.5
26.4	Renewals and Other Purposes	63.0
47.3	Employees Long Service Leave	61.3
26.7	N.S.W. Retirement Fund - Deferred Liability	33.2
11.8	State Superannuation Fund - Deferred Liability	37.0
444.5		576.0
	Cash Backing -	
207.5	External Investments*	170.5
14.3	Less - Excess of Current Liabilities over other Current Assets	12.1
193.2		158.4
251.3	Present Insufficiency of Cash Backing (approximates the extent of investment in own stock)	417.6

* Includes current asset in form of short term investments but excludes holdings of own stock.

Review of 1982-83 Transactions

Income from rates and charges rose by \$95.6 million (or 21.5 per cent) to \$540.1 million. Residential water, sewerage and drainage rates for 1982-83 were assessed on property values at a common base date of 1st July, 1978 (1st January, 1977 for the Blue Mountains City Council Area). An upper limit of 13.74 per cent, 23.0 per cent and 20.0 per cent was applied to water, sewerage and drainage rate increases, respectively. The tapered rating system was continued for residential properties with land values in excess of \$36,000 (\$30,000 for the previous year).

Non-residential properties continued to be rated according to assessed annual values. Charges for 1982-83 increased by 11.91 per cent, 21.56 per cent and 17.75 per cent for water, sewerage and drainage, respectively.

The charge for excess water increased from 23.09 cents per kilolitre to 28.0 cents per kilolitre.

Interest received from external sources, \$29.2 million, was offset in the accounts against total interest charges of \$210.8 million and shown as a net expense of \$181.6 million. Other interest receipts (\$58.0 million), derived from internally and externally invested funds on behalf of the Loan Repayment Reserve, Provision for Long Service Leave, and Provisions for Deferred Liability - N.S.W. Retirement Fund and State Superannuation Fund, were credited direct to the respective Reserves and Provisions. This accounting treatment is being reviewed by the Board in conjunction with recommendations of the Public Accounts Committee. In addition to interest and revenue contributions, provisions received \$12.8 million from direct charges to capital projects.

If the transfer to Renewals and Other Purposes Reserve is included, net expenditure also rose by \$95.6 million. A comparison for the past three years shows:

	1980-81		1981-82		1982-83	
	\$'000	%	\$'000	%	\$'000	%
Working Expenses	127,837	31	146,299	31	169,240	30
Administration and Management	50,359	12	52,291	11	59,785	10
Capital Debt Charges	198,851	47	218,929	46	249,089	44
Transfers to Other Reserves and Provisions	<u>42,969</u>	<u>10</u>	<u>57,621</u>	<u>12</u>	<u>91,181</u>	<u>16</u>
Total Expenditure	<u>420,016</u>	<u>100</u>	<u>475,140</u>	<u>100</u>	<u>569,295</u>	<u>100</u>
Less Interest Received	<u>28,059</u>		<u>30,627</u>		<u>29,182</u>	
Net Expenditure	<u>391,957</u>		<u>444,513</u>		<u>540,113</u>	

The proportion of working expenses to total expenditure declined by 1 per cent in 1982-83. However, in absolute terms this represents an increase from \$146.3 million to \$169.2 million or 15.7 per cent. The majority of this increase is attributed to:

- . higher labour costs;
- . increased pumping of water and sewerage and higher electricity charges;
- . an overall expansion of services;
- . environmental and quality factors adding to running and maintenance costs.

Also included in working expenses in 1982-83 was \$3.5 million (\$1.1 million in previous year) expended on the construction of buildings.

The rise of 14.3 per cent in administration and management expenses in 1982-83 was attributed mainly to:

- . higher labour costs;
- . increased fees charged by the Valuer-General;
- . additional rent for inner city offices.

The Provision made for deferred liability to the State Superannuation Fund at \$23.5 million was higher by \$11.4 million and brought the total held up to \$36.9 million. Preliminary advice on this deferred superannuation liability has been received from the Government Actuary and is currently being considered by the Board and the State Treasury.

The Provision for Long Service Leave stood at \$61.3 million at 30th June, 1983 and represented approximately 98.5 per cent of estimated liability at that date. No provision has been made in the accounts for accrued annual leave. In this regard the Board is presently reviewing the extent of employees' annual leave credits and the conditions specified in Industrial Agreements relating to excess accumulations.

Sinking fund contributions to the Loan Repayment Reserve in 1982-83 were reduced from 1.0 per cent, which applied in 1981-82, to 0.5 per cent of all relevant loans outstanding. As a consequence, the appropriation from revenue declined by \$3.7 million to \$4.4 million.

After making transfers of revenue to Reserves and Provisions, the amount remaining for the Renewals and Other Purposes Reserve was \$57.2 million which was higher than in 1981-82 by \$22.5 million.

Capital Funds - At 30th June, 1983, the total loan debt, including internal borrowings, had accumulated to \$1,995.2 million (\$1,876.0 million at 30th June, 1982). The Board raised loans during the year totalling \$251.9 million comprising \$163.0 million for new works and \$88.9 million to refinance maturing loans. The money came from privately negotiated loans (\$48.8 million) and public flotations (\$65.1 million), while internal sources were drawn upon for \$138.0 million. As adjusted by advance subscriptions received in the previous year, net cash received was \$97.2 million. The net cash outgoing for loan repayments totalled \$25.7 million.

Developers and subdividers contributed \$19.4 million for the provision of water and sewerage services and paid \$8.7 million towards reimbursement of funds previously expended by the Board for services to new areas released for development. This is in addition to the value of assets constructed by developers and subdividers, \$9.2 million, which were handed over to the Board at no cost.

Assets - The book value of fixed assets at 30th June, 1983, was \$3,121.9 million, an increase of \$238.9 million. Including works handed over by developers and subdividers, the increase related to water supply works, \$78.0 million, sewerage works, \$157.5 million, and drainage works, \$3.4 million.

Major increases in assets included \$3.0 million on the Freemans Reach-Glossodia water supply, and works associated with water pollution control plants at North Head, \$24.7 million, Glenfield, \$8.4 million and Wollongong, \$7.2 million.

Expenditure on the development site adjacent to the Board's head office during the year amounted to \$7.6 million and was treated as an investment on behalf of the Provision for Deferred Liability - State Superannuation Fund. This brought total expenditure to \$15.6 million comprising site acquisition, \$8.2 million, demolition costs, \$0.5 million, and preliminary design, quantity survey and consultants' fees, etc. \$6.9 million. The Minister announced recently that a proposal to construct multi-storey office accommodation and retail development on the site has been terminated and the site is to be sold.

HUNTER DISTRICT WATER BOARD

INCOME AND EXPENDITURE ACCOUNT (ALL FUNDS) for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
23,914	Water Rates	22,308	(6.7)
22,549	Sewerage Rates	21,128	(6.3)
1,445	Drainage Rates	1,932	33.7
5,697	Water Meter Accounts	18,687	228.0
2,383	Water Fund - Sewerage Flushing Allowance	....	(100.0)
5,384	Interest on Investments	5,030	(6.6)
1,304	Sundry Charges, Fees, etc.	1,180	(9.4)
62,676		70,265	12.1
	Expenditure -		
21,414	Working Expenses	22,503	5.1
10,202	Administration and Management	13,223	29.6
20,164	Interest, etc. on Loans	22,962	13.9
1,435	Provision for Long Service Leave	892	(37.8)
	Provision for Deferred Liability -		
....	N.S.W. Retirement Fund	400	*
....	State Superannuation Fund	200	*
....	Write Off Retired Assets - Current Year	135	*
53,215		60,315	13.3
9,461	Balance of Income Prior to Extraordinary Items	9,950	5.2
....	Profit on Sale of Land	499	*
....	Refund of Provident Fund Contributions	400	*
9,461		10,849	14.7
....	Write Off Retired Assets - Previous Year	818	*
9,461	Amount Available for Depreciation Charges or Renewal of Assets and for Capital Purposes	10,031	6.0
	Applied -		
4,392	Loans Repaid	4,688	6.7
1,125	Loan Repayment Reserve	1,225	9.0
2,000	Reserve for Capital Works	1,970	(1.5)
876	Reserve for Renewal of Assets	907	3.5
67	Assets Acquired from Revenue Funds	1,140	+
1,000	Reserve for Other Specific Purposes	....	(100.0)
....	Reserve for Hardship Fund	100	*
1	Surplus to Accumulated Funds	1	17.5
9,461		10,031	6.0

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
165,343	Loans Raised by the Board	171,287		3.6
23,955	Loans from Internal Reserves	30,325		26.6
16,884	State Government Loans	16,060		(4.9)
8,528	Commonwealth Government Loans	8,490		(0.4)
214,710			226,162	5.3
	Other Capital -			
37,930	Loans Repaid	42,657		12.5
48,155	Assets Acquired at No Cost	57,054		18.5
7,291	Debt Remission by the State Government	7,291		..
5,406	Assets Acquired from Internal Sources	9,032		67.1
98,782		116,034		17.5
818	Less - Assets Written Off	....		(100.0)
97,964			116,034	18.4
	Retained Earnings -			
24,629	Loan Repayment Reserve	28,777		16.8
18,242	Renewal of Assets Reserve	17,944		(1.6)
13,889	Accumulated Funds and Other Reserves	12,997		(6.4)
56,760			59,718	5.2
369,434	TOTAL		401,914	8.8

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
<u>313,065</u>	Property, Dams, Pipes, Plant, etc.		343,271	9.6
	Investments, etc. # -			
24,629	Loan Repayment Reserve	28,777		16.8
18,242	Renewal of Assets Reserve	17,944		(1.6)
8,570	Long Service Leave Provision	9,134		6.6
<u>4,472</u>	General	<u>4,422</u>		(1.1)
55,913			60,277	7.8
	Current Assets -			
1,251	Stores and Materials	1,596		27.6
4,049	Debtors and Prepayments	7,034		73.7
15,190	Short Term Investments #	14,339		(5.6)
<u>38</u>	Cash	<u>47</u>		23.4
20,528			23,016	12.1
<u>389,506</u>			<u>426,564</u>	9.5
	Less - Current Liabilities and Provisions -			
11,502	Creditors and Accruals	13,816		20.1
	Provisions -			
8,570	Long Service Leave	9,134		6.6
	Deferred Liability -			
....	N.S.W. Retirement Fund	1,050		*
<u>....</u>	State Superannuation Fund	<u>650</u>		*
20,072			24,650	22.8
<u>369,434</u>			<u>401,914</u>	8.8

* Nil in previous year - not calculable.

All investments are at face value and include accrued interest.

Revenue increased by \$7,589,920 to \$70,265,671. Operating expenditure totalled \$60,315,214 (\$53,214,753 in 1981-82). Adding in a net \$80,733 for extraordinary items, a balance of \$10,031,190 was available for renewal of assets, debt repayments and other capital purposes.

For the year under review, the Board adopted a 'user pays' tariff for residential consumers. From predominantly a land value base in the previous year, the two-part tariff, applied to residential properties in 1982-83, comprised a fixed charge, based on land value, and a variable charge, based on volume of water consumed. The undermentioned rates, expressed in cents for each dollar of valuation, were applied to land values.

	Water	Sewerage	Drainage
1981-82	1.8225	1.9008	0.3024
1982-83	1.25	1.25	0.40

The water consumption charge for residential users was 60 cents per kilolitre where the land was rateable for both water and sewerage service. Where the land was rateable for water service only, the charge was 40 cents per kilolitre. (In the previous year, there was a charge of 27 cents per kilolitre for water supplied in excess of an allowance based on water rates payable.)

Non-residential properties were rated on assessed annual value, and mixed development jointly on land value and assessed annual value, as in the previous year. The undermentioned rates, expressed in cents for each dollar of valuation were applied to assessed annual values.

	Water	Sewerage	Drainage
1981-82	8.9929	11.5602	2.0242
1982-83	12.0	15.0	2.6

No minimum charge applied to water and sewerage rates for occupied residential and non-residential land but a minimum rate of \$100 was set in respect of all vacant land and \$15 for drainage.

Provision of \$600,000 was made in 1982-83 for deferred superannuation liability and, including a transfer of \$1,100,000 from other reserves during the year, a total of \$1,700,000 has been set aside for this purpose. The Board's estimate of potential cash needs arising from retirements over the next five years in respect of the New South Wales Retirement Fund is \$2.165 million and, over the next ten years for the State Superannuation Fund, \$4.721 million. These have not been actuarially calculated and do not represent the total liability accrued for employees' past service.

An amount of \$1,550,141 (\$2,286,931 in 1981-82) was credited to the Provision for Long Service Leave, including \$657,616 charged against capital projects. The Provision (\$9,133,597) is sufficient to cover the Board's estimate of its long service liability at 30th June, 1983. The estimated liability for annual and sick leave for all Board employees at the close of the year was \$3.556 million. No provision has been made in the accounts for this liability.

Loan raisings, \$21,736,600 (of which \$7,200,000 was from internal sources) comprised \$16,200,000 for new works and \$5,536,600 to refinance maturing loans. The Board did not receive an advance from the Consolidated Fund for its 1982-83 capital works programme.

Capital indebtedness of the Board at 30th June, 1983, was \$226,161,422, comprising \$171,286,442 on account of the Board's own loan raisings, \$16,060,266 provided by the State, \$8,489,971 advanced by the Commonwealth and \$30,324,743 from internal reserves.

Within the heading Other Capital, Assets Acquired at No Cost rose by \$8,899,251, representing contributions by developers and subdividers for the provision of water and sewerage services.

The book value of fixed assets at 30th June, 1983, was \$343,270,660, an increase of \$30,205,602. Including works handed over by developers and subdividers, the increase related to water supply, \$15,694,951, sewerage, \$13,683,840, and general works, \$826,811.

Major increases in assets included \$2,581,878 on sewerage treatment works at Belmont and Maitland and \$3,044,826 on remedial works at Chichester Dam.

The net addition to water mains was 51.24 kilometres and to sewerage mains, 49.44 kilometres. Water delivered for reticulation was 74,343 megalitres, 6,437 megalitres less than in the previous year.

COBAR WATER BOARD

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Income -			
265	Sales of Water		368	38.7
1,089	Interest Contributions		1,984	82.2
	Transfer of Interest from Loan and			
....	Interest Repayments Account		5	*
....	Miscellaneous		<u>1</u>	*
1,354			<u>2,358</u>	74.1
	Expenditure -			
242	Management and Working Expenses		347	43.7
1,055	Interest on Loans		2,011	90.5
	Transfer of Interest to Loan and			
57	Interest Repayments Account		<u>....</u>	(100.0)
1,354			<u>2,358</u>	74.1
149	Add: Loan Contributions	337		125.2
	Less: Loans Repaid	330		
	Transfer to Loan and			
	Interest Repayments Account	<u>7</u>		
149		337		125.2
....			<u>....</u>	..
1,354			<u>2,358</u>	74.1

* Nil in previous year - not calculable

BALANCE SHEET as at 31st December, 1982

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
13,372	Loans Raised by the Board		16,187	21.0
	Other Capital -			
126	Assets transferred from Cobar Shire Council	126		..
1,364	Loans Repaid	1,693		24.2
1,490			1,819	22.1
	Retained Earnings -			
495	Loan and Interest Repayments Account	605 +		22.1
24	Accumulated Funds	24		0.3
519			629	21.1
15,381	TOTAL		18,635	21.2
	REPRESENTED BY -			
	Fixed Assets -			
	Buildings, Reservoirs and Pipelines (At Cost or Assessed Value)	17,100		26.2
13,553	Plant and Equipment (At Cost Less Depreciation)	15		52.3
10			17,115	26.2
13,563				
	Investments ++ (At Cost) - Held for -			
495	Loan and Interest Repayments Account		605	22.1
	Current Assets -			
1,439	Debtors and Accruals	205		(85.7)
....	Short Term Investments (At Cost)	789		*
....	Cash	32		*
1,439			1,026	(28.7)
15,497			18,746	21.0
	Less -			
	Current Liabilities and Provisions -			
51	Creditors and Accruals	104		106.8
60	Bank Overdraft	....		(100.0)
5	Provision for Employee Leave	7		39.2
116			111	(3.6)
15,381			18,635	21.2

+ Includes interest contributions received in advance, \$46,086.

++ Includes accrued interest and uninvested cash.

* Nil in previous year - not calculable.

In terms of an informal agreement between the Board, the Cobar Shire Council and a mining company, charges for water supplied each year are determined at a level sufficient to meet net operating, maintenance and administrative costs. In addition, the Council and the company are required to repay to the Board, in agreed proportions over a period of 25 years, the amount of loan money raised for the original construction works together with interest at 5.25 per cent per annum. Additional interest payable on re-negotiated loans is not recoverable directly from these bodies but through sales of water. For loans raised during the years 1972 to 1982, to finance augmentation stages of the system, actual interest and loan repayment charges are being or are to be recouped from the contributing authorities.

After allowing for metered sales to another mining company and to a number of minor consumers, \$153,807 (\$7,349 in 1981), the Cobar Shire Council and Cobar Mines Pty. Ltd. in 1982 were required to pay a total of \$213,766 for 2,085 megalitres of water supplied compared with a charge of \$257,724 for 1,535 megalitres in the previous year.

Loan repayment contributions exceeded actual loan repayments by \$7,141 which has been credited to the Loan and Interest Repayments Account. Interest contributions, however, were less than interest charges on the Board's loans and it was necessary to transfer an amount of \$4,999 from the Account.

Loans raised by the Board during the year towards financing major water supply augmentation works to Cobar and the Elura Mine aggregated \$3,144,000. Repayments of principal amounted to \$329,558 during 1982 and the loan debt at 31st December, 1982 was \$16,186,987 compared with \$13,372,545 at the close of the previous year.

Short term investments of loan funds received in advance of funding requirements, amounted to \$789,400 at 31st December, 1982. Earnings from these investments, as well as those made on behalf of the Loan and Interest Repayments Account, are credited direct to the latter Account.

The fixed assets of the Board comprise water supply works at cost, \$16,973,554; Cobar storage dam and rising main to the C.S.A. Mine, vested in the Board at an assessed value of \$126,193; and plant and equipment (at cost less depreciation), \$15,078. Expenditure during the year on the augmentation scheme amounted to \$3,547,159.

Debtors and accruals totalling \$205,233 include \$148,727 advanced to the Public Works Department on account of future capital works.

BROKEN HILL WATER BOARDINCOME AND EXPENDITURE ACCOUNT (ALL FUNDS)
for the year ended 31st December, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Rates and Charges -		
157	Mining Companies - Water Sales	159	1.8
2,543	Other Water Sales, Water and Sewerage Rates, etc.	2,791	9.7
6	Mining Companies - Special Sewerage Charges	6	..
55	Interest Earned, Oncost, etc.	66	20.6
37	Profit on Disposal of Plant	58	55.9
2,798		3,080	10.1
	Expenditure -		
3,348	Maintenance and Working Expenses	3,931	17.4
1,293	Administration and Management	1,464	13.2
52	Miscellaneous	54	4.3
244	Interest on Loans	298	22.4
	Provisions for -		
116	Depreciation	158	36.3
80	Long Service Leave	130	62.5
40	Accrued Sick Leave	35	(12.5)
14	Doubtful Debts	24	78.5
5,187		6,094	17.5
2,389	Operating Deficiency	3,014	26.2
	Less: Transfer from Capital Reserve -		
....	Prior Period Adjustment	52	*
2,389		2,962	24.0
	Add:		
354	Loan Repayments	343	(2.9)
15	Transfer to Loan Repayments Reserve	30	100.0
146	Contribution to Renewals and Replacements Reserve	167	13.7
40	Contribution to Capital Reserve	40	..
2,944	Deficiency prior to Subsidy Allocations	3,542	20.3
	Deficiency Subsidies - Payable by -		
6	The Treasurer - Sewerage Fund	6	..
681	The Treasurer - Water Fund	813	19.3
2,256	Mining Companies - Water Fund	2,719	20.5
2,943		3,538	20.2
1	Net Deficiency	4	644.7

* Nil in previous year - not calculable.

BALANCE SHEET as at 31st December, 1982

Previous Year \$'000		\$'000	\$'000	Increase % (-)
CAPITAL AND RETAINED EARNINGS -				
	Capital Debt -			
3,224	Loans Raised by the Board	3,246		0.7
45	Commonwealth Government Loans	45		(0.4)
51	State Government Loans	31		(40.2)
<u>3,320</u>			3,322	0.1
	Other Capital -			
906	State Government Grants	906		..
24	Other Grants	24		..
1,175	Original Water Supply Transferred from Public Works Department	1,175		..
9,897	Loans Repaid	10,223		3.3
<u>12,002</u>			12,328	2.7
	Retained Earnings -			
42	Loan Repayment Reserve	82		94.5
432	Accumulated Funds and Other Reserves	428		(0.9)
<u>474</u>			510	7.6
<u>15,796</u>	TOTAL		<u>16,160</u>	2.3

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
603	Land and Buildings	603		..
	Storage Reservoirs, Pumping Stations,			
14,443	Treatment Works, Mains	14,847		2.8
	Plant and Equipment (Less			
491	Depreciation, \$864,215)	604		23.0
15,537			16,054	3.3
	Renewals Expenditure			
42	Temporarily Capitalised		25	(41.7)
	Investments (At Cost)* - Held for -			
	Reserves -			
42	Loan Repayment	74		76.9
190	Capital	146		(23.3)
140	Renewals and Replacements	172		23.0
	Warren Street Sewerage Rising			
23	Main Replacement	27		17.8
	Provisions -			
585	Long Service Leave	710		21.5
214	Accrued Sick Leave	271		26.3
1,194			1,400	17.2
	Current Assets -			
423	Stores and Materials	463		9.5
	Debtors (Less Doubtful Debts,			
569	\$105,877)	697		22.5
992			1,160	17.0
17,765			18,639	4.9
	Less - Current Liabilities			
	and Provisions -			
556	Creditors	499		(10.2)
559	Bank Overdraft	920		64.7
625	Provision - Long Service Leave	782		25.2
229	Provision - Accrued Sick Leave	278		21.3
1,969			2,479	25.9
15,796			16,160	2.3

* Includes accrued interest and uninvested cash.

A summary of transactions of the Water Fund and the Sewerage Fund, excluding deficiency subsidies, follows:

	1981	1982	Increase
	\$'000	\$'000	% (-)
Water Fund -			
Earnings	1,815	1,969	8.4
Administration and Working Expenses	4,048	4,732	16.9
Capital Debt Charges and Provisions	<u>705</u>	<u>821</u>	16.5
	<u>4,753</u>	<u>5,553</u>	16.8
	2,938	3,584	22.0
Less: Transfer from Capital Reserve	<u>....</u>	<u>52</u>	*
Deficiency	<u>2,938</u>	<u>3,532</u>	20.2
Sewerage Fund -			
Earnings	983	1,112	13.1
Administration and Working Expenses	645	717	11.1
Capital Debt Charges and Provisions	<u>344</u>	<u>405</u>	17.6
	<u>989</u>	<u>1,122</u>	13.4
Deficiency	<u>6</u>	<u>10</u>	53.0

* Nil in previous year - not calculable.

In terms of the Broken Hill Water and Sewerage Act, 1938, deficiencies of the Water Fund are borne by the Treasurer and mining companies in prescribed proportions. The deficiency of the Water Fund, \$3,532,309 was \$594,711 greater than in 1981 and was apportioned to the Treasurer, \$813,391 and to the mining companies, \$2,718,918. The Treasurer meets any loss on sewerage operations up to a maximum of \$6,000.

Revenue from ward water rates in 1982, at \$927,796, was higher by \$104,318 or 12.7 per cent. Water sales income increased by \$37,244 (4.2 per cent) to \$915,971.

An increase of \$549,354 in maintenance and working expenses of the Water Fund was mainly due to additional pumping costs, \$489,963. Pumping from the Darling River rose to 9330.8 megalitres (8225.6 in 1981).

Revenue from sewerage rates and charges increased by \$108,181 (11.4 per cent) to \$1,060,047. After making a transfer of \$30,000 to Loan Repayment Reserve, and meeting higher administration and working expenses, the loss on the Sewerage Fund was \$9,999 compared with the previous year's loss of \$6,537.

Three private loans totalling \$350,000 were raised during 1982 of which \$200,000 was allocated for water supply and \$150,000 for sewerage works. Expenditure on fixed assets included \$170,364 for motor vehicles, \$62,885 for a computer, \$53,003 for an overhead crane and \$50,344 on filter valves at the Mica Street filtration plant.

SOUTH-WEST TABLELANDS WATER SUPPLY

The de facto inclusion of the Juneë Water Supply in the South-west Tablelands Water Supply Scheme (which occurred on 1st January, 1976) was ratified by the Juneë Water Supply Administration (Repeal) Act, assented to 16th December, 1982.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Water Sales -		
2,022	Councils	2,564	26.8
335	Minor Consumers	466	39.4
2,357		3,030	28.5
22	Miscellaneous	21	(3.2)
2,379		3,051	28.2
	Expenditure -		
	Working Expenses -		
701	Salaries, Wages, etc.	869	24.0
622	Electricity	1,051	69.0
261	Stores and Materials	328	26.0
87	Transport	92	5.7
43	Miscellaneous	57	31.4
1,714		2,397	39.9
1,452	Interest, etc.	1,723	18.6
3,166		4,120	30.2
787	Operating Deficiency	1,069	35.9
16	Contribution to Renewals Reserve	17	6.9
177	Loan Repayments	191	7.8
980	Deficiency*	1,277	30.4

* In terms of the South-west Tablelands Water Supply Administration Act, 1941, annual deficiencies are met from Consolidated Fund.

BALANCE SHEET as at 31st December, 1982

Previous Year \$'000		\$'000	\$'000	Increase % (-)
16,099	CAPITAL AND RETAINED EARNINGS - Capital Debt - State Government		17,810	10.6
8	Other Capital - Contribution from Council	8		..
16	Assets Acquired from Internal Sources	16		..
2,053	Loans Repaid	2,244		9.3
2,077			2,268	9.2
2,422	Retained Earnings - Renewals Reserve		2,696	11.3
20,598	TOTAL		22,774	10.6
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
17,616	Land, Buildings, Reservoirs and Mains	19,518		10.8
137	Plant and Equipment (Less Depreciation, \$206,616)	124		(9.5)
17,753			19,642	10.6
1,574	Investments (Renewals Reserve) - Government Securities (At Cost)	1,320		(16.1)
848	Deposit at Treasury	1,376		62.3
2,422			2,696	11.3
	Current Assets -			
156	Stores and Materials - Note (a)	137		(12.3)
710	Debtors	876		23.5
74	Cash at Treasury	6		(92.2)
940			1,019	8.4
21,115			23,357	10.6
	Less - Current Liabilities and Provisions -			
516	Creditors	575		11.3
1	Provision - Plant Repairs	...		(100.0)
....	Provision - Long Service Leave	8		*
517			583	12.8
20,598			22,774	10.6

Note (a) - Stores and Materials valued at last purchase prices. This is contrary to accounting standard AAS2. The amount involved has not been assessed but is not considered to have any material effect.

* Nil in previous year - not calculable.

Income from water sales increased by \$672,465. Consumption in 1982 rose by 1,078 megalitres to 8,229 megalitres. From 1st January, 1982, supply rates per kilolitre were increased to bulk consumers by 4 cents to 36 cents, to public baths by 4 cents to 32 cents and to minor consumers by 5 cents to 41 cents.

Operating expenses rose by \$954,373 to \$4,119,657 comprising \$683,595 in working expenses and \$270,778 in interest, etc.

The outlay from Consolidated Fund - Capital Works and Services during the year aggregated \$1,901,600 bringing the total interest bearing capital provided to \$19,479,853 at 31st December, 1982. The expenditures included \$1,160,379 on the Terminal Storage Reservoir at Young.

Including an appropriation of \$17,505 from revenue and interest on investments, \$256,364, the balance of the Renewals Reserve was \$2,695,882, equivalent to 13.73 per cent of the depreciated value of fixed assets.

A long service leave provision was created in 1982 but stood at only \$7,599 compared with an assessed commitment of some \$180,000 at the close of the year.

MULWALA WATER SUPPLY

The Commonwealth Government meets any deficiencies on operations of the service, after allowance is made for revenue from water sales to the Corowa Shire Council, the Commonwealth Department of Administrative Services and minor consumers.

For the year ended 31st December, 1982, operating costs were \$126,168 (\$108,047 in 1981). Revenue from water sales totalled \$51,357 (\$38,137 in 1981) leaving a balance of \$74,811 to be met by the Commonwealth, higher by \$4,901 than in 1981.

The water charge to the Corowa Shire Council and minor consumers was increased from 7.3 to 8.0 cents per kilolitre from 1st January, 1982. This rate is considerably lower than water charges to councils and others serviced by the Fish River and South-west Tablelands Water Supply Schemes. A fee of \$859 for 1982 was charged for water supplied to the Department of Administrative Services' cottages and hostel.

Water pumped and delivered was 1,373 megalitres, a decrease of 61 megalitres on consumption in the previous year.

Capital funds as at 31st December, 1982, \$210,258, comprised \$144,141 provided by the Commonwealth and \$66,117 by the State Governments and were represented by -

Previous Year \$		31st December, \$	As at December, 1982 \$	Increase % (-)
	Fixed Assets (At Cost) -			
190,553	Reservoir, Treatment Works and Mains		202,258	6.1
<u>11,977</u>	Plant and Equipment (Less Depreciation, \$3,780)		<u>14,848</u>	24.0
<u>202,530</u>			<u>217,106</u>	7.2
	Current Assets -			
3,443	Stores and Materials - Note (a)	1,104		(67.9)
23,260	Debtors	11,891		(48.9)
<u>....</u>	Cash at Treasury	<u>605</u>		*
<u>26,703</u>			<u>13,600</u>	(49.1)
<u>229,233</u>			<u>230,706</u>	0.6
	Less - Current Liabilities -			
23,081	Creditors	20,448		(11.4)
<u>7,599</u>	Overdraft at Treasury	<u>....</u>		(100.0)
<u>30,680</u>			<u>20,448</u>	(33.4)
<u>\$198,553</u>			<u>\$210,258</u>	5.9

Note (a) Stores and Materials valued at last purchase prices.
This is contrary to accounting standard AAS2 but the
amount involved is not material.

* Nil in previous year - not calculable

The Public Works Department has drawn to the attention of the Commonwealth the urgent need of funds to replace a number of capital assets (including mains), to provide for essential maintenance, and to create reserves for eventual renewal of other fixed assets and for future long service leave commitments. In essence it seems that either plans need to be made for funds for capital and renewal works, or the prices charged for water need to be increased to build up finance for these purposes.

FISH RIVER WATER SUPPLY

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Water Sales -		
1,064	Electricity Commission	1,146	7.7
474	Metropolitan Water Board	511	7.7
272	Greater Lithgow City Council	293	7.7
34	Oberon Shire Council	38	9.4
22	Minor Consumers	25	16.2
1,866		2,013	7.8
5	Miscellaneous	2	(51.3)
1,871		2,015	7.7
	Expenditure -		
	Working Expenses -		
262	Salaries, Wages, etc.	346	32.0
10	Electricity	14	46.6
37	Transport	34	(10.0)
37	Stores and Materials	34	(6.6)
30	Plant Costs	38	25.3
40	Miscellaneous	54	36.1
416		520	25.0
832	Interest, etc.	933	12.1
1,248		1,453	16.4
623	Operating Surplus	562	(9.9)
14	Capital Debt Payments to Councils	14	..
108	Loan Repayments	109	0.6
380	Contribution to Renewals Reserve	380	..
502		503	0.1
121	Surplus	59	(51.2)

BALANCE SHEET as at 31st December, 1982.

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
9,141	State Government	9,159		0.2
234	Councils	226		(3.3)
9,375			9,385	0.1
	Other Capital -			
1,432	Commonwealth Government Grants	1,432		..
765	State Government Grants	765		..
1,470	Loans Repaid	1,587		7.9
3,667			3,784	3.2
	Retained Earnings -			
1,551	Renewals Reserve	2,143		38.1
746	Accumulated Funds	805		7.9
2,297			2,948	28.3
15,339	TOTAL		16,117	5.1
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
	Storage Dam, Pipelines, Reservoirs and Mains	13,209		1.2
13,047	Plant and Equipment (Less Depreciation, \$82,479)	100		(16.7)
120			13,309	1.1
13,167				
	Investments (Renewals Reserve) -			
766	Government Securities (At Cost)	747		(2.5)
785	Deposit at Treasury	1,396		77.9
1,551			2,143	38.1
	Current Assets -			
10	Stores and Materials - Note 1	4		(64.9)
604	Debtors	689		14.1
166	Cash at Treasury	166		0.2
780			859	10.1
15,498			16,311	5.2
	Less - Current Liabilities and Provisions -			
75	Creditors	93		23.7
84	Provision - Employee Leave Entitlements	101		20.9
159			194	22.2
15,339			16,117	5.1

Note 1 Stores and Materials valued at last purchase prices. This is contrary to the accounting standard AAS2, but the amount involved is not material.

Income from water sales increased by \$145,976 to \$2,012,258. The main factors were an increase from 1st January, 1982, in the bulk consumer rate for metered sales (from 13 cents to 14 cents per kilolitre) and a rise of 1,133 megalitres to 10,074 megalitres in consumption by the major consumers. Operating expenditure rose by \$204,946 to \$1,452,691. Water received by three of the four major consumers was below the minimum annual quantities set for them and payments totalling \$576,770 (\$682,268 in 1981) were required in addition to metered sales.

Including an appropriation of \$380,000 from revenue, interest on investments, \$226,695, and a net charge of \$15,005 for assets replaced, the balance of the Renewals Reserve was \$2,143,079. This sum, which was fully invested at the close of the year, was equivalent to 16.1 per cent of the depreciated value of fixed assets.

There are also unappropriated earnings (accumulated funds) totalling \$804,893.

DUMARESQ-BARWON BORDER RIVERS COMMISSION

The Commission operates under an agreement between the Governments of New South Wales and Queensland for the purpose of controlling water conservation and supply schemes based on the Dumaresq, Macintyre, and Barwon Rivers and Pike Creek. The New South Wales contribution to meet the operation and maintenance expenses of the Commission in 1982-83 was \$130,000.

Since 1st January, 1972, the Commission's accounts have been kept by the Queensland Department of Irrigation and Water Supply and the audit has been performed by the Auditor-General of Queensland.

WATER RESOURCES COMMISSION

The Water Resources Commission is responsible for the management and development of the water resources of New South Wales, the construction of water supply and conservation works, and for works related to river management and flood mitigation. The Commission also administers irrigation areas and districts in accordance with the provisions of the Water Act and various Irrigation Acts. Revenues from water rates and charges as assessed by the Commission, are collected on its behalf by the State Bank and remitted direct to the Treasury.

Funds totalling \$110,638,477 were available to the Commission for the abovementioned purposes in 1982-83 from the following sources:

	1981-82 \$'000	1982-83 \$'000	Increase % (-)
Consolidated Fund -			
Recurrent Expenses	26,789	29,716	10.9
Repayable Advance*	2,000	6,000	200.0
Capital Works	50,340	50,597	0.5
Water Rates and Charges	15,712	18,021	14.7
Fees under the Water Act	2,551	2,672	4.7
Rentals	867	918	5.8
Interest	693	768	10.9
Interest on advances under Farm			
Water Supplies Act	801	856	6.9
River Murray Commission -			
Menindee Lakes Agreement	654	660	1.0
Miscellaneous	514	430	(16.4)
	<u>100,921</u>	<u>110,638</u>	9.6

- * Since 1974, \$22,500,000, has been advanced to the Irrigation Areas and Districts Working Account for working capital. In 1977-78 repayment of advances, made between 1974 and 1978, totalling \$10,000,000 was waived leaving a balance of \$12,500,000 outstanding at 30th June, 1983. Originally these advances were intended to provide liquidity in working accounts. Their continuation and partial write off suggests they are taking a character of semi-hidden subsidisation of the operation and maintenance costs of the Areas and Districts.

Expenditure from the available funds has been costed as:

	1981-82 \$'000	1982-83 \$'000	Increase % (-)
Construction of Dams	25,067	28,023	11.8
Weirs, Storage Areas, Distributory and River Works	10,429	7,294	(30.1)
Irrigation Works	6,210	6,261	0.8
Irrigation Areas and Districts -			
Maintenance	9,855	10,825	9.8
Water Distribution	3,862	4,198	8.7
Administration and Supervision	4,083	5,517	35.1
Subsidies in respect of Farm Dams	2,900	2,024	(30.2)
River and Foreshore Improvements	2,549	1,944	(23.7)
River Murray Works	2,516	3,007	19.5
Contribution - N.S.W./Queensland			
Border Rivers Act	130	130	..
Investigatory, Survey and Control Works	3,322	4,203	26.5
Research and Investigations	930	963	3.6
Administration	21,738	25,137	15.6
Repayment of Commonwealth Advance -			
Blowering Dam	2,035	2,035	..
Fees, etc. Paid to Treasury	4,123	4,292	4.1
Miscellaneous	560	797	42.4
	<u>100,309</u>	<u>106,650</u>	6.3

Expenditure on Construction of Dams included \$16,994,262 on Windamere Dam. A further \$10,999,088 was spent on Glennies Creek Dam bringing the total cost to date for that project to \$43,502,947. Of this sum, \$43,000,000 was recouped to Consolidated Fund by the Electricity Commission in 1982-83.

Weirs, Storage Areas, Distributory and River Works included Murray Valley Salinity Control Works, \$3,499,920, and Groundwater Investigations, \$2,426,547. Other capital expenditures were Irrigation Works, \$6,261,379, Investigatory, Survey and Control Works \$4,203,464, and River and Foreshore Improvements \$1,944,068. The cost of these operations were partly offset by the receipt of \$3,394,760 from the Commonwealth.

Details of payments from Consolidated Fund for recurrent expenses are set out at pages 124 and 125 of the Public Accounts.

HUNTER VALLEY CONSERVATION TRUST

The Trust was constituted by the Hunter Valley Conservation Trust Act, 1950, with powers directed towards conservation and flood mitigation measures within the Hunter Valley.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
910,167	Conservation Rates	1,049,625	15.3
29,545	Less - Rates Reduced or Abandoned	29,921	1.3
880,622		1,019,704	15.8
7,401	Interest	5,382	(27.3)
<u>\$888,023</u>		<u>\$1,025,086</u>	15.4
	Expenditure -		
1,044,156	Contributions for Flood Mitigation and Conservation Works, etc.	789,167	(24.4)
44,019	Councils' Charges for Rate Collection	50,985	15.8
23,128	Members' Fees	13,374	(42.2)
68,722	Salaries, etc.	97,092	41.3
10,230	Travelling Expenses	6,495	(36.5)
1,664	Interest on Loans	861	(48.3)
1,500	Audit Fee	1,500	..
	Provision for -		
1,301	Depreciation	1,214	(6.7)
1,338	Long Service Leave	638	(52.3)
17,897	Miscellaneous	21,475	20.0
<u>1,213,955</u>		<u>982,801</u>	(19.0)
325,932	Operating Surplus	42,285	#
(Deficiency)			
13,333	Less Loan Repayments	14,128	6.0
....	Add Prior Period Adjustment	11,833	**
<u>(\$339,265)</u>	Addition (Reduction) to Accumulated Funds	<u>\$39,990</u>	*

Deficiency in previous year - not applicable.

* Reduction in previous year - not applicable.

** Nil in previous year - not calculable.

BALANCE SHEET as at 31st December, 1982.

Previous Year \$		\$	\$	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital -			
21,432	Loans - Balance Outstanding		7,305	(65.9)
	Retained Earnings -			
34,367	Accumulated Funds		74,357	116.4
<u>\$55,799</u>	TOTAL		<u>\$81,662</u>	46.4
	REPRESENTED BY -			
	Fixed Assets - (At Cost)			
	Furniture, Equipment and Motor Vehicle			
9,242	(Less Depreciation, \$1,214)		8,829	(4.5)
	Intangible Assets -			
	Works Financed From Loans			
21,432	(Less - Written Off, \$142,695)		7,305	(65.9)
	Current Assets -			
150,860	Debtors	171,390		13.6
105,000	Interest Bearing Deposits	220,000		109.5
10,866	Cash at Bank	<u>17,868</u>		64.4
266,726			409,258	53.4
<u>297,400</u>			<u>425,392</u>	43.0
	Less - Current Liabilities -			
236,539	Creditors	338,030		42.9
	Provision for Long Service			
5,062	Leave	<u>5,700</u>		12.6
241,601			343,730	42.3
<u>\$55,799</u>			<u>\$81,662</u>	46.4

Legislative amendments altered the value base on which conservation rates are levied from the previous Unimproved Capital Value to Land Value for 1982. Applying the new base to the estimated total income needed, resulted in a 4.3 per cent reduction in the 1982 rate to 0.132 cents in the dollar on rateable land in the original Trust District and to 0.033 cents in the dollar for the areas where a reduced rate is applicable.

Expenditure included \$377,217 for flood mitigation works on the upper river undertaken by the Water Resources Commission and \$124,853 for similar works on the lower river carried out by the Public Works Department. Contributions to landholders for soil conservation projects totalled \$154,548 (\$266,628 in 1981) and for farm water conservation works \$91,172 (\$185,215 in 1981). Soil conservation works within the catchments of the Isis River and Witney Creek cost \$36,072.

MINE SUBSIDENCE BOARD

The Mine Subsidence Compensation Act, 1961, requires colliery proprietors to contribute to a fund administered by the Board to meet claims for compensation arising from damage to surface improvements due to subsidence caused by the extraction of coal or shale or by coal prospecting operations.

Audit of the accounts of the Board has not been completed and the figures quoted for 1982-83 are not necessarily final.

MINE SUBSIDENCE COMPENSATION FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
2,207	Contributions from Colliery Proprietors	1,615	(26.8)
1,042	Interest on Investments	1,338	28.3
143	Miscellaneous	194	36.0
3,392		3,147	(7.2)
	Expenditure -		
	Claims -		
400	Subsidence	326	(18.3)
8	Preventive Works	11	23.1
....	Other	90	*
408		427	4.7
	Administrative Expenses -		
418	Salaries and Associated Charges	444	6.0
3	Board Fees	1	(66.2)
80	Micro-filming of Records	82	2.1
2	Audit Fee	6	225.0
80	Other Expenses	121	52.0
	Provision for -		
50	Preventive Works	5	(90.0)
12	Long Service Leave	10	(18.5)
2	Doubtful Debts	....	(100.0)
6	Depreciation	8	23.1
653		677	3.7
1,061		1,104	4.1
2,331	Operating Surplus	2,043	(12.4)
24	Less Prior Period Adjustments	6	(74.8)
2,307	Addition to Accumulated Funds	2,037	(11.7)

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
<u>9,928</u>	RETAINED EARNINGS - Accumulated Funds	<u>11,965</u>	20.5
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
160	Land and Buildings	183	14.4
<u>57</u>	Plant and Equipment, etc. (Less Depreciation, \$16,928)	<u>59</u>	2.9
<u>217</u>		<u>242</u>	11.3
	Investments -		
3,209	Government Securities	4,382	36.6
<u>4,015</u>	Term Deposits with Banks	<u>4,589</u>	14.3
<u>7,224</u>		<u>8,971</u>	24.2
	Current Assets -		
159	Debtors	67	(57.8)
394	Accrued Interest Receivable	426	8.4
....	Short Term Deposits - Treasury	1,250	*
2,768	Short Term Deposits - Other	1,650	(40.4)
<u>49</u>	Cash at Bank and Treasury	<u>89</u>	81.4
<u>3,370</u>		<u>3,482</u>	3.3
<u>10,811</u>		<u>12,695</u>	17.4
<u>91</u>	Less - Current Liabilities - Creditors	<u>123</u>	34.2
	Provisions -		
50	Preventive Works	5	(90.0)
641	Unadjusted Claims	491	(23.2)
<u>101</u>	Long Service Leave	<u>111</u>	10.0
<u>792</u>		<u>607</u>	(23.2)
<u>883</u>		<u>730</u>	(17.3)
<u>9,928</u>		<u>11,965</u>	20.5

* Nil in previous year - not calculable.

Contributions from colliery proprietors, \$1,615,403, were lower by \$591,782. A maximum of \$1 million of the land value of each colliery holding was used when calculating contributions. Previous assessments were based on the unimproved capital values of holdings with no upper limit. The decrease in contributions reflects the effect of this change, together with a drop in the contribution rate from 3.5 to 3.1 cents in the dollar.

Claims - Subsidence, \$326,400, represents the net cost of claims payments (\$475,230) after drawing \$148,830 from the Provision for Unadjusted Claims. The Provision, \$491,467, is the Board's estimate of payments on claims which have been admitted but were unpaid at the close of the year. Payment for preventive works totalled \$60,461, less a sum of \$50,000 set aside in the previous year. After allowing for \$45,852 received from the sale of coal, a total of \$760,393 (including \$31,264 in 1982-83) has been spent to 30th June, 1983, on works undertaken by the Board in the Merewether district to prevent damage to surface improvements as a result of an underground fire. Other claims totalling \$90,446 relating to losses sustained in property matters were paid during the year.

Salaries and Associated Charges, \$443,674, includes \$111,069 for services rendered to the Board by the Departments of Mineral Resources and Industrial Relations. A further \$9,797 was expended on a project for the mapping of coal mine workings being undertaken in a cost/share basis with the Department of Mineral Resources.

Including the surplus for the year, \$2,036,452, the fund available at 30th June, 1983, to meet claims was \$11,964,601.

MINES RESCUE BOARD

The Mines Rescue Act, 1925, requires colliery proprietors to contribute to a fund administered by the Board from which disbursements are made to Mines Rescue Stations for construction, equipment and maintenance purposes.

CENTRAL MINES RESCUE FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
3,880,966	Contributions from Colliery Proprietors	5,980,451	54.1
394,569	Interest on Investments	654,307	65.8
10,085	Interest on Overdue Contributions	128,212	+
120	Miscellaneous	....	(100.0)
<u>\$4,285,740</u>		<u>\$6,762,970</u>	57.8
	Expenditure -		
2,870,492	Disbursements to Mines Rescue Stations	5,017,110	74.8
26,901	Administrative Expenses	34,246	27.3
500	Audit Fee	900	80.0
6,922	Provision for Doubtful Debts	6,922	..
<u>2,904,815</u>		<u>5,059,178</u>	74.2
1,380,925	Operating Surplus	1,703,792	23.4
18,783	Less Prior Period Adjustments	19,292	2.7
<u>\$1,362,142</u>	Addition to Accumulated Funds	<u>\$1,684,500</u>	23.7

+ More than 1000 per cent.

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	\$	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital -			
210,000	Land Acquired Free of Capital Liability		210,000	..
2,936,377	Retained Earnings - Accumulated Funds		4,620,877	57.4
<u>\$3,146,377</u>	TOTAL		<u>\$4,830,877</u>	53.5
	REPRESENTED BY -			
226,786	Fixed Assets (At Cost or Valuation) Note 1		634,286	179.7
	Current Assets -			
618,170	Debtors (Less Doubtful Debts \$82,994)	1,225,446		98.2
2,110,000	Short Term Deposits (At Cost)	2,700,000		28.0
207,939	Prepayments to Mines Rescue Stations	309,492		48.8
20,000	Deposit on Land - Singleton	....		(100.0)
18,156	Cash at Treasury	10,633		(41.4)
<u>2,974,265</u>			<u>4,245,571</u>	42.7
3,201,051			<u>4,879,857</u>	52.4
	Less - Current Liabilities -			
24,674	Creditors	29,383		19.1
30,000	Accrued Expenditure - Mines Rescue Stations	19,597		(34.7)
54,674			48,980	(10.4)
<u>\$3,146,377</u>			<u>\$4,830,877</u>	53.5

Note 1: Includes \$210,000 for land valued by the Valuer-General in 1977 and 1978. Current valuations are being sought by the Board.

Proprietors' contributions rose by \$2,099,485 mainly due to a rate increase from 7 cents to 9 cents in the dollar of the unimproved capital value of colliery holdings effective from 1st January, 1982, and the first full year's contribution from two major Hunter Valley collieries.

Interest on overdue contributions increased by \$118,127 (and debtors by \$614,198) due mainly to the non payment of 1982 contributions by two open-cut colliery proprietors who have disputed liability.

Expenditure included \$5,017,110 disbursed to Mines Rescue Stations for the Newcastle, South Maitland, Southern and Western Districts. The South Maitland Station received \$2,113,288 which included \$1,288,693 incurred on construction of the new rescue station at Singleton Heights.

Including the surplus for the year, \$1,684,500, accumulated funds at 31st December, 1982, amounted to \$4,620,877. These funds are being built up to provide for new rescue stations.

During the year the Board purchased land at Singleton Heights (\$337,500) and Appin (\$70,000) for the relocation of South Maitland and Southern Mines Rescue Stations respectively.

The Board has recognised that a contingent liability exists for accrued sick leave entitlements of rescue station employees. The actual liability, estimated to approximate \$250,000, has yet to be ascertained. Appropriate provision is to be made in the 1983 accounts of the four Mines Rescue Stations.

The accounting and auditing requirements for the Board are in Section 4H of the Act but this does not extend to moneys paid over to District Committees. Inspections of accounts of District Mines Rescue Station Committees are conducted by Board officers but are some years in arrears. For effective management and control the audits need to be conducted shortly after 31st January each year, the date upon which the balance sheets of Committees are required to be forwarded to the Board.

BUSH FIRE COUNCIL OF NEW SOUTH WALES

The Bush Fire Council of New South Wales, established under the Bush Fires Act, 1949, has an advisory, co-ordination and funding role in the prevention, control and suppression of bush and other fires. For finance it levies contributions from insurance companies, local government councils and the State Government.

INCOME AND EXPENDITURE ACCOUNT OF THE BUSH FIRE FIGHTING FUND for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Contributions -		
1,900	State Government	1,900	..
1,900	Local Government Councils	1,900	..
3,800	Insurance Companies	3,800	..
32	Sale of Equipment	88	177.8
7,632		7,688	0.7
	Expenditure -		
5,966	Purchase and Maintenance of Equipment	6,124	2.6
812	Bush Fire Fighters Compensation Fund	400	(50.7)
243	Co-ordination Expenses	311	27.9
188	Administration	186	(0.8)
34	Insurance	41	20.8
....	Emergency Fund Expenses	3	*
	Provisions -		
109	Co-ordination Expenses	3	(96.9)
2	Special Emergencies	1	(67.8)
....	Emergency Equipment	17	*
7,354		7,086	(3.6)
278	Surplus	602	116.5

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
1,704	RETAINED EARNINGS - Accumulated Funds	2,306	35.3
	REPRESENTED BY -		
	Current Assets -		
	Debtors for Contributions -		
36	Councils	20	(43.1)
90	Insurance Companies	35	(61.3)
126		55	(56.0)
1,763	Cash	2,455	39.2
1,889		2,510	32.9
	Less - Current Liabilities and Provisions -		
2	Prepayments - Council Contributions	....	(100.0)
	Provisions -		
74	Special Emergencies	74	0.7
109	Co-ordination Expenses	113	3.1
....	Emergency Equipment	17	*
185		204	10.0
1,704		2,306	35.3

* Nil in previous year - not calculable.

Contributions were set at \$7,600,000, of which \$3,800,000 was drawn from insurance companies, with the balance being met in equal shares by the State Government and contributing councils.

The major expenditures are for the purchase and maintenance of equipment - \$6,123,920 in 1982-83. Under the provisions of the Act all fire fighting equipment, etc., purchased from the Fund is vested in the councils but the proceeds of any sales are required to be paid back to the Fund.

An excess (\$64,258) of co-ordination expenses over the amount which had been included when setting rates of contribution, was regarded as offset by the proceeds of sale of bush fire fighting equipment of Co-ordination Zone Councils.

Proceeds from the sale of fire fighting equipment owned by the Bush Fire Council, \$17,000, were transferred to a Provision for Emergency Equipment to assist in the purchase and construction of a bush fire tanker.

Contributions to the Bush Fire Fighters Compensation Fund, which are determined by the Workers' Compensation Commission, fell by \$412,000, to \$400,000. Transactions on that Fund are reviewed elsewhere in this Report.

At 30th June, 1983 a balance of \$2,306,311 remained in the Fund, of which \$1,944,660 was committed for the bush fire fighting requirements of councils.

BUILDERS LICENSING BOARD

The Board, constituted under the Builders Licensing Act, 1971, is empowered to issue licences to builders and permits to homeowners-builders. Until 31st July, 1982, it was also responsible for administration of the Building and Construction Industry Long Service Payments Fund.

GENERAL FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
4,190	Fees	4,253	1.5
351	Management Charge - General Insurance Fund	349	(0.6)
	Joint Administration Expenses -		
142	Long Service Payments Fund	19	(86.4)
54	Miscellaneous	74	37.7
4,737		4,695	(0.9)
	Expenditure -		
3,207	Salaries and Associated Charges	3,430	7.0
184	Rent	314	70.6
15	Audit Fee	17	12.1
612	Other Operating Costs	767	25.2
	Provision for -		
72	Depreciation	76	6.3
69	Long Service Leave	108	57.4
1	Doubtful Debts	2	62.7
4,160		4,714	13.3
....	Excess of Expenditure over Income	(19)	+
....	Add Prior Period Adjustment	120	+
577	Addition to Accumulated Funds	101	(82.5)

+ Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	RETAINED EARNINGS -			
6,427	Accumulated Funds		6,528	1.6
	Less -			
....	Transfer to Education and Research Fund		650	+
6,427			5,878	(8.5)
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
	Motor Vehicles, Office Furniture and Equipment			
329	(Less Depreciation \$245,268)		367	11.5
	Current Assets -			
	Debtors, etc. (Less Doubtful Debts \$4,433)	346 *		(42.2)
599	Cash	6,366		(4.7)
6,679			6,712	(7.8)
7,278				
7,607			7,079	(6.9)
	Less - Current Liabilities and Provisions -			
209	Prepaid Licence Fees	173		(17.1)
460	Accrued Expenditure	417		(9.4)
511	Provision for Long Service Leave	611		19.5
1,180			1,201	1.8
6,427			5,878	(8.5)

+ Nil in previous year - not calculable.

* Includes \$126,435 due from General Insurance Fund.

The number of full licences current at 30th June, 1983, decreased by 182 to 18,384 and restricted licences increased by 827 to 15,105. Applications for owner-builder permits declined by 3,028 to 25,355.

The prior period adjustment of \$119,594 represents the deferred portion of employers liability to the State Superannuation Fund, recovered from the Treasury, in respect of officers who resigned prior to 1st July, 1982.

Accumulated Funds amounted to \$5,878,082 at 30th June, 1983 after transferring \$650,000 to the Education and Research Fund. Under Section 39 of the Act all moneys received for the General Fund are payable into a Special Deposits Account at the Treasury. There is no provision for the investment of surplus funds.

EDUCATION AND RESEARCH FUND

Moneys in the Fund may be used to encourage apprenticeships in the building trades and for the assistance of education and research in the building industry. Income of the Fund is dependent upon the transfer of moneys from the General Fund for approved projects. Lump sum transfers equal to the estimated cost of the projects are made but expenditure thereon may extend over more than one financial year.

Since the commencement of the Act in 1971, \$1,750,000 has been transferred from the General Fund including \$650,000 in the current year. Of these funds \$1,184,612 (\$329,434 in 1982-83) has been expended on apprenticeships, education and research in the building industry, leaving an accumulated balance at 30th June, 1983, of \$565,388, which was held as cash at Treasury. The Act does not provide for the investment of surplus cash.

GENERAL INSURANCE FUND
REVENUE STATEMENT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Income -			
4,264	Net Premiums Received		3,995	(6.3)
2,824	Less - Re-insurance Premiums		2,712	(4.0)
1,440			1,283	(10.9)
	Expenditure -			
391	Claims Paid		553	41.5
94	Less Claims Subject of Recovery Action		281	197.4
297			272	(8.2)
178	Provision for Outstanding Claims		166	(6.9)
475			438	(7.7)
494	Salaries and Associated Charges		564	14.1
10	Audit Fee		18	85.4
57	Other Operating Costs		100	76.1
	Provision for -			
6	Long Service Leave		48	737.8
2	Depreciation		2	(34.6)
7	Doubtful Debts - Miscellaneous		3	(54.2)
351	Management Charge - General Fund		349	(0.6)
1,402	Total Claims and Expenses		1,522	8.5
38	Underwriting Deficiency		(239)	*
Surplus	Add -			
1,141	Investment Income	1,305		14.4
24	Miscellaneous Income	21		(11.4)
1,165			1,326	13.9
1,203	Excess of Income over Expenditure		1,087	(9.6)
47	Prior Period Adjustments		60	24.6
1,250	Addition to Accumulated Funds		1,147	(8.3)
* Surplus in previous year - not applicable.				

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
3,774	RETAINED EARNINGS - Accumulated Funds		4,921	30.4
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
	Furniture and Equipment			
6	(Less Depreciation \$8,626)		8	23.4
	Current Assets -			
	Debtors - Miscellaneous			
14	(Less Doubtful Debts \$44,967)	115		730.2
	Debtors - Claim Recoveries			
142	(Less Doubtful Debts \$759,994)	305		114.3
6,620	Short Term Deposits (At Cost)	8,582		29.7
532	Accrued Income	645		21.3
577	Cash	60		(89.6)
7,885			9,707	23.1
7,891			9,715	23.1
	Less - Current Liabilities -			
202	Payable to Re-Insurers	131		(35.1)
468	Sundry Creditors	444 *		(5.2)
670		575		(14.2)
	Provisions -			
43	Long Service Leave	90		111.5
2,538	Unearned Premiums	3,175		25.1
548	Outstanding Claims	704		28.4
318	Claims on Re-Insurer in Liquidation	250		(21.3)
3,447		4,219		22.4
4,117			4,794	16.4
3,774			4,921	30.4

* Includes \$126,435 due to General Fund.

The insurance provisions in the Act are designed to indemnify house purchasers for periods of up to seven years against loss or expense resulting from failure of builders to complete work, for breach of warranty or for major defects in the structure. Maximum limits apply.

Net premium income was \$3,995,060 compared with \$4,263,561 in 1981-82 although there was a general increase in all premium rates from 1st January, 1983. Re-insurance premiums fell by \$111,627 to \$2,712,383. Commission, paid to local councils for collecting insurance premiums on behalf of the Board at the rate of 7.5 per cent, decreased by \$70,357 to \$272,792.

Since the commencement of the Scheme in 1973, premiums totalling \$33,672,263 have been received of which \$19,402,329 was paid out in re-insurance premiums. Re-insurers have met claims totalling \$9,914,786 including \$2,597,823 during the 1982-83 year, whilst claims under investigation are in the order of \$4,400,000.

Claims paid are subject to rights of recovery from builders under Section 34(3) of the Act. At 30th June, 1983 the Board's share of recoverable claims was assessed at \$1,064,576. Provision for doubtful debts stood at \$759,994 due to the number of builders who are bankrupt, in liquidation or are no longer working in the industry and cannot be located. This left the balance sheet estimate of recoverable claims at \$304,582 net. Prior period adjustments (\$59,430) include debtors raised to recover the Board's share of claims paid in previous years.

The provision for outstanding claims is an estimate of the Board's liability for claims received but unpaid and for unreported claims as at 30th June, 1983. The provision for claims on a re-insurer in liquidation is the estimated cost to the Board of claims not reported and claims received but unpaid, which would have been payable by that re-insurer. Claims totalling \$80,905 were paid on behalf of the re-insurer in 1982-83 and after allowing for claims subject of recovery action the amount provided at 30th June, 1983, stood at \$250,594.

Augmented by the surplus for the year, \$1,146,915, accumulated funds amounted to \$4,920,952 at 30th June, 1983. Assets include cash and short term deposits totalling \$8,641,953.

SPECIAL INSURANCE FUND

REVENUE STATEMENT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
524,726	Restricted Licence Fees	574,781	9.5
<u>387,066</u>	Investments	<u>571,859</u>	47.7
<u>\$911,792</u>	Addition to Fund	<u>\$1,146,640</u>	25.8

The Special Insurance Fund was created by the Builders Licensing (Amendment) Act; 1979, which provides for the allocation to this Fund of a proportion of certain restricted licence fees. The amendment also validated previous allocations by the Board.

It is understood that the Fund is to be used to provide insurance cover in respect of classes of building work not presently included under the existing insurance provisions. However, the Act makes no provision for the payment of claims.

Including the year's surplus, the Accumulated Fund at 30th June, 1983 was \$4,166,219 of which \$4,000,000 was invested in Treasury deposits and \$83,047 was held in cash.

BUILDING AND CONSTRUCTION INDUSTRYLONG SERVICE PAYMENTS CORPORATION

The Corporation is responsible for the administration of the Long Service Payments Fund established in accordance with the Building and Construction Industry Long Service Payments Act, 1974. An amending Act, constituted the Under Secretary, Department of Industrial Relations, a corporation sole and transferred, from 1st August, 1982, the administration of the Fund from the Builders Licensing Board to the new Corporation.

The accounts shown in this report are based on unaudited figures supplied by the Corporation and are not necessarily final.

LONG SERVICE PAYMENTS FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
14,458	Long Service Charges	15,403	6.5
6,293	Investments (Net)	9,037	43.6
389	Profit on Realisation of Investments (Net)	78	(79.9)
19	Miscellaneous	37	98.0
<u>21,159</u>		<u>24,555</u>	16.0
	Expenditure -		
1,754	Salaries and Related Staff Costs	2,171	23.8
692	Administration Charges	758	9.3
463	Data Processing Costs	531	14.8
20	Audit Fee	30	48.1
....	A.D.P. System Consultancy	135	*
	Provision for -		
530	Doubtful Debts	56	(89.3)
73	Long Service Leave	134	84.5
3	Depreciation	35	+
78	Amortisation - A.D.P. Development Costs	99	27.3
<u>3,613</u>		<u>3,949</u>	9.3
918	Long Service Payments	2,065	124.9
<u>4,531</u>		<u>6,014</u>	32.7
<u>16,628</u>	Addition to Fund	<u>18,541</u>	11.5
<u>21,159</u>		<u>24,555</u>	16.1

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
61,882	RETAINED EARNINGS - Accumulated Funds		80,423	30.0
<hr/>				
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
	Furniture & Equipment etc.			
58	(Less Depreciation \$126,896)		124	114.1
	Intangible Asset -			
	A.D.P. Development Costs			
100	(Less Written Off \$233,883)		64	(35.6)
	Investments (At Cost) -			
11,834	Short Term Deposits	15,225		28.7
15,575	Securities of Public Authorities	18,192		16.8
	Shares in Companies (Market			
5,549	Value \$6,163,668)	5,716		3.0
3,993	Debentures and Notes in Companies	3,235		(19.0)
	State Supplementary Housing			
2,275	Loan Scheme	13,520		494.3
200	Loans to Building Societies	200		..
6,695	Loans Secured by Mortgage	6,165		(7.9)
	Land and Buildings (Market			
13,466	Value \$21,695,000)	14,573		8.2
59,587			76,826	28.9
	Current Assets -			
	Employer Debtors (Less Doubtful			
1,766	Debts \$1,379,211)	3,041		72.2
	Investment Debtors (Less Doubtful			
1,005	Debts \$38,735)	1,090		8.4
43	Sundry Debtors and Prepayments	10		(78.2)
2	Cash	16		725.8
2,816			4,157	47.6
62,561			81,171	29.7
	Less -			
	Current Liabilities -			
126	General Fund		....	(100.0)
	Creditors and Accruals -			
88	Long Service Charges	220		151.6
304	Accrued Expenses	246		(19.1)
518		466		(9.9)
	Provisions -			
161	Long Service Leave - Staff	282		74.8
679			748	10.3
61,882			80,423	30.0

Long service benefits, payable to eligible workers in the building and construction industry who register with the Board, are met from the Fund. Monthly contributions by employers are calculated at 2.5 per cent of the ordinary wages paid to registered and unregistered industry workers. Penalty interest, at a rate of 5 per cent per month, is levied on outstanding long service charges.

Contribution income rose by \$944,680 to \$15,403,113 due mainly to the penalty interest charged. This was also the major part of the increase in employer debtors.

Net investment income, \$9,037,013 increased by \$2,743,959 due to a substantial increase in the funds available for investment. The average rate of return on invested funds was 13.36 per cent compared with 12.85 per cent in the previous year.

Long service payments totalled \$2,064,821 and comprised benefits paid to workers in accordance with the Act, \$1,173,552, and reimbursement to employers in respect of certain payments made to workers in terms of the Long Service Leave Act, 1955, \$891,269.

Since the commencement of the Scheme in 1975, long service charges totalled \$77,938,499 and net income from investments, etc., \$29,215,730. During this period \$6,162,350 was paid out in long service payments and \$20,569,292 in administration costs. That almost half the total long service payments have occurred in the last two years reflects the general conditions in the building industry.

Augmented by the surplus for the year, \$18,540,704, accumulated funds of the Long Service Payments Fund amounted to \$80,422,587 at 30th June, 1983.

The 1981-82 accounts included the following qualification in the audit certificate on the accounts of the Fund:

"It is probable that the income received for long service charges and employer debtors is less than the full amount due in terms of the Act. Because of inadequacies in the Board's records and the unreliability of some of its systems it is not possible accurately to assess the amounts involved. Loss of income, the extent of which cannot be determined, has resulted from the Board's failure to identify and recover all unpaid long service charges."

The Corporation reports subsequent progress in inspection of employer records, legal action to recover debts, and remedying defects in data processing systems. The effect of these on the 1982-83 accounts has yet to be assessed.

PLUMBERS, GASFITTERS AND DRAINERS BOARD

The Board, constituted under the Plumbers, Gasfitters and Drainers Act, 1979, is primarily responsible for the regulation, through licensing and registration, of the carrying out of plumbing, gasfitting and drainage work.

GENERAL FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
854,142	Fees	970,089	13.6
102,205	Interest on Investments	152,715	49.4
11,154	Costs and Penalties	10,424	(6.5)
1,619	Profit on Sale of Motor Vehicle	484	(70.1)
<u>\$969,120</u>		<u>\$1,133,712</u>	17.0
	Expenditure -		
461,162	Salaries and Associated Charges	558,222	21.0
72,278	Rent and Office Costs	77,341	7.0
14,493	Advertising	44,579	207.6
4,115	Members' Fees	5,653	37.4
2,500	Audit Fee	3,000	20.0
4,341	Depreciation	5,839	34.5
29,607	Miscellaneous	32,468	9.7
30,100	Provision - Annual and Long Service Leave	33,100	10.0
<u>618,596</u>		<u>760,202</u>	22.9
	Operating Surplus -		
	Allocated to -		
10,000	Education and Research Fund	5,000	(50.0)
340,524	Accumulated Funds	368,510	8.2
350,524		373,510	6.6
<u>\$969,120</u>		<u>\$1,133,712</u>	17.0

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	Increase % (-)
\$731,505	RETAINED EARNINGS - Accumulated Funds	\$1,100,015	50.4
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
	Motor Vehicle, Equipment, etc.		
25,670	(Less - Depreciation \$11,126)	32,873	28.1
	Current Assets -		
52,414	Debtors and Prepayments	52,921	1.0
800,000	Interest Bearing Deposits	1,190,000	48.8
44,651	Cash	58,929	32.0
897,065		1,301,850	45.1
922,735		1,334,723	44.6
	Less - Current Liabilities and Provisions -		
70,259	Creditors and Accruals	84,186	19.8
120,971	Provision - Annual and Long Service Leave	150,522	24.4
191,230		234,708	22.7
\$731,505		\$1,100,015	50.4

Income from fees, \$970,089, related to applications for licences, contractors' authorities, certificates of competency and duplicate licences. According to the Board's statistics, applications received in 1982-83 comprised 1397 for new licences, 6140 for licence renewals, 1470 for contractors' authorities and 307 for certificates of competency. Fees lodged with applications are taken to account as income immediately upon receipt.

Fee rates set in 1980 at \$100 per annum for individual licences and \$150 per annum for contractors have consistently produced revenues greater than expenditures. Annual surpluses have been in the order of \$195,000, \$203,000, \$351,000 and \$374,000 for the years 1980-83 inclusive. As a result, funds have accumulated to \$1.1 million at 30th June, 1983.

The Board is considering plans for increased expenditure on education and research and the possible installation of a computer.

EDUCATION AND RESEARCH FUND

Expenditure totalled \$15,083 and comprised costs of an industry survey, \$10,343, conference expenses, \$3,808, and apprenticeship assistance, \$932. As the only income was \$5,000 allocated from the General Fund surplus, accumulated funds fell to \$4,220 at 30th June, 1983.

MOTOR VEHICLE REPAIR INDUSTRY COUNCIL AND THE MOTOR

VEHICLE REPAIR DISPUTES COMMITTEE

The primary function of the Council is to regulate the carrying out of repairs to motor vehicles by a system of licences for repair businesses and certificates for repair tradesmen and loss assessors. The Disputes Committee helps to resolve disputes between repairers and vehicle owners.

GENERAL FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
	Fees -		
1,026,950	Repairers' Licences	1,078,600	5.0
	Tradesmen's and Loss		
150,360	Assessors' Certificates	120,537	(19.8)
246,094	Interest on Investments	214,255	(12.9)
4,325	Miscellaneous Receipts	9,585	121.6
<u>\$1,427,729</u>		<u>\$1,422,977</u>	(0.3)
	Expenditure -		
630,823	Salaries and Associated Costs	664,104	5.3
13,499	Members' Fees	13,426	(0.5)
118,551	Rent and Office Costs	88,381	(25.4)
29,999	Travelling and Motor Vehicle Expenses	44,924	49.8
44,310	Postage and Telephone	37,465	(15.4)
23,450	Depreciation	26,905	14.7
4,265	Disputes Committee	9,513	123.0
1,250	Audit Fee	3,000	140.0
16,438	General Expenses	14,374	(12.6)
<u>882,585</u>		<u>902,092</u>	2.2
	Operating Surplus -		
	Allocated to -		
50,000	Education and Research Fund	101,357	102.7
....	Contingency Fund	7,579	*
495,144	Accumulated Funds	411,949	(16.8)
<u>545,144</u>		<u>520,885</u>	(4.4)
<u>\$1,427,729</u>		<u>\$1,422,977</u>	(0.3)

* Nil in previous year - not calculable

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	Increase % (-)
<u>\$1,908,436</u>	RETAINED EARNINGS - Accumulated Funds	<u>\$2,320,385</u>	21.6
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
....	Land and Buildings	382,022	*
159,937	Motor Vehicles, Equipment, etc.	<u>181,911</u>	13.7
159,937	(Less - Depreciation, \$56,204)	<u>563,933</u>	252.6
	Current Assets -		
1,650,000	Interest Bearing Deposits	1,714,536	3.9
105,770	Accrued Interest	55,676	(47.4)
21,509	Cash	<u>4,519</u>	(79.0)
1,777,279		<u>1,774,731</u>	(0.1)
1,937,216		2,338,664	20.7
	Less - Current Liabilities -		
26,380	Creditors and Accruals	11,878	(55.0)
2,400	Collections Suspense	<u>6,401</u>	166.7
28,780		<u>18,279</u>	(36.5)
<u>\$1,908,436</u>		<u>\$2,320,385</u>	21.6

* Nil in previous year - not calculable

Income from fees totalled \$1,199,137 compared with \$1,177,310 in 1981-82. Repairers' Licences (fee \$100) are required to be renewed annually while Tradesmen's and Loss Assessors' Certificates (\$25) remain in force until revoked or surrendered.

Operations resulted in a surplus of \$520,885, (\$545,144 in 1981-82) of which \$101,357 was allocated to the Education and Research Fund and \$7,579 to the Contingency Fund.

The Council acquired at a cost of \$382,022 premises at Five Dock for office accommodation which it expects to occupy in the near future.

EDUCATION AND RESEARCH FUND

Payments consisted of \$92,328 towards a public education programme, apprenticeship awards of \$2,954 and general expenses \$6,075. The balance at the close of the year, \$6,751, was unaltered from the previous year.

CONTINGENCY FUND

The Motor Vehicle Repairs Act, 1980 allows for payment from the Contingency Fund for losses incurred through repairs on motor vehicles not being performed competently. Payments totalling \$7,579 were made in respect of nine claims relating to eight licence holders and were recouped by an allocation from the General Fund.

COUNCIL OF AUCTIONEERS AND AGENTS

Audit of the accounts of the Council has not been completed and figures quoted for 1982-83 may be subject to change.

ADMINISTRATION ACCOUNT

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
1,131	Fees	1,097	(3.0)
37	Interest	68	82.1
<u>1</u>	Sundries	<u>4</u>	879.6
1,169		<u>1,169</u>	0.1
	Expenditure -		
775	Salaries and Associated Costs	674	(13.0)
195	Administration Costs	146	(25.0)
77	Members' Fees and Travelling Expenses	75	(3.2)
29	Travelling Expenses - Staff	22	(23.9)
4	Audit Fee	9	100.0
43	Legal Costs	37	(14.2)
31	Depreciation	27	(11.8)
18	Amortisation of Leasehold Improvements	18	..
50	Provision - Employee Leave Entitlements	115	129.2
<u>25</u>	Sundries	<u>16</u>	(35.4)
1,247		<u>1,139</u>	(8.7)
244	Less - Charge to Compensation Fund	196	(19.8)
<u>78</u>	Charge to Statutory Interest Account	<u>64</u>	(18.2)
322		260	(19.4)
925		879	(5.0)
<u>244</u>	Surplus	<u>290</u>	19.0
1,169		<u>1,169</u>	0.1

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
770	RETAINED EARNINGS - Accumulated Funds	1,045	35.6
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
54	Plant etc., (Less Depreciation \$5,974)	37	(31.6)
96	Computer (Less Depreciation \$19,976)	77	(20.4)
150		114	(24.5)
	Intangible Assets -		
72	Leasehold Improvements (Less Amortisation \$17,895)	54	(25.0)
	Current Assets -		
344	Debtors, etc.	537 *	56.2
300	Interest Bearing Deposits	550	83.3
86	Cash	32	(63.1)
730		1,119	53.3
952		1,287	35.1
	Less - Current Liabilities and Provisions -		
52	Creditors	22	(58.4)
130	Provision - Employee Leave Entitlements	220	69.4
182		242	32.9
770		1,045	35.6

* Includes \$439,693 due from Compensation Fund and \$64,177 due from Statutory Interest Account.

COMPENSATION FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
248	Contributions	254	2.3
1,059	Interest	1,053	(0.5)
	Compensation on account of Claims		
3	Previously Settled	16	335.5
1,400	Transfer from Statutory Interest Account	1,900	35.7
2,710		3,223	18.9
	Expenditure -		
166	Claims	241	45.4
244	Administration	196	(19.8)
118	Legal Costs	107	(9.6)
28	Receivership Costs	13	(53.0)
556		557	0.2
2,154	Surplus	2,666	23.7
2,710		3,223	18.9

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	RETAINED EARNINGS -		
7,933	Accumulated Funds	10,600	33.6
	REPRESENTED BY -		
	Investments (At Cost) -		
3,820	Interest Bearing Deposits	6,380	67.0
3,000	Permanent Building Societies	3,000	..
6,820		9,380	37.5
	Current Assets -		
1,439	Debtors	1,900 *	32.1
390	Accrued Interest	276	(29.2)
32	Cash	14	(56.1)
1,861		2,190	17.7
8,681		11,570	33.3
	Less - Current Liabilities -		
316	Creditors	458 +	45.2
432	Unclaimed Trust Moneys	512	18.6
748		970	29.8
7,933		10,600	33.6

* Amount Due from Statutory Interest Account.

+ Includes \$439,693 due to Administration Account.

SPECIAL ACCOUNT

In accordance with the Auctioneers and Agents Act, 1941, one-quarter of the minimum balances of licensees' trust accounts are required to be remitted to the head offices of the licensees' banks for credit to an Auctioneers and Agents Special Account and for investment, at the direction of the Council, in interest bearing deposits. The amounts transferred from trust accounts are redeemable on demand. At 30th June, 1983, the balance of the Special Account was \$14,722,426 (\$17,020,367 at 30th June, 1982) comprising interest bearing deposits, \$14,755,000, less overdrafts, \$32,574.

STATUTORY INTEREST ACCOUNT

In accordance with Section 63D of the Act, it has been recommended by the Council that the Minister give his consent for the interest earned (\$3,564,307) from the investment of moneys in the Special Account, to be transferred as follows:

- (a) Supplementation of the Compensation Fund by an amount of \$1,900,000 as against \$1,400,000 for the year ended 30th June, 1982.
- (b) Recoupment of costs to the Administration Account, \$64,177 (\$78,445 for year ended 30th June, 1982).

Educational and other costs charged to the Statutory Interest Account totalled \$43,000 (\$52,006 previous year). Interest paid on Special Account Overdrafts was \$46,278 compared with \$63,195 in the previous year.

After allowing for the above transfers and costs, the balance of the account at 30th June, 1983 was \$6,395,662.

TRAVEL AGENTS REGISTRATION BOARD

The Board, constituted under the Travel Agents Act, 1973, is empowered to issue licences to individuals, firms and corporations carrying on the business of a travel agent.

Licensees are required to pay a fee of \$10 (increased from \$5 on 1st October, 1982) for the issue or renewal of a licence together with an administration fee at a rate depending on the nature of the licence required. In addition, a contribution of \$500 to the Travel Agents Compensation Fund is required in respect of each place at which the licensee carries on the business of a travel agent. The purpose of the Fund is to reimburse members of the public for loss caused by failure of a licensee to account for money or other valuable property. The maximum payment is \$10,000 in respect of any one transaction or \$100,000 in respect of any one licensee.

ADMINISTRATION ACCOUNT

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
206,118	Fees	227,948	10.6
<u>26,679</u>	Interest, etc.	<u>29,313</u>	9.9
<u>\$232,797</u>		<u>\$257,261</u>	10.5
	Expenditure -		
213,045	Salaries and Associated Charges	258,424	21.3
20,116	Rent	57,702	186.8
25,040	Legal Expenses	25,457	1.7
11,429	Board Fees	9,427	(17.5)
10,000	Provision for Long Service Leave	15,000	50.0
5,581	Motor Vehicle Expenses	5,857	4.9
4,000	Audit Fee	5,000	25.0
4,375	Depreciation	4,789	9.5
<u>14,385</u>	Miscellaneous	<u>14,305</u>	(0.6)
307,971		395,961	28.6
<u>72,367</u>	Less - Charged to Compensation Fund	<u>83,895</u>	15.9
235,604		312,066	32.5
<u>2,807</u>	Deficiency	<u>54,805</u>	+
<u>\$232,797</u>		<u>\$257,261</u>	10.5
	+ More than 1,000 per cent.		

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	Increase % (-)
	RETAINED EARNINGS -		
<u>\$83,106</u>	Accumulated Funds	<u>\$28,301</u>	(65.9)
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
	Motor Vehicles, Equipment, etc. (Less		
<u>15,719</u>	Depreciation, \$15,688)	<u>11,181</u>	(28.9)
	Current Assets -		
72,903	Debtors and Accruals	2,240	(96.9)
115,000	Interest Bearing Deposits	125,000	8.7
<u>22,600</u>	Cash	<u>90,402</u>	300.0
210,503		217,642	3.4
<u>226,222</u>		<u>228,823</u>	1.1
	Less - Current Liabilities and Provisions -		
39,277	Creditors and Accruals	59,165	50.6
69,989	Fees Paid in Advance	92,507	32.2
<u>33,850</u>	Provision for Long Service Leave	<u>48,850</u>	44.3
143,116		200,522	40.1
<u>\$83,106</u>		<u>\$28,301</u>	(65.9)

TRAVEL AGENTS COMPENSATION FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
95,060	Interest	114,690	20.7
13,527	Profit on Sale of Securities	9,575	(29.2)
<u>\$108,587</u>		<u>\$124,265</u>	14.4
	Expenditure -		
72,367	Administration and Legal Costs	83,895	15.9
41,260	Claims	20,792	(49.6)
113,627		104,687	(7.9)
5,040	Surplus	19,578	*
(Deficiency)			
<u>\$108,587</u>		<u>\$124,265</u>	14.4

* Deficiency in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital -		
857,500	Contributions from Licensees	927,500	8.2
43,852	Retained Earnings -		
	Accumulated Funds	63,430	44.6
<u>\$901,352</u>	TOTAL	<u>\$990,930</u>	9.9
	REPRESENTED BY -		
	Investments (At Cost) -		
472,658	Government Securities	452,658	(4.2)
190,425	Other Securities	...	(100.0)
<u>663,083</u>		<u>452,658</u>	(31.7)
	Current Assets -		
36,482	Accrued Interest	44,903	23.1
220,000	Interest Bearing Deposits	500,000	127.3
60,806	Cash	8,851	(85.4)
<u>317,288</u>		<u>553,754</u>	74.5
980,371		1,006,412	2.7
	Less - Current Liabilities -		
79,019	Sundry Creditors, etc.	15,482	(80.4)
<u>\$901,352</u>		<u>\$990,930</u>	9.9

Twenty-seven claims totalling \$20,792 were paid during 1982-83.

Contributions from licensees are added directly to capital, the addition for 1982-83 being \$70,000.

BOARD OF ARCHITECTS OF NEW SOUTH WALES

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
60,532	Fees	60,453	(0.1)
8,000	Byera Hadley Travelling Scholarships	9,000	12.5
11,997	Interest	16,531	37.8
	Architects Accreditation Council -		
12,617	Examination Fees, etc.	12,669	0.4
3,478	Miscellaneous	3,656	5.1
96,624		102,309	5.9
	Balance at 1st July, 1982 -		
13,844	Cash	19,650	41.9
111,235	Investments	123,644	11.2
\$221,703		\$245,603	10.8
	Payments -		
36,281	Salaries, Fees, etc.	45,745	26.1
13,342	General Expenses	14,030	5.2
8,000	Travelling Scholarships	9,000	12.5
400	Grants and Prizes	1,985	396.3
	Architects Accreditation Council -		
12,913	Examination Expenses	11,972	(7.3)
6,823	Contributions	5,502	(19.4)
650	Audit Fee	1,000	53.8
78,409		89,234	13.8
	Balance at 30th June, 1983 -		
19,650	Cash	33,518	70.6
123,644	Investments	122,851	(0.6)
\$221,703		\$245,603	10.8

The annual roll fee, the Board's main source of income, remained unchanged at \$20. Receipts from this source were \$56,720 compared with \$56,206 in the previous year. At 31st December, 1982, the number of registered architects, as shown in the Board's records, was 2,788, an increase for the year of 39. Receipts for the year exceeded payments by \$13,075 and increased the balance of funds to \$156,369 at 30th June, 1983.

BOARD OF VETERINARY SURGEONS OF NEW SOUTH WALES

The Veterinary Surgeons Act, 1923, requires that persons practising veterinary surgery in the State be registered with the Board. At 30th June, 1983, the number enrolled was 1,453. Fees collected are paid to Consolidated Fund which bears the costs of the Board. Fee rates were increased by approximately 50 per cent from 4th June, 1982.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
<u>\$48,350</u>	Receipts - Fees	<u>\$79,548</u>	64.5
	Payments -		
32,999	Salaries, etc.	37,165	12.6
3,754	Board Fees and Travelling Expenses	5,145	37.1
2,188	Disciplinary Tribunal and Investigations	7,501	242.8
208	Printing	3,030	+
2,440	Legal Fees	3,615	48.2
<u>2,482</u>	General Expenses	<u>3,055</u>	23.1
44,071		59,511	35.0
<u>4,279</u>	Excess of Receipts over Payments	<u>20,037</u>	368.3
<u>\$48,350</u>		<u>\$79,548</u>	64.5

+ More than 1,000 per cent

Payments do not include charges for overheads such as rent, telephone and electricity, or for the salaries of officers who perform part-time services for the Board.

SUITORS' FUND

The Fund was constituted by the Suitors' Fund Act, 1951, for the purpose of meeting, under prescribed circumstances, the liability for costs arising from appeals litigation or the ordering of a new trial. Claims met from the Fund in 1982-83 were \$159,430 compared with \$111,088 in the previous year.

Contributions totalling \$176,398 were received from Consolidated Fund based on a percentage of Court fees collected in all jurisdictions. Although the maximum rate authorised by the Act is 10 per cent, a rate of 1 per cent has operated from 1st October, 1977.

Receipts also included \$146,340 interest on investments.

At 30th June, 1983, the balance of the Fund was \$1,471,892 of which \$1,422,663 was invested in a Building Society and in semi-government securities.

PUBLIC TRUSTEE

Under the Public Trustee Act, 1913, the Public Trustee may act as executor or administrator of deceased estates, as trustee, agent, or attorney, as guardian of minors' estates, and as manager of estates of protected persons.

OFFICE ADMINISTRATION ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Payments from Consolidated Fund - *		
6,573	Salaries and Associated Charges	7,358	11.9
347	Acquisition of Office Accommodation	278	(20.0)
311	Rent, Maintenance, etc., of Office Buildings	399	28.2
188	Printing, Stationery and Stores	210	11.6
95	Postal and Telephones	81	(15.2)
76	Light and Power	105	39.3
37	Audit Fee	45	21.6
138	Miscellaneous	89	(35.3)
<u>7,765</u>		<u>8,565</u>	<u>10.3</u>
	Recoupments to Consolidated Fund -		
6,861	Commission and Fees	8,278	20.7
904	Transfer under Section 36C, Public Trustee Act	287	(68.2)
<u>7,765</u>		<u>8,565</u>	<u>10.3</u>

* Net of rents received, repayments for previous years, etc., \$26,270.

Administration costs and expenditure on acquisition of office accommodation of the Public Trust Office are met from Consolidated Fund, while commission and fees earned are paid into that Fund.

Under Section 9 of the Act, fees are to be set at no more than is needed to cover costs. Surplus earnings from investments of a common fund may be used to supplement the income from fees. Rates of commission and fees have been unchanged for eight years. Receipts totalled \$8.3 million and to meet costs, \$8.6 million, a sum of \$287,541 was transferred from the Interest Suspense Account to Consolidated Fund.

Common fund earnings, which in terms of Section 36A of the Act are credited to an Interest Suspense Account, increased by \$5.1 million to \$24.4 million. Interest distributions to estates at call were lifted from 10 per cent to 11 per cent per annum and interest allowed on funds held under damages trusts, for infant beneficiaries and for some other classes, from 15 per cent to 17 per cent during the year. The interest distributions absorbed \$15.4 million and management charges totalled \$1.3 million. After transferring \$502,207 to the Estates Guarantee and Reserve Account, the balance of the Interest Suspense Account at 30th June, 1983, was \$28.3 million. Of this sum, \$16.4 million was reserved for distribution as interest on estate and trust fund balances in the ensuing year, while the remainder was primarily available for stabilisation of the interest rate and for transfer to the Estates Guarantee and Reserve Account.

The transfer made to the Estates Guarantee and Reserve Account brought the balance up to \$2,990,378 at 30th June, 1983. In general terms, the Account is available to meet costs of protecting investments and legal or other costs which cannot reasonably be charged to individual estates.

Trust funds aggregated \$203.8 million at 30th June, 1983, and comprised:

Previous Year \$'000		\$'000	Increase % (-)
164,011	Common Fund*	192,875	17.6
8,144	Specific Estate Investments	6,279	(22.9)
	Unclaimed Balances of Intestate Estates		
3,250	Transferred to Treasury	4,638	42.7
<u>175,405</u>		<u>203,792</u>	<u>16.2</u>

* Includes Interest Suspense and Estates Guarantee and Reserve Accounts.

They were represented by:

\$'000		\$'000	Increase % (-)
3,250	Deposit at Treasury	4,638	42.7
	Investments -		
87,335	Loans Secured by Mortgage	95,950	9.9
55,735	Government Securities	65,187	17.0
30,382	Term Deposits	38,782	27.6
<u>176,702</u>		<u>204,557</u>	<u>15.8</u>
1,297	Less - Cash Overdrawn	765	(41.0)
<u>175,405</u>		<u>203,792</u>	<u>16.2</u>

In addition there were real estate and other unrealised assets held on behalf of estates in the course of administration.

My previous Reports referred to the considerable sums of unclaimed moneys in intestate estates held by the Public Trustee and to proposals to amend the Act to enable such moneys to be paid into the Treasury after a reasonable period. The proposals have not yet been brought to fruition.

ANZAC MEMORIAL BUILDING FUND

Management of the fund is vested in trustees appointed in terms of the Anzac Memorial (Building) Act, 1923.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Receipts -		
50,918	State Government Subsidy	36,489	(28.3)
48	Interest	49	2.1
280	Contributions	305	8.9
282	Insurance Claims	1,158	310.6
51,528		38,001	(26.3)
1,359	Balance at 1st January, 1982	1,407	3.5
\$52,887		\$39,408	(25.5)
	Payments -		
17,547	Salaries and Wages	20,197	15.1
26,273	Repairs and Renewals	9,508	(63.8)
7,660	Miscellaneous	8,247	7.7
51,480		37,952	(26.3)
1,407	Balance at 31st December, 1982	1,456	3.5
\$52,887		\$39,408	(25.5)

At 31st December, 1982, assets at cost included:

	\$
Anzac Memorial Building	156,749
War Negatives, Office Furniture and Equipment	695
	<u>\$157,444</u>

The liability for accrued long service leave entitlement of the Trustees' employee was estimated at \$1,436.

COMMISSIONER OF DORMANT FUNDS

The Dormant Funds Act, 1942, empowers the Public Trustee as Commissioner of Dormant Funds to investigate and dispose of non-operative funds acquired by trustees for charitable or other public purposes.

Two funds were declared dormant during the year and, at 30th June, 1983, proposals for the disposal of two other funds valued at \$10,176 were under consideration.

NEW SOUTH WALES STATE CANCER COUNCIL

The Council was established by the New South Wales State Cancer Council Act, 1955. Its objects include - to assist, co-ordinate and foster research and training into the cause, prevention, diagnosis and treatment of cancer, to assist and foster professional and public education with respect to cancer and to conduct public appeals for funds.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
250	Government Grant	250	..
2,362	Donations and Bequests	2,058	(12.9)
796	Interest and Dividends	1,034	30.0
....	Profit on Sale of Investments	69	*
13	Other	32	148.1
<u>3,421</u>		<u>3,443</u>	0.6
	Expenditure -		
366	Research Grants	380	3.8
590	Research and Associated Projects	729	#
99	Professional Services	126	27.1
541	Community Services	655	#
28	Australian Cancer Society Grant	68	143.9
33	Welfare Services	51	#
484	Administration	364	#
13	Loss on Sale of Investments	....	(100.0)
4	Other	....	(100.0)
<u>2,158</u>		<u>2,373</u>	10.0
1,263	Excess of Income over Expenditure	1,070	(15.3)
....	Prior Period Adjustment - Accrued Interest	48	*
<u>1,263</u>	Addition to Accumulated Funds	<u>1,118</u>	(11.5)

Due to a changed method of dissecting costs comparison with the previous year is not relevant.

+ Loss in previous year - not applicable.

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	AVAILABLE FUNDS -		
2,260	Permanent Funds	2,264	0.2
5,440	Accumulated Funds	6,559	20.6
7,700	TOTAL	8,823	14.6
	REPRESENTED BY -		
	Investments -		
119	Mortgage Loan	114	(4.2)
3,906	Trustee Securities (At Cost)	5,355	37.1
1,714	Stocks and Shares (Market Value \$1,873,574)	1,776	3.6
15	Company Debentures (At Cost)	17	13.0
5,754		7,262	26.2
	Current Assets -		
19	Debtors and Prepayments	13	(26.3)
174	Accrued Interest	279	59.9
1,537	Short Term Deposits (At Cost)	1,287	(16.3)
328	Cash	109	(66.7)
2,058		1,688	(17.9)
7,812		8,950	14.5
	Less - Current Liabilities and Provisions -		
77	Creditors and Accruals	42	(45.6)
35	Provision - Annual and Long Service Leave	85	144.9
112		127	14.1
7,700		8,823	14.6

The main income was in the form of donations and bequests, \$2,057,677, and \$1,034,272 earned on investments.

Research Grants \$380,189, include \$85,135 to St Vincents Hospital, \$67,510 to Royal Prince Alfred Hospital and \$51,736 to University of Sydney. (As referred to elsewhere in this Report, the amount held by the University of Sydney in its Cancer Research Fund, which is unrelated to these grants, has reached some \$3.2 million). Research and associated projects undertaken by the Council's Special Unit located at the Prince of Wales Hospital absorbed \$729,135, the major portion being salaries and related costs, \$508,454. Salary costs at \$147,737 were also the chief component of administration expenditure totalling \$364,128.

The major item in expenditure on community services, \$655,017, was \$290,072 in relation to the Cancer Action Month campaign.

For some years past the Council's expenditure has been less than its income and this has enabled the accretion of a sound investment base. Including additions of \$1.26 million in 1981-82 and \$1.1 million in 1982-83, available funds have now reached \$8.8 million (including \$2.3 million in capital bequests, etc. which must be held intact). Ten years ago, total funds were about \$1.6 million.

Of the permanent funds, \$1.2 million is in stocks and shares and \$1.1 million in government securities and short term deposits.

Mortgage Loan, \$113,511, related to the outstanding balance of a loan of \$125,000 made to the Medical Director for the purchase of a house in Centennial Park, previously owned by the Council.

THE NEW SOUTH WALES INSTITUTE OF PSYCHIATRY

The Institute was constituted by the New South Wales Institute of Psychiatry Act, 1964, to foster research and investigation into mental illness and disorders, to encourage and provide postgraduate education and training in psychiatry, to award fellowships and promote visits by lecturers in psychiatry and related fields.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
380,000	State Government Grant	380,000	..
44,279	Course Fees	49,733	12.3
4,500	Commonwealth Grants for Research	....	(100.0)
6,021	Miscellaneous	1,848	(69.3)
434,800		431,581	(0.7)
63,842	Balance at 1st July, 1982	64,793	1.5
\$498,642		\$496,374	(0.5)
	Payments -		
178,760	Fellowships	183,341	2.6
6,223	Research Grants	750	(87.9)
79,193	Lecture Fees	68,967	(12.9)
154,974	Salaries and Associated Charges	179,263	15.7
6,823	Purchase of Motor Vehicle	....	(100.0)
7,876	Administrative Expenses	8,636	9.6
433,849		440,957	1.6
64,793	Balance at 30th June, 1983	55,417	(14.5)
\$498,642		\$496,374	(0.5)

At the close of the year, funds of the Institute were represented by cash at bank and on hand, \$16,817, government securities, \$8,600, and an advance of \$30,000 to the Health Department of N.S.W. to meet salary and other costs paid by the Department on behalf of the Institute.

DRUG AND ALCOHOL AUTHORITY OF NEW SOUTH WALES

The Authority was established by the Drug and Alcohol Authority Act, 1980. Its main functions are to facilitate education and treatment in the fields of drug and alcohol addiction and to administer grants to public authorities or other organisations or persons working on the same problems.

GENERAL FUND

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
	From Consolidated Fund for -		
2,825,000	Grants Programme	3,107,000	10.0
500,000	Administrative Costs	510,000	2.0
....	Miscellaneous	24,798	*
3,325,000		3,641,798	9.5
....	Balance 1st July, 1982	476	*
\$3,325,000		\$3,642,274	9.5
	Payments -		
2,825,000	Grants Programme	3,131,798	10.9
	Administrative Costs -		
294,498	Salaries and Staff Charges	327,179	11.1
32,464	Rent, Cleaning, etc.	63,470	95.5
10,258	Subsistence and Transport	10,303	0.4
10,525	Postal and Telephone Expenses	16,401	55.8
18,626	Installation of Telephone System	....	(100.0)
80,353	Fees, Subsidies, etc.	50,348	(37.3)
45,709	Stores, Provisions and Printing	25,718	(43.7)
7,091	Other General Expenses	15,757	122.2
499,524		509,176	1.9
3,324,524		3,640,974	9.5
476	Balance at 30th June, 1983	1,300	173.1
\$3,325,000		\$3,642,274	9.5

* Nil in previous year - not calculable.

The main source of income in 1982-83 was a contribution of \$3,617,000 provided from the Consolidated Fund Vote to the Minister for Health. Grants totalling \$3,131,798 were made to various organisations and researchers operating in the fields of drug and alcohol addiction. Administrative costs absorbed \$509,176, leaving a balance of \$1,300 in the Fund at the close of the year. The major grant recipients were:

	\$
Odyssey House	332,280
Swanton Lodge	176,187
William Booth Institute	142,524
Fratadd Industry	115,154

Seven properties, controlled by the Authority, are registered in the name of the Minister for Lands. Six of these are used by organisations receiving grants from the Authority and one, at Bourke, is currently vacant and for sale.

SPORTING INJURIES COMMITTEE

The Committee is responsible for the administration of the benefits provisions of the Sporting Injuries Insurance Act, 1978. Payments are made in respect of death and certain injuries suffered by registered players taking part in activities of approved sporting organisations.

The scheme operates on a contributory basis, with premiums assessed on the risk category of the sport. Benefits were increased from 1st June, 1983, and range upwards to \$90,000 for compensable injuries and \$37,500 for death (previously \$60,000 and \$25,000). An additional benefit of \$1,000 is payable in respect of each dependent child of a deceased person.

At 30th June, 1983, fifty-nine bodies had been declared to be sporting organisations in terms of the Act, one more than a year earlier.

The accounts shown in this review are based on unaudited figures supplied by the Committee and are not necessarily final.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
714,736	Income -		
132,836	Premiums	707,491	(1.0)
<u>\$847,572</u>	Interest	<u>194,062</u>	46.1
		<u>\$901,553</u>	6.4
351,818	Expenditure -		
67,159	Compensation	305,420	(13.2)
700	Salaries and Associated Charges	72,643	8.2
11,548	Audit Fees	2,500	257.1
	Sundry Expenses	14,132	22.4
	Provisions for -		
2,322	Long Service Leave	1,670	(28.1)
189	Depreciation	129	(31.7)
<u>(152,578)</u>	Outstanding Claims	<u>646,175</u>	*
281,158		1,042,669	270.8
566,414	Reduction to Accumulated Funds	141,116	#
<u>(Addition)</u>		<u>\$901,553</u>	6.4
<u>\$847,572</u>			

* Decrease in previous year - not applicable.

Addition in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983.

Previous Year \$		\$	Increase % (-)
<u>\$383,785</u>	RETAINED EARNINGS -		
	Accumulated Funds	<u>\$242,669</u>	(36.8)
	REPRESENTED BY -		
944	Fixed Assets - Furniture and Fittings (At Cost - Less Depreciation \$337)	<u>1,643</u>	74.0
	Current Assets -		
106,997	Debtors	78,383	(26.7)
1,192,023	Term Deposits and Interest Accrued	1,728,803	45.0
7,375	Cash	<u>10,578</u>	43.4
<u>1,306,395</u>		<u>1,817,764</u>	39.1
<u>1,307,339</u>		<u>1,819,407</u>	39.2
	Less - Current Liabilities and Provisions -		
12,574	Creditors	12,834	2.1
243,615	Premiums Prepaid	248,693	2.1
9,205	Provision for Long Service Leave	10,876	18.2
<u>658,160</u>	Provision for Outstanding Claims	<u>1,304,335</u>	98.2
923,554		<u>1,576,738</u>	70.7
<u>\$383,785</u>		<u>\$242,669</u>	(36.8)

The Provision for Outstanding Claims at 30th June, 1983 approximates the estimated liability at that date.

LORD HOWE ISLAND BOARD

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Period + \$		Income \$	Expenditure \$	Net Gain (Cost) \$
<u>Trading Operations</u>				
17,792	Palm Seedlings	160,371	210,670	(50,299)
39,603	Liquor Trading	356,376	272,658	83,718
<u>Service Operations</u>				
8,976	Lighterage	117,791	195,006	(77,215)
14,920	Resort Operation	43,939	17,392	26,547
(19,224)	* (1) Airport Services	....	56,841	(56,841)
(5,537)	* (2) Electricity Supply	81,726	189,184	(107,458)
(33,014)	* (3) Health Services	12,741	104,359	(91,618)
(51,239)	* (4) Public Administration	15,534	207,849	(192,315)
(156,632)	* (5) General Administration	....	370,224	(370,224)
(166,800)	* (6) Interest on Loans	....	252,677	(252,677)
11,949	Interest on Investments	29,430	....	29,430
26,983	Miscellaneous	86,009	21,819	64,190
<u>State Government Subsidies -</u>				
5,537	* (2) Electricity Commission	107,458	....	107,458
33,014	* (3) Health Department	73,051	....	73,051
	Local Government and Lands -			
166,800	* (6) Interest on Loan	252,677	....	252,677
114,474	* (5) Other Costs	213,635	....	213,635
<u>Commonwealth Government Subsidies</u>				
9,121	* (1) Airport Maintenance	8,410	....	8,410
....	* (4) Roads Grant	35,000	....	35,000
16,723	Deficiency for the Year			(304,531)
(Surplus)				
67,691	Prior Period Adjustments	....	2,384	(2,384)
	Net Deficiency Transferred to			
\$84,414	Accumulated Funds	\$1,594,148	\$1,901,063	(\$306,915)
(Net Surplus)				
+ Previous Period - 1st January to 30th June, 1982.				
* Indicates activity to which subsidy relates.				

BALANCE SHEET as at 30th June, 1983

Previous Period \$		\$
	CAPITAL AND RETAINED EARNINGS -	
	Capital Debt -	
1,200,000	Loan Liability to Treasurer	1,200,000
<u>500,000</u>	Loans Raised by the Board	<u>630,178</u>
1,700,000		<u>1,830,178</u>
	Other Capital -	
....	Loan Repayment from State Grant	<u>69,822</u>
	Retained Earnings -	
1,367,211	Accumulated Funds	1,060,296
<u>15,595</u>	Emergency Flight Fund	<u>15,595</u>
1,382,806		<u>1,075,891</u>
<u>\$3,082,806</u>	TOTAL	<u>\$2,975,891</u>
	REPRESENTED BY -	
	Fixed Assets (At Valuation or Cost) -	
	Buildings, Plant, Equipment, etc.	
<u>1,748,577</u>	(Less Depreciation, \$167,880)	<u>1,955,906</u>
	Investments -	
<u>200,000</u>	Australian Savings Bonds	<u>200,000</u>
	Current Assets -	
32,960	Stores (Liquor)	85,445
95,857	Debtors (Less Doubtful Debts, \$6,084)	103,559
5,452	Accruals and Prepayments	3,562
<u>1,085,389</u>	Cash at Treasury	<u>752,502</u>
1,219,658		<u>945,068</u>
<u>3,168,235</u>		<u>3,100,974</u>
	Less - Current Liabilities and	
	Provisions -	
19,834	Creditors	39,603
<u>65,595</u>	Provisions - Leave Entitlements	<u>85,480</u>
85,429		<u>125,083</u>
<u>\$3,082,806</u>		<u>\$2,975,891</u>

Percentage comparisons between amounts contained in the financial statements for the year ended 30th June, 1983, and the six months ended 30th June, 1982 have not been shown, largely because of the differing periods and the initial inclusion of depreciation charges.

The income and expenditure account indicates the quantum of income generated from Trading and Service activities, matched against related operating expenditure, prior to bringing into account \$690,231 provided as subsidies. Allowing for the subsidies and a prior period adjustment of \$2,384, there was a net deficiency of \$306,915 to be transferred against accumulated funds.

Palm seedling operations (which have in the past produced considerable surpluses), show a deficit of \$50,299. Liquor trading showed a surplus of \$83,718, indicating a more buoyant result than that of the prior six months. Resort operations also ran at a surplus.

The deficit of \$77,215 on lighterage operations was mainly due to an initial depreciation charge of \$73,704, which together with an increase in equivalent labour costs of more than 60 per cent indicates that charges are not covering all costs for this service.

The Commonwealth Department of Transport normally meets 50 per cent of direct maintenance costs for the airport, however, \$7,716 was repaid to the Department in adjustment of a prior excess claim, and this reduced the net subsidy benefit to \$8,410 for 1982-83.

Electricity supply is a joint function of the Board and Electricity Commission, with the latter meeting the difference between costs and income, which for 1982-83 resulted in receipt of a subsidy of \$107,458. The Health Department provides an annual subsidy to meet net costs of the Island's hospital, however, net expenditure exceeded the budgeted subsidy by \$18,567 and no supplementation was received.

The activity "Public Administration" comprises services similar to those provided by a local government authority. Revenues collected, \$15,534, were far short of the costs of maintaining facilities, \$207,849.

General administration expenditure, at \$370,224, represents costs associated with maintaining the Board's Office. Government subsidy is equivalent to the salaries and expenses, \$213,635, applicable to those officers of the Department of Local Government and Lands engaged in Island activities.

Interest on moneys borrowed for capital works programmes amounted to \$252,677, which together with a capital repayment of \$69,822, were met by the Department of Local Government and Lands.

A surplus of \$64,190 was earned through miscellaneous activities such as plant hire and related service charges.

From loans of \$1,200,000 and \$700,000 advanced by the Treasury and State Bank respectively, a total of \$1,199,704 has been expended on approved capital works, leaving a balance of \$700,296 reserved for future works.

NATIONAL PARKS AND WILDLIFE SERVICE

The National Parks and Wildlife Act, 1974, gives the Director, National Parks and Wildlife Service, the responsibility for the care, control and management of all areas dedicated as National Parks, Nature Reserves, Historic Sites and Aboriginal Areas. At 30th June, 1983, there were 242 such areas with a total of 3,218,701 hectares so placed. The Service also administers Aboriginal places, protected archaeological areas, wildlife refuges and game reserves, which totalled 485 in number, covering 2,177,053 hectares. In addition, there were 18 State Recreation Areas covering 18,296 hectares which were managed by Trusts responsible to the Minister.

Financial operations of the Service are processed through the National Parks and Wildlife Fund, within Special Deposits Account.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
19,212	Consolidated Fund	22,955	19.5
2,134	Special Purpose Income	3,603	68.8
2,481	Fees and Licences	2,430	(2.0)
1,117	Rentals	1,212	8.5
396	Park Services, Publications Sales, etc.	520	31.2
143	Fines, Costs and Royalties	162	13.3
748	Sale of Motor Vehicles and Other Property	410	(45.1)
25	Security Deposits (net)	38	51.6
113	Miscellaneous	185	64.4
26,369		31,515	19.5
2,767	Balance at 1st July, 1982	374	(86.5)
29,136		31,889	9.4
	Payments -		
10,752	Salaries and Wages, etc.	12,844	19.5
5,737	Administrative and Working Expenses	6,603	15.1
4,880	Development and Restoration Works	5,335	9.3
3,093	Acquisition of Land	2,111	(31.8)
	Maintenance of Roads and Facilities,		
1,457	Park Services, etc.	1,953	34.0
1,599	Plant and Equipment	1,021	(36.2)
	Grants to State Recreation Area Trusts		
1,244	for General Operating Expenses	1,494	20.0
28,762		31,361	9.0
374	Balance at 30th June, 1983	528	41.3
29,136		31,889	9.4

Allocation from the Consolidated Fund was \$3,742,400 more than in 1981-82.

Special Purpose Income included \$1,413,258 received from the Office of Special Employment, under the Youth and Adult Employment Scheme and Wage Pause Programme. Funds were allocated to various National Parks and Wildlife Service Areas and State Recreation Areas to finance labour intensive projects.

Receipts from fees and licences comprised \$2,333,976 from visitor entry, camping, etc. (an increase of \$41,929) and \$96,484 (a decrease of \$92,441) from licences issued to control the collecting of fauna, wildflowers and native plants. Rental earnings of \$1,212,461 included \$986,661 from commercial establishments, sites and holiday cabins at Kosciusko (\$692,781), Royal and Ku-ring-gai Chase National Parks.

Payments for developmental projects included \$452,478 at Kosciusko National Park, \$117,398 in Lismore and \$86,944 in Coonabarabran Districts. A further \$468,736 was spent for State Recreation Areas. Land acquisitions for extensions to National Parks include \$698,405 at Myall Lakes, \$343,317 at Yuraygir and \$182,638 at Crowdy Bay.

Of expenditure on the maintenance of roads and facilities, \$859,143 related to works at Kosciusko National Park of which \$759,070 was for unclassified roads. Special Purpose Income included \$778,591 from the Snowy Mountains Hydro-Electric Authority towards those maintenance costs. Plant and equipment purchases included \$808,574 for motor vehicles.

Grants for general operating expenses included \$147,752 to Munmorah and \$199,121 to Burrendong State Recreation Area Trusts.

At 30th June, 1983 the balance of the Fund was \$528,292 compared with \$373,802 at 30th June, 1982.

HISTORIC HOUSES TRUST OF NEW SOUTH WALES

Constituted under the Historic Houses Act, 1980, the principal objects of the Trust are to manage and maintain as house museums the buildings vested in it and to provide educational and cultural services in relation to those buildings. At 30th June, 1983, the control and management of Vaucluse House and Elizabeth Bay House had been vested in the Trust.

General operating expenses are met from the Consolidated Fund. For 1982-83, funds provided from this source, inclusive of \$30,000 paid to the Trustees' Account, totalled \$658,658 (\$567,943 in 1981-82) and are shown at pages 54 and 55 of the Public Accounts.

Trustees' funds are applied, for the most part, to restoration projects, acquisitions for the Houses and to the conduct of exhibitions.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
537,943	Consolidated Fund for Working Expenses	628,658	16.9
	Trustees' Account -		
	Consolidated Fund -		
30,000	Statutory Endowment	30,000	..
100,338	Admissions	109,450	9.1
23,762	Sale of Publications, etc.	20,905	(12.0)
7,708	Functions and Fees	14,484	87.9
9,704	Rentals	12,411	27.9
13,868	Interest	11,129	(19.8)
1,438	Donations	779	(45.8)
4,938	Miscellaneous	10,149	105.5
191,756		209,307	9.2
729,699		837,965	14.8
	Balance 1st July, 1982 -		
70,482	Cash	469	(99.3)
25,000	Investments	110,000	340.0
\$825,181		\$948,434	14.9
	Payments -		
	Working Expenses -		
388,766	Salaries, Allowances, etc.	439,630	13.1
149,177	Maintenance and Working Expenses	189,028	26.7
537,943		628,658	16.9
	Trustees' Account -		
35,877	Restoration	55,610	55.0
37,487	Exhibitions	25,869	(31.0)
52,370	Acquisitions	68,516	30.8
5,286	Stock for Resale/Distribution	36,713	594.5
10,190	Fees for Services	11,768	15.5
13,783	Printing	15,079	9.4
21,776	Miscellaneous	34,656	59.1
176,769		248,211	40.4
714,712		876,869	22.7
	Balance 30th June, 1983 -		
469	Cash	6,565	*
110,000	Investments	65,000	(40.9)
\$825,181		\$948,434	14.9

* Exceeds 1,000 per cent

Admission receipts of \$109,450 were derived from Vacluse House, \$81,946, and Elizabeth Bay House, \$27,504. Acquisitions by the Trust, \$68,516, included items for Vacluse House, \$55,043, Elizabeth Bay House, \$12,092, and for Elizabeth Farm (which is expected shortly to be vested in the Trust), \$1,381.

CHIPPING NORTON LAKE AUTHORITY

The Chipping Norton Lake Authority Act, 1977, constituted the Minister for Public Works a corporation sole with the corporate name Chipping Norton Lake Authority. The principal function of the Authority is to provide for the development of a lake on Georges River near Chipping Norton.

The format of the accounts is designed to show the source of funds available to the Authority and the manner in which they are applied. This will, in effect disclose the total costs of acquisition and improvement of the land and the works which, when completed, are expected to be vested in the Minister for Lands for use as a recreation reserve.

FINANCIAL STATEMENTS to 30th June, 1983

Previous Year \$'000		1982-83 \$'000	Total \$'000
Funds were made available from -			
800	Consolidated Fund Allocation	900	4,233
271	Royalties	204	1,129
4	Rentals	8	123
....	Miscellaneous	3	33
<u>1,075</u>		<u>1,115</u>	<u>5,518</u>
Funds have been applied to -			
Working Expenses -			
213	Salaries, Wages and Administration	171	1,068
23	Surveys and Investigations	93	462
22	Consultants' Fees	3	90
19	Miscellaneous	6	72
277		273	1,692
419	Land Acquisitions	693	2,130
421	Construction Costs	207	1,612
6	Plant and Equipment	....	88
<u>1,123</u>		<u>1,173</u>	<u>5,522</u>
Balance*			(4)
* Represented by -			
	Cash at Treasury	1,243	
	Less - Trust Moneys	<u>5,500</u>	
		<u>(\$4,257)</u>	

ZOOLOGICAL PARKS BOARD OF NEW SOUTH WALES

The Board's main function is to establish and maintain zoological parks in New South Wales including Taronga Zoological Park and the Western Plains Zoo at Dubbo.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Zoological -		
3,094	Admission Fees	3,444	11.3
133	Animal Sponsorship	158	18.9
529	Sale of Souvenirs, etc. - Gross Profit	529	0.1
812	Cafeteria and Kiosks - Gross Profit	930	14.4
281	Miscellaneous	315	12.0
195	Interest	196	0.6
<u>5,044</u>		<u>5,572</u>	10.5
	Expenditure -		
	Zoological -		
3,003	Wages and Pay-roll Tax	3,300	9.9
659	Maintenance and Repairs	679	3.0
275	Electricity, Water, etc.	371	34.9
451	Miscellaneous	567	25.8
<u>4,388</u>		<u>4,917</u>	12.1
	Administrative -		
281	Salaries and Associated Charges	310	10.3
131	Public Relations	171	29.7
113	Provision for Annual and Long Service Leave	106	(6.5)
9	Audit Fee	12	36.4
87	Miscellaneous	92	5.8
<u>621</u>		<u>691</u>	11.1
<u>5,009</u>		<u>5,608</u>	11.9
35	Operating Deficiency	36	+
(Surplus)	Add -		
436	Prior Period Adjustment*	88	(79.9)
128	Transfer to Mona Vale Development Reserve	98	(22.9)
529		222	(58.1)
124	Less - Government Grants	100	(19.4)
<u>405</u>	Reduction to Accumulated Funds	<u>122</u>	(70.0)

+ Surplus in previous year - not applicable.

* Addition to provision for accrued annual leave.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital -		
10,823	N.S.W. Government Grants	11,873	9.7
978	Benefactions, Contributions, etc.	966	(1.3)
396	Other	421	6.3
12,197		13,260	8.7
	Retained Earnings -		
	Asset Revaluation Reserve -		
4,024	Mona Vale Land	4,024	..
128	Mona Vale Development Reserve	226	77.1
642	Accumulated Funds	520	(19.0)
4,794		4,770	(0.5)
16,991	TOTAL	18,030	6.1
	REPRESENTED BY -		
	Fixed Assets -		
280	Land - Mosman (Note 1)	280	..
3,210	- Mona Vale (At Market Value)	3,210	..
....	- Dubbo (At Cost)	106	*
3,490		3,596	3.0
	Buildings, Enclosures, etc. -		
8,421	Taronga Park (At Cost)	9,592	13.9
3,620	Western Plains Zoo Development (At Cost)	3,803	5.1
404	Plant and Equipment (At Cost - Less Depreciation \$379,000)	390	(3.4)
15,935		17,381	9.1
....	Mammals, Birds, Reptiles and Fish (Note 2)	....	..
	Current Assets -		
494	Stores (At Cost)	580	17.2
103	Debtors	114	10.7
1,003	Interest Bearing Deposit	703	(29.9)
138	Cash	125	(9.7)
1,738		1,522	(12.5)
17,673		18,903	7.0
	Less - Current Liabilities and Provisions -		
231	Creditors	243	4.9
451	Provision for Annual and Long Service Leave	630	39.6
682		873	27.8
16,991		18,030	6.1

Note 1 Valuer-General's Valuation at 26th March, 1953

Note 2 Shown in records at nominal value of \$1.

* Nil in previous year - not calculable.

The operating deficiency, \$35,438, consisted of a profit of \$92,556 at Taronga Park Zoo and a loss of \$127,994 at Western Plains Zoo. The profit at Taronga Zoo included the benefit of interest earnings of \$98,439 from the investment of the proceeds of the sale of land at Mona Vale. After bringing to account government grants and transfers to reserves, the net loss for both Zoos was \$33,877 compared with a surplus of \$30,904 in the previous year. This reduced accumulated funds to \$520,362.

Admission fees, \$3,444,075, consisted of \$2,827,060, for Taronga Park Zoo and \$617,015 for Western Plains Zoo. Patronage at Taronga Park declined by 69,254 to 918,148 (563,226 adults and 354,922 children) but rose at Western Plains Zoo by 1,783 to 197,452 (124,387 adults and 73,065 children). Attendances at Taronga Zoo were adversely affected by inclement weather. Admission charges rose on 1st July, 1982.

During the year, capital grants of \$800,000 and \$250,000 were received from the State Government for the development of Taronga Park and Western Plains Zoos, respectively. Development expenditure, \$1,353,904 included \$334,125 on the construction of an elevated roadway at the aquarium site, \$332,595 on the construction of a complex of interrelated exhibits with a waterhole theme at Taronga, and \$163,876 on stormwater and drainage works to meet council requirements for development for sale of the Board's land at Mona Vale.

SYDNEY OPERA HOUSE TRUST

The Trust is responsible for the administration, management and maintenance of the Sydney Opera House and its site. Other functions include the promotion of the various branches of theatre and the arts.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
7,331	Consolidated Fund - Statutory Endowment	8,100	10.5
	Trust Activities -		
4,972	Catering	5,417	9.0
2,988	Rentals and Costs Recovered from Hirers	3,893	30.3
223	Parking and Transport Scheme	340	52.5
275	Guided Tours	399	45.0
375	Miscellaneous	486	29.5
477	Trust Promotions and Exhibitions	682	42.9
215	Interest on Investments	245	13.9
16,856		19,562	16.0
	Balance at 1st July, 1982 -		
168	Cash	169	0.7
1,050	Investments	1,050	..
1,218		1,219	0.1
540	Less - Advance Ticket Sales, Deposits, etc.	707	30.9
678		512	(24.4)
17,534		20,074	14.5

Previous Year \$'000		\$'000	Increase % (-)
	Payments -		
	Expenses -		
8,053	Salaries and Associated Charges	9,090	12.9
691	Cleaning	735	6.3
643	Electricity	1,009	57.1
164	Publicity and Advertising	163	(0.4)
95	Plant, Furniture, Equipment	138	46.2
1,227	Repairs, and Alterations	1,249	1.8
270	Parking and Transport Scheme	442	63.8
4,675	Catering	4,909	5.0
691	Miscellaneous Operating Costs	711	2.8
513	Trust Promotions and Exhibitions	779	51.7
<u>17,022</u>		<u>19,225</u>	<u>12.9</u>
	Balance at 30th June, 1983 -		
169	Cash	458	171.2
<u>1,050</u>	Investments	<u>1,050</u>	<u>..</u>
1,219		1,508	23.7
<u>707</u>	Less - Advance Ticket Sales, Deposits, etc.	<u>659</u>	<u>(6.8)</u>
512		849	65.8
<u>17,534</u>		<u>20,074</u>	<u>14.5</u>

The endowment of \$8,100,000 towards the operating and administrative expenses of the Trust was \$769,000 more than in the previous year.

Receipts from Trust Activities rose by \$1,701,498 to \$10,534,717 mainly as a result of increased charges and a higher volume of lettings and patronage. Catering receipts exceeded payments by \$507,909 (\$297,132 in 1981-82). Under an arrangement with the Council of the City of Sydney and the Urban Transit Authority, the Trust provides parking facilities for patrons at the Domain and transport to and from the Opera House. Operating costs of this service exceeded receipts by \$102,289 (\$46,985 in 1981-82).

Payments totalled \$19,224,526, the major item being salaries and wages \$7,963,187. Repairs and alterations, \$1,248,841, related to miscellaneous maintenance of the Opera House and its site, stage machinery, lighting, sound and technical equipment and related service contracts. This sum also includes the cost of continuing overhauls and replacement of equipment. Expenses of Trust arranged performances and exhibitions in 1982-83 exceeded receipts, by \$97,047.

After allowing for advance ticket sales, hirers' deposits, etc., the bulk of which will be paid to entrepreneurs following the performances to which they relate, Trustees' funds at 30th June, 1983, totalled \$848,887 compared with \$512,046 at the close of the previous year. These funds comprise:

	\$	\$
- Management Fund		802,248
- Special Purpose Funds -		
National Folkloric Festival Fund	41,889	
Grant Accounts	<u>4,750</u>	
		<u>46,639</u>
		<u>\$848,887</u>

SYDNEY ENTERTAINMENT CENTRE

For the purpose of establishing an entertainment centre in the Haymarket area, the State Government leased an area of land to Sydney Entertainment Centre, a non-profit company limited by guarantee. The functions of the company, which is controlled by a board which includes a representative of the Premier's Department, involve the raising of necessary finance and arranging for the construction and fitting out of the Centre.

Loans raised by the company for this purpose are, in effect, subject to State Government guarantee by virtue of a deed of indemnity executed between the Premier on behalf of the Crown and the company. Interest charges on loans were capitalised during the construction period.

The Centre was officially opened on 1st May, 1983. The completed cost is estimated to be of the order of \$41 million.

Other costs, approximating \$8.5 million covering site acquisition and clearance, resumption of streets, relocation of services, external paving, architectural supervision and provision of an administrative office and staff have been met by the Crown.

Since completion the management of the Centre has been undertaken by a proprietary company, Arena Management Pty Ltd. The State Government holds 20 per cent of the issued share capital of this company, the acquisition having been authorised by the Sydney Entertainment Centre Act, 1980.

It is understood that the management company will be required to pay a fixed fee and/or a proportion of gross box office revenue and gross concession takings to Sydney Entertainment Centre.

To 30th June, 1983, the State had provided grants totalling \$1,015,000 (\$415,000 in 1982-83) towards the administrative expenses of Sydney Entertainment Centre. Government subsidies for 1983-84 and subsequent years, however, are expected to be substantially higher as operating costs will include interest charges on loans raised for the construction and fitting out of the Centre. As mentioned above, these charges were capitalised during the construction period.

At date of preparation of this Report, the accounts of the Centre and of Arena Management Pty. Ltd. for the year ended 30th June, 1983, were not available. Included in notes to the Centre's Accounts for the year ended 30th June, 1982, was reference to disputed claims with the building contractor. It is understood that a settlement has since been agreed upon and will be concluded shortly.

NEW SOUTH WALES FILM CORPORATION

The Corporation was constituted by the New South Wales Film Corporation Act, 1977. Its main functions are:

- (a) the making, promotion, distribution and exhibition of short films and documentary films on behalf of any department or statutory body; and
- (b) to encourage and assist in, whether by the provision of financial assistance or by other means, the making, promotion, distribution and exhibition of films.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
2,268	State Government Contributions	1,800	(20.7)
100	Export Market Development Grant	175	75.0
270	Interest	318	18.1
335	Net Return from Film Investments	311	(7.3)
7	Net Return from Documentary Prints	5	(27.6)
5	Profit on Sale of Developed Scripts and Projects		(100.0)
....	Completion Guarantee Fee	33	*
12	Gain on Foreign Exchange Fluctuations	34	183.9
4	Miscellaneous	....	(99.9)
<u>3,001</u>		<u>2,676</u>	<u>(10.8)</u>
	Expenditure -		
214	Industry Promotion in Australia	264	23.2
420	Industry Promotion Internationally	438	4.2
536	Script and Project Development	656	22.3
269	General and Administrative	271	1.0
9	Audit Fees	15	66.7
88	Government Documentary Division	87	(1.0)
628	Financial Expenses	757	20.6
560	Amortisation of Equity Investments	983	75.3
<u>2,724</u>		<u>3,471</u>	<u>27.4</u>
277	Operating Deficiency	795	+
(Surplus) <u>109</u>	Transfer to Reserve for Loan Repayment	<u>123</u>	<u>13.1</u>
168	Addition to Accumulated Deficiency	918	+
(Deduction) <u> </u>		<u> </u>	

* Nil in previous year - not calculable.

+ Surplus in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
4,540	Loans Raised by Corporation	5,250	15.6
	Other Capital -		
2,608	State Government Contribution	2,608	..
446	Transfer from Interim Film Commission	446	..
7,594		8,304	9.3
	Retained Earnings -		
319	Loan Repayment Reserve	477	49.3
96	Less Accumulated Deficiency	1,015	952.8
223		(538)	+
7,817		7,766	(0.6)
	REPRESENTED BY -		
	Fixed Assets -		
31	Plant, etc. (Less Depreciation, \$45,997)	37	20.4
	Investments in Film Industry -		
	Motion Pictures (Less		
4,696	Amortisation, \$1,409,494)	4,696	..
872	Loans Receivable	1,063	21.9
32	Investment in Publication	....	(100.0)
5,600		5,759	2.8
	Investments		
331	Long Term Deposits	495	49.6
	Current Assets -		
214	Debtors (Less Doubtful Debts \$10,000)	30	(85.9)
1,650	Short Term Deposits	1,530	(7.3)
	Government Documentary Division		
205	Working Account	217	5.5
166	Cash at Bank, etc.	88	(46.8)
2,235		1,865	(16.6)
8,197		8,156	(0.5)
	Less - Current Liabilities and Provisions -		
205	Advances - Government Documentary Division	217	5.5
163	Creditors and Accruals	155	(5.0)
12	Provision for Long Service Leave	18	57.5
380		390	2.5
7,817		7,766	(0.6)
	+ Surplus in previous year - not applicable.		

The year's operating deficiency of \$795,027 is the result of a fall in income combined with an increase in costs.

State Government contributions totalled \$1,800,000, lower by \$468,500 than in 1981-82. Significant increases in expenditure were Script and Project Development (\$119,740), Amortisation of Equity Investments (\$422,196) and Financial Expenses (\$129,372).

Investments in motion pictures are being amortised by the Corporation over a period of three years with one-half of the investment being written off in the first year after release. In terms of this arrangement, \$950,987 was charged to expenses in 1982-83. These investments total \$6,105,560 with a Provision for Amortisation of \$1,409,494. Two projects totalling \$454,323 are included as investments although they are incomplete. The Corporation is of the opinion that the projects will go no further so the investments are being amortised as completed projects.

Expenditure, under the heading Industry Promotion Internationally, included operating costs, \$254,211, of Australian Films Office Inc., a subsidiary company established in North America to facilitate the overseas marketing of Australian films, and \$132,643 to participate in three overseas film festivals.

The Corporation raised a private loan of \$750,000 and met a repayment instalment of \$40,000 on an earlier loan, leaving a capital debt of \$5,250,000. The accumulated deficiency, \$1,014,614, is less than the establishment capital provided by the Government.

The Loan Repayment Reserve and Provision for Long Service Leave are fully supported by investments in long term deposits.

AUSTRALIAN MUSEUM TRUST

The Trust was constituted under the Australian Museum Trust Act, 1975. The objects are to increase and disseminate knowledge about the natural environment of Australia and of the natural sciences.

General operating expenses are met from Consolidated Fund. For 1982-83, funds provided from this source, inclusive of grants of \$325,000 paid to the Trustees' Account, totalled \$4,823,356 (\$4,059,125 in 1981-82) and are shown at pages 50-51 of the Public Accounts.

STATEMENT OF RECEIPTS and PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
3,722	Consolidated Fund - for Working Expenses	4,498	20.9
302	Commonwealth Grants	240	(20.5)
303	Other Grants	299	(1.3)
	Trustees and Special Accounts -		
	Consolidated Fund -		
137	Endowment	125	(8.8)
200	Special Projects	200	..
471	Trading Operations	577	22.5
247	Miscellaneous	313	26.7
<u>5,382</u>		<u>6,252</u>	16.2
	Balance 1st July, 1982 -		
77	Cash	29	(62.9)
342	Investments	224	(34.5)
<u>5,801</u>		<u>6,505</u>	12.1
	Payments -		
	Working Expenses met from Consolidated Fund -		
3,036	Salaries, Allowances, etc.	3,539	16.6
686	Maintenance and Working Expenses	959	39.9
761	Grant Accounts - Salaries, Stores, etc.	868	14.0
	Trustees and Special Accounts -		
408	Trading Operations	437	7.1
162	Special Programmes	44	(72.9)
209	Exhibitions	102	(51.0)
59	Acquisitions	68	14.6
5	Audit Fees	6	12.0
222	Other Operating Costs	271	22.1
<u>5,548</u>		<u>6,294</u>	13.4
	Balance 30th June, 1983		
29	Cash	8	(71.9)
224	Investments	203	(9.3)
<u>5,801</u>		<u>6,505</u>	12.1

Trading operations (including bookshop and mineral sales) contributed \$139,477 to moneys available to the Trustees. However, payments from grant accounts were \$328,331 greater than receipts during the year. In all, payments exceeded receipts by \$41,300 and reduced the balance of funds to \$211,064 at 30th June, 1983.

TRUSTEES OF THE MUSEUM OF APPLIED ARTS AND SCIENCES

Constituted a body corporate by the Museum of Applied Arts and Sciences Act, 1945, the principal objectives of the Trustees are the control, management, etc. of the Museum to effectively minister to the needs and demands of the community in applied arts and sciences.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
	Consolidated Fund -		
<u>3,877</u>	Appropriation for Working Expenses	<u>5,428</u>	40.0
	Trustees' Account -		
	Consolidated Fund -		
120	Statutory Endowment	100	(16.7)
152	Shop and Restaurant Collections	253	65.9
72	Fund Raising and Promotion	352	391.4
<u>46</u>	Miscellaneous	<u>58</u>	26.7
390		763	95.7
<u>4,267</u>		<u>6,191</u>	45.1
	Balance 1st July, 1982 -		
58	Cash	1	(97.5)
<u>9</u>	Investments	<u>140</u>	+
<u>4,334</u>		<u>6,332</u>	46.1
	Payments -		
	Working Expenses met		
	from Consolidated Fund -		
1,994	Salaries, Allowances, etc.	2,785	39.7
1,139	Power House, Mint and Barracks Museums	1,204	5.7
<u>744</u>	Other Working Expenses	<u>1,439</u>	93.3
3,877		5,428	40.0
	Trustees' Account -		
137	Exhibits	111	(18.5)
120	Shop and Restaurant Expenses	173	44.1
<u>59</u>	Fund Raising, etc.	<u>130</u>	120.4
4,193		5,842	39.3
	Balance 30th June, 1983 -		
1	Cash	28	+
<u>140</u>	Investments	<u>462</u>	230.0
<u>4,334</u>		<u>6,332</u>	46.1

+ More than 1,000 per cent.

General operating expenses of the Museum are met from Consolidated Fund. Funds provided from this source, inclusive of a Statutory Endowment of \$100,000 paid to the Trustees' Account, totalled \$5,528,077 (\$3,997,421 in 1981-82) and are shown at pages 51 and 52 of the Public Accounts.

Expenses associated with the establishment and staffing of the Power House, Mint and Barracks Museums contributed to the increase of \$1,649,519 in operating costs.

Receipts for the year exceeded payments by \$348,660 and increased the balance of funds at 30th June, 1983, to \$490,091.

ART GALLERY OF NEW SOUTH WALES TRUST

The Trust was constituted under the Art Gallery of New South Wales Act, 1980. The principal objects are to develop and maintain a collection of works of art and to propagate and increase knowledge and appreciation of art, with particular emphasis to the visual art of Australia and the southern hemisphere.

General operating expenses are met from Consolidated Fund. For 1982-83, funds provided from this source, inclusive of a Statutory Endowment of \$250,000 paid to the Trustees' Account and a contribution of \$459,000 paid to the Art Gallery of New South Wales Foundation, totalled \$3,070,550 (\$2,160,956 in 1981-82) and are shown at pages 48 and 49 of the Public Accounts.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983			
Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
	Consolidated Fund -		
1,831	Appropriation for Working Expenses	2,362	29.0
....	Contribution to Art Gallery Foundation	459	+
<u>1,831</u>		<u>2,821</u>	54.0
	Trustees' Account -		
330	Consolidated Fund Statutory Endowment	250	(24.2)
329	Sales, Royalties, Admissions, etc.	412	25.1
227	Donations, Bequests and Grants	250	10.1
126	Miscellaneous	414	228.6
<u>1,012</u>		<u>1,326</u>	31.0
	Bequest and Special Accounts -		
105	Interest, etc.	86	(17.4)
<u>2,948</u>		<u>4,233</u>	43.6
	Balance 1st July, 1982 -		
27	Cash	36	31.1
785	Investments	938	19.6
<u>3,760</u>		<u>5,207</u>	38.5

Previous Year \$'000		\$'000	Increase % (-)
	Payments -		
	Working Expenses met from Consolidated Fund -		
1,609	Salaries, Allowances, etc.	1,810	12.4
159	Maintenance and Working Expenses	520	226.5
63	Travelling Art Exhibition	32	(48.8)
1,831		2,362	29.0
....	Contribution to Art Gallery Foundation	459	+
	Trustees' Accounts -		
456	Works of Art	629	38.1
208	Bookshop Purchases	255	22.7
78	Exhibitions	136	73.1
2	Audit Fee	3	50.0
8	Art Gallery Foundation Expenses	80	860.3
148	Miscellaneous	173	17.5
900		1,276	41.8
	Bequest and Special Accounts -		
20	Prizes and Scholarships	26	28.6
35	Miscellaneous	143	308.2
55		169	206.7
2,786		4,266	53.1
	Balance 30th June, 1983 -		
36	Cash	73	106.3
938	Investments	868	(7.5)
3,760		5,207	38.5

+ Nil in previous year - not calculable.

Including \$63,972 transferred from Special Accounts to the Art Gallery Foundation payments for the year exceeded receipts by \$32,432 and decreased the balance of Trustees' and Bequest and Special Accounts to \$941,353 at 30th June, 1983.

LIBRARY COUNCIL OF NEW SOUTH WALES

The Council was constituted under the Library Act, 1939. The principal object is to promote, provide and maintain library services in New South Wales through the State Library and through co-operation with local and other libraries.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
	Consolidated Fund -		
16,037,708	Appropriations for Working Expenses	16,029,007	(0.1)
	General Accounts -		
850,000	Statutory Endowment Appropriation from Consolidated Fund	850,000	..
54,000	Copying Service Sales	74,861	38.6
68,672	Film Library Registration Fees, etc.	71,949	4.8
52,703	Interest	41,625	(21.0)
....	Donation for Library Society	30,000	*
68,949	Miscellaneous	59,086	(14.3)
1,094,324		1,127,521	3.0
	Bequest, Endowment and Memorial Accounts -		
128,274	Interest and Dividends	141,819	10.6
24,302	Miscellaneous	13,938	(42.6)
152,576		155,757	2.1
17,284,608		17,312,285	0.2
	Balance 1st July, 1982 -		
34,222	Cash	31,021	(9.4)
1,379,197	Investments	1,365,119	(1.0)
1,413,419		1,396,140	(1.2)
\$18,698,027		\$18,708,425	0.1

* Nil in previous year - not calculable.

Previous Year \$		\$	Increase % (-)
	Payments -		
	Working Expenses met from Consolidated Fund -		
6,357,102	Salaries, Allowances, etc.	5,440,908	(14.4)
280,679	Other Working Expenses	1,215,886	333.2
9,399,927	Library Subsidies to Councils, etc.	9,372,213	(0.3)
<u>16,037,708</u>		<u>16,029,007</u>	<u>(0.1)</u>
	General Accounts -		
991,497	Books, Serials, Films, etc.	994,208	0.3
57,942	Copying Service Expenses	53,482	(7.7)
62,203	Miscellaneous	51,078	(17.9)
<u>1,111,642</u>		<u>1,098,768</u>	<u>(1.2)</u>
	Bequest, Endowment and Memorial Accounts -		
76,948	Microfilming and Copying	64,202	(16.6)
47,631	Books, Manuscripts, Pictures, etc.	36,746	(22.9)
27,958	Miscellaneous	34,985	25.1
<u>152,537</u>		<u>135,933</u>	<u>(10.9)</u>
<u>17,301,887</u>		<u>17,263,708</u>	<u>(0.2)</u>
	Balance 30th June, 1983 -		
31,021	Cash	12,985	(58.1)
1,365,119	Investments	1,431,732	4.9
<u>1,396,140</u>		<u>1,444,717</u>	<u>3.5</u>
<u>\$18,698,027</u>		<u>\$18,708,425</u>	<u>0.1</u>

Administrative and working expenses of the State Library are met mainly from the Consolidated Fund Vote to the Premier. For 1982-83, funds provided from this source, inclusive of an endowment of \$850,000 to the Library Council's General Accounts, totalled \$16,879,007 and are shown at pages 47 and 48 of the Public Accounts. A grant of \$17,000 was also provided from the vote to the Minister for Education towards the cost of the Adult Education Library administered by the Council.

The major payments from Consolidated Fund were subsidies, \$9,372,213, paid to municipal and shire councils and other organisations for the provision of library services. Other Working Expenses contain charges that were formerly recorded as Group Vote Expenditure and included printing expenses, \$607,589, gas and electricity charges, \$199,323, and postal and telephone expenses, \$63,365.

Included within General Accounts is a donation of \$30,000 for the initial expenses associated with forming a Library Society to encourage donations for the purchase of special items which could not otherwise be acquired. Payments during the year totalled \$723 and after allowing for investment interest of \$1,757, the account totalled \$31,034 at 30th June, 1983.

Interest and dividends, \$141,819, accounted for the greater part of the income of bequest, endowment and memorial accounts.

Receipts for the year exceeded payments by \$48,577 and increased the balance of funds to \$1,444,717 at 30th June, 1983, of which \$1,232,519 was held in bequest, endowment and memorial accounts and \$212,198 in the Council's general accounts.

ROYAL BOTANIC GARDENS AND DOMAIN TRUST
OF NEW SOUTH WALES

The Trust was constituted under the Royal Botanic Gardens and Domain Trust Act, 1980. A principal object of the Trust is to maintain and improve the Trust lands, the National Herbarium, and the Trust's collections of living and preserved plant life. At 30th June, 1983 the lands vested in the Trust comprised the Royal Botanic Gardens, the Domain and the Mount Tomah annexe.

General operating expenses are met from Consolidated Fund. For 1982-83, funds provided from this source, inclusive of grants of \$51,756 paid to the Trustee's Account, totalled \$3,557,990 (\$2,866,159 in 1981-82) and are shown at pages 46 and 47 of the Public Accounts.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
	Consolidated Fund -		
<u>2,836,159</u>	Appropriation for Working Expenses	<u>3,506,234</u>	23.6
	Trustees' Funds -		
	Consolidated Fund -		
30,000	Statutory Endowment	30,000	..
....	Other Contribution	21,756	*
69,684	Research Studies	103,687	48.8
45,343	Rents and Ground Fees	114,230	151.9
23,787	Landscaping Contracts	34,260	44.0
....	Sales	29,292	*
9,810	Donations	14,913	52.0
13,935	Interest	17,518	25.7
244	Miscellaneous	<u>3,442</u>	+
<u>192,803</u>		<u>369,098</u>	91.4
<u>3,028,962</u>		<u>3,875,332</u>	27.9
	Balance, 1st July, 1982 -		
49,781	Cash	13,331	(73.2)
<u>43,495</u>	Investments	<u>67,000</u>	54.0
<u>\$3,122,238</u>		<u>\$3,955,663</u>	26.7

Previous Year \$		\$	Increase % (-)
	Payments -		
	Working Expenses met from Consolidated Fund -		
2,288,780	Salaries, Allowances, etc.	2,609,945	14.0
192,595	Maintenance	230,666	19.8
207,244	Stores, Provisions, Plant, etc.	216,410	4.4
147,540	Other Working Expenses	449,213	204.5
<u>2,836,159</u>		<u>3,506,234</u>	23.6
	Trustees' Funds -		
96,514	Projects	143,931	49.1
68,536	Research Studies	102,264	49.2
14,994	Landscaping Contracts	30,649	104.4
....	Garden Shop/Visitor Centre	15,846	*
3,000	Audit Fee	3,000	..
....	Great Pyramid Appeal	6,398	*
<u>22,704</u>	Miscellaneous	<u>16,011</u>	(29.5)
205,748		<u>318,099</u>	54.6
<u>3,041,907</u>		<u>3,824,333</u>	25.7
	Balance 30th June, 1983 -		
13,331	Cash	24,228	81.7
<u>67,000</u>	Investments	<u>107,102</u>	59.9
<u>\$3,122,238</u>		<u>\$3,955,663</u>	26.7

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

The contribution of \$21,756 from Consolidated Fund was provided to match, on a \$ for \$ basis, donations by private individuals and organisations. Of this sum \$6,398 related to donations to the Great Pyramid Appeal, launched in April, 1981 to raise funds to build two additional pyramid glasshouses. At 30th June, 1983 the amount raised was \$113,472.

Rents increased by \$74,565 to \$107,738, which included two years rent for the Domain Car Parking Station, \$68,600 (nil in previous year).

Other Working Expenses increased by \$301,673 to \$449,213 mainly as a result of payments for certain services previously met from Group Votes.

Receipts for the year exceeded payments by \$50,999 and increased the balance of funds to \$131,330 at 30th June, 1983.

TROTTHING AUTHORITY OF NEW SOUTH WALES

The Authority is constituted under the Trotting Authority Act, 1977. Its main functions are to control and regulate trotting, acting in a manner conducive to the development and welfare of the trotting industry and the protection of the public interest.

TROTTHING AUTHORITY FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
514,100	Totalizator Agency Board Distribution	641,000	24.7
	Fees -		
369,751	Registration	391,843	6.0
155,108	Licensing	178,833	15.3
176,636	Stewards	206,746	17.0
14,720	Clearances	17,814	21.0
5,273	Affiliation	3,925	(25.6)
13,364	Fines	14,455	8.2
20,059	Interest	24,119	20.2
	N.S.W. Sires Stakes Series -		
215,115	Totalizator Agency Board Subsidy	239,475	11.3
26,178	Acceptance Fees	3,854	(85.3)
5,391	Miscellaneous	2,037	(62.2)
<u>\$1,515,695</u>		<u>\$1,724,101</u>	13.7
	Expenditure -		
272,270	Registration	296,063	8.7
617,401	Racing	691,940	12.1
73,191	Public Relations	71,688	(2.1)
203,932	Administrative Expenses	219,012	7.4
45,241	Board Fees and Expenses	41,355	(8.6)
6,000	Audit Fee	9,000	50.0
18,500	Interest	18,500	..
313,997	N.S.W. Sires Stakes Series	290,485	(7.5)
	Provisions for -		
21,333	Annual and Long Service Leave	30,588	43.4
6,917	Superannuation	7,403	7.0
1,578,782		1,676,034	6.2
63,087	Surplus	48,067	*
(Deficiency)			
<u>\$1,515,695</u>		<u>\$1,724,101</u>	13.7

* Deficiency in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	\$	Increase % (-)
	FINANCIAL POSITION -			
	Capital Debt -			
200,000	State Government Advance		200,000	..
662,623	Accumulated Deficiency		614,556	(7.3)
(\$462,623)	TOTAL (Deficiency)		(\$414,556)	(10.4)
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
61,200	Motor Vehicles, Equipment etc., (Less Depreciation, \$46,821)	61,495		0.5
9,212	Leasehold Improvements (Less Amortisation)	....		(100.0)
70,412			61,495	(12.7)
	Current Assets -			
75,473	Debtors and Prepayments	122,811		62.7
130	Cash	200		53.8
75,603			123,011	62.7
146,015			184,506	26.4
	Less -			
	Current Liabilities -			
67,253	Creditors and Accruals	55,170		(18.0)
176,095	Income in Advance	91,311		(48.1)
83,072	Interest on Advance	101,572		22.3
150,384	Bank Overdraft	181,184		20.5
476,804		429,237		(10.0)
	Provisions -			
124,917	Annual and Long Service Leave	155,505		24.5
6,917	Superannuation	14,320		107.0
131,834		169,825		28.8
608,638			599,062	(1.6)
(\$462,623)	Excess of Liabilities over Assets		(\$414,556)	(10.4)

Income for the year rose by \$208,406 to \$1,724,101. The Authority received \$891,000 (\$764,100 in 1981-82) by way of direct allocation from the Totalizator Agency Board, of which \$641,000 was applied towards costs of administration and \$250,000 towards prizemoney paid in the New South Wales Sires Stakes Series. At 30th June, 1983, \$45,500 was held as an advance towards prizemoney for races to be held in 1983-84.

Expenditure increased by \$97,252 to \$1,676,034. The Authority subsidised prizemoney in the Sires Stakes Series by \$261,675 (\$292,175 in 1981-82), for the most part on a \$1 for \$1 basis with trotting clubs.

After taking to account the year's surplus of \$48,067, accumulated losses aggregated \$614,556 at 30th June, 1983. At the close of the year, current liabilities exceeded current assets by \$306,226 (\$401,201 at close of previous year), and there were liabilities in respect of employees' accrued entitlements totalling \$169,825. The Authority was unable to meet a condition that repayment of a State Government advance of \$200,000 commence in December, 1978, and has sought extensions of the repayment term. At 30th June, 1983, interest payable on the advance amounted to \$101,572.

The report of the Committee appointed by the State Government to inquire into the finances and future viability of the trotting industry in New South Wales was tabled in Parliament in March, 1983.

BENEVOLENT FUND

The Trotting Authority Benevolent Fund operates to provide financial assistance, under certain circumstances, to persons associated with the trotting industry who are in indigent circumstances.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	\$	Increase % (-)
<u>22,091</u>	Income -			
	Interest		<u>23,879</u>	8.1
	Expenditure -			
2,721	Grants	21,494		689.9
<u>2,027</u>	Administration	<u>1,295</u>		(36.1)
4,748			22,789	380.0
<u>17,343</u>	Surplus to Accumulated Funds		<u>1,090</u>	(93.7)
<u>\$22,091</u>			<u>\$23,879</u>	8.1

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	\$	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Transfer of Funds from -			
133,672	N.S.W. Trotting Club Ltd.	133,672		..
<u>39,186</u>	Trotting Authority Fund	<u>39,186</u>		..
172,858			172,858	..
	Retained Earnings -			
<u>17,343</u>	Accumulated Funds		<u>18,433</u>	6.3
<u>\$190,201</u>	TOTAL		<u>\$191,291</u>	0.6
	REPRESENTED BY -			
	Current Assets -			
	Transferable Funeral Service			
1,680	Certificates - (At Cost)	1,680		..
599	Accrued Interest	2,124		254.6
139,583	Term Deposits	176,412		26.4
<u>50,357</u>	Cash at Bank	<u>12,365</u>		75.4
192,219			192,581	0.2
	Less - Current Liabilities -			
<u>2,018</u>	Creditors and Accruals		<u>1,290</u>	(36.1)
<u>\$190,201</u>			<u>\$191,291</u>	0.6

SYDNEY CRICKET AND SPORTS GROUND TRUST

The Trust was established as a corporation by the Sydney Cricket and Sports Ground Act, 1978, which conferred upon it responsibility for the care, control and management of the lands referred to in the Act, including their use for various sporting purposes.

INCOME AND EXPENDITURE ACCOUNT for the year ended 28th February, 1983.

Previous Year \$		\$	Increase % (-)
	Income -		
1,551,046	Members' Subscriptions and Entrance Fees	1,900,824	22.6
366,004	Net Income from Ground Hiring	471,832	28.9
378,000	Private Box Rental	414,138	9.6
209,169	Catering	231,642	10.7
211,357	Advertising	299,677	41.8
5,271	Interest	129,677	+
50,820	Net Profit from Liquor Trading	76,469	50.5
35,000	Contribution for Temporary Floodlighting	....	(100.0)
<u>85,097</u>	Miscellaneous	<u>74,523</u>	(12.4)
<u>\$2,891,764</u>		<u>\$3,598,782</u>	24.4

Previous Year \$			\$	Increase % (-)
	Expenditure -			
263,080	Salaries and Associated Charges		315,123	19.8
6,626	Accounting and Legal Services		10,486	58.3
12,562	Data Processing		23,459	86.7
5,500	Audit Fees		6,500	18.2
5,000	Advertising and Promotions		5,000	..
28,351	Hospitality and Entertainment		35,994	27.0
41,679	Insurance		52,345	25.6
632,242	Interest and Bank Charges		703,991	11.3
84,701	Water and Sewerage Rates		116,934	38.1
41,965	Postages, Printing and Stationery		53,838	28.3
106,790	Telephone, Gas and Electricity		102,346	(4.2)
40,094	Stores and Materials		93,336	132.8
68,983	Temporary Floodlighting		18,777	(72.8)
555,056	Maintenance (Including Wages)		780,219	40.6
....	Election Expenses		11,339	*
10,067	Miscellaneous		22,982	128.3
227,547	Depreciation		240,882	5.9
	Provision for -			
42,614	Superannuation Fund		69,782	63.8
10,967	Long Service Leave		8,597	(21.6)
10,000	Floodlight Replacement		10,000	..
2,193,824			2,681,930	22.2
697,940	Operating Surplus		916,852	31.4
		\$		
	Allocated -			
250,000	Transfer for Loan Repayment	250,000		..
447,940	Addition to Accumulated Funds	666,852		48.9
\$2,891,764			\$3,598,782	24.4

+ Over 1,000 per cent.

* Nil in previous year - not calculable.

BALANCE SHEET as at 28th February, 1983

Previous Year \$		\$	\$	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
4,200,000	Loans Raised by the Trust	5,400,000		28.6
2,000,000	State Government Advances	2,000,000		..
6,200,000			7,400,000	19.4
	Other Capital -			
453,000	State Government Grant		453,000	..
	Retained Earnings -			
500,000	Loan Repayment Reserve	750,000		50.0
4,190,592	Accumulated Funds	4,857,444		15.9
4,690,592			5,607,444	19.5
\$11,343,592	TOTAL		\$13,460,444	18.7

Previous Year \$		\$	\$	Increase % (-)
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
	Buildings and Improvements			
	(Less Depreciation,			
12,229,625	\$1,376,812)	12,261,535		0.3
	Plant, Furniture and Equipment			
266,813	(Less Depreciation, \$91,216)	355,150		33.1
12,496,438			12,616,685	1.0
	Investments (At Cost) -			
100,600	Commonwealth Securities		100,600	..
	Current Assets -			
44,885	Liquor Stock	55,307		23.2
11,351	Stores and Materials	7,135		(37.1)
184,850	Debtors, Prepayments, etc.	158,587		(14.2)
....	Interest Bearing Deposits	1,900,000		*
50,921	Cash	278,473		446.9
292,007			2,399,502	721.7
12,889,045			15,116,787	17.3
	Less -			
	Current Liabilities -			
924,344	Subscriptions Paid in Advance	1,124,676		21.7
185,109	Creditors and Accruals	241,667		30.6
225,000	Rents Paid in Advance	....		(100.0)
1,334,453		1,366,343		2.4
	Provisions -			
136,000	Superannuation Fund	200,000		47.1
45,000	Long Service Leave	50,000		11.1
30,000	Floodlight Replacement	40,000		33.3
211,000		290,000		37.4
1,545,453			1,656,343	7.2
\$11,343,592			\$13,460,444	18.7

* Nil in previous year - not calculable.

Operations resulted in a surplus of \$916,852 compared with \$697,940 in 1981-82. From the surplus, a sum of \$250,000 was allocated to the Reserve for Loan Repayment. The residue, \$666,852, was transferred to Accumulated Funds bringing them to \$4,857,444 at 28th February, 1983.

The Trust's main single source of income is membership fees. Increased rates applied from 1st October, 1982, and receipts rose by \$349,778 to \$1,900,824 in 1982-83. Net income from ground hiring, \$471,832, included \$149,440 from the New South Wales Cricket Association and \$149,298 from the New South Wales Rugby Football League.

Bar trading (within the members' areas) returned a net profit of \$76,469 or 19.7 per cent of sales.

Operating expenses were \$488,106 more than in 1981-82, and included increases of \$225,163 in maintenance costs (including wages) of grounds and buildings, \$71,749 in interest and bank charges, \$53,242 in stores and materials and \$38,165 in salaries.

Capital Debt at 28th February, 1983, comprised loans raised by the Trust, \$5,400,000 (\$1,200,000 in 1982-83) and advances of \$1,000,000 from Consolidated Fund (repaid on 29th June, 1983) and \$1,000,000 (interest free) from the Sport and Recreation Fund within Special Deposits Account. A sum of \$750,000 has been set aside in a Loan Repayment Reserve. The Trust's Other Capital came in the form of a New South Wales Government grant of \$453,000.

Capital expenditure in 1982-83, \$361,129, included \$203,787 towards the cost of seating for the Bradman Stand Concourse area.

Notes forming part of the Trust's accounts include:

"Valuation of Buildings and Improvements -

The Trust, charged with care, control and management of Crown Land dedicated for public recreation, does not include the value of same in its books of account. The latest Valuer-General's valuation of the land described in the Sydney Cricket and Sports Ground Act, 1978, is \$400,000, effective relevant date of valuation being 19th October, 1981. Buildings and improvements are shown in the Balance Sheet at historical cost less depreciation as per Note 4. The Trust's current fire insurance policy at 1st July, 1982, provides cover on buildings including floodlighting to the value of \$23,000,000."

The balance sheet records the historical cost (less depreciation) of buildings and improvements as \$12,261,535.

THE UNIVERSITY OF SYDNEY

The statement which follows amplifies the statutory account required by Section 29 of the University and University Colleges, Act, 1900. Although designated income and expenditure, the statutory account has been an aggregation of statements prepared on bases of income and expenditure and/or receipts and payments, with research and capital transactions also included.

For 1982, income and expenditure of all accounts was brought in on an accruals basis, subject to certain exceptions. In general terms, the exceptions are that accruals are not raised for: investment income; the full liability for employees leave and retirement benefits; or for depreciation of capital assets. Further, no adjustment is made for the cost of goods and services which have been included as expenditure in the year, but which are for use in other years.

While capital expenditures continue to be met from specific Government grants, and retirement benefits, etc., on a pay as you go basis out of recurrent grants, the exceptions are not unreasonable.

INCOME AND EXPENDITURE for the year ended 31st December, 1982

Previous Year \$'000		General Account \$'000	Other Funds \$'000	Total \$'000	Increase % (-)
	Income -				
107,926	Commonwealth Grants	107,560	10,630	118,190	9.5
1,043	Fees - Courses, Residential, etc.	109	1,033	1,142	9.5
10,882	Trust Funds, Investments and Property	35	15,313	15,348	41.0
395	Private Foundations - Capital	....	3,463	3,463	777.7
9,740	Donations, Grants, etc.	....	10,588	10,588	8.7
2,026	Research	....	2,628	2,628	29.7
2,454	Other	....	2,528	2,528	3.0
	Farm Produce, Publications, Materials etc.	....	2,528	2,528	3.0
	Contributions from Other				
2,631	Accounts	3,448	3,218	6,666	153.3
6,626	Sundry Income	1,072	7,229	8,301	25.3
143,723		112,224	56,630	168,854	17.5
3,832	Less - Internal Transfers	3,448	4,009	7,457	94.6
139,891		108,776	52,621	161,397	15.4

Previous Year \$'000		General Account \$'000	Other Funds \$'000	Total \$'000	Increase % (-)
	Expenditure -				
72,590	Teaching and Research	74,820	5,821	80,641	11.1
14,693	Research Only	2,683	15,458	18,141	23.5
684	General Development	....	....	....	(100.0)
6,186	Library	7,055	287	7,342	18.7
52 Cr	Computing Centre	211 Cr	442	231	+
2,440	Academic Services	2,806	176	2,982	22.2
857	Student Services	890	75	965	12.7
7,981	Administration	8,587	....	8,587	7.6
8,439	Buildings and Grounds	9,661	....	9,661	14.5
967	Public Services	648	317	965	(0.2)
2,235	Independent Operations	....	2,501	2,501	11.9
7,540	Special Purposes	....	10,554	10,554	40.0
1,036	Scholarships and Bursaries	547	478	1,025	(1.2)
5,928	Equipment and Buildings	....	7,420	7,420	25.2
4,196	Miscellaneous	4,649	392	5,041	20.1
135,720		112,135	43,921	156,056	15.0
3,832	Less - Internal Transfers	3,074	4,383	7,457	94.6
131,888		109,061	39,538	148,599	12.7
8,003	Net Increase in Funds			12,798	59.9
139,891				161,397	15.4

+ Credit in previous year - not applicable.

The accounts for 1982 disclose an overall increase in funds of \$12,798,066. Individual account results for the past two years were:

	1981 \$		1982 \$	
General Account	69,072	Decrease	285,340	Decrease
Other Funds -				
Special Purposes Account	5,503,502	Increase	7,946,387	Increase
Special Purposes Account -				
Pensions and Long Service Leave	887,364	Increase	276,245	Decrease
Private Foundations Account	1,316,165	Increase	1,949,878	Increase
Private Foundations Account -				
Capital	394,578	Increase	3,463,386	Increase
Post-Graduate Fund in Medicine	29,129	Decrease	....	*
Net Increase	\$8,003,408		\$12,798,066	

* Transferred to Special Purposes Account in 1982.

GENERAL ACCOUNT

Income from Commonwealth grants comprised:

\$

General Recurrent	105,920,000
Special Research	1,170,000
Teaching Hospital Recurrent	470,000
Total	<u>\$107,560,000</u>

SPECIAL PURPOSES ACCOUNTS

Income under this heading included Commonwealth grants for:

\$

University Building Projects	1,200,000
Capital Equipment	5,540,000
Approved Research	2,539,972
Research Centres of Excellence	<u>1,350,000</u>
	<u>\$10,629,972</u>

Building Projects - Expenditure, \$1,390,417, exceeded the Commonwealth grants and the balance, \$143,018, available from previous years. Minor works and services absorbed \$836,575 and construction of stage II of the Architecture building \$553,842.

Capital Equipment - From grants of \$5,540,000 for capital equipment, and \$833,744 carried forward from earlier years, expenditure during 1982 was \$6,029,431, the major areas being:

\$

Faculty of -	
Science	1,209,306
Medicine	551,597
Engineering	515,786
Academic Services	1,253,656
Administration	<u>1,434,606</u>

Research - For projects selected by the Australian Research Grants Committee, the Commonwealth provided \$2,539,972. Other grants and donations for specific research activities totalled \$10,588,449.

Research Centres of Excellence - As part of a Commonwealth funded research project to establish Research Centres of Excellence in Neurobiology and Clinical Immunology, the University received grants of \$750,000 and \$600,000 respectively. Expenditure on these projects for 1982 totalled \$1,113,773.

AGGREGATE FUNDS

Funds of the University totalled \$97,523,860 at 31st December, 1982, compared with \$82,720,694 at the close of the previous year:

Previous Year \$'000		\$'000	Increase % (-)
60,899	Special Purposes Accounts	70,540	15.8
21,849	Private Foundations	26,988	23.5
66	Post-Graduate Fund in Medicine +	....	(100.0)
82,814		97,528	17.8
93	Less - General Account - Accumulated Deficiency	4	(95.4)
82,721		97,524	17.9

The funds were represented by:

111,858	Investments - Properties, Government Securities, Shares, etc.	130,106	16.3
2,220	Properties Acquired and Payments on Account of Buildings pending Government Grants	2,437	9.8
742	Stores (Excluding Stocks Held in Teaching Departments)	872	17.4
6,568	Debtors and Advances	4,498	(31.5)
121,388		137,913	13.6
	Less -		
36,370	Creditors	34,561	(5.0)
77	Bank Overdraft	3,391	*
2,220	Provisions	2,437	9.8
38,667		40,389	4.5
82,721		97,524	17.9

* More than 1,000 per cent.

+ Included in Special Purposes Accounts in 1982.

Investments in the form of inscribed stock, shares, debentures, short term deposits, freehold properties and mortgage loans are recorded, as in past years, either at redemption values, at cost or at values at date of acquisition. An analysis by the University showed that shares recorded at \$11,314,676 had a market value approximating \$16.2 million.

Over the period from 1970 to 1982, the Special Purposes Accounts balance has grown from \$9.8 million to \$70.5 million and Private Foundations from \$9.9 million to \$27 million.

The make up of Special Purposes Accounts balance is:

	\$
Scholarships, Bursaries and Prizes	857,652
Research Accounts	23,026,807
Specific Purposes - including building and equipment grants	30,059,307
	<u>53,943,766</u>
Professorial Pension funds	6,168,129
Provision for Long Service Leave	5,374,611
Provision for Property Acquisition, Road Resumption and Closures - Darlington	4,000,000
Provision for Mortgage Losses, etc.	1,053,179
	<u>\$70,539,685</u>

The first two groups within Special Purposes Accounts comprise moneys held for specifically donated prizes, etc., and research projects. The two largest research accounts are the Cancer Research Fund, where the available balance has grown from \$1.4 million (in 1970) to \$3.2 million, and a solar research account which contains grants totalling \$5 million received from Saudi Arabia in 1978 and 1981. Expenditure from the Cancer Research Fund on research projects totalled \$334,511 against income, \$367,331, including \$309,204 interest on investments. The Specific Purposes group includes \$8 million in six suspense or discretionary accounts, largely built up from earnings on investments.

A contribution of \$1,884,440 from General Account was made in 1982 to a provision for long service leave. Interest earnings, \$585,778, were added to the provision. After payments of \$1,574,837, the balance of the provision was \$5,374,611, compared with an estimated accrued liability of approximately \$19.2 million for employees with more than ten years service.

A revised professorial superannuation scheme covering professorial staff and professorial widows was introduced from 1st January, 1981. Funds of \$6,168,129 were available as at 31st December, 1982, compared with a liability actuarially valued at approximately \$26,547,000 at that date, resulting in an unfunded liability of some \$20.4 million.

No provision has been established in respect of the University's substantial liability for contributions that become payable upon the retirement of employees who contribute to the State Superannuation Fund. An actuarial assessment has not yet been made as to the amount of the accrued liability. However, on the basis of assessments made for other statutory bodies, it can be expected to be greater than the University's liability for long service leave.

It would appear, therefore, that the University's total unfunded liability for long service leave, professorial pensions, and superannuation contributions at 31st December, 1982, may be in excess of \$50 million.

It is in the light of this progressively emerging commitment that balances held, in accounts available for spending at the University's discretion, need to be viewed.

THE UNIVERSITY OF NEW SOUTH WALES

RECURRENT FUNDS

INCOME AND EXPENDITURE for the year ended 31st December, 1982.

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Commonwealth Grants -		
95,345	University Purposes	102,260	7.3
431	Teaching Hospitals	440	2.1
287	Halls of Residence	257	(10.5)
1,639	Miscellaneous	546	(66.7)
....	Transfer from Special Purposes Funds	2,662	*
<u>97,702</u>		<u>106,165</u>	8.7
	Expenditure -		
67,086	Academic Activities	72,134	7.5
6,928	Academic Services	8,530	23.1
1,117	Student Services	1,224	9.6
20,431	General University Services	23,597	15.5
1,318	Public Services	328	(75.1)
47	Independent Operations	45	(4.2)
<u>96,927</u>		<u>105,858</u>	9.2
431	Teaching Hospitals	440	2.1
287	Halls of Residence	257	(10.5)
<u>97,645</u>		<u>106,555</u>	9.1
57	Deficiency	390	+
(Surplus)			
363	Prior Period Adjustments	960	164.2
....	Less - Transfer from Special Purposes Funds	960	*
<u>363</u>		<u>....</u>	(100.0)
<u>306</u>	Reduction to Recurrent Funds	<u>390</u>	27.2

* Nil in previous year - not calculable.

+ Surplus in previous year - not applicable.

Commonwealth grants for recurrent expenditure aggregated \$102,957,015, an increase of \$6,893,797 (7.2 per cent) compared with 1981.

Expenditure rose by \$8,910,041 to \$106,555,397 and included \$89,345,365 salaries and associated staff costs, and a transfer to a provision within Special Purposes Funds, of \$1,646,237 against the accrued liability for long service leave.

After allowing for transfers from Special Purposes Funds of \$2,662,315, toward 1982 costs, and \$959,848 for retrospective salaries and other costs for prior periods, operations for the year resulted in a deficiency of \$389,746. This increased the accumulated deficiency in Recurrent Funds to \$483,766 at 31st December, 1982.

SPECIAL RESEARCH GRANT

In 1982, the Commonwealth provided \$1,040,000 (\$936,000 in 1981) under its financial assistance legislation for special research. Of this amount \$991,722 was expended leaving a balance of \$48,278 at 31st December, 1982.

SPECIAL PURPOSES FUNDS

	Balance 1st January, 1982 \$'000	Receipts \$'000	Payments \$'000	Balance 31st December, 1982 \$'000
Research	1,392	9,507	9,085	1,814
Scholarships, Bursaries and Prizes	357	194	201	350
Schedule Works Interest				
Appropriation Account	115	30	37	108
Special Purpose Funds -				
Interest Appropriation Account	4,854	2,803	1,132	6,525
Special Services Interest				
Appropriation Account	2,775	2,687	2,687	2,775
Provision for Long Service Leave	3,287	2,012	1,613	3,686
Professorial Superannuation and				
Pension Scheme	6,152	2,590	693	8,049
Suspense, Trust and Working				
Accounts	2,848	6,081	5,163	3,766
Other Special Purposes Accounts	5,273	5,066	4,817	5,522
	<u>27,053</u>	<u>30,970</u>	<u>25,428</u>	<u>32,595</u>

Research. Included in grants and donations for research were net receipts of \$1,913,093 from the Commonwealth for projects approved by the Australian Research Grants Committee. Other major contributors in 1982 were National Health and Medical Research Council, \$1,329,438, and National Energy Research Development and Demonstration Council, \$1,247,312.

Interest Earnings. During the year earnings totalling \$5,242,243 were distributed to:

	\$
Special Purposes Funds - Interest Appropriation Account	2,538,363
Special Services Interest Appropriation Account	2,673,460
Schedule Works Interest Appropriation Account	30,420

Provision for Long Service Leave. The provision for long service leave at 31st December, 1982, was \$3,685,856 compared with an estimated liability of \$18.0 million for employees with 10 years or more service.

Liability for Deferred Contributions payable to State Superannuation Board. A provision has not been established for employer's contributions that become payable upon the retirement of staff members who contribute to the State Superannuation Fund. Although the accrued liability of the University at 31st December, 1982, has not been actuarially assessed, it is estimated by University officers to exceed \$24 million in respect of employees already retired. An estimate has not been made of the very substantial accrued liability that would exist in respect of current employees.

Professorial Superannuation Scheme. Under this scheme, which is non-contributory, a pension of up to 25 per cent of current basic professorial salary rates is paid upon retirement after fifteen years professorial service and attaining the age of 60. Amounts of \$453,784 from recurrent funds and \$16,099 from special purposes funds were contributed to the Scheme's account in 1982. An actuarial review by University officers of the adequacy of the fund is currently being undertaken.

CAPITAL FUNDS

Minor Building Projects - Grants received from the Commonwealth in 1982 amounted to \$550,000. From these funds and a balance of \$101,556 brought forward from the previous year, expenditure totalled \$479,638 (\$952,930 in 1981) and included:

	\$
Cornea and contact lens research unit laboratory	146,141
Removal of brickwork growth	99,097
Upgrading various laboratories	97,419

The unexpended balance at the close of the year was \$171,918.

Capital Equipment - Expenditure from a Commonwealth grant of \$5,050,000 and \$1,456,171 carried forward from earlier years, totalled \$5,841,537. Unexpended funds at 31st December, 1982, amounted to \$664,634.

AGGREGATE FUNDS

Funds of the University totalled \$34,153,334 at 31st December, 1982, compared with \$28,460,758 at the close of the previous year.

Previous Year \$'000		\$'000	Increase % (-)
....	Special Research Grant	48	*
1,392	Special Purposes Funds (Research)	1,814	30.3
25,661	Other Special Purposes Funds	30,781	20.0
102	Building Projects Grant	172	69.3
1,456	Equipment Grant	665	(54.4)
56 Dr.	Faculty of Military Studies	1,157	+
28,555		34,637	21.3
94	Less - Recurrent Funds - Accumulated Deficiency	484	414.5
28,461		34,153	20.0

The funds were represented by:

21,484	Investments	29,984	39.6
216	Central Store Stock	335	55.2
5,639	Debtors	1,767	(68.7)
929	Advances	919	(1.1)
28,349	Cash Placements, etc.	30,292	6.9
56,617		63,297	11.8
	Less -		
3,605	Creditors and Accruals	2,629	(27.1)
24,535	Grants Received in Advance	26,515	8.1
16	Bank Overdraft	....	(100.0)
28,156		29,144	3.5
28,461		34,153	20.0

* Nil in previous year - not calculable.

+ Debit in previous year - not applicable.

UNISEARCH LIMITED

The objects of Unisearch Limited, which is an adjunct of the University of New South Wales, are to initiate and further scientific and technological research and to develop inventions made or acquired by the company. It may make donations to the University and engage in activities calculated to benefit the University or its students or staff.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st March, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
2,251,742	Fees - Research Projects	2,472,530	9.8
1,076,405	Training Courses	1,087,504	1.0
3,328,147		3,560,034	7.0
46,892	Profit from Exploitation of Patents	104,251	122.3
271,561	Interest	337,925	24.4
61,452	Rentals	48,813	(20.6)
3,059	Export Development Grant	15,183	396.3
21,340	Miscellaneous	11,679	(45.3)
<u>\$3,732,451</u>		<u>\$4,077,885</u>	9.3
	Expenditure -		
	Payments for Assistance to the Company -		
1,761,103	Research Projects	1,993,554	13.2
817,328	Training Courses	836,035	2.3
2,578,431		2,829,589	9.7
242,267	Salaries and Administrative Expenses	315,909	30.4
5,000	Audit Fee	5,000	..
39,120	Patent Development Expenses Written Off	31,585	(19.3)
21,938	Provisions - Depreciation and Maintenance	26,630	21.4
19,810	Doubtful Debts	5,347	(73.0)
34,647	Miscellaneous	21,900	(36.8)
2,941,213		3,235,960	10.0
791,238	Operating Surplus	841,925	6.4
67,462	Transfer to General Reserve	74,176	10.0
13,651	Transfer to Reserve Against Patent Infringements	7,202	(47.2)
245,929	Donations to the University of N.S.W.	107,115	(56.4)
68,188	Prior Period Adjustments - (Net Credit)	(12,282)	+
395,230		176,211	(55.4)
<u>\$396,008</u>	Addition to Accumulated Funds	<u>\$665,714</u>	68.1

+ Net debit in previous year - not applicable.

BALANCE SHEET as at 31st March, 1983

Previous Year \$		\$	Increase % (-)
\$2,604,037	RETAINED EARNINGS -		
	Accumulated Funds and Other Reserves	\$3,335,088	28.1
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
271,836	Property 46 High St, Randwick	267,691	(1.5)
	(Less Depreciation \$35,235)		
60,741	Motor Vehicles, Office Equipment,	73,167	20.5
	Plant etc. (Less Depreciation \$55,962)		
332,577		340,858	2.5
	Intangible Assets -		
275,270	Patent Development Expenses	426,817	55.1
	Investments (At Cost) -		
242,682	Shares in Company	339,838	40.0
100,000	Commonwealth Securities	100,000	..
342,682		439,838	28.4
	Current Assets -		
551,172	Debtors and Prepayments (Less -	668,525	21.3
7,485	Doubtful Debts \$19,034)		
13,452	Publications in Stock	8,532	14.0
326,605	Accrued Income	55,054	309.3
1,800,000	Projects in Progress	316,265	(3.2)
200	Interest Bearing Deposits	2,140,000	18.9
	Cash in Hand	200	..
2,698,914		3,188,576	18.1
3,649,443		4,396,089	20.5
	Less - Current Liabilities and Provisions -		
637,650	Creditors and Accruals	540,011	(15.3)
385,676	Bank Overdraft	494,785	28.3
22,080	Provision for Maintenance	26,205	18.7
1,045,406		1,061,001	1.5
\$2,604,037		\$3,335,088	28.1

Fees for projects increased by \$220,788 to \$2,472,530. Company statistics indicate that 1,692 research projects were undertaken during 1982-83 as against 1,710 in the previous year.

At 31st March, 1983, the Company was administering 102 inventions in respect of which capitalised costs of patent applications, renewals, etc., totalled \$426,817. Comparative figures at 31st March, 1982, were 77 inventions and \$275,270 capitalised costs.

The company increased its shareholding in a company associated with the development and manufacture of electronic equipment during the year to \$339,838. An agreement has been entered into for the sale of the shares.

An allocation to General Reserve of \$74,176, representing 3 per cent of project fees received during the year, was partly offset by previous years' superannuation contributions adjustment of \$16,041 leaving a balance in the reserve of \$403,385 at 31st March, 1983.

Inclusive of \$107,115 in 1982-83, donations to the University since incorporation of the Company now aggregate \$1.5 million.

THE KENSINGTON COLLEGES

The company controls and administers a residential complex, comprising Basser College, Goldstein College and Philip Baxter College on the campus of the University of New South Wales.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$			Increase % (-)
	Income -	\$	
120,213	Commonwealth Grants	134,000	11.5
710,648	Accommodation Fees	855,971	20.4
9,971	Registration Fees	13,410	34.5
173,597	Courses and Functions	158,485	(8.7)
69,483	Interest	77,535	11.6
2,420	Lease of College Shop	2,661	10.0
21,153	Sundries	12,413	(41.3)
<u>\$1,107,485</u>		<u>\$1,254,475</u>	13.3
	Expenditure -		
334,955	Salaries, Wages, Pay-roll Tax, etc.	349,747	4.4
448,317	Catering	485,432	8.3
54,260	Electricity and Gas	79,149	45.9
26,227	Laundry, Cleaning, etc.	24,632	(6.1)
29,105	Insurance and Rates	34,079	17.1
14,613	Office and Other Expenses	19,989	36.8
72,748	Maintenance, Repairs and Replacements	111,831	53.7
1,000	Donations	1,000	..
28,000	Occupancy Charge - Paid to University	28,000	..
5,250	Audit Fees	5,250	..
....	Amortisation - Building Improvements	9,112	*
	Provision for -		
18,779	Depreciation	19,325	2.9
15,022	Long Service Leave and Holiday Pay	12,220	(18.7)
21,000	Restoration and Maintenance	28,500	35.7
500	Doubtful Debts	539	7.8
<u>1,069,776</u>		<u>1,208,805</u>	13.0
37,709	Operating Surplus	45,670	21.1
1,384	Add - Commonwealth Grants - Previous Years	5,044	264.5
39,093		50,714	29.7
	Less -		
35,000	Transfer to General Reserve	50,000	42.9
<u>\$4,093</u>	Surplus	<u>\$714</u>	(82.6)

* Nil in previous year - not calculable.

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	\$	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital -			
	Assets Acquired Free of Capital			
277,742	Liability	303,573		9.3
1,611	Basser College Fellows Fund	1,611		..
5,059	Library and Other Funds	4,853		(4.1)
284,412			310,037	9.0
	Retained Earnings -			
216,000	General Reserve	266,000		23.1
22,728	Accumulated Funds	24,188		6.4
238,728			290,188	21.6
\$523,140	TOTAL		\$600,225	14.7
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
378,090	Plant, Furniture and Equipment	436,283		15.4
278,482	Less Depreciation	305,635		9.8
99,608			130,648	31.2
	Investments -			
381,100	Deposits with University of N.S.W.		388,600	2.0
	Current Assets -			
132,606	Debtors and Prepayments (Less			
8,000	Doubtful Debts, \$2,500)	174,203		31.4
196,265	Operating Advance - Catering	8,000		..
200	Deposits in Official Money Market	97,714		(50.2)
	Cash	200		..
337,071			280,117	(16.9)
817,779			799,365	(2.3)
	Less -			
	Current Liabilities -			
191,984	Creditors and Accrued Charges	118,746		(38.1)
6,149	Bank Overdraft	6,759		9.9
198,133		125,505		(36.7)
	Provisions -			
61,254	Long Service Leave and Holiday Pay	73,473		19.9
35,252	Restoration and Maintenance	162		(99.5)
96,506		73,635		(23.7)
294,639			199,140	(32.4)
\$523,140			\$600,225	14.7

Income rose by \$146,990 to \$1,254,475 and operating expenditure by \$139,029 to \$1,208,805. The surplus for the year was \$50,714 of which \$50,000 was transferred to General Reserve.

The basic student accommodation charge for 1982 was raised by \$10.00 to \$57.50 per week, and accounted for the major portion of the increase of \$145,323 in income from accommodation fees. Student enrolments were 445 compared with 436 in 1981.

Assets in the form of buildings and fixtures provided by the University are not shown in the balance sheet.

THE UNIVERSITY OF NEW SOUTH WALES
INTERNATIONAL HOUSE LIMITED

The company controls and administers International House, a residential college within the University of New South Wales.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
34,675	Commonwealth Grants	41,543	19.8
364,849	Accommodation Fees	412,094	12.9
42,013	Conferences and Functions	12,579	(70.1)
3,360	Registration Fees	4,290	27.7
18,886	Interest	25,598	35.5
4,067	Sundries	6,637	63.2
<u>\$467,850</u>		<u>\$502,741</u>	7.5
	Expenditure -		
	Salaries, Wages, etc. -		
53,693	General	58,622	9.2
11,320	Tutors	14,292	26.3
4,175	Postage, Telephone and Insurance	5,607	34.3
25,311	Electricity and Gas	33,347	31.7
6,411	Rates and Charges	7,990	24.6
75,102	Cleaning	82,312	9.6
196,242	Catering	215,250	9.7
3,128	Official Functions	2,667	(14.7)
3,500	Audit Fee	4,000	14.3
21,148	Maintenance and Repairs	33,472	58.3
2,703	Replacements	1,517	(43.9)
	Provision for -		
2,074	Long Service Leave	3,199	54.2
2,155	Deferred Maintenance	2,329	8.1
11,588	Depreciation	14,333	23.7
3,814	Other Expenses	4,872	27.7
<u>422,364</u>		<u>483,809</u>	14.5
<u>45,486</u>	Operating Surplus	<u>18,932</u>	(58.4)
	Less -		
26,236	Building Development	....	(100.0)
19,127	Reserve for Increased Cost of Replacement of Fixed Assets	16,274	(14.9)
<u>45,363</u>		<u>16,274</u>	(64.1)
<u>\$123</u>	Surplus	<u>\$2,658</u>	#

More than 1,000 per cent.

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	\$	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital -			
142,679	Assets acquired free of Capital Liability		145,544	2.0
	Retained Earnings -			
76,738	Held for Increased Cost of Fixed Assets Replacement	93,013		21.2
16,156	Accumulated Funds	18,814		16.5
92,894			111,827	20.4
\$235,573	TOTAL		\$257,371	9.3
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
171,170	Plant, Furniture and Equipment	191,520		11.9
89,903	Less Depreciation	91,430		1.7
81,267			100,090	23.2
183,575	Investments -			
	Deposits with University of N.S.W.		177,417	(3.4)
	Current Assets -			
3,864	Stocks	3,173		(17.9)
18,559	Debtors and Prepayments	16,396		(11.7)
16,506	Cash	28,585		73.2
38,929			48,154	23.7
303,771			325,661	7.2
	Less - Current Liabilities and Provisions -			
48,991	Creditors and Accrued Charges	45,797		(6.5)
11,840	Provision for Deferred Maintenance	14,170		19.7
7,367	Provision for Long Service Leave	8,323		13.0
68,198			68,290	0.1
\$235,573			\$257,371	9.3

Income from accommodation fees, \$412,094, was higher by \$47,245 (i.e. 12.9 per cent). The basic charge for permanent accommodation during 1982 was \$60 per week compared with \$54 per week during the previous year.

The item "Building Development" represents recoupments to the University for \$167,379 made available in 1976 towards the construction cost of the second stage of International House. The unrecouped balance was \$140,204 at 31st December, 1982. The tacitly agreed annual repayment of \$14,868, including interest, was not made in 1982 but was drawn from "excess" payments made by the Company in previous years. At 31st December, 1982, the balance of such payments held by the University totalled \$28,555.

Assets in the form of buildings and fixtures provided by the University out of Government and Appeal Funds and other resources of the University, and improvement expenditure on buildings and grounds, are not recorded in the balance sheet.

THE NEW SOUTH WALES UNIVERSITY PRESS LTD

The Company was incorporated with members' liability limited by guarantee. An adjunct of the University of New South Wales, it has as its objectives the publication and sale of educational materials to serve the needs of the University and other educational institutions. The engagement by the Company of private auditors continued, and in discharging my obligation to audit the University's accounts, their work is taken into consideration. Audit has not been completed and the accounts set out below are as supplied by the Company.

TRADING AND PROFIT AND LOSS ACCOUNT for the year ended 30th June, 1983.

Previous Year \$		\$	Increase % (-)
500,525	Sales	556,856	11.3
<u>224,970</u>	Cost of Publishing and Goods Sold	<u>272,264</u>	21.0
275,555	Gross Profit from Publishing and College Shop	284,592	3.3
51,388	Interest on Investments	65,628	27.7
<u>9,222</u>	Sundry Income	<u>2,992</u>	(67.6)
<u>336,165</u>		<u>353,212</u>	5.1
	Less -		
139,400	Salaries and Related Expenses	141,489	1.5
51,807	Royalties and Commission	37,289	(28.0)
8,253	Cartage, Freight and Postage	9,702	17.6
3,953	Advertising	5,485	38.8
2,700	Accountancy and Audit Fees	3,450	27.8
2,201	Depreciation	1,098	(50.1)
2,420	Motor Vehicle Expenses	3,526	45.7
1,856	Insurance	3,065	65.1
4,231	Stationery, Office Supplies, etc.	3,107	(26.6)
928	Provision for Doubtful Debts	....	(100.0)
....	Publishing Rights	13,000	*
<u>14,153</u>	Miscellaneous	<u>21,879</u>	54.6
<u>231,902</u>		<u>243,090</u>	4.8
<u>\$104,263</u>	Net Profit to Accumulated Funds	<u>\$110,122</u>	5.6

* Nil in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	Increase % (-)
	RETAINED EARNINGS -		
<u>470,300</u>	Accumulated Funds	<u>580,422</u>	23.4
<u>\$470,300</u>	TOTAL	<u>\$580,422</u>	23.4
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
	Furniture, Fittings and Equipment		
6,996	(Less Depreciation \$7,025)	6,525	(6.7)
<u>2,022</u>	Motor Vehicle	<u>9,281</u>	359.0
<u>9,018</u>		<u>15,806</u>	75.3
	Deferred Expenses -		
....	Purchase of Publishing Rights	<u>7,000</u>	*
	Investments (At Cost) -		
<u>380,000</u>	Inscribed Stock - Public Authorities	<u>330,000</u>	(13.2)
	Current Assets -		
147,941	Stock on Hand At Cost (Less Provision	163,035	10.2
26,617	for Loss, \$14,663)	36,886	38.6
11,361	Sundry Debtors (Less Doubtful Debts, \$1,690)	23,680	108.4
85,000	Accrued Income and Prepayments	100,000	17.6
<u>67,988</u>	Interest Bearing Deposits	<u>2,777</u>	(95.9)
<u>338,907</u>	Cash	<u>333,378</u>	(1.6)
<u>727,925</u>		<u>679,184</u>	(6.7)
	Less -		
	Current Liabilities and Provision -		
111,095	Sundry Creditors and Accrued Charges	92,162	(17.0)
5,442	Provision for Long Service Leave	6,600	21.3
<u>141,088</u>	Loan at Call - University	<u>....</u>	(100.0)
<u>257,625</u>		<u>98,762</u>	(61.7)
<u>\$470,300</u>		<u>\$580,422</u>	23.4

* Nil in previous year - not applicable.

Net profit on operations of the Publishing Department was \$7,088 and from the College Shop \$34,414. The overall profit, \$110,122, increased by 5.6 per cent when compared with 1982.

An interest free loan of \$141,088 made by the University to the Company in 1978 was repaid during the year.

THE UNIVERSITY OF NEW ENGLAND

GENERAL FUNDS

INCOME AND EXPENDITURE for the year ended 31st December, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Commonwealth Grants -		
29,978	General Purposes	32,110	7.1
269	Residential Colleges	296	10.2
30,247		32,406	7.1
2,173	Residential System	2,527	16.3
438	Research Stations and Farm	394	(9.9)
129	Miscellaneous	95	(26.6)
32,987		35,422	7.4
	Expenditure -		
18,500	Academic Activities	19,676	6.4
3,553	Academic Services	3,803	7.1
405	Student Services	452	11.4
7,326	General University Services	7,384	0.8
595	Public Services	519	(12.8)
2,389	Residential System	2,776	16.2
651	Research Stations and Farm	645	(0.9)
33,419		35,255	5.5
(432)	Surplus	167	*
199	Add - Prior Period Adjustments	67	(66.1)
(233)	Net Addition to General Funds	234	*

* Deficiency in previous year - not applicable.

Commonwealth grants for recurrent expenditure were \$32,110,000, an increase of \$2,132,000 (7.1 per cent) compared with 1981.

Payroll and related costs at \$28,244,999, were higher by \$1,580,017 (5.9 per cent) and absorbed 80 per cent of total expenditure.

Including an amount of \$485,914 transferred in 1982 and interest earnings, \$223,762, the balance in the Provision for Long Service Leave at 31st December, 1982, was \$2,223,480. The estimated accrued liability at that date was in excess of \$6.5 million. As the estimate included only the entitlements of employees, funded from recurrent grants, aged 55 years or more and having a minimum of five years' service, the University's total unfunded liability would be much higher than this figure.

The University has not established a provision toward meeting its future liability for deferred superannuation contributions. Although not yet actuarially assessed the liability will be substantial.

Research Stations and Farm - The drought conditions continued to restrict income which decreased by \$43,489 to \$394,329. Expenditure also decreased but only by \$5,779 (to \$644,949). After charging out some costs of labour, \$185,282, to University operating costs, the net deficiency was \$65,338, higher by \$10,369 than for 1981.

SPECIAL PURPOSE ACCOUNTS AND PRIVATE FOUNDATIONS

	Balance 1st January, 1982 \$'000	Income \$'000	Expenditure \$'000	Balance 31st December, 1982 \$'000
Research	834	5,462	5,094	1,202
Scholarships and Prizes	124	155	125	154
General Investment of Special Purposes Funds	1,597	1,513	255	2,855
Capital Grants for -				
Buildings, etc.	216 Dr	2,822	2,617	11 Dr
Equipment	110	1,020	1,130	...
Other Special Purposes	2,142	2,461	2,596	2,007
Private Foundations	200	62	17	245
	<u>4,791</u>	<u>13,495</u>	<u>11,834</u>	<u>6,452</u>

Research - Commonwealth grants for research totalled \$629,691 and included \$384,691 for research projects recommended by the Australian Research Grants Committee. Disbursements from Commonwealth grants totalled \$595,550, leaving an unexpended balance of \$58,235.

Donations and other grants for research purposes aggregated \$4,832,501, compared with \$4,148,878 in 1981. Expenditure amounted to \$4,498,693, including \$2,329,210 for payroll and related costs and \$1,541,523 for materials, etc.

General Investment of Special Purposes Funds - Interest earnings (\$1,444,260 in 1982) from the investment of general cash balances of the University are paid directly into this account. Income for the year exceeded expenditure by \$1,257,411, increasing the account balance to \$2,854,709 at 31st December, 1982.

Capital Works - Commonwealth grants received in 1982 for specified capital projects totalled \$3,841,700. Expenditure amounted to \$3,746,405, compared with \$1,940,624 a year earlier, and included:

	\$
Dixon Library Building	2,294,743
Minor Building Projects	320,000
Equipment	109,962

Other Special Purposes Funds - These funds include an amount of \$120,000 in a General Development Fund. Although allocated during the years 1972-76, the specific use for this money has not yet been determined by the University.

AGGREGATE FUNDS

Funds of the University totalled \$6,163,129 at 31st December, 1982, compared with \$4,257,909 at the close of the previous year:

Previous Year \$'000		\$'000	Increase % (-)
4,581	Special Purpose Accounts	6,207	35.5
<u>200</u>	Private Foundations	<u>245</u>	22.5
4,781		6,452	35.0
<u>523</u>	Less - General Funds - Accumulated Deficiency	<u>289</u>	(44.7)
<u>\$4,258</u>		<u>\$6,163</u>	44.7

The funds were represented by -

733	*University Flats and Union Extension	720	(1.8)
530	Stores and Livestock	546	3.0
2,521	Debtors	1,395	(44.7)
13,417	Investments	18,743	39.7
<u>430</u>	Cash at Bank	<u>18</u>	(95.8)
<u>17,631</u>		<u>21,422</u>	21.5
Less -			
3,285	Creditors and Accruals	4,222	28.5
738	Bank Loans	725	(1.8)
7,540	Grants Received in Advance	8,088	7.3
<u>1,810</u>	Provision for Long Service Leave	<u>2,224</u>	22.9
<u>13,373</u>		<u>15,259</u>	14.1
<u>\$4,258</u>		<u>\$6,163</u>	44.7

* Represents the portion of construction costs of the Claude Street Flats and of the Union Extension which is still being financed by bank loans.

Loans outstanding at 31st December, 1982, related to the University Flats, \$715,614, and the Union Extension, \$9,097.

THE MACQUARIE UNIVERSITY

GENERAL FUND

INCOME AND EXPENDITURE for the year ended 31st December, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Commonwealth Grants -		
36,802	General Purposes	39,350	6.9
285	Research	320	12.3
....	Community Language	200	*
363	Miscellaneous	541	49.2
<u>37,450</u>		<u>40,411</u>	7.9
	Expenditure -		
23,773	Academic Activities	25,189	6.0
4,739	Academic Services	5,681	19.9
314	Student Services	277	(11.7)
7,864	General University Services	8,978	14.2
63	Public Services	79	26.4
<u>36,753</u>		<u>40,204</u>	9.4
697	Surplus	207	(70.2)
160	Add - Prior Period Adjustments	....	(100.0)
<u>857</u>	Addition to General Fund	<u>207</u>	(75.8)

* Nil in previous year - not calculable.

Commonwealth grants for recurrent expenditure aggregated \$39,870,000, an increase of \$2,783,000 (7.5 per cent) compared with 1981.

Expenditure rose by \$3,450,553 to \$40,203,729 and included \$34,725,908 on salaries and associated staff costs, and a transfer to a provision within Special Purposes Funds of \$650,000 against the accrued liability for long service leave. After crediting interest earnings, \$201,316, the balance in the provision at 31st December, 1982, was \$1,805,555 compared with an estimated liability of \$4 million for employees with more than 10 years service.

The University has not established a provision toward meeting its future liability for deferred superannuation contributions. Although not yet actuarially assessed the liability will be substantial.

The surplus for the year brought the General Fund balance up to \$643,427, of which \$438,500 was committed for 1983 expenses.

SPECIAL PURPOSES FUND

	Balance 1st January, 1982 \$'000	Receipts \$'000	Payments \$'000	Balance 31st December, 1982 \$'000
Capital Grants for -				
Building Projects	41	180	200	21
Equipment	129	1,075	1,204	...
Research	400	1,905	1,939	366
Scholarships, Bursaries and Prizes	29	16	7	38
Macquarie University Housing	80	138	131	87
Parking Facilities	192	120	178	134
Continuing Education Courses	172	530	459	243
Provision for Long Service Leave	954	851	...	1,805
Special Services - Equipment and Furniture Accounts	1,841	1,960	274	3,527
Student Activity Fees	33	1,077	1,124	14 Dr.
Other Special Purposes	1,256	2,873	1,732	2,397
	<u>5,127</u>	<u>10,725</u>	<u>7,248</u>	<u>8,604</u>

Capital Works - Commonwealth grants of \$1,255,000 consisted of \$1,005,000 for 1982 and \$250,000 in advance for 1983. Expenditure included \$353,887 on a new computer system.

Research - In addition to the Commonwealth research grant credited to the General Fund, receipts for specific research purposes totalled \$1,905,266 and included \$743,177 for projects recommended by the Australian Research Grants Committee.

Special Services - Equipment and Furniture Accounts - Investment income of \$1,949,384 was credited to these accounts. Payments amounted to \$273,843, (including \$78,671 for equipment, \$61,122 for maintenance and additions and \$60,441 for air conditioning) leaving a balance of \$3,526,812.

Other Special Purposes - Receipts included contributions from the Australian Development Assistance Bureau of \$694,852 to assist students from South Pacific Regions and \$154,732 for the training of Indonesian Teachers; \$98,467 from the Bernard Van Leer Foundation for evaluating pre-school education in the Mount Druitt area; and \$79,750 from the Sir Theo Kelly Foundation for study and research into the retail industry.

AGGREGATE FUNDS

Funds of the University totalled \$9,246,957 at 31st December, 1982, compared with \$5,563,142 at the close of the previous year:

Previous Year \$'000		\$'000	Increase % (-)
436	General Fund	644	47.6
41	Special Purposes Funds -		
130	Buildings Projects	21	(48.8)
4,956	Equipment	....	(100.0)
	Other Special Purposes, etc.	8,582	73.2
<u>5,563</u>		<u>9,247</u>	<u>66.2</u>

The funds were represented by:

328	Buildings - Non-Collegiate *	314	(4.1)
335	Car Parking Facilities *	279	(16.7)
48	Lighthouse Theatre *	43	(10.5)
<u>711</u>		<u>636</u>	<u>(10.5)</u>
16,525	Investments	20,875	26.3
125	Stock	103	(18.1)
1,866	Debtors and Prepayments	511	(72.6)
11	Cash	13	17.3
<u>19,238</u>		<u>22,138</u>	<u>15.1</u>
	Less -		
10,817	Creditors, Accruals, etc.	11,513	6.4
2,147	Bank Overdraft	742	(65.5)
711	Long Term Loans +	636	(10.5)
<u>13,675</u>		<u>12,891</u>	<u>(5.7)</u>
<u>5,563</u>		<u>9,247</u>	<u>66.2</u>

* Balance owing on loans raised towards acquisition costs.

+ Loans for non-collegiate buildings, car-parking facilities and lighthouse theatre.

THE UNIVERSITY OF NEWCASTLE

RECURRENT FUNDS

INCOME AND EXPENDITURE for the year ended 31st December, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Commonwealth Grants -		
22,482	General Purposes	23,800	5.9
3,224	Faculty of Medicine	3,790	17.6
54	Teaching Hospitals	70	29.6
107	Miscellaneous	93	(13.6)
<u>25,867</u>		<u>27,753</u>	7.3
	Expenditure -		
20,408	Salaries and Associated Staff Costs	21,960	7.6
1,018	Pay-roll Tax	1,229	20.8
30	Staff Appointment Expenses	19	(36.9)
19	Examination Expenses	29	57.9
681	Books, Periodicals and Publications	800	17.5
744	Materials, Stationery and Supplies	695	(6.6)
417	Repairs etc., and Hire of Equipment	480	15.0
530	Cleaning	564	6.4
444	Power, Light and Heating	658	48.0
135	Travelling Expenses	129	(4.4)
323	Administration Expenses	373	15.6
80	Insurance and Rates	103	27.6
220	Contributions and Grants	184	(16.4)
159	Plant and Equipment, Furniture etc.	143	(10.2)
45	Clinical Honorariums	52	18.1
56	Contribution - Teaching Hospitals	70	25.0
	Provision for -		
335	Long Service Leave	250	(25.4)
...	Deferred Superannuation	50	#
118	Miscellaneous	144	22.5
<u>25,762</u>		<u>27,932</u>	8.4
105	Deficiency	181	*
(Surplus)			
158	Prior Year Government Grants	2	(98.7)
263	Reduction in Recurrent Funds	179	+
<u>(Addition)</u>			

* Surplus in previous year - not applicable.

+ Addition in previous year - not applicable.

Nil in previous year - not calculable.

Commonwealth grants for recurrent expenditure aggregated \$27,660,000, an increase of \$1,900,000 compared with 1981. Expenditure rose by \$2,170,870 to \$27,933,098, and included \$21,960,402 on salaries and associated staff costs.

Provisions made from recurrent funds were \$250,000 for long service leave and \$50,000 as an initial contribution towards the cost of deferred liability for superannuation. After crediting interest earnings, \$98,707, the balance held as Provision for Long Service Leave at 31st December, 1982 was \$1,046,271 compared with an estimated liability of \$4.3 million for employees with more than ten years service. The liability for deferred superannuation contributions, although not yet calculated, would be far in excess of the Provision.

SPECIAL PURPOSES FUNDS

	Balance 1st January 1982 \$'000	Receipts '000	Payments '000	Balance 31st December 1982 \$'000
Building Projects	53	280	309	24
Capital Equipment	97	1,582	1,262	417
Research	178	2,268	2,051	395
Prizes	40	10	6	44
Grants and Donations	333	402	308	427
Student Loans	45	11	8	48
Institute of Industrial Economics	20	11	17	14
Vice-Chancellor's Discretionary Fund	1,801	1,632	635	2,798
Provision for Long Service Leave	1,029	348	331	1,046
Provision for Deferred Superannuation	...	50	...	50
Other Special Purposes	7,713	37,763	43,400	2,076
	<u>11,309</u>	<u>44,357</u>	<u>48,327</u>	<u>7,339</u>

Building Projects - A Commonwealth grant of \$280,000 was received and expenditure totalling \$308,713 was incurred on minor building projects.

Capital Equipment - The Commonwealth grant was \$1,570,000. Total expenditure, \$1,261,851, included \$445,993 for Medical School equipment.

Research - In addition to grants of \$180,000 under the States Grants (Tertiary Education Assistance) Act, 1981, the Commonwealth gave \$560,926 for projects recommended by the Australian Research Grants Committee. A total of \$609,337 was received from the National Health and Medical Research Council.

Vice-Chancellor's Discretionary Fund - Receipts included investment income of \$1,473,719. After making payments, \$481,619, including \$251,850 on construction of student non-collegiate accommodation, the balance held in this Fund had increased to \$2,798,434.

HALL OF RESIDENCE

Income of Edwards Hall totalled \$588,881 including accommodation fees, \$446,336, and a Commonwealth grant of \$55,200 towards administrative costs. Expenses, \$587,125, included transfers of \$37,237 to a Provision for Replacement and Repairs, and \$57,119 (equivalent to 1982 interest earnings) to a Provision for Future Development. The Warden's salary and related costs are met from the Recurrent Fund of the University. Accumulated funds and provisions at 31st December, 1982, totalled \$339,863.

CHILD CARE CENTRE

The Kintaiba Community Child Care Centre was established from Commonwealth funds. It caters for pre-school children of University students and of the general community. Running costs are subsidised by the Commonwealth and State Governments.

Income totalled \$187,982 including fees, \$99,284; a Commonwealth grant of \$69,138; and a State Government grant of \$16,460. Expenditure, including provisions, totalled \$188,018, resulting in a deficiency for the year of \$36. Accumulated funds and provisions at 31st December, 1982, totalled \$24,507.

AGGREGATE FUNDS

Funds of the University totalled \$7,992,143 at 31st December, 1982, compared with \$13,032,257 at the close of the previous year:

Previous Year \$'000		\$'000	Increase % (-)
467	Recurrent Funds	289	(38.2)
11,309 *	Special Purposes Funds	7,339	(35.1)
315	Hall of Residence Funds	340	7.8
26	Child Care Centre Funds	24	(4.9)
<u>12,117</u>		<u>7,992</u>	<u>(34.0)</u>
The funds were represented by:			
	Investments -		
1,801	Inscribed Stock, etc.	2,048	13.6
10,210	Interest Bearing Deposits	13,244	29.7
20	Loan Secured by Mortgage	...	(100.0)
<u>12,031</u>		<u>15,292</u>	<u>27.1</u>
1,240	Sundry Debtors	164	(86.8)
102	Stores	82	(19.4)
13	Cash at Bank, etc.	2,007	#
<u>13,386</u>		<u>17,545</u>	<u>31.1</u>
354	Less - Bank Overdraft	...	(100.0)
915	Sundry Creditors	9,553	944.0
<u>1,269</u>		<u>9,553</u>	<u>652.7</u>
<u>12,117</u>		<u>7,992</u>	<u>34.0</u>

* Includes Commonwealth grants in advance, \$6,695,000.

Similar advances in 1982, \$9,465,000 are included in Sundry Creditors

More than 1000 per cent.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES LIMITED

The objects of the University of Newcastle Research Associates Limited, which is an adjunct of the University of Newcastle, are to seek industrial work and contracts by the provision of an organised research service, and to develop inventions made or acquired by the company. It may make donations to the University and arrange courses of instruction calculated to improve professional practice.

The accounts set out below are as supplied by the company. They have not been audited and are included in this Report for information only. The accounts published last year under the same qualification, were subsequently amended. Corrected figures for 1981-82 are shown in the Previous Year column of this Report.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
444,656	Fees - Research Projects and Training Courses	454,606	2.2
18,789	Interest	31,115	65.6
....	Miscellaneous	1,012	*
<u>\$463,445</u>		<u>\$486,733</u>	5.0
	Expenditure -		
397,154	Payments for Assistance to Company	403,832	1.7
29,493	Salaries and Administrative Expenses	33,039	12.0
1,225	Audit Fees	1,850	51.0
	Provisions -		
....	Long Service Leave	3,000	*
117	Doubtful Debts	....	(100.0)
916	Miscellaneous	844	(7.9)
428,905		442,565	3.2
34,540	Surplus	44,168	27.9
<u>\$463,445</u>		<u>\$486,733</u>	5.0

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	Increase % (-)
<u>2,856</u>	RETAINED EARNINGS -		
	General Reserve	<u>2,856</u>	..
149,966	Accumulated Funds	124,134	(17.2)
<u>70,000</u>	Less - Donation to University of Newcastle	<u>....</u>	(100.0)
79,966		124,134	55.2
<u>\$82,822</u>	TOTAL FUNDS	<u>\$126,990</u>	53.3
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
<u>2,000</u>	Office Equipment (Less Depreciation \$1,000)	<u>1,500</u>	(25.0)
	Current Assets -		
173,618	Debtors (Less Doubtful Debts \$1,000)	33,776	(80.5)
3,000	Loan to Aerial Survey Company	3,000	..
1,871	Work in Progress (At Cost)	<u>....</u>	(100.0)
<u>202,678</u>	Cash and Short Term Deposits	<u>386,269</u>	90.6
381,167		423,045	11.0
<u>383,167</u>		<u>424,545</u>	10.8
	Less - Current Liabilities -		
	University of Newcastle -		
70,000	Donation	<u>....</u>	(100.0)
155,162	Universities' Funds	213,458	37.6
73,718	Creditors and Accruals	81,097	10.0
....	Provision - Long Service Leave	3,000	*
<u>1,465</u>	Fees in Advance	<u>....</u>	(100.0)
300,345		297,555	(0.9)
<u>\$82,822</u>		<u>\$126,990</u>	53.3

* Nil in previous year - not calculable.

Other Creditors, \$81,097, include \$74,743 payable to staff of the Universities of Newcastle and Wollongong for work carried out on behalf of the Company.

Universities' Funds, \$213,458, represents undisbursed balances held from projects conducted on behalf of Universities. The disposal of these moneys is still to be resolved.

THE UNIVERSITY OF WOLLONGONG

On 21st May, 1982, by Governor's Order made under the University of Wollongong (Advanced Education) Amendment Act, 1982, the Wollongong Institute of Education was dissolved. The assets and liabilities of the Institute together with the staff and students were transferred to the University of Wollongong.

GENERAL FUND

INCOME AND EXPENDITURE for the year ended 31st December, 1982.

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
15,739	Commonwealth Grants	19,851	26.1
28	Miscellaneous	116	305.8
....	Transfer from Special Purposes Funds	248	*
<u>15,767</u>		<u>20,215</u>	28.2
	Expenditure -		
9,068	Academic Activities	12,104	33.5
2,250	Academic Services	2,676	19.0
223	Student Services	249	11.2
4,198	General University Services	5,199	23.8
<u>110</u>	Public Services	<u>84</u>	(23.9)
<u>15,849</u>		<u>20,312</u>	28.2
82	Deficiency	97	19.0
<u>(63)</u>	Add - Prior Period Adjustments	<u>3</u>	+
19		100	437.0
....	Less - Net Surplus Wollongong Institute of Education	<u>99</u>	*
<u>19</u>		<u>1</u>	(90.4)

* Nil in previous year - not calculable.

+ Credit in previous year - not applicable.

General Fund expenditure for 1982 rose by \$4,462,678 (28.2 per cent) to \$20,311,908, of which \$17,020,520 or 83.8 per cent represented payroll and related costs. Included within the latter sum were transfers to provisions within Special Purposes Funds against the accrued liability for long service leave, \$339,056, and employer's deferred liability to the State Superannuation Fund, \$309,625.

After bringing to account the operating deficiency of \$97,240, prior period adjustments of \$3,202 and a net recurrent surplus from Wollongong Institute of Education, \$98,649, the final result was a deficiency of \$1,793. This increased the accumulated deficiency on the General Fund to \$432,457 at 31st December, 1982.

SPECIAL RESEARCH

A Commonwealth grant of \$105,000 for special research in 1982 was fully expended during the year.

CAPITAL FUNDS

Grants were received from the Commonwealth for capital equipment, \$1,010,000 and for minor works, \$330,000.

From these funds and a balance of \$83,722 from the previous year, expenditures totalled \$1,369,128 (\$961,182 in 1981). These included:

	\$
Computer Equipment	216,469
Minor Works -	
Social Sciences Building - Extension	158,999
Mechanical Engineering	100,736
Upgrading of Electrical Supply	38,481

Unexpended funds at the close of the year amounted to \$54,594.

SPECIAL PURPOSES FUNDS

	Balance 1st January, 1982 \$'000	Receipts \$'000	Payments \$'000	Balance 31st December, 1982 \$'000
Research	243	717	745	215
Scholarships, Bursaries and Prizes	23	67	71	19
Hall of Residence	14	419	431	2
Special Services Account	257	206	248	215
General Development Account	571	550	166	955
Advanced Education Development Account	....	462	34	428
General	254	694	626	322
Trust, Suspense and Working Account	177	2,088	2,143	122
	<u>1,539</u>	<u>5,203</u>	<u>4,464</u>	<u>2,278</u>

Research - The Commonwealth provided in 1982, \$193,652 for research projects nominated by the Australian Research Grants Committee. Payments were \$190,400 and the unexpended balance at the close of the year was \$16,734.

Hall of Residence - Income from the University's Hall of Residence, International House, totalled \$419,254 and included residential fees, \$323,748, and a Commonwealth grant of \$50,300. Expenses charged against Hall funds totalled \$431,110 resulting in a deficiency of \$11,856.

Special Services Account - Interest derived from the investment of the cash resources of the General Fund are credited to this account. Income for the year from this source and from the Special Services Account itself totalled \$206,592. From these funds a contribution of \$248,000 was made to the General Fund.

General Development Account - Receipts included interest earnings totalling \$503,818 on unexpended balances of Special Purpose Accounts and Capital Funds. Expenditure on various minor works projects totalled \$165,479.

Advanced Education Development Account - This account was created following amalgamation with the Wollongong Institute of Education. Receipts, \$462,086, were comprised mainly of interest and other earnings transferred from the Wollongong Institute of Education.

AGGREGATE FUNDS

Funds of the University totalled \$1,900,494 at 31st December, 1982, compared with \$1,191,927 at the close of the previous year:

Previous Year \$'000		\$'000	Increase % (-)
84	Equipment Grant	54	(34.8)
243	Special Purposes Funds (Research)	215	(11.7)
<u>1,296</u>	Other Special Purposes Funds	<u>2,063</u>	59.3
1,623		2,332	43.8
<u>431</u>	Less - General Funds - Accumulated Deficiency	<u>432</u>	0.4
<u>1,192</u>		<u>1,900</u>	59.4

The funds were represented by:

211	International House*	211	0.1
7,300	Investments	10,049	37.7
69	Stores Stock	73	5.3
1,161	Debtors and Advances	662	(42.9)
<u>8</u>	Cash	<u>11</u>	39.0
8,749		<u>11,006</u>	25.8
Less - Current Liabilities and Provisions -			
484	Sundry Creditors	55	(88.7)
4,777	Commonwealth Grant Received in Advance	5,570	16.6
867	Bank Overdraft	1,133	30.8
211	Bank Loan - International House	211	0.1
418	Provisions for Long Service Leave	923	120.8
742	Provision for Superannuation and Pensions	1,134	52.7
<u>58</u>	Provision for Repairs, Maintenance, etc.	<u>80</u>	38.1
7,557		<u>9,106</u>	20.5
<u>1,192</u>		<u>1,900</u>	59.4

* Balance owing on loan raised in 1980 towards acquisition costs.

Provision for Long Service Leave - The balance of the Provision for Long Service Leave at 31st December, 1982, was \$922,423 compared with an estimated liability of \$2.8 million for employees with ten years or more service.

Provision for State Superannuation Pension Liability - The balance of the provision for employer's contributions that become payable upon the retirement of staff members who contribute to the State Superannuation Fund was \$654,577 as at 31st December, 1982. The estimated liability for members 55 and over, for units currently held is in excess of \$2 million.

FRIENDS OF THE UNIVERSITY OF WOLLONGONG LIMITED

An object of the Company, which is an adjunct of the University of Wollongong, is to assist the governing body of the University to preserve, develop and maintain the standard, position and facilities of the University. The Company may also engage in research projects and develop inventions made or acquired by it.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Period++ \$		\$	Increase % (-)
	Income -		
10,955	Fees - Research Projects	110,742	910.9
19,167	Subsidy - University of Wollongong	10,000	(47.8)
1,011	Commission	2,445	141.8
....	Donations	5,352	*
....	Sundry	2,810	*
<u>\$31,133</u>		<u>\$131,349</u>	321.9
	Expenditure -		
9,742	Payments for Assistance to the Company	99,545	921.8
19,167	Salaries and Associated Charges	20,000	4.3
1,786	Legal Fees	....	(100.0)
1,465	Administrative Expenses	3,896	165.9
500	Audit Fee	500	..
....	Bad Debts	1,440	*
....	Donations	5,550	*
110	Miscellaneous	4,305	+
<u>32,770</u>		<u>135,236</u>	312.7
1,637	Deficiency	3,887	137.4
....	Less - Prior Period Adjustment	1,600	*
<u>\$1,637</u>	Addition to Accumulated Deficiency	<u>\$2,287</u>	39.7

++ Previous Period, 1st December, 1980 to 31st December, 1981.

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

BALANCE SHEET as at 31st December, 1982

Previous Period \$		\$	Increase % (-)
<u>\$1,637</u>	ACCUMULATED DEFICIENCY -	<u>\$3,924</u>	139.7
	REPRESENTED BY -		
	Intangible Assets -		
<u>1,553</u>	Formation Expenses	1,553	..
	Current Assets -		
4,124	Debtors	66,919	+
<u>428</u>	Cash	<u>3,701</u>	764.7
<u>4,552</u>		<u>70,620</u>	+
6,105		72,173	+
	Less - Current Liabilities -		
<u>7,742</u>	Creditors and Accruals	<u>76,097</u>	882.9
<u>\$1,637</u>		<u>\$3,924</u>	139.7

+ More than 1,000 per cent.

Creditors include a repayable advance of \$5,000 made by the University of Wollongong to the Company for working capital purposes and an amount of \$22,510 paid by the University on behalf of the Company.

ARMIDALE COLLEGE OF ADVANCED EDUCATION

Statistics show that 1,619 students were enrolled (1,589 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	4,889,000
Student Residences	58,600
Capital	170,000
Interest and Other Investment Income	388,021
Student Residences (Fees, Catering etc.)	350,530
Special Education Courses	18,220
Special Activity Grants	28,025
Education Programme - University of New England Contribution	64,310
Student Loan Repayments	1,100
Student Enrolment Fees	78,249
Other	<u>99,376</u>
	<u>\$6,145,431</u>

\$

Funds were applied to -

Operating Costs -

General	5,056,315
Student Residences	437,540
Special Education Courses	8,791
Buildings, Equipment, etc.	177,313
Special Activities	37,971
Student Services	65,701
Student Loans and Grants	1,909
Other	19,867
	<hr/> 5,805,407
Increase in Monetary Assets	340,024
	<hr/> \$6,145,431

Recurrent Costs - Commonwealth grants, \$4,889,000, were \$9,000 or 0.2 per cent less than for 1981. To meet an excess of expenditure over grants and miscellaneous income, an amount of \$93,505 was drawn out of interest earnings held in a Special Purposes Fund. The available balance carried forward on recurrent purposes account at 31st December, 1982, was \$87,818.

The College has not established a provision towards meeting the cost of future long service leave payments (accrued liability assessed at approximately \$1.5 million at the close of 1982) or for deferred superannuation contributions. Although not yet calculated, the latter liability will be substantial.

Capital Costs - \$170,000 was received in Commonwealth grants and \$13,300 from other sources. From these moneys, \$107,500 was paid out for equipment and \$69,813 for minor works. Receipts and payments in 1981 were of the order of \$157,000.

Student Residences - Expenses exceeded income from grants and fees by \$37,910. To offset part of this loss, \$22,000 was drawn out of interest earnings held in a Special Purposes Fund. After all transactions, there remained a balance of \$111,616 in Student Residences Funds.

Financial Position

At 31st December, 1982, aggregate funds were \$1,748,248:

	31st December,		
	1981	1982	Increase
	\$	\$	% (-)
Recurrent Funds	72,818	87,818 #	20.6
Capital Funds	317	5,670	*
	(Overdrawn)		
Student Residences Funds	127,294	111,616 #	(12.3)
Special Purposes Fund	1,208,429	1,543,144	27.7
	<hr/> \$1,408,224	<hr/> \$1,748,248	24.1

* Overdrawn in previous year - not applicable.

Includes late receipts of \$15,000 (recurrent) and \$232 (student residences) as additional Commonwealth grants for 1980.

	\$	\$	
The funds were represented by:-			
Debtors and Accrued Income	200,962	55,744	(72.3)
Investments	2,585,373	2,000,800	(22.6)
Cash at Bank etc.	27,461	260	(99.1)
	<u>2,813,796</u>	<u>2,056,804</u>	(26.9)
Less -			
Creditors and Accruals	1,405,572	27,391	(98.1)
Cash at Bank (Overdrawn)	....	281,165	+
	<u>1,405,572</u>	<u>308,556</u>	(78.0)
	<u>\$1,408,224</u>	<u>\$1,748,248</u>	24.1

+ Nil in previous year - not calculable.

The main component of Special Purposes Fund was \$1,061,040 accumulated from interest earnings.

BOARD OF GOVERNORS OF THE NEW SOUTH WALES STATE
CONSERVATORIUM OF MUSIC

Administration is vested in a Board constituted under the New South Wales State Conservatorium of Music Act, 1965.

General operating expenses including costs of promotion of music centres, purchase of instruments and other specific projects, are met from Consolidated Fund. For 1982-83, these totalled \$5,925,921 inclusive of a grant of \$50,000 paid to the Board's General Fund, and are shown at page 136 of the Public Accounts. The Board also received \$43,300 from the Premier's Consolidated Fund Vote for the support of cultural activities. (See Public Accounts at page 37).

Transactions on general and trust funds of the Board of Governors relate mainly to the receipt of fees (which are payable to Consolidated Fund), the conduct of operas, recitals and special classes, and the awarding of scholarships and prizes.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
5,654,582	Consolidated Fund Appropriation for Working Expenses	5,875,921	3.9
	General and Trust Funds -		
94,409	Consolidated Fund Grants	93,300	(1.2)
571,154	Fees, Hall Hire, etc.	572,424	0.2
84,136	Grants, Bequests and Donations	99,460	18.2
21,746	Proceeds - Operas and Recitals	17,768	(18.3)
64,952	Special Projects	23,506	(63.8)
58,609	Interest	79,097	35.0
17,146	Miscellaneous	23,491	37.0
912,152		909,046	(0.3)
6,566,734		6,784,967	3.3
	Balance at 1st July, 1982 -		
60,458	Cash	46,557	(23.0)
563,440	Investments	624,640	10.9
623,898		671,197	7.6
\$7,190,632		\$7,456,164	3.7
	Payments -		
	Consolidated Fund -		
2,741,992	Salaries, etc.	3,970,217	44.8
2,836,000	Maintenance and Working Expenses	1,823,656	(35.7)
74,000	Promotion of Music Centres	80,000	8.1
2,590	Miscellaneous	2,048	(20.9)
5,654,582		5,875,921	3.9
	General and Trust Funds -		
571,154	Consolidated Fund - Fees, Hall Hire, etc.	572,424	0.2
99,733	Scholarships and Prizes	134,291	34.7
64,848	Cost of Operas and Recitals	66,283	2.2
17,766	Special Classes	21,633	21.8
65,279	Special Projects	19,816	(69.6)
46,073	General Expenses	47,027	2.1
864,853		861,474	(0.4)
6,519,435		6,737,395	3.3
	Balance at 30th June, 1983 -		
46,557	Cash	7,509	(83.9)
624,640	Investments	711,260	13.9
671,197		718,769	7.1
\$7,190,632		\$7,456,164	3.7

Statistics furnished by the Conservatorium show that 2,013 students were enrolled for 1983 (1,999 in 1982) of whom 1,135 attended at Sydney, 389 at Newcastle and 489 at Wollongong.

Grants, Bequests and Donations included \$18,000 from the Australia Council for the Arts towards the cost of special projects and \$35,713 from various donors for scholarship and prize funds.

Payments for scholarships and prizes included awards, \$69,590, to cover fees of Conservatorium students.

The balance of funds includes Trusts, totalling \$718,769 of which the largest is the Sydney Scholarship Fund \$500,784.

CUMBERLAND COLLEGE OF HEALTH SCIENCES

Statistics show that 1,407 students were enrolled (1,377 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	7,209,000
Capital	465,500
Interest and Other Investment Income	358,094
Fees for Courses, Conferences, Seminars	170,669
Grants for Overseas Aid Projects	152,200
Research Grants	92,895
College Union Membership Fees	111,622
Student Capital Development Fees	57,663
Student Loan Repayments	1,300
Canteen and Shops Rental	10,031
Sale of Publications and Equipment	8,619
Fees, Fines and Commissions	14,765
Recovery of Administration Overheads	33,230
Trusts	5,103
Donations	8,000
Miscellaneous	70,981
	<hr/>
	8,769,672
Decrease in Monetary Assets	103,242
	<hr/>
	\$8,872,914

\$

Funds were applied to -

Operating Costs -

General

7,440,439

Overseas Aid Projects

133,707

Other Courses, Conferences and Seminars

146,211

Buildings, Equipment, etc.

799,057

Research

82,951

Special and Trust Funds -

Student Activities

174,208

Trust Objects

8,022

Student Loans and Grants

800

Donation

14,195

Miscellaneous

73,324

\$8,872,914

Recurrent Costs - Commonwealth grants, \$7,209,000, including \$101,000 for temporary development projects, were \$443,000 or 6.5 per cent more than for 1981. Expenses exceeded grants and sundry income by \$208,036. To offset part of this shortfall, \$113,478 was drawn out of interest earnings held in a Special Purposes Fund. After taking to account a supplementary Commonwealth grant of \$19,000 for 1980, the available balance carried forward on recurrent purposes account at 31st December, 1982, was \$17,623.

A contribution of \$10,000 from Recurrent Funds was made in 1982 to a provision for long service leave payments. After interest earnings for the year, \$39,142, were added to the Provision the balance at 31st December, 1982, was \$269,198, compared with an estimated accrued liability of approximately \$0.5 million.

No provision has been established in respect of the college's substantial liability for contributions that become payable upon the retirement of employees who contribute to the State Superannuation Fund. An actuarial assessment as to the amount of the accrued liability has not yet been made.

Capital Costs - \$465,500 was received in Commonwealth grants and \$210,396 from other sources. From these moneys and \$90,735 carried forward from the previous year, \$394,734 was paid out for building projects, \$390,442 for equipment, including \$85,733 for the upgrading of existing computer facilities, and \$6,693 was refunded to the Higher Education Board. In 1981 receipts totalled \$929,000 and payments \$963,499.

Financial Position

At 31st December, 1982, aggregate funds were \$937,222:

	31st December,		
	1981	1982	Increase
	\$	\$	% (-)
Recurrent Funds	93,181	17,623	(81.1)
Capital Funds	90,735	25,238	*
		(Overdrawn)	
Special Purposes Funds	905,690	944,837	4.3
	<u>\$1,089,606</u>	<u>\$937,222</u>	(14.0)

* Not overdrawn in previous year - not applicable.

The funds were represented by:-

	\$	\$	
Investments	1,595,937	3,057,008	91.5
Debtors and Accrued Income	250,939	21,396	(91.5)
Cash at Bank, etc.	<u>1,377,029</u>	<u>200,870</u>	(85.4)
	<u>3,223,905</u>	<u>3,279,274</u>	1.7
Less -			
Creditors and Accrued Expenses	1,914,243	2,072,854	8.3
Provision for Long Service Leave	<u>220,056</u>	<u>269,198</u>	22.3
	<u>2,134,299</u>	<u>2,342,052</u>	9.7
	<u>\$1,089,606</u>	<u>\$937,222</u>	(14.0)

The main component of Special Purposes Funds was \$708,023 accumulated from interest earnings.

CUMBERLAND COLLEGE FOUNDATION LIMITED

The objects of the Company, which is an adjunct of the Cumberland College of Health Sciences, include: to establish a public fund for the acquisition, construction or maintenance of a building or buildings to be used as a school or college, to establish and maintain a research institute, and to make donations to the College.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
35,400	Donations	51,445	45.3
18,000	Grants	45,000	150.0
....	Membership Fees	6,400	*
	Activities Income -		
6,819	Fund Raising	1,050	(84.6)
32,594	Sponsorships	....	(100.0)
13,586	Contributions	....	(100.0)
522	Miscellaneous	<u>5,960</u>	+
<u>\$106,921</u>		<u>\$109,855</u>	2.7

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

\$		\$	
	Expenditure -		
17,869	Salaries and Administrative Charges	7,680	(57.0)
	Direct Costs -		
2,987	Fund Raisings	1,666	(44.2)
46,180	Sponsorships	5,167	(88.8)
353	Seminars	....	(100.0)
43,132	Grants	80,716	87.1
8,000	Donation	....	(100.0)
600	Audit Fee	1,000	66.7
8,598	Miscellaneous	4,687	(48.5)
127,719		100,916	(21.0)
20,798	Surplus	8,939	#
(Deficiency)			
<u>\$106,921</u>		<u>\$109,855</u>	2.7

Deficiency in previous year - not applicable.

Income included \$50,000 donated by the Cumberland College of Health Sciences and grants of \$45,000 from the Australian Development Assistance Bureau. Expenditure on A.D.A.B. approved programmes in South East Asia totalled \$84,091, including moneys drawn from the Company's resources.

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	Increase % (-)
	RETAINED EARNINGS -		
25,458	Building Fund	25,458	..
5,954	Accumulated Funds	14,893	150.1
<u>\$31,412</u>		<u>\$40,351</u>	28.5
	REPRESENTED BY -		
	Current Assets -		
656	Debtors	610	(7.0)
50,000	Interest Bearing Deposits	70,000	40.0
19,852	Cash at Bank and on Hand	13,212	(33.4)
70,508		83,822	18.9
	Less - Current Liabilities -		
10,000	Grants Paid in Advance	....	(100.0)
29,096	Creditors	43,471	49.4
39,096		43,471	11.2
<u>\$31,412</u>		<u>\$40,351</u>	28.5

GENERAL

A contingent liability existed at 30th June, 1983, in respect of \$23,500 provided by a donor in 1980-81 to meet the cost of fund raising activities.

HAWKESBURY AGRICULTURAL COLLEGE

Statistics show that 927 students were enrolled (972 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	6,707,000
Student Residences	65,500
Capital	423,094
Farm and Factory Activities	972,398
Student Residences (Fees, Catering, etc.)	647,745
Interest and Other Investment Income	334,174
Student Loan Repayments	16,538
Research, Consulting and Contracting Grants	102,907
Donations and Bequests	59,036
Non Award and Short Education Courses	265,459
Sale of Equipment, Publications, etc.	181,444
Miscellaneous	339,886
	<u>\$10,115,181</u>
Funds were applied to -	
Operating Costs -	
General	7,648,827
Student Residences	737,365
Other Courses	198,002
Buildings, Equipment, etc.	443,441
Special and Trust Funds -	
Trust and Special Objects	53,130
Student Loans and Grants	10,216
Research, Consulting and Contracting Projects	129,242
Miscellaneous	515,922
	<u>9,736,145</u>
Increase in Monetary Assets	379,036
	<u>\$10,115,181</u>

Recurrent Costs - Commonwealth grants, \$6,707,000, including \$92,000 for temporary development projects, were \$429,000 or 6.8 per cent more than for 1981. To meet an excess of expenditure over grants and other income, an amount of \$427,020 was drawn out of interest earnings held in a Special Purposes Fund. After taking to account a supplementary Commonwealth grant of \$18,000 for 1980, the available balance carried forward on recurrent purposes account at 31st December, 1982, was \$33,027.

With the approval of the Higher Education Board, amounts of \$163,200 and \$209,000 were allocated out of farm and factory income to establish Provisions for Equipment Obsolescence and Enterprise Stabilisation within Special Purposes Funds. The Provision for Equipment Obsolescence is to be applied towards meeting the cost of replacement and renewal of farm and factory equipment. After deducting payments of \$29,156, the balance available in the Provision at 31st December, 1982, was \$134,044. The transfer to the Provision for Enterprise Stabilisation was a once only establishment charge and is to be applied towards meeting unforeseen losses as a result of crop or production failures, disease outbreaks, reductions in market prices, etc.

Contributions of \$75,000 from Recurrent Funds and \$4,000 from Student Residences Funds were made in 1982 to a provision for long service leave payments. After interest earnings for the year, \$9,843, were added to the Provision the balance at 31st December, 1982, was \$195,698 against an assessed liability of \$1.1 million. Amounts of \$123,700 from Recurrent Funds and \$7,000 from Student Residences Funds were provided during the year for deferred superannuation. After the addition of interest earnings of \$3,157 the balance held at 31st December, 1982, was \$198,506. Although not yet calculated, the accrued liability is estimated to be substantially in excess of this figure.

Capital Costs - \$423,094 was received in Commonwealth grants and \$556 from other sources. From these moneys and \$6,313 carried forward from the previous year, \$224,034 was paid out for equipment and \$189,608 for minor works; \$643 was refunded to the Higher Education Board and \$10,594 transferred to Special Purposes Funds. In 1981 receipts totalled \$266,000 and payments \$313,634.

Student Residences - After bringing to account a supplementary Commonwealth grant of \$432 for 1980, writing back the Provision for Repairs and Maintenance, \$30,000, and transferring the excess of revenue from grants and fees over expenses for the year, \$37,734, there remained a balance of \$190,390 as Student Residences Funds.

Financial Position

At 31st December, 1982, aggregate funds were \$680,478:

	31st December,		Increase % (-)
	1981 \$	1982 \$	
Recurrent Funds	15,027	33,027 #	119.8
Capital Funds	6,313	5,084	(19.5)
Special Purposes Funds	693,622	451,977	(34.8)
Student Residences Funds	122,224	190,390	55.8
	<u>\$837,186</u>	<u>\$680,478</u>	(18.7)

Includes late receipt of \$18,000 as additional Commonwealth grant for 1980.

The funds were represented by:-

	\$	\$	
Investments	2,853,941	3,535,654	23.9
Debtors and Accrued Income and Prepayments	<u>348,759</u>	<u>103,621</u>	(70.3)
	<u>3,202,700</u>	<u>3,639,275</u>	13.6
Less -			
Creditors and Accrued Expenses	1,775,219	1,986,499	11.9
Cash at Bank, etc. (Overdrawn)	388,791	235,050	(39.5)
Provision for -			
Long Service Leave	106,855	195,698	83.1
Deferred Superannuation	64,649	198,506	207.1
Farm and Factory -			
Equipment Obsolescence	....	134,044	*
Enterprise Stabilisation	....	209,000	*
Student Residences - Repairs and Maintenance	<u>30,000</u>	<u>....</u>	(100.0)
	<u>2,365,514</u>	<u>2,958,797</u>	25.1
	<u>\$837,186</u>	<u>\$680,478</u>	(18.7)

* Nil in previous year - not calculable.

The main component of Special Purposes Funds was \$180,060 accumulated from interest earnings.

HAWKESBURY AGRICULTURAL COLLEGE
RESEARCH AND DEVELOPMENT COMPANY LIMITED

An object of the Company, which is an adjunct of the Hawkesbury Agricultural College, is the provision of specialised services and advice to industry, commerce and the professions, and to Government and instrumentalities of Government.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
	Fees -		
5,280	Research Projects	12,725	141.0
<u>1,800</u>	Training Courses	<u>15,780</u>	776.7
7,080		28,505	302.6
48	Interest	49	2.1
<u>....</u>	Donation	<u>18,975</u>	*
<u>\$7,128</u>		<u>\$47,529</u>	566.8
	Expenditure -		
....	Salaries and Associated Staff Costs	19,429	*
	Payments for Assistance to the Company -		
3,411	Research Projects	1,246	(63.5)
<u>1,491</u>	Training Courses	<u>1,010</u>	(32.3)
535	Administrative Charges	2,142	300.4
401	Fees for Services Rendered	2,309	475.8
300	Audit Fee	500	66.7
<u>319</u>	Consumables, Minor Equipment, etc.	<u>3,976</u>	+
6,457		30,612	374.1
<u>671</u>	Surplus	<u>16,917</u>	+
<u>\$7,128</u>		<u>\$47,529</u>	566.8

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	\$	Increase % (-)
	RETAINED EARNINGS -			
<u>\$1,751</u>	Accumulated Funds		<u>\$18,668</u>	966.1
	REPRESENTED BY -			
	Current Assets -			
3,016	Debtors	23,596		682.4
<u>1,863</u>	Cash at Bank	<u>5,464</u>		193.3
<u>4,879</u>			29,060	495.6
	Less Current Liabilities -			
....	Grants in Advance	8,250		*
<u>3,128</u>	Creditors and Accrued Charges	<u>2,142</u>		(31.5)
<u>3,128</u>			<u>10,392</u>	232.2
<u>\$1,751</u>			<u>\$18,668</u>	966.1

* Nil in previous year - not calculable.

KURING-GAI COLLEGE OF ADVANCED EDUCATION

Statistics show that 3,211 students were enrolled (3,145 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	9,407,000
Capital	253,000
Special Education Course Grant	49,500
Interest and Other Investment Income	382,512
Fees for Courses, Conferences, Seminars	254,276
N.S.W. Law Society - Contribution to College of	
Law Operating Costs	211,104
Student Organisation Membership Fees	146,511
Research Grants	8,823
Sale of Publications and Equipment	87,303
Hire of College Facilities	47,796
Fees, Fines and Commissions	18,215
Recovery of Administration Overheads	83,344
Miscellaneous	150,145
	<u>11,099,529</u>
Decrease in Monetary Assets	46,438
	<u>\$11,145,967</u>
Funds were applied to -	
Operating Costs -	
General	10,379,422
Other Courses, Conferences and Seminars	243,795
Buildings, Equipment, etc.	253,334
Research	12,179
Special and Trust Funds - Student Activities	146,511
Miscellaneous	110,726
	<u>\$11,145,967</u>

Recurrent Costs - Commonwealth grants, \$9,407,000, including \$87,000 for temporary development projects, were \$702,000 or 8.1 per cent more than for 1981. In addition, an amount of \$49,500 (\$30,000 in 1981) was made available towards the cost of special courses in teacher education.

Expenses exceeded grants and other income by \$580,316. To offset part of this shortfall, \$346,517 was drawn out of interest earnings held in Special Purposes Funds. After taking to account a supplementary Commonwealth grant of \$25,000 for 1980, the available balance carried forward on recurrent purposes account at 31st December, 1982, was \$118,890.

The College has not established a provision towards meeting the cost of future long service leave payments (assessed at approximately \$1.5 million at the close of 1982) or for deferred superannuation contributions. Although not yet calculated, the latter liability is thought to be substantial.

Capital Costs - \$253,000 was received in Commonwealth grants. From these moneys and \$11,039 carried forward at the beginning of the year, \$204,334 was paid out for equipment and \$49,000 for minor works. In 1981 receipts totalled \$333,511 and payments \$344,186.

Financial Position

At 31st December, 1982, the aggregate funds were \$702,826:

	31st December,		
	1981	1982	Increase
	\$	\$	% (-)
Recurrent Funds	327,689	118,890	(63.7)
Capital Funds	11,039	10,705	(3.0)
Special Purposes Funds	410,536	573,231	39.6
	<u>\$749,264</u>	<u>\$702,826</u>	(6.2)

The funds were represented by :

Investments	2,975,884	3,402,500	14.3
Debtors and Accrued Income	<u>377,689</u>	<u>80,500</u>	(78.7)
	3,353,573	3,483,000	3.9
Less -			
Creditors and Accruals, etc.	2,138,000	2,379,609	11.3
Bank Overdraft, etc.	<u>466,309</u>	<u>400,565</u>	(14.1)
	2,604,309	2,780,174	6.8
	<u>\$749,264</u>	<u>\$702,826</u>	(6.2)

The main component of Special Purposes Funds was \$307,200 accumulated from interest earnings and \$129,231 from extension and consulting activities.

MILPERRA COLLEGE OF ADVANCED EDUCATION

Statistics show that 896 students were enrolled (807 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	3,179,000
Community Languages	80,000
Capital	137,000
Interest and Other Investment Income	209,272
Special Education Courses, etc.	40,553
Research Projects	9,058
General Purpose Fees	22,730
Student Loan Repayments	260
Other	45,894
	<u>3,723,767</u>
Decrease in Monetary Assets	155,335
	<u>\$3,879,102</u>
Funds were applied to -	
Operating Costs -	
General	3,409,889
Other Courses	67,722
Buildings, Equipment, etc.	320,598
Special and Trust Funds -	
Student Activities	15,594
Student Loans and Grants	410
Trust Objects	2,450
Research	13,861
Miscellaneous	48,578
	<u>\$3,879,102</u>

Recurrent Costs - Commonwealth grants, \$3,179,000, including \$87,000 for temporary development projects, were \$239,000 or 8.1 per cent more than for 1981. An additional amount of \$80,000 was made available by the Commonwealth towards the development and provision of a course in community languages. To meet an excess of expenditure over grants and miscellaneous income, an amount of \$20,981 was drawn out of interest earnings held in a Special Purposes Fund. After taking to account a supplementary Commonwealth Grant of \$8,000 for 1980, recurrent purposes account at 31st December, 1982, was overdrawn to the extent of \$22,633.

No contributions were made to the provisions for long service leave and deferred superannuation in 1982, however, interest earnings of \$5,216 and \$2,972 respectively, were allocated. As at 31st December, 1982, the balance of the Long Service Leave Provision was \$72,113 compared with an estimated accrued liability of \$0.6 million. The liability for deferred superannuation contributions although not yet calculated, is estimated to be substantially greater than the small provision balance of \$22,750.

Capital Costs - \$137,000 was received in Commonwealth grants. From these moneys, \$73,456 was paid out for equipment and \$46,241 for minor works. In 1981, receipts were \$81,000 and payments \$90,069.

Financial Position

At 31st December, 1982, aggregate funds were \$522,157:

	31st December, 1981 \$	1982 \$	Increase % (-)
Capital Funds	12,169	29,472	142.2
Special Purposes Funds	<u>556,257</u>	<u>515,318</u>	(7.4)
	568,426	544,790	(4.2)
Recurrent Funds - Deficiency	101,807	22,633	*
	(Surplus)		
	<u>\$670,233</u>	<u>\$522,157</u>	(22.1)

The funds were represented by:

Debtors and Accrued Income	112,663	32,152	(71.5)
Investments	1,481,873	1,434,608	(3.2)
Cash	<u>630</u>	<u>630</u>	..
	<u>1,595,166</u>	<u>1,467,390</u>	(8.0)
Less -			
Creditors and Accruals	733,965	792,633	8.0
Cash at Bank (Overdrawn)	88,846	57,737	(35.0)
Provision for -			
Long Service Leave	67,880	72,113	6.2
Deferred Superannuation	<u>34,242</u>	<u>22,750</u>	(33.6)
	<u>924,933</u>	<u>945,233</u>	2.2
	<u>\$670,233</u>	<u>\$522,157</u>	(22.1)

* Surplus in previous year - not applicable.

The main component of Special Purposes Funds was \$413,393 accumulated from interest earnings.

MITCHELL COLLEGE OF ADVANCED EDUCATION

Statistics show that 4,438 students were enrolled (4,187 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	11,008,000
Student Residences	134,700
Capital	475,700
Student Residences (Fees, Catering, etc.)	1,505,493
Student Loan Repayments	32,651
Trusts	27,706
Music Centre (Grants, Fees, Donations, etc.)	203,393
Interest and Other Investment Income	585,567
Research Grants	8,731
Student Funds (Union Membership etc.)	301,929
Community Arts (Grants, Donations, etc.)	46,819
Special Education Course Grant	14,000
Recovery of Administrative Costs	88,883
Miscellaneous	188,799
	<u>\$14,622,371</u>
Funds were applied to -	
Operating Costs -	
General	11,347,428
Student Residences	1,733,643
Other Courses	222,455
Buildings, Equipment, etc.	573,340
Special and Trust Funds -	
Student Organisation - Amenities, etc.	278,246
Trust Objects	102,727
Student Loans and Grants	31,589
Research	15,527
Community Arts Projects	55,012
Miscellaneous	128,749
	<u>14,488,716</u>
Increase in Monetary Assets	<u>133,655</u>
	<u>\$14,622,371</u>

Recurrent Costs - Commonwealth grants, \$11,008,000, including \$188,000 for temporary development projects, were \$814,000 or 8.0 per cent more than for 1981. Miscellaneous income included \$88,243 for administration costs recovered from Orange Agricultural College for joint courses conducted during 1982. After taking to account the excess of expenses over revenue for the year, \$355,710, and a supplementary Commonwealth grant of \$30,000 for 1980, the available balance carried forward on recurrent purposes account at 31st December, 1982, was \$18,290.

A contribution from Recurrent Funds was not made in 1982 to a provision for long service leave payments. After interest earnings for the year of \$81,096 were added to the Provision the balance at 31st December, 1982, was \$516,510 compared with an estimated accrued liability of approximately \$1 million.

An amount of \$100,947 was transferred in 1982 toward the College's liability for deferred superannuation contributions. The balance in the Provision at 31st December, 1982, was \$216,684, after the addition of interest earnings for the year of \$14,622. Although not yet calculated, the liability is expected to be substantially in excess of the Provision.

Capital Costs - \$475,700 was received in Commonwealth grants and \$134,282 from other sources. From these moneys, \$332,163 was paid out for equipment and \$241,177 for minor works. In 1981 receipts totalled \$672,272 and payments \$970,558.

Student Residences - Expenses exceeded income from grants and fees by \$72,087. To offset part of this loss, \$41,203 was drawn out of interest earnings held in a Special Purposes Fund. After all transactions, including a supplementary Commonwealth grant of \$847 for 1980, there remained a balance of \$131,448 in Student Residences Funds.

Financial Position

At 31st December, 1982, aggregate funds were \$987,490:

	31st December,		
	1981	1982	Increase
	\$	\$	% (-)
Recurrent Funds	344,000	18,290	(94.7)
Capital Funds	5,167	41,809	709.2
Student Residences Funds	161,485	131,448	(18.6)
Special Purposes Funds	539,848	795,943	47.4
	<u>\$1,050,500</u>	<u>\$987,490</u>	(6.0)

The funds were represented by:-

Investments	4,318,601	4,850,383	12.3
Debtors and Accrued Income	399,630	162,990	(59.2)
Cash on Hand	1,417	1,523	7.5
	<u>4,719,648</u>	<u>5,014,896</u>	6.3
Less -			
Creditors and Accrued Expenses	2,605,103	2,828,381	8.6
Cash at Bank	527,516	465,831	(11.7)
	(Overdrawn)	(Overdrawn)	
Provision for Long Service Leave	435,414	516,510	18.6
Provision for Deferred Superannuation	101,115	216,684	114.3
	<u>3,669,148</u>	<u>4,027,406</u>	9.8
	<u>\$1,050,500</u>	<u>\$987,490</u>	(6.0)

The main component of Special Purposes Fund was \$458,581 accumulated from interest earnings.

MITCHELLSEARCH LIMITED

The Company, which is an adjunct of the Mitchell College of Advanced Education, has as its objectives the provision of specialised services and advice to industry, commerce and the professions, and to government and instrumentalities of government.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
115,113	Course Fees	135,579	17.8
12,127	Journals and Publications	14,460	19.2
....	Grants	500	*
5,039	Interest	5,572	10.6
<u>\$132,279</u>		<u>\$156,111</u>	18.0
	Expenditure -		
14,688	Administrative Expenses	30,890	110.3
24,871	Lecture Fees and Honoraria	21,841	(12.2)
16,756	Printing, Postage and Telephone	17,385	3.7
59,588	Accommodation	78,158	31.2
1,030	Grants and Royalties	432	(58.1)
350	Audit Fee	700	100.0
1,881	Other	2,752	46.3
119,164		152,158	27.7
13,115	Surplus	3,953	(69.9)
<u>\$132,279</u>		<u>\$156,111</u>	18.0

* Nil in previous year - not calculable.

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	\$	Increase % (-)
	RETAINED EARNINGS -			
27,695	Accumulated Funds *		26,453	(4.5)
5,195	Less - Donated to Mitchell C.A.E.		13,115	152.5
<u>\$22,500</u>	TOTAL		<u>\$13,338</u>	(40.7)
	REPRESENTED BY -			
	Current Assets -			
448	Publications on Hand	....		(100.0)
32,779	Short-Term Deposits	45,143		37.7
2,400	Accrued Interest	2,001		(16.6)
5,548	Cash at Bank	3,296		(40.6)
41,175			50,440	22.5
	Less - Current Liabilities -			
9,432	Fees and Subscriptions in Advance	13,960		48.0
9,243	Creditors	23,142		150.4
18,675			37,102	98.7
<u>\$22,500</u>			<u>\$13,338</u>	(40.7)

* Includes an amount previously shown as Grants, \$9,384.

NEPEAN COLLEGE OF ADVANCED EDUCATION

Statistics show that 1,617 students were enrolled (1,616 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	5,331,000
Capital	351,500
Fees for Courses	15,706
Sale of Property, Publications etc.	6,354
Student Loan Repayments	400
Student Fees	42,343
Continuing Education Fees	7,330
Donations and Prizes	800
Hire of College Facilities	5,911
Interest	267,126
Trusts	17,556
Miscellaneous Collections	25,646
	<hr/>
	6,071,672
Decrease in Monetary Assets	205,589
	<hr/>
	\$6,277,261
Funds were applied to -	
Operating Costs -	
General	5,747,696
Continuing Education Courses	6,302
Buildings, Equipment, etc.	362,181
Special and Trust Funds -	
Donations and Prizes	4,268
Trust Objects	14,390
Student Activities	43,153
Student Loans and Grants	100
Research Projects	612
Refund of Capital Grant to Higher Education Board	81,000
Miscellaneous	17,559
	<hr/>
	\$6,277,261

Recurrent Costs - Commonwealth grants, \$5,318,000, including \$306,000 for temporary development projects, were \$854,000 or 19.1 per cent more than for 1981. Expenses exceeded income from grants and miscellaneous income by \$407,636. To offset part of this shortfall, \$171,845 was drawn out of interest earnings held in a Special Purposes Fund. After taking to account a supplementary Commonwealth grant of \$13,000 for 1980, there was a nil balance on recurrent purposes account at 31st December, 1982.

An initial contribution of \$50,000 was made by transfer from Interest Account in Special Purposes Funds to a provision for long service leave payments. The liability at 31st December, 1982 was estimated at \$650,000.

The College has not established a provision for deferred superannuation contributions. Although not yet calculated, the liability is estimated to be substantial.

Capital Costs - \$351,500 was received in the form of Commonwealth grants and \$15,000 from Interest Account. From these moneys and the balance of \$136,296 brought forward, \$131,317 was paid out for equipment, \$230,864 for minor works and \$81,000 was refunded to the Higher Education Board. (In 1981 receipts totalled \$340,000 and payments \$257,483.)

Financial Position

At 31st December, 1982 the aggregate funds were \$659,714:

	31st December, 1981 \$	1982 \$	Increase % (-)
Recurrent Funds	222,791	....	(100.0)
Capital Funds	136,296	59,615	(56.3)
Special Purposes Funds	556,216	600,099	7.9
	<u>\$915,303</u>	<u>\$659,714</u>	(27.9)

The funds were represented by:-

Debtors and Accrued Income	211,450	14,544	(93.1)
Investments	809,000	2,260,000	179.4
Cash	270	310	14.8
	<u>1,020,720</u>	<u>2,274,854</u>	122.9
Less -			
Creditors and Accruals	....	52,318	*
Commonwealth Grants in Advance	....	1,407,000	*
Cash at Bank (Overdrawn)	105,417	105,822	0.4
Provision for Long Service Leave	....	50,000	*
	<u>105,417</u>	<u>1,615,140</u>	+
	<u>\$915,303</u>	<u>\$659,714</u>	(27.9)

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

The main component of Special Purposes Funds was \$535,702 accumulated from interest earnings.

NEWCASTLE COLLEGE OF ADVANCED EDUCATION

Statistics show that 2,831 students were enrolled (2,689 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	10,214,000
Capital	406,000
Research and Special Purpose Grants	76,360
Interest and Other Investment Income	420,060
Student Loans Repayments	5,482
Student Activities	115,414
Trust and Prize Funds	62,106
Fees for Courses	125,641
Cafeteria, Conventions and Hire of Facilities	51,070
Other	95,791
	<hr/> 11,571,924
Decrease in Monetary Assets	5,534
	<hr/> \$11,577,458
Funds were applied to -	
Operating Costs -	
General	10,806,877
Chargeable Courses	39,909
Buildings, Equipment, etc.	299,981
Special and Trust Funds -	
Student Activities	111,923
Student Loans and Grants	7,595
Cafeteria, Conventions and Hire of Facilities	42,104
Trust Objects and Prizes	50,229
Research and Special Purposes	139,103
Miscellaneous	79,737
	<hr/> \$11,577,458

Recurrent Costs - Commonwealth grants, \$10,186,000, were \$189,000 or 1.9 per cent more than for 1981. Expenses exceeded income from grants by \$860,877. To offset part of this loss, \$492,819 was drawn out of interest earnings held in a Special Purposes Fund. After taking to account a supplementary Commonwealth grant of \$28,000 for 1980, there was a nil balance on recurrent purposes account at 31st December, 1982.

A contribution of \$140,000 from Recurrent Funds was made in 1982 to a provision for long service leave payments. After interest earnings for the year of \$50,067 were added to the Provision, the balance at 31st December, 1982, was \$500,290, compared with an estimated accrued liability of approximately \$2.9 million.

An initial contribution of \$100,000 was transferred in 1982 to a provision toward the College's liability for deferred superannuation contributions. Although not yet calculated, the liability is expected to be substantially in excess of the Provision.

Capital Costs - A total of \$406,000 was received in Commonwealth grants. From these moneys and \$54,366 carried forward from the previous year, \$196,616 was paid out for equipment and \$103,365 for minor works and building projects. In 1981 receipts totalled \$316,000 and payments \$569,895.

Financial Position

At 31st December, 1982, the aggregate funds were \$513,339:

	31st December, 1981 \$	1982 \$	Increase % (-)
Recurrent Funds	340,058	....	(100.0)
Capital Funds	54,366	160,385	195.0
Special Purposes Funds	414,516	352,954	(14.9)
	<u>\$808,940</u>	<u>\$513,339</u>	(36.5)

The Funds were represented by:-

Debtors and Accrued Income	377,144	77,530	(79.4)
Investments	3,151,840	471,840	(85.0)
Cash at Bank, etc.	147,079	1,039,787	607.0
	<u>3,676,063</u>	<u>1,589,157</u>	(56.8)
Less -			
Creditors and Accruals	2,556,900	475,528	(81.4)
Provision for Long Service Leave	310,223	500,290	61.3
Provision for Deferred Superannuation Liability	....	100,000	*
	<u>2,867,123</u>	<u>1,075,818</u>	(62.5)
	<u>\$808,940</u>	<u>\$513,339</u>	(36.5)

* Nil in previous year - not calculable.

Balances held in Special Purposes Funds at 31st December, 1982, included \$119,294 relating to special Stockton Hospital Courses and \$52,885 as accumulated interest earnings.

NEW SOUTH WALES INSTITUTE OF TECHNOLOGY

Statistics show that 8,488 students were enrolled (8,230 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	26,924,000
Capital	5,547,500
Rent, Commission, Service Income, etc.	234,763
Interest and Other Investment Income	1,471,498
Appeal Income	110,907
Continuing Education Courses	258,895
Other School Activities	496,926
Research Grants	346,681
Special Activities	159,217
Donations and Prizes	9,036
Trust and Suspense	2,015,958
Miscellaneous	41,767
	<hr/> 37,617,148
Reduction in Monetary Assets	587,993
	<hr/> \$38,205,141
Funds were applied to -	
Operating Costs - General	28,436,463
Buildings, Equipment, etc.	6,366,117
Appeal Fund Disbursements and Expenses	44,223
Continuing Education Courses	167,812
Other School Expenses	443,393
Special and Trust Funds -	
Special Activities	112,208
Trust and Suspense	2,246,831
Student Loans and Grants	1,050
Research	382,349
Prizes	4,695
	<hr/> \$38,205,141

Recurrent Costs - Commonwealth grants, \$26,856,000, including \$138,000 for temporary development projects, were \$2,448,000 or 10.0 per cent more than for 1981. Expenses exceeded grants and miscellaneous income by \$1,335,602. To offset part of this shortfall, \$885,513 was drawn out of interest earnings held in a Special Purposes Fund. After taking to account a supplementary Commonwealth grant of \$68,000 for 1980, there was a nil balance on recurrent purposes account at 31st December, 1982.

A contribution of \$136,000 from Recurrent Funds was made in 1982 to a provision for long service leave payments. Interest earnings for the year, \$114,000, were added to the Provision. After payments of \$170,159, the balance at 31st December, 1982, was \$795,138 compared with an estimated accrued liability at that date of approximately \$2.6 million.

No provision has been established in respect of the college's substantial liability for contributions that become payable upon the retirement of employees who contribute to the State Superannuation Fund. An actuarial assessment as to the amount of the accrued liability has not yet been made.

Capital Costs - \$5,547,500 was received in the form of Commonwealth grants and \$64,730 from the Student Union. From these moneys and \$845,712 carried forward at the beginning of the year, \$1,554,390 was paid out for equipment and \$4,835,180 for minor works and building projects. In 1981 receipts totalled \$2,173,805 and payments \$1,965,158.

Financial Position

At 31st December, 1982, the aggregate funds were \$3,141,816:

	31st December, 1981 \$	1982 \$	Increase % (-)
Recurrent Funds	382,089	....	(100.0)
Capital Funds	845,712	68,372	(91.9)
Special Purposes Funds	<u>2,581,849</u>	<u>3,073,444</u>	19.0
	<u>\$3,809,650</u>	<u>\$3,141,816</u>	(17.5)

The funds were represented by:-

Debtors and Accrued Income	1,043,954	330,350	(68.4)
Investments	1,612,993	1,612,993	..
Cash and Short Term Deposits	<u>8,146,376</u>	<u>9,114,311</u>	11.9
	<u>10,803,323</u>	<u>11,057,654</u>	2.4
Less -			
Creditors and Accruals, etc.	6,278,376	7,120,700	13.4
Provision for Long Service Leave	<u>715,297</u>	<u>795,138</u>	11.2
	<u>6,993,673</u>	<u>7,915,838</u>	13.2
	<u>\$3,809,650</u>	<u>\$3,141,816</u>	(17.5)

The main component of Special Purposes Funds was \$2,736,512 accumulated from interest earnings.

INSEARCH LIMITED

The main objects of the Company, which is an adjunct of the New South Wales Institute of Technology, are to investigate, evaluate, develop, sell and deal in inventions made or acquired by the Company or the Institute, to aid the development of knowledge and promote its practical application in industry and commerce and to make donations to the Institute.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
572,069	Project Fees	678,952	18.7
177,160	Course Fees	190,522	7.5
2,935	Interest	2,725	(7.2)
15,000	Management Fees - Insearch Services Pty.Ltd.	10,000	(33.3)
5,319	Miscellaneous	17,558	230.1
<u>\$772,483</u>		<u>\$899,757</u>	16.5
	Expenditure -		
229,427	Salaries and Administrative Expenses	224,955	(1.9)
	Direct Costs -		
381,977	Projects	481,254	26.0
99,642	Courses	132,599	33.1
500	Provision for Doubtful Debts	1,000	100.0
1,053	Provision for Long Service Leave	1,593	51.3
2,955	Depreciation	2,958	0.1
1,500	Audit Fee	1,800	20.0
162	Bad Debts	2,663	*
67,422	Transfers to Schools	48,661	(27.8)
784,638		897,483	14.4
12,155	Surplus	2,274	#
(Deficiency)			
<u>\$772,483</u>		<u>\$899,757</u>	16.5

* More than 1,000 per cent

Deficiency in previous year - not applicable.

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	Increase % (-)
261,125	Capital Debt - Advance - N.S.W. Institute of Technology	261,125	..
244,458	Accumulated Deficiency	242,184	(0.9)
<u>\$16,667</u>	TOTAL	<u>\$18,941</u>	13.6
REPRESENTED BY -			
	Fixed Assets (At Cost) -		
	Equipment and Furniture(Less Depreciation \$10,968)		
<u>9,653</u>		<u>6,243</u>	(35.3)
	Intangible Assets -		
	Computer Costs Capitalised (Less - Amortisation \$2,000)		
<u>7,000</u>		<u>5,000</u>	(28.6)
	Investments -		
<u>1</u>	Share - Insearch Services Pty Ltd	<u>1</u>	..
	Current Assets -		
	Debtors and Prepayments (Less Doubtful Debts, \$1,500)		
166,938		229,133	37.3
20,004	Work in Progress	62,148	210.7
87,511	Accrued Income	45,398	(48.1)
25,000	Interest Bearing Deposits etc.	38,236	52.9
<u>34,670</u>	Cash at Bank	<u>4,843</u>	(86.0)
334,123		379,758	13.7
<u>350,777</u>		<u>391,002</u>	11.5
	Less - Current Liabilities and Provision -		
192,140	Creditors and Accrued Expenses	199,365	3.8
139,695	Current Account - N.S.W.I.T.	172,696	23.6
<u>2,275</u>	Provision for Long Service Leave	<u>....</u>	(100.0)
334,110		372,061	11.4
<u>\$16,667</u>		<u>\$18,941</u>	13.6

For the first time a surplus (\$2,274) was achieved contrasting with deficiencies of \$93,960 in 1979, \$58,611 in 1980, and \$12,155 in 1981. The improvement was consistent with the year by year expansion in Company activities.

To 31st December, 1982, the Institute had provided financial assistance to the Company totalling \$433,821, made up of capital advances, \$261,125, and a balance of \$172,696 owing on current account. This outlay, however, is offset to some extent by the benefit derived by the Institute arising from payments by the Company (\$48,661 in 1982 and \$67,422 in 1981) to the various Institute Schools for equipment usage and other services provided.

INSEARCH SERVICES PROPRIETARY LIMITED

An object of the Company, which is an adjunct of the New South Wales Institute of Technology, is the provision of consultancy and other services and advice to industry, commerce and the professions, and to Government and instrumentalities of Government. Since incorporation, the Company has been engaged predominantly on the management of Institute facilities.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Period + \$		\$	Increase % (-)
	Income -		
30,353	Hiring of Facilities	35,509	17.0
....	Project Fees	28,487	*
....	Interest	385	*
....	Miscellaneous	816	*
<u>\$30,353</u>		<u>\$65,197</u>	114.8
	Expenditure -		
15,000	Management Fee	10,000	(33.3)
15,021	Costs and Charges - Hiring of Facilities	21,933	46.0
....	Projects	27,712	*
....	Advertising	4,665	*
750	Provision for Doubtful Debts	283	(62.3)
300	Audit Fee	300	..
703	Miscellaneous	145	(79.4)
31,774		65,038	104.7
1,421	Surplus	159	#
(Deficiency)			
<u>\$30,353</u>		<u>\$65,197</u>	114.8

* Nil in previous period - not calculable.

Deficiency in previous period - not applicable.

+ Previous period 12th December, 1980 to 31st December, 1981.

BALANCE SHEET as at 31st December, 1982

Previous Period \$		\$	Increase % (-)
<u>10,000</u>	Capital - Authorised	<u>10,000</u>	..
2	Issued and Paid-up	2	..
<u>1,421</u>	Accumulated Deficiency	<u>1,352</u>	(4.9)
<u>\$1,419</u>	TOTAL (Deficiency)	<u>\$1,350</u>	(4.9)
REPRESENTED BY -			
<u>1,174</u>	Intangible Assets - Formation Expenses	<u>1,174</u>	..
Current Assets -			
5,994	Debtors and Accruals (Less Doubtful Debts, \$283)	9,503	58.5
....	Work in Progress	2,025	*
....	Interest Bearing Deposits	4,500	*
<u>2,272</u>	Cash at Bank	<u>2,739</u>	20.6
<u>8,266</u>		<u>18,767</u>	127.0
9,440		19,941	111.2
<u>10,859</u>	Less - Current Liabilities - Creditors and Accrued Expenses	<u>21,291</u>	96.1
<u>\$1,419</u>		<u>\$1,350</u>	(4.9)

* Nil in previous period - not calculable.

From 1st January, 1983, the New South Wales Institute of Technology took over from the Company responsibility for the hiring of Institute facilities. This effectively terminated a major part of the Company's income - producing operations.

SYDNEY EDUCATIONAL BROADCASTING LIMITED

The objects of the Company, which is an adjunct of the New South Wales Institute of Technology and of Macquarie University, include the broadcasting of programmes for continuing and adult education and for courses conducted by the Institute and the University.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
14,446	Grants	102,000	606.1
12,248	Subscriptions	15,629	27.6
14,750	Sponsorships	8,608	(41.6)
112,351	"User Pays" Scheme	158,466	41.0
624	Programme Guide Sales	315	(49.5)
2,952	Magnetic Tape Sales	3,033	2.7
6,543	Interest	11,987	83.2
9,666	Miscellaneous	26,709	176.3
<u>\$173,580</u>		<u>\$326,747</u>	88.2
	Expenditure -		
133,679	Salaries and Associated Costs	184,647	38.1
20,325	Administrative Expenses	53,183	161.7
20,531	Accommodation and Equipment Rental	30,702	49.5
12,358	Programme Guide Printing and Postage	21,345	72.7
769	Gramophone Records and Magnetic Tapes	605	(21.3)
21,739	Programme Expenses	31,073	42.9
7,015	Royalties	9,901	41.1
2,673	General Printing	5,284	97.7
3,114	Depreciation	4,511	44.9
1,100	Provision for Doubtful Debts	3,000	172.7
1,000	Audit Fee	1,000	..
<u>224,303</u>		<u>345,251</u>	53.9
<u>50,723</u>	Deficiency	<u>18,504</u>	(63.5)
<u>\$173,580</u>		<u>\$326,747</u>	88.2

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	Increase % (-)
127,555	Capital Debt - Advances from -	127,555	..
127,555	N.S.W. Institute of Technology	127,555	..
	Macquarie University		
255,110		255,110	..
170,047	Accumulated Deficiency	188,551	10.9
\$85,063	TOTAL	\$66,559	(21.8)
REPRESENTED BY -			
	Fixed Assets (At Cost) -		
	Plant and Equipment (Less		
22,544	Depreciation \$11,131)	43,022	90.8
Current Assets -			
21,332	Sundry Debtors (Less Doubtful Debts \$1,925)	32,946	54.4
5,497	Accrued Income and Prepayments	8,616	56.7
80,000	Interest Bearing Deposits	80,000	..
10,754	Cash	23,158	115.3
117,583		144,720	23.1
140,127		187,742	34.0
Less - Current Liabilities -			
9,031	Subscriptions etc. in Advance	12,863	42.4
45,749	Creditors and Accrued Charges	107,977	136.0
284	Magnetic Tape Deposits	343	20.8
55,064		121,183	120.1
\$85,063		\$66,559	(21.8)

Grants from the Macquarie University and the Institute of Technology in 1982 were higher by \$87,554. In 1981, these bodies contributed a total of \$114,446 to the Company of which \$14,446 was provided by way of grants and \$100,000 as capital advances. Similar contributions in 1982 totalled \$102,000 but on this occasion, the full amount was in the form of grants towards the operating expenses of the Company. To some extent the grants may be seen as a move towards recovery from the sponsoring bodies of the full cost of "air time" and other benefits provided by the Company.

NORTHERN RIVERS COLLEGE OF ADVANCED EDUCATION

Statistics show that 1,032 students were enrolled (1,079 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	3,934,000
Capital	1,727,300
Grants from Other Agencies for Special Education	
Activities and Radio Station	122,387
Interest and Other Investment Income	208,021
Residences Fees and Bonds	65,135
Student Loan Repayments	3,037
College Union Membership Fees	66,535
Sale of Publications, Surplus Equipment etc.	2,508
Hire of College Facilities	44,101
Radio Sponsorship and Other Income	38,947
Donations	2,442
Fees for Non Accredited Courses	43,002
Student Concerts, Theatrical Performances, Exhibitions, etc.	16,206
Miscellaneous	48,984
	<u>\$6,322,605</u>
Funds were applied to -	
Operating Costs -	
General	3,893,129
Student Residences	54,618
Radio Station	53,905
Other Courses	60,369
Buildings, Equipment, etc.	1,064,455
Special and Trust Funds -	
Student Activities	83,058
Trust Objects	3,194
Student Loans and Grants	3,064
Aboriginal Institute	102,864
Fund Raising	24,677
Miscellaneous	40,416
	<u>5,383,749</u>
Increase in Monetary Assets	938,856
	<u>\$6,322,605</u>

Recurrent Costs - Commonwealth grants, \$3,934,000, including \$76,000 for temporary development projects, were \$464,000 or 13.4 per cent more than for 1981. After bringing to account the excess of expenses over revenue for the year, \$49,981, offset partially by a supplementary Commonwealth grant of \$11,000 for 1980, the available balance carried forward on recurrent purposes account at 31st December, 1982, was \$32,736.

A contribution of \$80,000 from Recurrent Funds was made in 1982 to a provision for long service leave payments. After interest earnings for the year of \$12,035 were added to the Provision the balance at 31st December, 1982, was \$175,115 compared with an estimated accrued liability of approximately \$0.5 million.

An initial contribution of \$41,000 from Recurrent Funds was made in 1982 toward the College's liability for deferred superannuation contributions. Although not yet calculated the liability is thought to be substantially in excess of this figure.

Capital Costs - \$1,727,300 was received in Commonwealth grants and \$9,202 from other sources. From these moneys, \$234,527 was paid out for equipment (including \$187,385 for computer purchase), \$747,443 for relocation of the campus and \$75,535 for minor works. (In 1981 receipts totalled \$2,427,561 and payments \$3,230,831.) To 31st December, 1982, funds totalling \$3,978,537 had been expended on the new campus project.

Student Residences - Revenue exceeded expenses by \$7,991. At 31st December, 1982 there remained a balance of \$33,622 as Student Residences Funds.

Financial Position

At 31st December, 1982, aggregate funds were \$556,339:

	31st December,		
	1981	1982	Increase
	\$	\$	% (-)
Recurrent Funds	71,717	32,736	(54.4)
Capital Funds	581,869	97,128	+
	(Overdrawn)		
Special Purposes Funds	235,039	392,853	67.1
Student Residences Funds	25,631	33,622	31.2
	\$249,482	\$556,339	+
	(Overdrawn)		

The funds were represented by:-

Investments	823,000	1,915,035	132.7
Debtors and Accrued Income	185,935	68,225	(63.3)
Cash at Bank, etc.	....	6,472	*
	1,008,935	1,989,732	97.2
Less -			
Creditors and Accrued Expenses	981,515	1,217,278	24.0
Cash at Bank, etc. (Overdrawn)	193,822	....	(100.0)
Provisions for -			
Long Service Leave	83,080	175,115	110.8
Deferred Superannuation	....	41,000	*
	1,258,417	1,433,393	13.9
	\$249,482	\$556,339	+
	(Overdrawn)		

* Nil in previous year - not calculable.

+ Overdrawn in previous year - not applicable.

The College's net overdrawn financial position at 31st December, 1981, was due to the late receipt (received 1982) of an additional capital grant of \$780,000 to meet costs associated with the relocation of the College on a new campus.

The main component of Special Purposes Funds was \$332,079 accumulated from interest earnings.

RIVERINA COLLEGE OF ADVANCED EDUCATION

On 1st January, 1982, the Goulburn College of Advanced Education was dissolved and became a campus of Riverina College of Advanced Education. To enable a meaningful comparison to be made of Riverina operations for the past two years, the statistical and accounting figures for 1981, shown hereunder, have been adjusted to include those of the former Goulburn College.

Statistics show that 4,962 students were enrolled (4,829 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	16,937,000
Capital	908,500
Student Residences	140,700
Interest and Other Investment Income	845,034
Student Residences (Fees, Catering etc.)	1,261,285
Continuing Education Courses	190,927
Residential Schools	151,880
Pre-School Activities	76,892
Music Centres	117,922
Research Grants	50,747
Grants for Assistance to Overseas Students	273,360
Student Loan Repayments	45,308
Farm Activities	169,566
Winery Activities	223,457
Rental of College Facilities	91,428
Student Funds	319,247
Donations	12,311
Trust and Suspense	20,344
Miscellaneous	257,362
	<u>\$22,093,270</u>
Funds were applied to -	
Operating Costs -	
General	16,436,423
Student Residences	1,487,270
Other Courses	470,027
Buildings, Equipment, etc.	1,382,511
Other Activities -	
Farm	387,850
Winery	298,125
Pre-School	70,538
Research	51,551
Special and Trust Funds -	
Student Activities	324,288
Assistance to Overseas Students	197,156
Trust Objects	19,591
Student Loans and Grants	45,350
Miscellaneous	204,317
	<u>21,374,997</u>
Increase in Monetary Assets	<u>718,273</u>
	<u>\$22,093,270</u>

Recurrent Costs - Commonwealth grants, \$16,937,000, including \$107,000 for temporary development projects, were \$1,668,000 or 10.9 per cent more than for 1981. After taking to account the excess of revenue over expenses for the year, \$56,597, the available balance carried forward on recurrent purposes account at 31st December, 1982, was \$480,024.

A contribution from Recurrent Funds was not made in 1982 to a provision for long service leave payments. After interest earnings for the year of \$60,000 were added to the Provision, the balance at 31st December, 1982, was \$479,184, compared with an estimated accrued liability of approximately \$1.8 million.

The College has not established a provision toward meeting the cost of future deferred superannuation contributions. Although not yet calculated the liability is thought to be substantial.

Capital Costs - \$908,500 was received in Commonwealth grants. From these moneys, \$608,500 was paid out for equipment and \$300,000 for minor works. Expenditure on equipment included \$279,170 for the enhancement of existing computer systems.

Student Residences - Expenses exceeded income from grants and fees by \$85,285. To offset part of this loss, \$25,150 was drawn out of Special Purposes Funds. After all transactions there remained a balance of \$151,414 as Student Residences Funds.

Financial Position

At 31st December, 1982, aggregate funds were \$2,218,422:

	31st December,		
	1981	1982	Increase
	\$	\$	% (-)
Recurrent Funds	423,427	480,024	13.4
Capital Funds	...	...	..
Student Residences Funds	211,549	151,414	(28.4)
Special Purposes Funds	925,173	1,586,984	71.5
	<u>\$1,560,149</u>	<u>\$2,218,422</u>	42.2

The funds were represented by :-

Debtors and Accrued Income	566,666	50,843	(91.0)
Investments	4,386,000	5,200,000	18.6
Cash at Bank etc.	827,667	1,580,693	91.0
	<u>5,780,333</u>	<u>6,831,536</u>	18.2
Less -			
Creditors and Accruals	3,801,000	4,133,930	8.8
Provision for Long Service Leave	419,184	479,184	14.3
	<u>4,220,184</u>	<u>4,613,114</u>	9.3
	<u>\$1,560,149</u>	<u>\$2,218,422</u>	42.2

The main component of Special Purposes Funds was \$1,038,302 accumulated from interest earnings. Payments from this source included \$282,705 for two buildings for the Albury-Wodonga Campus.

SYDNEY COLLEGE OF THE ARTS

Statistics show that 773 students were enrolled (760 in 1981).

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants	
Recurrent	4,199,000
Capital	463,000
Extension Activities	2,100
Sale of Publications	7,990
Interest and Other Investment Income	258,970
Donations	650
Trusts	4,500
Student Loan Repayments	6,145
Miscellaneous	19,071
	<hr/> \$4,961,426 <hr/>
Funds were applied to -	
Operating Costs	4,229,196
Buildings, Equipment, etc.	373,521
Special and Trust Funds -	
Trust Objects	8,696
Student Loans and Grants	5,315
Other Activities -	
Extension Activities	3,406
Sales (Costs)	27,403
Miscellaneous	31,487
	<hr/> 4,679,024 <hr/>
Increase in Monetary Assets	282,402
	<hr/> \$4,961,426 <hr/>

Recurrent Costs - Commonwealth Government grants, \$4,199,000, including \$61,000 for temporary development projects, were \$568,000 or 15.6 per cent more than for 1981. Expenses exceeded income from grants by \$138,196. To offset part of this shortfall, \$3,000 was drawn out of interest earnings held in a Special Purposes Fund. The available balance on recurrent purposes account at 31st December, 1982 was \$25,723.

A contribution of \$59,500 from Recurrent Funds was made in 1982 to a provision for long service leave payments. After interest earnings for the year of \$35,472 were added to the Provision, the balance at 31st December, 1982, was \$305,914. This is approximately equal to the accrued liability at that date.

A contribution (\$52,500) was also made to a provision toward the College's liability for deferred superannuation contributions. After the addition of interest earnings of \$8,413 the balance in the Provision at 31st December, 1982, was \$111,992. Although not yet calculated the liability is expected to be substantially in excess of the Provision.

Capital Costs - \$463,000 was received in Commonwealth grants. From these moneys \$221,875 was paid out for building projects and \$151,646 for equipment. In 1981 receipts totalled \$515,000 and payments \$447,291.

Financial Position

At 31st December, 1982, aggregate funds were \$432,060:

	31st December, 1981	1982	Increase % (-)
	\$	\$	
Recurrent Funds	160,919	25,723	(84.0)
Capital Funds	27,563	61,916	*
	(Overdrawn)		
Special Purposes Funds	<u>172,187</u>	<u>344,421</u>	100.0
	<u>\$305,543</u>	<u>\$432,060</u>	41.4

The funds were represented by:

Investments	1,430,000	2,056,542	43.8
Debtors and Accrued Income	<u>212,493</u>	<u>100,048</u>	(52.9)
	<u>1,642,493</u>	<u>2,156,590</u>	31.3
Less -			
Creditors and Accrued Expenses	941,000	1,075,110	14.3
Provision for Long Service Leave	210,942	305,914	45.0
Provision for Superannuation	51,079	111,992	119.3
Cash at Bank, etc.	133,929	231,514	72.9
	(Overdrawn)	(Overdrawn)	
	<u>1,336,950</u>	<u>1,724,530</u>	29.0
	<u>\$305,543</u>	<u>\$432,060</u>	41.4

* Overdrawn in previous year - not applicable.

The main component of Special Purposes Funds was accumulated from interest earnings, \$357,350, offset partially by an overdrawing of \$29,898 on Sale of Publications Account.

CONSULTING ORGANISATION OF SYDNEY
COLLEGE OF THE ARTS LIMITED

Consulting Organisation of Sydney College of the Arts Limited was incorporated on 27th October, 1981, as a company limited by guarantee. The principal objects of the Company, which is an adjunct of the Sydney College of the Arts, is to provide consultancy advice in the areas of art and design, to aid in the development and promotion of student inventions and to make donations to the College.

INCOME AND EXPENDITURE ACCOUNT for the period ended 31st December, 1982

	\$
Income -	
Income from Consultations	\$450
Expenditure -	
Patent and Design Fees	3,331
Specification Costs	1,137
Audit Fee	500
Miscellaneous	224
	<u>5,192</u>
Deficiency	4,742
	<u>\$450</u>

BALANCE SHEET as at 31st December, 1982

	\$	\$
ACCUMULATED DEFICIENCY		\$4,742
REPRESENTED BY -		
Intangible Assets -		
Formation Expenses		1,859
Current Assets -		
Debtors	415	
Cash at Bank	3,484	
		<u>3,899</u>
		5,758
Less -		
Current Liabilities -		
Accrued Expenses	500	
Long Term Liabilities -		
Loan - Sydney College of the Arts	10,000	
		<u>10,500</u>
		<u>\$4,742</u>

SYDNEY COLLEGE OF ADVANCED EDUCATION

The Sydney College of Advanced Education was constituted on 24th July, 1981, under the provisions of the Colleges of Advanced Education Act, 1975, but it did not operate as a college until 1982.

On 1st January, 1982, Alexander Mackie College of Advanced Education, Sydney Kindergarten Teachers College, Nursery School Teachers College and Sydney Teachers College were dissolved and their staffs, students, assets and liabilities were transferred to the Sydney College of Advanced Education.

The College also became responsible for the staff and students of the non-government Guild Teachers College (administered by a company established under the Companies Act) on 1st January, 1982, and for the assets and liabilities of the company when it was wound up on 31st March, 1982.

Statistics show that 4,409 students were enrolled for 1982.

As the accounting system of the Guild Teachers College differed from that of the other constituent colleges, figures for the previous year have been shown only in the Financial Position Summary.

Movement in Funds - 1982

	\$
Funds were obtained from -	
Commonwealth Grants -	
Recurrent	22,248,000
Capital	1,000,000
T.A.F.E. Teacher Education Grant	4,686
Research Grants	156,189
Interest Earnings	1,148,249
Community Education Fees	110,306
Yarrawood Centre Income	75,042
Income from Publications, Productions and Other College Activities	181,262
Trust and Prizes	13,851
Suspense and Working Accounts	960,224
Miscellaneous	1,902
	<u>\$25,899,711</u>
Funds were applied to -	
Operating Costs -	
General	23,178,539
Buildings, Equipment, etc.	964,012
Research Activities	144,847
T.A.F.E. Teacher Education Programmes	16,543
Community Education Courses	85,182
Yarrawood Centre Operations	59,791
Miscellaneous College Activities	246,946
Trust and Prizes	71,641
Suspense and Working Account	817,027
	<u>25,584,528</u>
Increase in Monetary Assets	315,183
	<u>\$25,899,711</u>

Recurrent Costs - Commonwealth grants, \$22,187,000, were \$1,193,000 or 5.7 per cent more than the sum provided for the amalgamated colleges for 1981. Expenses exceeded income from grants and miscellaneous income by \$1,176,032. To offset part of this shortfall, \$187,100 was drawn out of Special Purposes Funds. After taking to account a supplementary Commonwealth grant of \$61,000 for 1980, there was a nil balance on recurrent purposes account at 31st December, 1982.

A further contribution of \$185,000 from Recurrent Funds was made to a provision for the cost of long service leave payments. Including interest earnings for the year, \$67,378, the balance at 31st December, 1982, was \$755,779, compared with an estimated accrued liability of \$4.8 million.

No provision has been established for the college's substantial liability for contributions that become payable upon the retirement of employees who contribute to the State Superannuation Fund. An actuarial assessment as to the amount of the liability has not yet been made.

Capital Costs - \$1,000,000 was received in Commonwealth grants. From these moneys and \$183,364 held at the beginning of the year, \$361,564 was paid out for building projects and \$602,448 for equipment, including \$312,888 for the upgrading of existing computer facilities.

Financial Position

At 31st December, 1982, the aggregate funds were \$2,373,340.

	31st December, 1981	1982	Increase % (-)
	\$	\$	
Recurrent Funds	927,932	....	(100.0)
Capital Funds	183,364	219,352	19.6
Special Purposes Funds	<u>1,199,239</u>	<u>2,153,988</u>	79.6
	<u>\$2,310,535</u>	<u>\$2,373,340</u>	2.7

The funds were represented by:-

Debtors and Accrued Income	742,500	7,304	(99.0)
Investments	<u>7,969,069</u>	<u>10,631,015</u>	33.4
	<u>8,711,569</u>	<u>10,638,319</u>	22.1
Less -			
Creditors and Accruals	5,006,000	5,751,440	14.9
Bank Overdraft, etc.	891,633	1,757,760	97.1
Provision for Long Service Leave	<u>503,401</u>	<u>755,779</u>	50.1
	<u>6,401,034</u>	<u>8,264,979</u>	29.1
	<u>\$2,310,535</u>	<u>\$2,373,340</u>	2.7

The main component of Special Purposes Funds was \$1,469,841 accumulated from interest earnings.

CLANN LIMITED

The Company was established to operate a libraries network for the use and benefit of colleges of advanced education in New South Wales. At 31st December, 1982, there were eighteen members of the Company comprising ten corporate colleges of advanced education, two non-government colleges of advanced education, three government departments, an agricultural college, an educational institute and a local government council.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
288,829	Subscriptions and Catalogue Fees	353,698	22.5
5,025	Interest	7,267	44.6
1,020	Grants	1,000	(2.0)
25	Miscellaneous	5,121	+
<u>\$294,899</u>		<u>\$367,086</u>	24.5
	Expenditure -		
99,836	Salaries and Administrative Expenses	118,825	19.0
1,978	Accountancy	3,878	96.1
1,200	Audit Fee	1,200	..
150	Legal Fees	591	294.0
188,434	Catalogue Data Processing Expenses	229,569	21.8
288	Depreciation	694	141.0
<u>291,886</u>		<u>354,757</u>	21.5
3,013	Surplus	12,329	309.2
<u>\$294,899</u>		<u>\$367,086</u>	24.5

+ More than 1000 per cent

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	\$	Increase % (-)
\$49,442	RETAINED EARNINGS - Accumulated Funds		\$61,771	24.9
	REPRESENTED BY -			
	Fixed Assets (At Cost) -			
	Furniture and Equipment (Less Depreciation \$1,403)		7,752	193.0
	Current Assets -			
31,165	Debtors and Accrued Interest	39,721		27.5
39,000	Interest Bearing Deposits	46,002		18.0
229	Cash	3,355		+
70,394			89,078	26.5
73,040			96,830	32.6
	Less - Current Liabilities -			
11,775	Creditors and Accruals	18,600		58.0
11,823	Fees and Subscriptions in Advance	16,459		39.2
23,598			35,059	48.6
\$49,442			\$61,771	24.9

+ More than 1,000 per cent

HOUSING COMMISSION OF NEW SOUTH WALES

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
Income -			
213,476	Rents	272,130	27.4
<u>51,152</u>	Less - Rebates	<u>83,674</u>	63.6
162,324		188,456	16.0
17,664	Interest	19,517	10.5
8,299	Gross Profits from Sales	5,869	(29.2)
	Commonwealth Grants -		
1,598	Interest and Lease Payment Subsidies	2,246	40.5
<u>207</u>	Sundry Income	<u>129</u>	(37.6)
<u>190,092</u>		<u>216,217</u>	13.7
Expenditure -			
18,838	Salaries and Administrative Expenses	20,940	11.1
35,869	Rates	41,700	16.1
62,329	Interest on Capital	64,995	4.2
5,458	Sundry Expenses	6,703	22.8
	Provisions for -		
37,102	Repairs and Maintenance	39,661	6.9
9,366	Depreciation	10,368	10.7
518	Bad Debts	1,147	121.3
476	Fire and Storm Damage Insurance	486	2.0
117	Public Liability Insurance	120	2.5
<u>352</u>	Long Service Leave	<u>614</u>	74.1
170,425		186,734	9.5
<u>19,667</u>	Surplus	<u>29,483</u>	49.9
<u>190,092</u>		<u>216,217</u>	13.7

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
1,089,211	Commonwealth Government	1,115,009		2.4
177,147	State Government	204,852		15.6
17,744	Loans Raised by Commission	18,720		5.5
1,284,102			1,338,581	4.2
	Other Capital -			
179,760	Commonwealth Grants	258,884		44.0
10,594	State Government Grants	10,674		0.8
40,577	Other State Sources	41,620		2.6
230,931			311,178	34.7
	Retained Earnings -			
473	Lease Premiums Reserve	473		..
172,272	Accumulated Funds	201,756		17.1
172,745			202,229	17.1
1,687,778	TOTAL		1,851,988	9.7
	REPRESENTED BY -			
	Fixed Assets -			
1,693,425	Land and Buildings #	1,849,993		9.2
3,291	Plant and Equipment, etc.	3,947		19.9
1,696,716		1,853,940		9.3
94,530	Less - Depreciation	104,932		11.0
1,602,186			1,749,008	9.2
....	Joint Venture		4,842	*
159,959	Long Term Debtors - Purchase of Homes by Instalments		149,265	(6.7)
	Current Assets -			
13,860	Debtors and Prepayments	17,675		27.5
873	Less - Doubtful Debts	1,031		18.1
12,987		16,644		28.2
96	Advances	118		22.6
8	Stores	8		13.2
6,247	Cash at Treasury, etc.	3,043		(51.3)
19,338			19,813	2.5
1,781,483			1,922,928	7.9

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Less -			
	Current Liabilities -			
<u>68,485</u>	Creditors	<u>46,985</u>		(31.4)
	Provisions -			
18,104	Repairs and Maintenance	16,393		(9.5)
5,598	Long Service Leave	5,967		6.6
614	Public Liability Insurance	733		19.5
<u>904</u>	Fire and Storm Damage Insurance	<u>862</u>		(4.6)
<u>25,220</u>		<u>23,955</u>		(5.0)
93,705			70,940	(24.3)
<u>1,687,778</u>			<u>1,851,988</u>	9.7

* Nil in previous year - not calculable.

Land and buildings are shown at cost or assessed value. Includes an assessed value of \$2,720,000 in 1982-83 for Crown properties transferred from the management control of the Maritime Services Board - Observatory Hill Resumed Area. Depreciation on land and buildings is, in the main, equivalent to the principal component of loan repayments.

Finance - Under the Housing Agreement, operative for a period of five years from 1st July, 1981, the Commonwealth will provide financial assistance to the State, outside the Financial Agreement, for welfare housing purposes. The State Minister determines the allocation of financial assistance between rental housing assistance and the home purchase assistance programme. Loans are repayable over 53 years by equal annual instalments with interest at the rate of 4.5 per cent per annum.

For 1982-83, seventy per cent of the total loan assistance was paid to the Housing Commission for rental housing assistance, including the cost of acquisitions of land and the construction or purchase of dwellings. The remaining thirty per cent was allocated to the Home Purchase Assistance Account (see comment elsewhere in this Report). The allocation to the Housing Commission was \$32,208,000 compared with \$31,824,800 in 1981-82.

In addition to loans, the current Housing Agreement provides grants for various classes of housing. The grant for welfare housing, \$36,826,000, was more than double the grant of \$15,570,000 in 1981-82. Moneys are also provided from State sources. Total funds available to the Commission, \$146,204,000, were a substantial \$53 million more than in 1981-82. To obtain the full picture it is necessary to schedule and compare the sources of new funds:

	1980-81 \$'000	1981-82 \$'000	1982-83 \$'000
Commonwealth Loans -			
Housing Assistance Act -			
Welfare Housing	32,790	31,825	32,208
Servicemen's Housing	<u>120</u>	<u>1,159</u>	<u>4,610</u>
	<u>32,910</u>	<u>32,984</u>	<u>36,818</u>
Commonwealth Grants -			
Housing Assistance Act -			
Welfare Housing	17,070	15,570	36,826
Pensioners	12,421	12,430	12,171
Aboriginal Housing	6,300	9,087	9,088
States Grants (Aboriginal			
Assistance) Housing Agreement	3,307	....	....
Woolloomooloo Redevelopment	1,215	165	3,877
Crisis Accommodation for Families	....	666	1,326
Wage Pause Related Programme	<u>....</u>	<u>....</u>	<u>17,492</u>
	<u>40,313</u>	<u>37,918</u>	<u>80,780</u>
Total - Commonwealth Funds	<u>73,223</u>	<u>70,902</u>	<u>117,598</u>
State Loans -			
Consolidated Fund	....	20,000 #	26,000 +
Electricity Commission	....	8	....
Country Industries Assistance Fund	<u>337</u>	<u>22</u>	<u>26</u>
	<u>337</u>	<u>20,030</u>	<u>26,026</u>
State Grants -			
Consolidated Fund	80	80	80
Poker Machine Taxation	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>1,080</u>	<u>1,080</u>	<u>1,080</u>
Total - State Funds	<u>1,417</u>	<u>21,110</u>	<u>27,106</u>
Private Borrowings	<u>1,200</u>	<u>1,200</u>	<u>1,500</u>
Total Funds	<u>75,840</u>	<u>93,212</u>	<u>146,204</u>

Repayments to Consolidated Fund totalled \$20,362,070.
+ \$6,000,000 repaid in July, 1983 to Consolidated Fund.

In addition to the leap in Welfare housing grants, the Commission received a Commonwealth grant of \$17,492,000 under the Wages Pause Employment Programme.

The Commonwealth grant of \$1,326,000 for crisis accommodation for families also increased and was nearly double the sum of \$666,000 in the previous year. The State has established, within the Housing Commission, an Emergency Accommodation Unit to acquire, by purchase or lease, properties surplus to the needs of other State instrumentalities to provide accommodation for persons in urgent need and to community organizations for rehabilitation purposes.

The Commission acts on behalf of government departments and statutory authorities (mainly the Public Servant and Teacher Housing Authorities) in the construction, purchase and management of dwellings which are vested in the body concerned. In 1982-83, the Teacher Housing Authority paid \$295,977 to the Commission, while the Public Servant Housing Authority met its capital requirements direct from its own funds.

Although there was an increase of 57 per cent in funds available, the Commission was able to put them to use in its construction activities. At 30th June, 1983, cash on hand and at Treasury was \$3,042,516 (compared with \$6,247,467 at the close of the previous year).

In general terms, 2,090 dwellings were completed, while 2,631 were in the course of construction at 30th June, 1983. The comparable figures for the previous year were 2,405 and 937, respectively. Dwellings completed comprised:

	1981-82	1982-83	Increase % (-)
Commonwealth Funds -			
Commonwealth-State Agreements -			
Rental Housing	651	1,010	55.1
Aboriginal Housing	160	178	11.2
Dwellings for Pensioners	631	184	(70.8)
State Funds -			
General Housing	918	697	(24.1)
Dwellings for Other			
Authorities and Departments	45	21	(53.3)
	<u>2,405</u>	<u>2,090</u>	<u>(13.1)</u>

The Commission received \$14 million from the Government Insurance Office and \$6 million from the Rental Bond Board at the close of the period representing their contributions to a project to construct 600 dwellings in various locations. Pending finalisation of a Joint Venture company, the receipts were included in sundry creditors which stood at \$46,984,659 at the close of the year. The Housing Commission's contribution is to be by way of land to the value of \$12 million. Expenditure of \$4,841,727 on land and construction costs was charged to the project in 1982-83.

In my previous Report, mention was made of a \$20 million advance from the Land Commission towards the purchase of surplus land from the Housing Commission. Land sold amounted to \$3.5 million only and the balance (\$16.5 million) was repaid to the Land Commission in 1982-83.

Summary of Operations - Results of operations of the various activities were:

	Deficiency \$'000	Surplus \$'000
Commonwealth - State Agreements -		
Rental Housing		23,690
State Financed -		
General Rental Housing	3,159	
Other Housing Activities		<u>8,952</u>
Aggregate Net Result 1982-83		<u>29,483</u> Surplus
Aggregate Net Result 1981-82		<u>19,667</u> Surplus

Commonwealth-State Agreements and General Rental Housing - Transactions relating to housing provided through the Commonwealth-State Agreements and as general rental housing are summarised:

		Commonwealth-State Agreements		State Financed	Total
Previous Year		Rental- Housing Assistance \$'000	Servicemen's Housing \$'000	General Rental \$'000	\$'000
\$'000s					
	Income -				
198,755	Rents	215,941	16,708	20,547	253,196
49,639	Less - Rebates	74,928	....	6,167	81,095
149,116		141,013	16,708	14,380	172,101
6,945	Profits on Sales *	5,186	....	422	5,608
	Commonwealth Grants -				
1,025	Interest Subsidy	1,035	....	....	1,035
3	Sundry Income	1	....	20	21
157,089		147,235	16,708	14,822	178,765
	Expenditure -				
13,518	Administration	13,477	363	1,269	15,109
32,623	Rates	31,152	3,203	2,963	37,318
50,859	Interest	35,583	8,996	9,043	53,622
3,834	Sundry Expenses	3,669	232	333	4,234
	Provisions for -				
	Repairs and				
33,964	Maintenance	29,640	3,352	3,023	36,015
9,167	Depreciation	8,463	508	1,191	10,162
442	Bad Debts	670	....	71	741
522	Insurance	444	42	46	532
290	Long Service Leave	447	12	42	501
145,219		123,545	16,708	17,981	158,234
11,870	Surplus (Deficiency)	23,690	....	(3,159)	20,531

* Excess of sale price over estimated capital cost.

The income of \$253,196,479 in rents represents an increase of \$54,441,316 (or 27.4 per cent) on the previous year. The Housing Assistance Act, 1981, requires each State to move to charging full market rent and to a uniform rental rebate policy. The Commission has approved of all rents, except Servicemen's Housing and Pensioner Housing, being increased to 80 per cent of market rent as from 5th July, 1982, with a 5 per cent increase in the rate each year up to 30th June, 1986, when the then current full market rent will be reached. The market rent is adjusted each year following an overall review of the various classes of dwellings throughout the State. Where required by tenants' financial circumstances, the increases are cushioned by rental rebates. At \$81,095,509, these were markedly higher by \$31,456,766 (or 63.4 per cent).

For Servicemen's Housing, arrangements between the Commonwealth and the State provide for actual expenditure to be matched by rental income. To the extent that income falls short or exceeds expenditure during the year, the difference is taken to a Suspense Account for adjustment in the subsequent accounting period. At 30th June, 1983, the Housing Commission was owed \$309,788 by the Commonwealth in respect of Servicemen's Housing transactions.

The 1981 Housing Agreement stipulated that any sales of dwellings originally financed under Commonwealth-State Agreements shall be for cash at market value or replacement cost and the net proceeds accounted for as Rental Housing Assistance Funds. There were 265 sales during the year returning a gross profit of \$5,186,069 which contributed to the \$23,690,070 surplus.

Other Housing - Accounts under this section relate to sectional activities included in the financial statements of the Commission.

	Sale of Dwellings	Pensioner Housing	Aboriginal Housing	Shops, etc.	Leases of Land and Other Activities
	\$'000	\$'000	\$'000	\$'000	\$'000
Income -					
Rents	....	9,273	5,509	2,751	1,318
Less - Rebates	....	258	2,000	46	275
	....	9,015	3,509	2,705	1,043
Interest	12,082	....	....	....	7,435
Profits on Sales	....	....	93	....	247
Commonwealth Grants -					
Interest and Lease					
Subsidies	258	....	....	....	952
Sundry Income	....	....	....	....	107
Woolloomooloo					
Redevelopment -					
Rentals, etc.	....	....	....	....	83
	12,340	9,015	3,602	2,705	9,867
Expenditure -					
Administration	2,315	2,253	705	72	470
Rates	....	3,051	907	375	27
Interest	9,865	382	....	811	316
Sundry Expenses	4	1,069	3	255	1,184
Provisions for -					
Repairs and					
Maintenance	....	2,257	932	127	330
Depreciation	....	87	....	118	....
Bad Debts	....	6	370	1	29
Insurance	....	59	13	2	....
Long Service Leave	....	75	22	3	13
Woolloomooloo					
Redevelopment -					
Administration	....	....	....	....	69
	12,184	9,239	2,952	1,764	2,438
Surplus (Deficiency)	156	(224)	650	941	7,429
<u>Aggregate Net Result 1982-83 - \$8.952 million Surplus</u>					

Accumulated Funds, which have been largely used in the construction of additional dwellings and purchase of land and to that extent have lessened the need for borrowings, were:

	Accumulated Deficiency \$'000	Surplus \$'000
Commonwealth-State Agreements -		
Rental Housing		52,179
Servicemen's Housing		1,596
Other Housing Activities -		
General Rental Housing - State Financed		93,550
Leases of Land and Other Activities		50,171
Shops, etc.		7,348
Home Sites Development Division		1,518
Pensioner Housing	9,464	
Aboriginal Housing		5,088
Emergency Accommodation	230	
	<u>9,694</u>	<u>211,450</u>
Net Surplus		\$201.756 million

OBSERVATORY HILL RESUMED AREA

INCOME AND EXPENDITURE ACCOUNT for the period from 1st July to 3rd October, 1982

Previous Year \$		\$
	Income -	
	Rents -	
194,778	Residential Properties	54,824
45,826	Hotels	20,792
69,562	Other Business Premises	19,606
13,378	Lands	3,475
319	Miscellaneous	668
<u>\$323,863</u>		<u>\$99,365</u>
	Expenditure -	
184,229	Maintenance, Repairs and Renewals	146,466
99,810	Salaries	28,279
77,688	Rates	56,639
491	Insurance	298
8,337	Liquor Licence Fees - Owner's Contributions	4,317
2,780	Miscellaneous	760
<u>373,335</u>		<u>236,759</u>
49,472	Deficiency	<u>137,394</u>
<u>\$323,863</u>		<u>\$99,365</u>

The result for the period was determined, as in past years, without taking into consideration depreciation, interest on capital and fire insurance premiums.

Management responsibilities for properties in the Area were transferred to the Housing Commission from 4th October, 1982.

LAND COMMISSION OF NEW SOUTH WALES

The principal functions of the Commission are the acquisition, development and disposal of land for urban and public purposes.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Income -			
36,792	Land Sales	64,374		75.0
<u>27,169</u>	Less - Cost of Land Sold	<u>55,713</u>		105.1
9,623			8,661	(10.0)
	Less - Valuation Write-Downs -			
524	Land Under Development	2,600		396.2
<u>900</u>	Developed Land	<u>1,820</u>		102.2
1,424			4,420	210.4
8,199	Net Gain on Land Trading		4,241	(48.3)
2,715	Investments (Interest)		4,517	66.4
707	Crown Land Development and Marketing		596	(15.7)
<u>19</u>	Sundry		<u>178</u>	819.3
11,640			9,532	(18.1)
<u>13</u>	Less Trading loss on Investment Properties		<u>16</u>	24.7
11,627			9,516	(18.2)
	Expenditure -			
1,559	Administration		559	(64.2)
114	Advertising and Marketing		206	80.9
<u>1,241</u>	Interest		<u>3,119</u>	151.4
2,914			3,884	33.3
8,713	Operating Surplus		5,632	(35.4)
	Less - Allocations for:			
68	Loan Repayment		45	(32.2)
<u>600</u>	Decrease in Value of Undeveloped Land		<u>5,500</u>	816.7
8,045	Addition to Accumulated Funds		87	(98.9)

In the above Income and Expenditure Account, the amounts shown for Administration, Advertising and Marketing, and Interest, are net after charging appropriate portions to Cost of Land Sold and Investment Properties.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital -		
30,636	Commonwealth Advances and Deferred Interest	34,094	11.3
9,365	Private Loans	9,230	(1.4)
40,001		43,324	8.3
	Retained Earnings -		
341	Loan Repayment Reserve	438	28.6
20,632	Accumulated Funds	20,719	0.4
20,973		21,157	0.9
60,974		64,481	5.8
	REPRESENTED BY -		
	Non - current Assets -		
41,227	Undeveloped Land	55,696	35.1
1,997	Investment Properties	1,999	0.1
43,224		57,695	33.5
	Investments -		
1,841	Commonwealth Inscribed Stock	1,438	(21.9)
19,125	Deposit with N.S.W. Treasury	19,122	..
2,089	Advance to Joint Venture	2,503	19.8
23,055		23,063	..
	Current Assets -		
9,763	Land Under Development	3,643	(62.7)
47,372	Developed Land	25,332	(46.5)
4,223	Debtors Under Contract of Sale	16,010	279.1
21,288	Sundry Debtors, Deposits and Prepayments	1,961	(90.8)
7,853	Cash and Bank Deposits	5,678	(27.7)
90,499		52,624	(41.9)
156,778		133,382	(14.9)
	Less -		
	Current Liabilities and Provisions		
8,675	Creditors, Deposits and Provisions	9,805	13.0
86,898	Promissory Notes	58,817	(32.3)
231	Provision for Annual and Long Service Leave	279	21.3
95,804		68,901	(28.1)
60,974		64,481	5.8

In arriving at the net gain on land trading for the year it was necessary first to take writedowns totalling \$4.4 million on the current assets, land under development and developed land. (Where the estimated completion costs, if added to the book value, would exceed the estimated returns from sales, it is the Commission's practice to write off the excess costs from the projected value.) The figures shown in the balance sheet for land under development, \$3.6 million, and developed land, \$25.3 million, are net after the writedowns.

Provision is made separately to cover decreases in value of undeveloped land where the assessed present value to the Commission is less than book value (which includes capitalised interest and other costs to date). The additional provision, \$5,500,000 compared with \$600,000 in 1981-82, is in the accounts as an abnormal item reducing the operating surplus to a net surplus of \$86,582. Land affected included a parcel bought at Wyong in 1981 for \$1,800,000 but now assessed by the Valuer-General at \$500,000. Council conditions for sewerage, some soil instability and a generally flat market prevent early development. The total Provision is now \$6,700,000.

Advances made by the Commonwealth Government over the period 1974-78 total \$16,958,893. Interest, calculated at the long-term bond rate, amounting to \$17,134,979 (\$13,676,996 at 30th June, 1982) has been added to the principal outstanding. Under the terms of Agreements, repayments are to commence in 1984. The Reserve for Loan Repayment created in terms of the Public Authorities (Financial Accommodation) Act, 1981 at \$438,337 is fully supported by investments in Commonwealth Inscribed Stock.

Funds raised from promissory note issues during the year totalled \$234,067,685 (face value \$245,000,000). Of this sum, \$19,121,564 was deposited with the New South Wales Treasury and the balance was used for funding operations, including the repayment of earlier note issues, totalling \$225,000,000. The deposit of \$19,121,564 with the Treasury was to finance the Crown Lands Homesites Development Program. Subsequent to the end of the year this function was assumed by the Treasury Corporation and the deposit was refunded to the Commission with interest. Promissory notes outstanding at 30th June, 1983 totalled \$60,000,000 (face value) less prepaid interest of \$1,183,103.

During 1981-82 an advance payment of \$20,000,000 was made to the Housing Commission of New South Wales pending completion of negotiations over various parcels of land proposed to be taken over by the Land Commission. One parcel of land has been purchased at a cost of \$3,500,000. The remaining \$16,500,000, together with interest, was repaid during the year.

Advances by the Commission to a joint venture with Property Resources Pty. Limited comprised \$1,913,172 for land purchases and \$589,874 for working capital. The purpose of the joint venture is to acquire, develop and sell land in and adjacent to the Minchin Hills Estate near Blacktown.

PUBLIC SERVANT HOUSING AUTHORITY OF NEW SOUTH WALES

The principal function of the Authority, which was constituted by the Public Servant Housing Authority Act, 1975, is to provide and maintain housing accommodation for public servants outside the Sydney Metropolitan area. The Housing Commission of New South Wales acts as agent for the Authority for the acquisition and construction of dwellings and the provision of administrative and property management services. The financial transactions of the Authority are reflected though an account within Special Deposits Account.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
1,986	Rents	2,229	12.2
8	Less - Rebates	9	4.3
1,978		2,220	12.3
7	Interest and Sundry Income	....	(100.0)
1,985		2,220	11.9
	Expenditure -		
197	Administration	224	13.7
375	Rates	488	30.1
379	Repairs and Maintenance	467	23.4
2,807	Interest, etc. on Capital	3,068	9.3
401	Provision for Depreciation	539	34.3
1	Sundry	1	(37.5)
4,160		4,787	15.1
2,175	Operating Deficiency	2,567	18.0
36	Transfer to Loan Repayment Reserve	48	34.8
2,211		2,615	18.3
2,625	State Government Subsidy	2,450	(6.7)
414	Deficiency	165	*
(Surplus)			

* Surplus in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
23,344	State Government	23,065	(1.2)
<u>5,457</u>	Loans Raised by the Authority	<u>5,735</u>	5.1
28,801		<u>28,800</u>	(0.1)
	Retained Earnings -		
78	Loan Repayment Reserve	144	85.9
<u>332</u>	Accumulated Funds	<u>161</u>	(51.6)
410		<u>305</u>	(25.5)
<u>29,211</u>	TOTAL	<u>29,105</u>	(0.4)
	REPRESENTED BY -		
	Fixed Assets -		
	Land and Buildings (Less Depreciation, \$2,338,637)		
<u>27,540</u>		<u>27,519</u>	(0.1)
	Investments (At Cost) -		
<u>78</u>	Loan Repayment Reserve	<u>138</u>	78.2
	Current Assets -		
407	Debtors and Prepayments	381	(6.5)
<u>1,269</u>	Cash at Treasury, etc.	<u>1,175</u>	(7.4)
1,676		<u>1,556</u>	(7.2)
29,294		29,213	(0.3)
	Less - Current Liabilities -		
<u>83</u>	Creditors and Accruals	<u>108</u>	29.9
<u>29,211</u>		<u>29,105</u>	(0.4)

At 30th June, 1983, the Authority controlled 951 completed dwellings (eight more than in June, 1982). The value of property vested in and transferred to the Authority has been determined by the Treasurer at \$18,900,000. Other acquisitions are included at cost. Depreciation, in the main, represents the principal component in annual State and private loan repayment instalments.

Funds totalling \$500,000 were obtained in 1982-83 from two loans raised by the Authority for capital works.

The general rental basis adopted by the Authority is 80 per cent of market value rental. Where current rentals are below the assessed figures, the actual rate payable is being increased. However, the rate of increase is limited to \$5 per week each twelve months until the maximum is reached and, for some existing tenancies, it could take two or more years to catch up. Rental rebates, based on tenants' gross incomes, were \$8,898 in 1982-83.

A State Government subsidy of \$2,450,000, in terms of Section 19(2) of the Public Servant Housing Authority Act, 1975, reduced the net deficiency for the year to \$165,223.

TEACHER HOUSING AUTHORITY OF NEW SOUTH WALES

The principal function of the Authority, which was constituted by the Teacher Housing Authority Act, 1975, is to provide and maintain housing accommodation for teachers. Financial transactions are reflected through an account in Special Deposits Account.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
2,469	Rent	3,007	21.8
<u>1</u>	Less - Rebates	<u>1</u>	1.0
2,468		3,006	21.8
<u>1</u>	Sundry Income	<u>2</u>	269.7
2,469		3,008	21.8
<u> </u>		<u> </u>	
	Expenditure -		
406	Salaries and Administrative Expenses	557	37.6
450	Rates	560	24.5
1,038	Repairs and Maintenance	999	(3.7)
2,407	Interest, etc., on Capital	2,930	21.7
<u>1</u>	Depreciation on Motor Vehicles	<u>1</u>	8.2
4,302		5,047	17.3
<u> </u>		<u> </u>	
1,833	Operating Deficiency	2,039	11.3
215	Contribution to Sinking Fund	243	13.3
108	Loan Repayments	120	10.8
<u>181</u>	Transfer to Loan Repayment Reserve	<u>....</u>	(100.0)
2,337		2,402	2.8
<u>2,315</u>	State Government Subsidy	<u>2,400</u>	3.7
22	Deficiency	2	(90.3)
<u> </u>		<u> </u>	

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
20,361	State Government	20,117	(1.2)
<u>6,643</u>	Loans Raised by the Authority	<u>8,024</u>	20.8
27,004		<u>28,141</u>	4.2
	Other Capital -		
<u>1,473</u>	Loans Repaid	<u>1,837</u>	24.6
	Retained Earnings -		
536	Loan Repayment Reserve	165	(69.2)
<u>(155)</u>	Accumulated Funds	<u>213</u>	+
381		<u>378</u>	(0.6)
<u>28,858</u>	TOTAL	<u>30,356</u>	5.2
	REPRESENTED BY -		
	Fixed Assets -		
27,442	Land and Buildings, etc.	29,730	8.3
<u>13</u>	Motor Vehicles (At Cost Less Depreciation, \$833)	<u>16</u>	28.6
27,455		<u>29,746</u>	8.3
	Investments (At Cost) -		
<u>....</u>	Loan Repayment Reserve	<u>165</u>	*
	Current Assets -		
255	Sundry Debtors	220	(13.8)
79	Department of Education - Vested Residences Upgrading Programme	<u>....</u>	(100.0)
<u>1,136</u>	Cash at Treasury, etc.	<u>481</u>	(57.7)
1,470		<u>701</u>	(52.3)
<u>28,925</u>		<u>30,612</u>	5.8
	Less - Current Liabilities -		
<u>....</u>	Advance for Upgrading of Vested Residences	<u>43</u>	*
<u>67</u>	Sundry Creditors	<u>213</u>	219.0
67		<u>256</u>	283.8
<u>28,858</u>		<u>30,356</u>	5.2

+ Accumulated Deficiency in previous year - not applicable.

* Nil in previous year - not calculable.

At 30th June, 1983, the Authority controlled 1940 completed dwellings (24 less than in June, 1982) including 856 managed on behalf of the Department of Education (35 less than in June, 1982). A further 29 dwellings were under construction or in the process of being purchased. The value of property vested in and transferred to the Authority has been determined by the Treasurer at \$9,500,000. Other acquisitions are included at cost.

Further capital totalling \$1,500,000 was obtained from loans raised by the Authority. After allowing for sales totalling \$148,852, net expenditure on land and buildings, etc. amounted to \$2,288,483 for the year.

In 1982-83, the Authority adopted a revised method of determining the amount required to be held in the Loan Repayment Reserve and \$370,609 was transferred from the Reserve to Accumulated Funds. The Reserve (\$165,000) was fully invested at the close of the year.

The general rental basis adopted by the Authority is 80 per cent of market value rental. Where current rentals are below the assessed figures, the actual rate payable is being increased. However, the rate of increase is limited to \$5 per week each twelve months until the maximum is reached and, for some existing tenancies, it could take two or more years to catch up. The rentals on some 400 country residences, situated in school grounds and occupied for the most part by school principals, were increased by approximately 135 per cent from 3rd May, 1982.

Expenditure in 1982-83 on the upgrading of teacher residences on behalf of the Department of Education totalled \$877,668. At 30th June, 1983, the balance of unexpended advances was \$43,324.

A State Government subsidy of \$2,400,000 in terms of Section 21(2) of the Teacher Housing Authority Act, 1975, reduced the net deficiency for the year to \$2,131.

COASTAL COUNCIL OF NEW SOUTH WALES

The Council is constituted under the Coastal Protection Act, 1979, to advise the Minister for Planning and Environment on the protection, enhancement and restoration of the environment of the coastal region of New South Wales and the use and conservation of the region's resources.

Financial transactions are recorded in a Special Deposits Account. Receipts for 1982-83 mainly comprised \$100,000 from the Consolidated Fund vote of the Minister. Payments were \$59,319 for administrative costs and \$81,775 for research grants and projects. A balance of \$34,823 remained in the account at the close of the year.

HERITAGE COUNCIL OF NEW SOUTH WALES

The Council was constituted under the Heritage Act, 1977, to conserve, enhance, maintain and protect items of the State's environmental heritage. Financial activities are recorded in the Heritage Conservation Fund within Special Deposits Account.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
250,000	State Government Grants	700,000	180.0
7,000	Commonwealth - National Estate Grant	....	(100.0)
1,700,000	Private Loan Raisings	1,500,000	(11.8)
34,218	Fees	37,847	10.6
30,117	Interest - Conservation Loans	40,536	34.6
16,797	Principal Repaid - Conservation Loans	23,964	42.7
2,665	Miscellaneous	5,771	116.5
2,040,797		2,308,118	13.1
2,336,770	Balance at 1st July, 1982	1,223,777	(47.6)
<u>\$4,377,567</u>		<u>\$3,531,895</u>	<u>(19.3)</u>
	Payments -		
644,954	Salaries	659,704	2.3
362,238	Interest on Loans	726,344	100.5
237,420	Administrative Expenses, etc.	288,947	21.7
161,810	Consultants' Fees	115,827	(28.4)
2,886	Loan Repayments	18,838	552.7
145,384	Sinking Fund Contribution	186,012	27.9
1,380,598	Grants for Conservation Purposes	1,375,124	(0.4)
218,500	Loans for Conservation Purposes	155,473	(28.8)
3,153,790		3,526,269	11.8
1,223,777	Balance at 30th June, 1983	5,626	(99.5)
<u>\$4,377,567</u>		<u>\$3,531,895</u>	<u>(19.3)</u>

Of the grants of \$1,375,124 for conservation and/or restoration works, \$205,382 related to Elizabeth Farm House at Parramatta, \$75,271 to the Goulburn Brewery, \$67,117 to St Stephens Church, Newtown and \$63,140 to the Saddlery, Carcoar. Conservation loans of \$155,473 included \$35,000 for the Saddlery, Carcoar, \$21,859 for Hambleton Estate, Tarcutta, and \$30,000 for Tathra Wharf.

Since its inception, the Council has raised \$6 million in loans and laid out \$5 million for heritage works, the greater part of which was in the form of grants. Assets, including sinking fund investments and debtors, total about \$1.5 million. To maintain operations at the level of recent years, will require further borrowings or substantially increased subsidies from State funds.

RENTAL BOND BOARD

The Rental Bond Board was constituted by the Landlord and Tenant (Rental Bonds) Act, 1977. Rental bond moneys received by landlords and agents for rented premises are required, by the Act, to be deposited with the Board.

By direction of the Minister for Consumer Affairs, deposits paid on houses financed by the New South Wales Government through co-operative housing building societies at low interest rates under approved projects, are also deposited with the Board.

In terms of the Act, the Board may invest rental bonds with permanent building societies registered under the Permanent Building Society Act, 1967 and in authorised trustee investments. The interest derived from these investments may be used to meet the administrative costs of the Board and of a Rental Advisory Service and may also be invested in a similar manner to bond moneys, provided that the moneys so invested are applied for or in connection with housing. Available interest earnings have been invested in accordance with this requirement, with building societies, including \$18,964,349 to finance project housing developments.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		Increase \$'000 % (-)
	Income -	
	Interest -	
9,314	Rental Bonds	11,556 24.1
47	Purchase Deposits	96 105.1
2	Miscellaneous	26 +
9,363		11,678 24.7
	Expenditure -	
1,026	Salaries and Associated Charges	1,221 19.0
334	Administration Costs	394 17.8
53	Advertising and Publicity	35 (33.8)
30	Financial Charges	54 79.6
9	Audit Fee	20 132.6
18	Other Expenses	26 44.8
21	Provision - Employee Leave Entitlements	65 205.4
16	Provision for Depreciation	19 20.1
1,507		1,834 21.7
100	Rental Advisory Service - Operating Costs	182 82.4
1,607		2,016 25.5
7,756	Surplus	9,662 24.6
9,363		11,678 24.7

+ More than 1,000 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	DEPOSITS AND RETAINED EARNINGS -		
	Deposits -		
71,607	Rental Bonds	83,539	16.7
192	Purchase Deposits	1,446	654.9
71,799		84,985	18.4
	Retained Earnings -		
17,625	Accumulated Funds	27,287	54.8
89,424	TOTAL	112,272	25.6
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
45	Plant, Equipment, etc. (Less Depreciation \$59,154)	53	18.6
	Investments (At Cost) -		
16,896	Permanent Building Societies	15,724	(6.9)
9,534	Co-Operative Housing Societies	18,964	98.9
	Government Housing Schemes -		
....	State First Mortgage Loan Scheme	7,000	*
5,200	State Second Mortgage Loan Scheme	9,595	84.5
....	Housing Commission Joint Venture	6,000	*
38,614	Government Securities (Note 1)	42,079	9.0
1,000	Transferable Deposit	1,000	..
	Short Term Securities -		
4,800	Bank Bills (Note 2)	5,911	23.1
10,855	Interest Bearing Deposits	1,184	(89.1)
86,899		107,457	23.7
	Current Assets -		
2,172	Accrued Interest	2,105	(3.1)
458	Cash	2,863	524.8
2,630		4,968	88.9
89,574		112,478	25.6
	Less - Current Liabilities and Provisions -		
76	Creditors and Accrued Charges	80	5.1
74	Provision for Employee Leave Entitlements	126	71.1
150		206	37.5
89,424		112,272	25.6

* Nil in previous year - not calculable.

Note 1: Estimated market value of Government Securities at 30th June, 1983, was \$40,735,597.

Note 2: Face value of \$6,178,000.

According to Board records, there were 193,380 rental bond lodgments during the year and 175,296 refunds. The value of rental bonds held by the Board at 30th June, 1983, totalled \$83,539,440. During 1982-83, 1,311 purchase deposits were lodged and at the close of the year 547 deposits amounting to \$1,445,959 were held by the Board.

A total of \$17.4 million was advanced during the year for Government initiated housing schemes. Included in the advance was a contribution of \$6.0 million to a joint venture with the Housing Commission of New South Wales and the Government Insurance Office designed, by enabling construction of 511 additional homes, to provide assistance to tenants at the lower priced end of the private rental market. The Board's contribution is attracting interest at the rate of 5.0 per cent. In addition \$4.4 million was directed to the already existing Second Mortgage Loan Scheme and \$7.0 million was advanced for a First Mortgage Loan Scheme introduced during 1982-83. Both of these latter schemes designed to assist low income earners are administered by the State Bank, and the funds advanced to the Bank are repayable at the end of ten years attracting interest at 4.5 per cent per annum.

THE MINISTER, ABORIGINAL LAND RIGHTS ACT, 1983

Following the enactment of the Aboriginal Land Rights Act, commencing 10th June, 1983, a corporation sole representing the Crown was constituted with the corporate name "The Minister, Aboriginal Land Rights Act, 1983". This Act also repealed earlier legislation and the assets, debts and liabilities of the now defunct corporation, "The Minister, Aborigines Act, 1969" were transferred to the new corporation. The earlier vesting of all assets, etc. of the Aboriginal Lands Trust in "The Minister, Aborigines Act, 1969", has been described earlier in this Report.

The new legislation also provides for a N.S.W. Aboriginal Land Council and for Local and Regional Aboriginal Land Councils.

Financial activities, which were previously performed by the Trust, were continued by the two abovementioned corporations successively. From a balance of funds of \$329,795, plus receipts of \$463,418 (including grants from State and Commonwealth Governments of \$232,452 and \$208,339 respectively), payments totalling \$178,033 were made, including \$57,567 on repairs and maintenance to houses on Aboriginal settlements and \$58,079 on administration.

Expenditure by the Ministry of Aboriginal Affairs from the Consolidated Fund totalled \$6,720,155, major items being grants of \$5,199,900 to the Aborigines Assistance Fund within Special Deposits Account and \$425,000 to the now defunct Aboriginal Lands Trust and to the replacement Corporations.

Further comment on the operation of the Special Deposits Accounts - Aborigines Assistance Fund and Advances for Housing of Aborigines and Similar Purposes Working Account appears in Part I of this Report.

THE ABORIGINAL LANDS TRUST

The Trust was constituted in 1973 to assume corporate ownership of land in New South Wales on behalf of Aborigines.

The Minister having stated as his opinion, in terms of Section 10K of the Aborigines Act, 1969, that the Trust had in material respects wilfully failed to exercise and discharge its powers, authorities, duties and functions, the Governor, on 8th April, 1983, declared that the Trust had ceased to function. All assets etc. thereupon vested in the corporation sole described as The Minister, Aborigines Act, 1969.

Financial operations from 1st July, 1982, to the date of declaration were:

Previous Year \$		\$
	Receipts -	
	Grants -	
1,630,192	Commonwealth Government	677,290
507,406	New South Wales Government	346,500
90,422	Interest	70,193
266,149	Rent, Electricity and Gas	204,741
13,553	Miscellaneous	2,249
2,507,722		1,300,973
779,649	Balance at 1st July, 1982	993,076
<u>\$3,287,371</u>		<u>\$2,294,049</u>
	Payments -	
351,303	Building Projects, etc.	139,070
507,618	Salaries, Wages and Commission	661,088
91,885	Rent, Office Expenses, etc.	87,187
179,057	Council Rates	97,794
67,449	Motor Vehicle Expenses, etc.,	48,244
101,493	Members' Fees and Travelling Expenses	80,573
702,809	Repairs and Maintenance, etc.	515,961
100,315	Reserves Improvements	103,515
27,470	Electricity, Gas, etc.	47,548
93,185	Purchase of Plant and Equipment	73,599
15,925	Insurances and Advertising	21,620
....	Land Needs Seminars	46,422
....	Land Rights Meeting Expenses	15,000
55,786	Miscellaneous	26,633
2,294,295		1,964,254
993,076	Balance at 8th April, 1983	329,795
<u>\$3,287,371</u>		<u>\$2,294,049</u>

State Government grants included \$27,750 towards the expenses of Trust members on the Aboriginal Advisory Council. Commonwealth grants, \$677,290, comprised \$185,065 for reserves management, \$445,425 for funding specific projects, and \$46,800 for Land Needs Seminars.

Expenditure of \$139,070 on Building Projects, etc., was mainly for the construction of new dwellings at Wellington and in the Gingie, Three Ways and Griffith settlements.

Salaries, Wages and Commission, \$661,088, included payments totalling \$240,861 made for annual and long service leave entitlements and redundancy pay, upon termination by the Trust of services of staff.

Expenditure of \$46,422 was met in respect of Aboriginal Land Conferences, convened throughout New South Wales by the Trust and the National Aboriginal Conference, and having a relevance to specific Commonwealth grants. In addition, payments totalling \$15,000 were made, purportedly towards expenses of attending a protest meeting. I have been unable to establish whether this money was applied to authorised objects of the Trust. In the normal course of events, I would disallow and surcharge the payments as provided for in Section 10A(13) of the Act (and Section 6 of the Trustees Audit Act). With the enactment of the Aboriginal Land Rights Act, 1983, that course is no longer available.

According to figures supplied by the Trust, a comparison of rental receipts against rental raised in respect of the period 1st July, 1982, to 28th February, 1983, disclosed a shortfall of \$153,386 representing a collection ratio of 51.0 per cent for the period (compared with 52.9 per cent for the full year in 1981-82). Legal action for the recovery of rental arrears, initiated during 1981-82, was subsequently suspended by the Trust in favour of direct approaches for co-operation. Outstanding rental balances regarded as economically recoverable totalled \$785,650 at 28th February, 1983.

SYDNEY COVE REDEVELOPMENT AUTHORITY

The Authority was constituted under the Sydney Cove Redevelopment Authority Act, 1968, to enable the redevelopment of the "Rocks" area.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
4,403	Rents (Less Subsidies \$75,158)	5,207	18.2
1,043	Interest	1,600	53.4
35	Miscellaneous	78	125.6
<u>5,481</u>		<u>6,885</u>	25.6
	Expenditure -		
	Tenanted Properties -		
241	Rates	264	9.6
832	Repairs, Maintenance and Other Expenses	1,109	33.2
830	Salaries and Staff Expenses	885	6.6
142	Other Administrative Expenses	180	26.6
86	Public Relations and Promotional Expenses	77	(10.5)
	Provision for -		
402	Depreciation	407	1.3
70	Amortisation of Capitalised Charges	72	2.6
113	Employees Accrued Entitlements	34	(70.1)
<u>2,716</u>		<u>3,028</u>	11.5
2,765	Surplus Before Interest Charges	3,857	39.5
<u>5,862</u>	Interest	<u>7,378</u>	25.9
3,097	Deficiency	<u>3,521</u>	13.7

APPROPRIATION ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
<u>3,097</u>	Deficiency	<u>3,521</u>	13.7
	Transfer to Loan Repayment Reserve -		
1,054	Contribution	1,480	40.4
606	Interest on Investments	769	26.9
<u>1,660</u>		<u>2,249</u>	35.5
<u>4,757</u>	Gross Deficiency	<u>5,770</u>	21.3
	Added to -		
3,703	Accumulated Deficiency - Operations	4,290	15.8
<u>1,054</u>	Accumulated Deficiency - Capital	<u>1,480</u>	40.4
<u>4,757</u>		<u>5,770</u>	21.3

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
61,670	Loans Raised by Authority	67,659	9.7
12,496	State Government	12,496	..
	Other Capital -		
300	Advance from Treasury	300	..
	Retained Earnings -		
229	Lease Annuity Reserve	229	(0.3)
4,890	Loan Repayment Reserve	7,139	46.0
(19,611)	Accumulated Deficiency - Operations	(23,901)	21.9
(3,323)	Accumulated Deficiency - Capital	(4,803)	44.5
<u>56,651</u>		<u>59,119</u>	4.4
	REPRESENTED BY -		
	Fixed Assets -		
	Land, Buildings, Plant, etc. (At Valuation or Cost - Less Depreciation \$3,456,362)	48,946	(0.8)
49,339	Intangible Assets -		
	Establishment and Development Expenses (Less Written Off - \$692,114)	347	4.5
332	Investments -		
4,777	Loan Repayment	6,952	45.5
3,950	General	4,750	20.3
	Current Assets -		
252	Debtors (Less Doubtful Debts \$36,894)	399	58.2
50	Cash	52	5.8
58,700		61,446	4.7
	Less Current Liabilities and Provisions -		
1,811	Creditors, Deposits, Accruals (See Note 1)	2,067	14.2
238	Provisions - Employees Accrued Entitlements	260	9.1
2,049		2,327	13.6
<u>56,651</u>		<u>59,119</u>	4.4

Note 1. Following amendments to the Land Tax Management Act, 1956, the Authority has a contingent liability for land tax. No assessments have been received. The tenancy agreements with the occupiers of the properties place liability on the tenants to pay all such charges.

Including the effect of an increase of \$1,516,337 in interest payments, the gross deficiency of \$5,770,110, was \$1,012,671 (or 21.3 per cent) higher than in 1981-82. The continuing deficit situation of the Authority is the result of its long-term inability to date to bring development to a stage where rental income will be sufficient to service capital debt charges.

Net rents increased by \$803,516 (or 18.2 per cent) to \$5,206,826 but loan interest, \$7,378,204, was by itself more than the aggregate income of the Authority. In addition a contribution of \$1,480,281 was made to the Loan Repayment Reserve, in accordance with the provisions of the Public Authorities (Financial Accommodation) Act, 1981. Because of the absence of available revenue to support it, the effect of the entry was to add the same amount to the year's deficiency.

In my 1980-81 report I outlined the change in treatment and presentation in the Authority's accounts of the methods of loan repayment. This treatment was continued during 1982-83 with the capital and operations components of the total accumulated deficiency being shown separately. During the year the Authority raised further loans totalling \$8,360,000 and after providing for loan repayments of \$2,370,224 the net addition to capital debt was \$5,989,776 (approximately equivalent to the year's deficit).

Land and Buildings, \$52,232,932, comprised land and buildings vested in the Authority at the initial Valuer-General's valuation, \$12,496,136, land and buildings since acquired by resumption, \$23,542,368, new buildings, \$9,100,492, and renovation and restoration of existing buildings and the provision of public amenities, etc., \$7,093,936.

The Authority's Act provides for the payment of interest on its capital debt to the State Government on such terms and conditions as the Treasurer may from time to time determine. At the present time the Authority is paying interest on \$535,000 only out of the Treasury debt of \$12,496,136.

It is relevant to note that the Valuer General has determined the market value of the Authority's land and buildings at 30th June, 1983 to be \$155,000,000. Although it does not provide any immediate cash assistance to cover operating deficits, the apparent capital gain over book value is far greater than the accumulated deficiency.

DEPARTMENT OF ENVIRONMENT AND PLANNING

In terms of the Environmental Planning and Assessment Act, 1979, the Minister for Planning and Environment is constituted a corporation sole and is responsible for promoting and co-ordinating the environmental planning and assessment objectives of the Act.

Apart from administrative costs, which are met from Consolidated Revenue Fund, financial operations are conducted through a trust fund, a land development contribution fund and three area development funds.

Audit of the accounts of the Department has not been completed and the figures quoted for 1982-83 are not necessarily final.

SYDNEY REGION DEVELOPMENT FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Income -			
137	State Government Grant		145	5.7
7,358	Councils' Contributions		8,173	11.1
1,145	Proceeds from Sales of Land		1,934	68.9
2,393	Rents, etc.		3,327	39.0
3,211	Interest		3,375	5.1
<u>14,244</u>			<u>16,954</u>	19.0
	Expenditure -			
6,910	Loan Interest, etc.		7,168	3.7
583	Property Expenses		863	47.9
1,000	Administrative Expenses		1,020	2.0
15	Audit Fees		23	53.3
<u>8,508</u>			<u>9,074</u>	6.6
5,736	Operating Surplus		7,880	37.4
2,578	Loans Repaid	1,798		(30.3)
	Transfers to -			
410	Loans Repayment Reserve	2,557		524.6
2,700	Land Replacement Reserve	2,700		..
<u>5,688</u>			<u>7,055</u>	24.0
48	Addition to Accumulated Funds		825	*
<u><u> </u></u>			<u><u> </u></u>	

* Over 1,000 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
4,841	State Government	4,719		(2.5)
69,749	Private Loans	74,951		7.5
<u>74,590</u>			79,670	6.8
	Other Capital -			
31,949	State Government Grants	34,804		8.9
27,247	Loans Repaid from Local Government Contributions	31,167		14.4
....	Assets acquired from Internal Sources	<u>546</u>		+
59,196		66,517		12.4
	Less - Land Transferred to Councils, Municipalities and Other Bodies	<u>14,016</u>		1.4
<u>13,829</u>			52,501	15.7
45,367				
	Retained Earnings -			
13,725	Loans Repayment Reserve	15,602		13.7
6,500	Land Replacement Reserve	8,654		33.1
<u>1,724</u>	Accumulated Funds	<u>2,549</u>		47.9
21,949			26,805	22.1
<u>141,906</u>	TOTAL		<u>158,976</u>	12.0

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	REPRESENTED BY -			
	Fixed Assets -			
<u>547</u>	Buildings		547	..
	Land Acquired -			
<u>120,147</u>	Purchase Cost and Other Costs		132,687	10.4
	Investments (including Accrued Interest) -			
	Interest Bearing Deposits -			
13,761	Loans Repayment Reserve	15,602		13.4
8,431	Other Purposes	3,117		(63.0)
	Inscribed Stock -			
<u>2,845</u>	Public Authorities	<u>13,305</u>		367.6
<u>25,037</u>			32,024	27.9
<u>7,599</u>	Long Term Debtors		7,266	(4.4)
	Current Assets -			
9,139	Sundry Debtors	7,056		(22.8)
377	Debtors on Land Acquisitions	577		53.1
<u>2,853</u>	Cash	<u>1,755</u>		(38.5)
<u>12,369</u>			9,388	(24.1)
<u>165,699</u>			<u>181,912</u>	9.8
	Less - Current Liabilities -			
2,772	Interest Accrued	2,104		(24.1)
3,859	Advance Contributions (Councils)	4,319		11.9
<u>1,038</u>	Sundry Creditors, etc.	<u>471</u>		(54.7)
<u>7,669</u>		<u>6,894</u>		(10.1)
	Long Term Liabilities -			
1,635	Lease Premiums	2,059		25.9
	Advances from Land Development			
12,425	Contribution Fund	12,951		4.2
<u>2,064</u>	Mortgage Loans	<u>1,032</u>		(50.0)
<u>23,793</u>			22,936	(3.6)
<u>141,906</u>			<u>158,976</u>	12.0

+ Nil in previous year - not calculable.

The amount of \$144,746 brought to account as income under the heading of Government Grant is part of a total grant of \$3,000,000. The balance \$2,855,254 being the Government's contribution towards the cost of acquiring land, has been capitalised.

Section 143 of the Environmental Planning and Assessment Act, 1979, provides that the Department may levy the amount required for the repayment of loans or for the payment of interest on any loan, upon those Councils whose areas are included in the development area to which the loan relates. For the year 1983, the levy on Councils was \$8,173,390, higher by \$815,396 than in the previous year.

Income from sales of land, \$1,933,554 included \$385,608 and \$117,000 from sales in the Padstow and Wyong areas, respectively. Income from rents, etc., \$3,326,770, was derived mainly from the lease of land and buildings acquired for future development projects.

Operating surplus for the year was \$7,880,606. After transfers of \$2,700,000 to a Land Replacement Reserve and \$2,557,338 to Loans Repayment Reserve and making loan repayments of \$1,797,791 an amount of \$825,428 was carried to accumulated funds.

During the year \$546,275 was applied from the Land Replacement Reserve for improvements to open space land holdings.

In accordance with the Local Government Act and its own Act, the Department disposes of land by transfer or deed of trust to various Councils and government and semi-government undertakings. After allowing for land transfers and land sold during the year, the recorded cost of land on hand aggregated \$133,780,647, at 30th June, 1983. Of this sum, net investment on development projects at Campbelltown totalled \$18,920,186 and at Mount Druitt, \$4,724,313 while \$58,456,624 relates to acquisitions towards which the Government contributes with Councils on a \$1 for \$1 basis.

Long term debtors, \$7,265,923 included \$1,195,612 outstanding from Blacktown City Council for its share in construction costs of the Mt. Druitt Town Centre, \$4,718,897 owing by the Housing Commission and \$1,351,414 owed by Macarthur Growth Area.

The long term liability described as mortgage loans, \$1,032,000, arises where the Department has entered into agreements with vendors to pay for land acquired by regular instalments over an extended period. These include \$1,000,000 outstanding for purchase of a brickpit at St. Peters.

Land holdings are recorded in the Balance Sheet at cost of acquisition. With the exception of Wetherill Park Town Centre and land within the bounds of Macarthur Growth Area purchased from the Sydney Region Development Fund, the Department's holdings of a residential, commercial and industrial nature (originally costing \$6,208,934) were, at 30th June, 1983 valued by departmental valuers at \$41 million. Under established policy, these valuations will be tested for me by the Valuer-General before finalising the audit of the current year's accounts. The \$41 million valuation comprises \$14 million for the Mt Druitt Town Centre \$4 million (eight properties) proposed for disposal to various State Government Departments, \$16 million (222 properties) programmed and available for disposal and \$7 million (123 properties) not marketable in the immediate future.

LAND DEVELOPMENT CONTRIBUTION FUND

The Land Development Contribution Management Act, 1970, provided for a levy or a betterment contribution on the increment in value of non-urban land in the Sydney Region following rezoning for urban purposes. Contributions are not payable on transactions which occurred after 7th February, 1973.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
...	Contributions, etc.	31	+
<u>245</u>	Interest on Advances	<u>226</u>	(7.7)
245		257	4.8
==		==	
	Expenditure -		
<u>18</u>	Administration	<u>4</u>	(79.4)
<u>227</u>	Surplus	<u>253</u>	11.3
245		257	4.8
==		==	

+ More than 1,000 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
<u>15,911</u>	RETAINED EARNINGS - Accumulated Funds	<u>16,164</u>	1.6
	REPRESENTED BY -		
	Long Term Debtors -		
3,271	Advances to Councils (including Accrued Interest)	2,994	(8.5)
12,425	Advances to Sydney Region Development Fund (including Accrued Interest)	12,951	4.2
<u>246</u>	Current Assets - Debtors and Cash	<u>250</u>	1.5
15,942		16,195	1.6
	Less - Current Liabilities -		
<u>31</u>	Creditors and Accrued Charges	<u>31</u>	..
<u>15,911</u>		<u>16,164</u>	1.6
==		==	

Further advances of \$1,000,000 were made to the Sydney Region Development Fund bringing the total advances since inception of the Fund to \$13,650,000. Advances are repayable after five years by fifteen annual instalments with interest calculated at 2 per cent per annum.

Debtors of \$97,091 related in the main to unpaid assessments in respect of declared lands on which notice of liability has been received as a result of sales or other defined dispositions.

TRUST FUND

Cash held in Trust at 30th June, 1983, \$188,265, included deposits on account of pending land sales, security deposits and stamp duty and registration fees.

GENERAL FUND

Arrangements have now been finalised for the winding up of the General Fund during 1983-84. Land and Buildings of \$216,345 will be disposed of by private sale and transfer to the Sydney Region Development Fund. During 1982-83, \$30,000 was advanced from the Fund on a recoupable basis for a survey on a tourist development in the Grafton area. At balance date, \$15,000 of this amount was outstanding.

HUNTER REGION DEVELOPMENT FUND

There were no transactions recorded in the Fund during 1982-83 and the deficiency remained unchanged at \$16,588. Fixed Assets of the Fund, \$59,859, comprised buildings, \$51,034, and land acquired \$8,825.

ILLAWARRA REGION DEVELOPMENT FUND

During 1982-83 the only land acquisition was \$220,111 funded from the Sydney Region Development Fund bringing the total assets of the Illawarra Region Development Fund to \$1,649,359.

DIRECTOR, MACARTHUR GROWTH AREA

The Macarthur Development Board was established in 1975 by agreement between the Commonwealth and State Governments to promote large scale urban growth in the Campbelltown-Camden-Appin-Holsworthy area. The statutory authority for its operation is now provided by the Growth Centres (Development Corporations) Act, 1974, following the 1981 amendment to the Act, which constituted the Director, Macarthur Growth Area, as a corporation sole. The Corporation has power to acquire and subdivide land and construct residential, commercial and industrial buildings for sale or lease.

Responsibility for the administration of the Macarthur Growth Area was transferred on 1st July, 1981 from the Minister for Planning and Environment to the Minister for Industrial Development and Decentralisation. At the time of this report, assets (including titles to land) and liabilities, still remain to be transferred.

Audit of the accounts has not been completed and the figures quoted for 1982-83 are not necessarily final.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
932	Rentals	1,140	22.3
109	Interest on Investments	44	(60.0)
82	Miscellaneous	70	(14.4)
1,769	Surplus on Property Sales	548	(69.0)
2,892		1,802	(37.7)
	Expenditure -		
5	Members' Fees and Allowances	4	(29.6)
917	Salaries and Associated Costs	1,024	11.7
59	Planning Consultants	27	(54.2)
62	Rent	70	11.9
172	Administration and General Expenses	120	(29.9)
5	Audit Fee	10	100.0
306	Property Management Expenses	242	(21.0)
7,119	Loan Interest	10,783	51.5
30	Provision for Depreciation	37	22.5
8,675		12,317	42.0
	Less - Capital Expenditure Transferred to Specific Assets	10,886	72.8
6,300		1,431	(39.8)
2,375			
517	Operating Surplus	371	(28.3)
5	Add - Surplus on Disposal of Assets	19	270.8
195	Adjustments	....	(100.0)
717		390	(45.6)
508	Appropriation to Loan Repayment Reserve	1,407	176.9
209	Deficiency	1,017	*
Surplus			
	* Surplus in previous year - not calculable.		

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
28,100	Commonwealth Government	28,100	..
24,048	Capitalised Interest	29,710	23.5
52,148		57,810	10.9
39,888	Private Loans	45,784	14.8
92,036		103,594	12.6
	Other Capital -		
800	Commonwealth Government Grants	800	..
400	State Government Grants	400	..
1,200		1,200	..
	Retained Earnings -		
4,450	Loans Repayment Reserve	6,746	51.6
700	Prescribed Additional Development Works	700	..
5,150		7,446	44.6
98,386		112,240	14.1
5,583	Less - Accumulated Deficiency	6,600	18.2
92,803	TOTAL	105,640	13.8
	REPRESENTED BY -		
	Fixed Assets -		
86,994	Acquired Land and Property (At Cost Plus Development Expenditure)	96,433	10.9
69	Furniture, Equipment, etc. (Less Depreciation \$254,077)	76	9.7
87,063		96,509	10.8
391	Long Term Debtors	380	(3.0)
6,103	Investments -		
	Interest Bearing Deposits	6,902	13.1
5,000	Other Assets	5,000	..
	Current Assets -		
352	Debtors	318	(9.6)
322	Cash	367	14.0
674		685	1.7
99,231		109,476	10.3
	Less - Current Liabilities and Provisions -		
6,010	Creditors and Accruals	3,389	(43.6)
301	Lease Premiums	287	(5.0)
117	Provision for Long Service Leave	160	37.0
6,428		3,836	(40.3)
92,803		105,640	13.8

The land holdings \$96.4 million shown in the balance sheet does not include all land under the control of the Director. The inability to reach agreement on the transfer value of Department of Environment and Planning land, which was acquired by The Sydney Region Development Fund prior to 1974, has prevented adjustment of the balance sheet. It is considered most desirable that the real estate holdings be subject to independent valuation and that cognizance be taken of these valuations in the financial statements. An in-house valuation of all of the combined lands has been undertaken, but transfer values have still not been agreed. I am therefore unable to assess whether the carrying amount of real property in the balance sheet is fairly stated.

After bringing to account the deficiency for the year, \$1,017,035, the accumulated deficiency at the close of the year amounted to \$6,599,887.

ALBURY-WODONGA (NEW SOUTH WALES) CORPORATION

Under the Albury-Wodonga Area Development Agreement the Commonwealth, New South Wales and Victorian Governments have agreed that a growth complex should be developed, as a joint project, in the Albury-Wodonga area and that amenities and services should be provided to foster and serve the complex.

The ratifying New South Wales legislation, the Albury-Wodonga Development Act, 1974, constituted the Albury-Wodonga (New South Wales) Corporation on 3rd May, 1974. The Corporation is responsible for acquiring and managing land for the purposes of the growth complex and encouraging and assisting development in designated areas in New South Wales. Complementary legislation has been enacted by the Commonwealth and Victorian Governments constituting the Albury-Wodonga Development Corporation and the Albury-Wodonga (Victoria) Corporation.

By agreement between the State Auditors-General, the New South Wales Auditor-General is to carry out audit procedures for both State Corporations, for the next three years. The roles will then be reversed. Audit of the accounts for the year ended 30th June, 1983, has not been completed and figures quoted are based on preliminary accounts which may be subject to adjustment.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
1,667	Land Sales	1,898	13.9
<u>1,547</u>	Less - Cost of Land Sold	<u>1,774</u>	14.7
120		124	3.1
1,377	Rentals	1,465	6.4
783	Interest Received	976	24.6
<u>27</u>	Miscellaneous	<u>10</u>	(63.0)
<u>2,307</u>		<u>2,575</u>	11.6
	Expenditure -		
9,632	Interest	11,498	19.4
630	Development Expenses	706	12.1
35	Amortization of Capital Charges	....	(100.0)
483	Property Maintenance	491	1.6
162	Rates	188	16.3
3	Provision for Doubtful Debts	55	+
2	Audit Fee	14	522.2
8	Miscellaneous	5	(41.0)
<u>30</u>	Work in Progress Written Off	<u>....</u>	(100.0)
<u>10,985</u>		<u>12,957</u>	18.0
8,678	Operating Deficiency	10,382	19.6
<u>....</u>	Plus Adjustment Previous Years - Accrual	<u>26</u>	*
<u>8,678</u>		<u>10,408</u>	19.9

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
58,668	Government Loans	58,668	..
41,086	Deferred Interest	52,397	27.5
1,956	Loans Raised by Corporation	1,942	(0.7)
101,710		113,007	11.1
	Other Capital -		
430	Commonwealth Government Grants	430	..
102,140		113,437	11.1
41,917	Less - Accumulated Deficiency	52,325	24.8
60,223	TOTAL	61,112	1.5
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
39,418	Land and Buildings	38,542	(2.2)
1,628	Capitalised Holding Charges	1,903	16.8
41,046		40,445	(1.5)
4,782	Long Term Debtors	6,044	26.4
9,713	Construction in Progress	9,171	(5.6)
	Machinery and Equipment		
60	(Less Depreciation, \$16,251)	80	34.2
55,601		55,740	0.2
	Current Assets -		
2,941	Developed Land (At Cost)	3,651	24.1
282	Advances to Development Corporation	195	(30.8)
	Debtors, Prepayments (Less Doubtful		
967	Debts, \$58,510)	827	(14.4)
7	Accrued Interest	7	2.4
93	Interest Bearing Deposits	....	(100.0)
375	Short Term Investments	700	86.7
299	Cash	101	(66.3)
4,964		5,481	10.4
60,565		61,221	1.1
	Less - Current Liabilities -		
244	Outstanding Payments - Resumed Land	....	(100.0)
59	Rents Paid in Advance	54	(7.5)
27	Trust and Suspense Account	25	(9.4)
12	Accrued Interest	12	(0.9)
....	Creditors	18	*
342		109	(68.1)
60,223		61,112	1.5

* Nil in previous year - not calculable.

Capital finance is obtained in terms of the Agreement which provides that liability for the repayment of funds made available to the Commonwealth Corporation for expenditure on State projects is, as from the date the advance was made, to be borne by the State Corporation to which those advances relate. At the time of this report the obligation to repay these advances and deferred interest was being reconsidered by the State and Commonwealth Governments.

No additional Commonwealth assistance was received for development works in New South Wales during 1982-83, the total advances received to date remaining at \$58,667,825. Principal repayments are not required for ten years but interest is calculated at the long-term bond rate from the date the advance was made and is added to the outstanding principal. Interest accrued to 30th June, 1983, amounted to \$52,396,952 (\$41,086,011 in 1981-82) increasing the capital indebtedness to the Commonwealth to \$111,064,777.

Land and Buildings comprise acquired land and buildings identified for close urban development, \$23,342,340, Corporation constructed houses, \$10,414,532, miscellaneous buildings including factories, a nursery and a laboratory, \$1,584,492, and land and buildings outside the compulsory acquisition area held for possible future development and/or resale, \$5,103,076.

Included under the heading "Construction in Progress" is expenditure incurred ahead of demand on the provision of headworks and other facilities common to the total development area, \$8,056,112, servicing of uncompleted residential and industrial land development projects, \$1,090,305 and expenditure on uncompleted construction of houses, and industrial and other buildings, \$24,293.

Current assets include Developed Land, \$3,650,872, which represents vacant residential and industrial lots developed for resale and industrial lots on short-term lease. Debtors include \$695,236 for purchases under contract of sale and \$116,966 due on rented properties.

After bringing to account the year's operating deficiency of \$10,382,269, the accumulated deficiency at 30th June, 1983, amounted to \$52,325,223. At that date, the capital debt of the Corporation, \$113,006,910 exceeded the book value of its net assets by \$51,895,223 - which is approximately equal to the unpaid interest which has been capitalised as an addition to capital debt.

Assets are recorded in the balance sheet at cost of acquisition with holding charges added to the cost of acquired land and buildings and land held for development. It was previously reported that having regard to the movement in property values generally over the period since the Corporation first commenced operations, it was considered most desirable that the Corporation's real estate holdings be subject to an independent valuation by a qualified valuer and that cognizance be taken of these valuations in future financial statements. The Corporation's recently published annual report states that the Ministerial Council has endorsed a note to the accounts recognising that "book value may be at variance with market value" and that independent valuations have not been obtained.

It seems probable that reduction of the area proposed to be developed may have brought the real value of the Corporation's holdings below the book value. No provision has been made in the accounts for such an eventuality which, if factual, would mean that the Corporation's accumulated loss has been understated. Therefore until the values of real estate holdings are confirmed, adjusted or noted on the accounts, I continue unable to state as auditor that the financial position of the Corporation is fairly stated in its accounts.

BATHURST-ORANGE DEVELOPMENT CORPORATION

The Bathurst-Orange Development Corporation was constituted on 1st July, 1974, pursuant to the provisions of the Growth Centres (Development Corporations) Act, 1974, to facilitate the development of the growth centre. The Corporation has power to acquire and subdivide land and construct residential, commercial and industrial buildings.

Accounts for 1981-82, which were not included in last year's Report, are set out as "previous years" in the following statements. Accepting the effect of some further asset revaluations and re-classifications, these showed an improvement from the preliminary estimate of operating surplus (\$735,000) but the overall deficiency was \$1 million worse than the early estimate (\$6,700,000).

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
1,144	Rental	1,159	1.3
1,057	Interest	811	(23.2)
4,891	Sale of Completed Houses and Land	3,532	(27.8)
12	Miscellaneous	8	(34.4)
<u>7,104</u>		<u>5,510</u>	(22.4)
	Expenditure -		
	Estate Management -		
165	Property Maintenance	176	7.1
198	Property Other	203	2.6
4,610	Cost of Completed Houses and Land Sold	3,327	(27.8)
751	General Salaries and Associated Charges	739	(1.6)
320	Administration and General Expenses	276	(13.6)
21	Members' Remuneration	17	(20.7)
	Provision for -		
27	Depreciation	48	77.7
8	Employee Leave Entitlements	25	206.8
8	Doubtful Debts	15	98.0
<u>6,108</u>		<u>4,826</u>	(21.0)
38	(Deferred) / Emerged Profit	(26)	+
<u>6,070</u>		<u>4,852</u>	(20.1)
1,034	Surplus Before Interest	658	(36.4)
<u>7,054</u>	Interest Expense	<u>7,793</u>	10.5
6,020	Deficiency After Interest	7,135	18.5
	Add:		
1,317	Asset Revaluation Adjustment	73	(94.5)
391	Reserve for Loan Repayments (Net)	340	(13.1)
<u>7,728</u>		<u>7,548</u>	(2.3)
11	Less: Profit on Disposal of Assets	8	(22.9)
<u>7,717</u>	Deficiency	<u>7,540</u>	(2.3)

+ Income in Previous Year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
11,797	New South Wales Government	11,797	..
9,923	Deferred Interest	12,348	24.4
16,129	Commonwealth Government	16,129	..
13,116	Deferred Interest	16,397	25.0
50,965		56,671	11.2
20,317	Private Loans	19,933	(1.9)
71,282		76,604	7.5
	Retained Earnings -		
2,279	Loan Repayment Reserve	2,942	29.1
82	Deferred Revenue Profit	108	30.8
2,361		3,050	29.2
73,643		79,654	8.2
38,099	Less: Accumulated Deficiency	45,639	19.8
35,544	TOTAL	34,015	(4.3)
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
45	Motor Vehicles (Less Depreciation \$11,754)	43	(4.0)
71	Office Furniture and Equipment (Less Depreciation \$127,395)	66	(7.7)
116		109	(6.3)
	Investments -		
	Long Term Loans -		
1,061	Loan Repayments Reserve	1,048	(1.2)
1,218	Short Term Investments -	1,894	55.6
3,200	Loan Repayments Reserve	2,650	(17.2)
5,479	General	5,592	2.1

Previous Year \$'000		\$'000	Increase % (-)
	Current Assets -		
20,543	Land and Buildings (For Future Development)	19,052	(7.3)
1,914	Developed Land	5,446	184.5
5,725	Land under Development	2,409	(57.9)
	Debtors and Prepayments (Less		
1,969	Doubtful Debts \$15,000)	1,935	(1.7)
888	Cash at Bank, On Hand	131	(85.3)
60	Accrued Interest Receivable	158	163.8
<u>31,099</u>		<u>29,131</u>	(6.3)
<u>36,694</u>		<u>34,832</u>	(5.1)
	Less:		
	Current Liabilities and Provisions -		
528	Creditors, Deposits and Rentals in Advance	187	(64.6)
324	Accrued Interest Payable	318	(1.7)
298	Provision - Employees Leave Entitlements	312	8.5
<u>1,150</u>		<u>817</u>	(28.9)
<u>35,544</u>		<u>34,015</u>	(4.3)

Sales of property, \$3.5 million, continued at prices which cover costs to the Corporation but were down from the \$4.9 million level achieved in 1981-82. Rental income and operating costs were relatively stable.

The accounts show clearly that the Corporation is not in a position to meet the accumulating burden of interest on Commonwealth and State capital advances invested in it. Moreover, the balance sheet valuation of net assets is less than the principal sum outstanding on loans and advances. As the repayment of private loans is covered by a State Government guarantee, it would seem now inevitable that the two Governments face an eventual need to write off their losses. In this situation, the continued raising of deferred interest charges is just a book entry.

Land holdings are disclosed in the books at either cost, written down book value or current market value whichever is the lower. At 30th June, 1983, holdings of \$24.4 million (excluding land under development \$2.4 million) were assessed by Corporation valuers to have a current market value of \$32.5 million. Under established policy, these valuations will be tested for me by the Valuer-General before finalising the audit of the current year's accounts.

FORESTRY COMMISSION OF NEW SOUTH WALES

Control and management of Crown-timber lands and State forests is vested in the Forestry Commission, constituted under the Forestry Act, 1916.

Audit of the accounts of the Commission is well advanced but not complete and the figures quoted for 1982-83 are not necessarily final.

FOREST OPERATIONS

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
29,709	Forest Products (Royalty)	29,315	(1.3)
....	Commonwealth Wage Pause Employment Grants	1,207	+
<u>568</u>	Miscellaneous	<u>655</u>	15.3
30,277		31,177	3.0
	Expenditure -		
7,176	Overheads	10,184	41.9
4,628	Depreciation	4,703	1.6
3,921	Interest	4,669	19.1
3,184	Maintenance	3,485	9.5
2,833	Growing Stock	2,510	(11.4)
2,601	Marketing	2,718	4.5
1,540	Fire Protection	1,861	20.8
<u>576</u>	Short-Life Roads	<u>485</u>	(15.7)
26,459		30,615	15.7
3,818	Operating Surplus	562	(85.3)
....	Less - Growing Stock destroyed by Bushfires	<u>5,848</u>	+
3,818	Net Deficiency	5,286	#
<u>(Surplus)</u>			

+ Nil in previous year - not calculable.

Surplus in previous year - not applicable.

Income is derived mainly from royalty on log sales from softwood plantations and indigenous forests (Broadleaf and Cypress Pine species). A decline of 23 per cent in total Crown sawlog sales adversely affected the amount of royalty collections. Lack of demand for timber and the destruction of Growing Stock by bushfires resulted in a net deficiency of \$5,286,449 for 1982-83.

Indigenous forest operations are long-term, therefore much of the expenditure on maintenance, fire protection, interest and overheads is treated as a cost of current operations. Similar costs for softwood plantations are capitalised and written off by annual charges described as "Growing Stock".

The cost of fire protection includes patrol, maintenance of firetrails, and other preventive measures, as well as direct firefighting.

OTHER COMMERCIAL OPERATIONS

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983.

Previous Year \$'000		Logging \$'000	Amenity Nurseries \$'000	Timber Inspection \$'000	Total \$'000	Increase % (-)
1,512	Income -					
	Charges, Sales and Fees	426	1,025	151	1,602	6.0
	Expenditure -					
1,232	Salaries and Wages	365	877	203	1,445	17.2
130	Materials	...	231	3	234	80.9
19	Depreciation	...	22	...	22	8.0
396	Overheads	61	201	37	299	(24.4)
152	Miscellaneous	29	167	36	232	52.1
1,929		455	1,498	279	2,232	15.6
85	Less - Increase in Stock	...	212	...	212	146.4
1,844		455	1,286	279	2,020	9.6
332	Deficiency	29	261	128	418	25.9
1,512		426	1,025	151	1,602	6.0

Logging - is undertaken by the Commission on behalf of sawmillers, who are charged at an agreed unit price. This allows the Commission to control and closely manage the areas to be logged.

Amenity Nurseries - produce seedlings for sale to the general public.

Timber Inspection - is a service available to the public on payment of prescribed fees.

COMBINED STATEMENT OF RESULTS FOR COMMERCIAL OPERATIONS for the year ended 30th June, 1983.

Previous Year \$'000		\$'000	Increase % (-)
(3,818)	Forest Operations - (Surplus) Deficiency	5,286	+
332	Other Commercial Operations - Deficiencies	418	25.9
	(Surplus) Deficiency transferred to		
(3,486)	Accumulated Funds	5,704	+

+ Surplus in previous year - not applicable.

NON COMMERCIAL OPERATIONS

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	State Treasury -		
7,579	Net Allocation from Consolidated Fund*	7,105	(6.3)
283	Special Youth Employment Account	439	55.1
....	Commonwealth Wage Pause Employment Grant	365	+
300	Commonwealth Aid Roads Grant	300	..
86	Miscellaneous	79	(7.5)
<u>8,248</u>		<u>8,288</u>	0.5
	Expenditure -		
2,680	Regulatory and Statistical Functions	1,124	(58.1)
2,163	Forest Recreation	1,389	(35.8)
1,938	Forest Advisory and Community Use Services	1,946	0.4
719	Wood Technology Services	1,570	118.5
465	Community Fire Protection	1,130	143.1
283	Job Creation Programs	804	184.1
....	Miscellaneous	325	+
<u>8,248</u>		<u>8,288</u>	0.5
	*Comprises -		
19,769	Recurrent Services	21,308	7.8
	Retirement Contributions and Building		
2,735	Maintenance	2,079	(24.0)
<u>22,504</u>		<u>23,387</u>	3.9
	Less -		
15,784	Net Payment to Consolidated Fund	14,306	(9.4)
6,720		9,081	35.1
	Less -		
(859)	Added to Other Capital	1,976	#
<u>7,579</u>		<u>7,105</u>	(6.3)

+ Nil in previous year - not calculable.

Shortfall in previous year - not applicable.

Non Commercial Operations are those not directly relating to normal forestry trading activities and include:

Regulatory and Statistical Functions - activities such as regulation of Crown and private property sawmills; staffing of advisory committees; collection of statistics; supervision of clearing on Crown leases under other administrations.

Forest Recreation- providing and maintaining forest walks, nature trails, picnic and roadside rest areas; and small scale amenity plantings for which no charge is made.

Forest Advisory and Community Use Services - general information services on forestry activities; farm forestry advice; extra cost of constructing roads to a standard in excess of commercial requirements for public benefit; and general services to the public.

Wood Technology Services - relate to research and advisory services provided by the Wood Technology Division to the timber industry and consumer in respect of forest products.

Community Fire Protection - relates to the cost of attending fires other than on State Forests.

From the Consolidated Fund allocation, \$7,104,813 was applied towards Non Commercial Operations while \$1,976,000 for Forest and Commercial Operations was transferred to "Other Capital - Treasurer - Payments on behalf of Commission".

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
120,100	State Government	134,361	11.9
26,622	Commonwealth Softwood Loans	26,386	(0.9)
2,400	Loans Raised by Commission	3,900	62.5
<u>149,122</u>		<u>164,647</u>	10.4
	Other Capital -		
76,653	Treasurer - Payments on behalf of Commission	92,473	20.6
36	Retained Earnings -		
26,479	Loan Repayment Reserve	222	524.7
	Accumulated Funds	20,775	(21.5)
<u>26,515</u>		<u>20,997</u>	(20.8)
<u>252,290</u>	TOTAL	<u>278,117</u>	10.2

Previous Year \$'000		\$'000	Increase % (-)
	REPRESENTED BY -		
	Fixed Assets -		
	Land, Buildings, Plant, etc. (At Cost)		
68,487	(Less Depreciation \$51,894,530)	73,555	7.4
177,027	Growing Stock	199,291	12.6
245,514		272,846	11.1
	Investments (At Cost) -		
	Loan Repayment -		
36	Inscribed Stock (and uninvested cash)	222	524.7
	Current Assets -		
1,193	Stores and Materials, etc. (At Cost)	1,427	19.6
2,950	Debtors	3,124	5.9
6,783	Cash	6,160	(9.2)
10,926		10,711	(2.0)
256,476		283,779	10.6
	Less Current Liabilities and Provisions -		
1,501	Creditors, Accruals, etc.	1,344	(10.5)
2,685	Provisions for Employees' Entitlements	4,318	60.8
4,186		5,662	35.3
252,290		278,117	10.2

Capital Debt - includes the Loan Liability to the Treasurer of \$134.2 million for capital works and services allocated to the Commission after excluding farm woodlot advances (repayable by farmers) and deducting proceeds from sales of assets. The outstanding liability on private loans at 30th June, 1983, \$3.9 million, included \$1.5 million raised in 1982-83.

Payments made by the Treasurer on behalf of the Commission included Capital Debt charges of \$74 million. Also included was \$14.5 million being the net amount of funds provided from the Consolidated Fund to date for recurrent services for forest and other commercial operations.

Fixed Assets include Growing Stock, \$199,290,756; Roads and Bridges, \$47,220,832; Buildings, \$3,189,924; Plant and Equipment, \$7,670,242; Installations, \$1,547,106; and Land Purchased, \$13,927,280. Crown Lands dedicated as State Forest have not been valued. In 1982-83 certain areas of State Forests were revoked for National Parks. It is expected that the value of the areas to the Commission will be determined in 1983-84 and written off.

The Commission has not made a provision for bad debts as most of the Debtors are sawmillers and the Commission holds guarantees equivalent to royalty payments for two months.

The provisions for accrued leave, \$3,486,788, and employees' retirement fund benefits, \$831,640, are sufficient to cover current cash commitments.

CHICKEN MEAT INDUSTRY COMMITTEE

The Chicken Meat Industry Act, 1977, constituted the Committee as a corporation to regulate and control agreements between growers and processors of chickens for consumption as poultry meat.

Fees charged on agreements lodged for approval are paid into Consolidated Fund and all costs are met from that Fund. For 1982-83, collections were \$15,060. Payments made by the Department of Agriculture for meeting fees, travelling expenses etc. amounted to \$13,705. Salary costs had not been calculated at the close of the year.

Homebush Abattoir Corporation

The Homebush Abattoir Corporation was constituted from 1st January, 1979, as a continuation of the statutory corporation previously named the Metropolitan Meat Industry Board. The primary function of the Corporation is to establish, maintain and conduct slaughtering places and sale yards within the Metropolitan Abattoir Area.

Acceptable financial statements for 1980-81 and 1981-82 were not available for review in my previous Report. The Corporation had not been able to confirm the accuracy of debtors and other features required resolution. These matters have now been resolved and the accounting for those years completed. Preliminary estimates in 1982 were that losses would be of the order of \$5.9 million for 1980-81 and \$4.3 million for 1981-82. Completion of the accounting and the audit settled the losses at \$6.1 million and \$4.5 million respectively. The unaudited net operating loss for 1982-83 is shown in the following statements at \$3.7 million.

Major financial restructuring was effected in 1981-82 as outlined later herein. Among other things, this reduced the depreciation charge for 1981-82 (and thereby the net loss) by about \$1 million. Additional to this saving has been the effect of operational improvements which are evident from the further lowering in the loss forecast for 1982-83. Financial operations for the three past years were:

OPERATING AND PROFIT AND LOSS ACCOUNT for the year ended 30th June, 1983

1980-81	1981-82		\$'000	Increase % (-)
\$'000	\$'000			
		Income -		
8,177	9,941	Abattoir and By-Products	11,393	14.6
8,667	8,121	Trading Activities	9,416	16.0
1,388	1,453	Meat Market	2,032	39.9
1,590	1,863	Rents and Property Services	2,220	19.2
1,638	1,240	Miscellaneous	968	(21.9)
<u>21,460</u>	<u>22,618</u>		<u>26,029</u>	15.1
		Less - Cost of Sales etc.-		
7,754	7,571	Purchases - Trading Stock etc.	8,238	8.8
11,552	11,856	Wages and Associated Charges	14,291	20.5
1,291	1,502	Power, Water and Trade Waste	1,657	10.3
1,345	1,651	Miscellaneous	1,155	(30.0)
<u>21,942</u>	<u>22,580</u>		<u>25,341</u>	12.2
<u>(482)</u>	<u>38</u>	Gross Profit	<u>688</u>	+
		Less -		
1,875	2,053	Administration and General Costs	1,836	(10.6)
2,306	2,270	Interest Paid	2,222	(2.1)
1,326	260	Depreciation	301	16.1
<u>5,507</u>	<u>4,583</u>		<u>4,359</u>	(4.9)
<u>5,989</u>	<u>4,545</u>	Operating Loss	<u>3,671</u>	(19.2)

+ More than 1,000 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -			
914	Loan Liability to Treasurer	903		(1.2)
19,262	Treasury Advances	10,212		(47.0)
21,810	Loans Raised by Corporation	21,057		(3.5)
41,986			32,172	(23.4)
	Other Capital -			
1,325	Assets Acquired Free of Liability		1,325	..
	Retained Earnings -			
44,319	Fixed Assets Revaluation Reserve	32,069		(27.6)
492	Loan Repayments Reserve	568		15.6
....	General Reserve	6		*
44,811		32,643		(27.2)
42,489	Less - Accumulated Deficiency	33,910		(20.2)
2,322			(1,267)	+
45,633	TOTAL		32,230	(29.4)
	REPRESENTED BY -			
	Fixed Assets (At Valuation) -			
47,000	Land and Roads	34,750		(26.1)
7,323	Buildings (Less Depreciation \$338,494)	7,158		(2.3)
756	Plant etc. (Less Depreciation \$282,158)	720		(4.6)
55,079		42,628		(22.6)
	Investments (At Cost) - Held for -			
158	Loan Repayment	170		7.2
1,447	Superannuation Funds	1,872		29.4
561	General	561		..
2,166		2,603		20.2
	Current Assets -			
1,070	Stocks	742		(30.7)
1,848	Debtors (Less Doubtful Debts \$100,000)	1,789		(3.2)
843	Interest Bearing Deposits and Cash	1,289		52.8
3,761		3,820		1.6
61,006		49,051		(19.6)
	Less Current Liabilities and Provisions -			
1,517	Creditors, etc.	2,152		41.9
1,255	Bank Overdraft	1,538		22.6
12,601	Provisions - Employees' Entitlements	13,131		4.2
15,373		16,821		9.4
45,633		32,230		(29.4)

* Nil in previous year - not calculable.

+ Not overdrawn in previous year - not calculable.

The capital restructuring in 1981-82 followed a cold hard re-appraisal of the undertaking's real asset position and operating capability. Despite the expenditure of \$18.4 million on fixed assets during 1972-73 to 1978-79 - which brought the depreciated book value of buildings and equipment up to about \$26 million in 1979 - the fair value to the corporation was assessed in 1982 at only \$8.4 million. Faced with the need to write nearly \$16 million off the assets, the option was taken of consolidating all the adjustments at once.

At the start of 1981-82 there was:

	\$ Million
an accumulated deficiency of	28.4
to this was added - the loss for 1981-82	4.5
- the write down of buildings and fittings	6.5
- " " " " plant etc.	9.2
- shortfall in provision for retirement benefits	<u>6.5</u>
	55.1
offset by - balance in general reserve etc.	<u>12.6</u>
giving a re-structured accumulated deficiency of	<u>42.5</u>

Simultaneously it was recognised that land, in the balance sheet at \$2.3 million, had a real value of \$47 million. The capital reserve created by revaluing land holdings, was roughly equal to the accumulated loss.

I am satisfied that the valuations adopted were appropriate and reasonable. The effect was to give a credible balance sheet as a starting point where net debt was covered by fairly valued net assets.

Operational changes have included the closing down of unprofitable operations so that the undertaking, if it continues to be tightly controlled, now has some chance of moving to viability.

Although the loss for 1982-83 forced the drawing of a further \$3.2 million in advances from the Treasury, the disposal of some of the land holding produced a \$12.25 million reduction in pre-existing debt. The land disposed of was 43.7 hectares transferred to the Department of Public Works for the development of an International Sports Complex.

Only \$170,000 is held in investments to support the loan repayment reserve of \$568,185. This may be a breach of the conditions governing the raising and repayment of loans. However the accumulated deficiency, \$33.9 million, is now greater than all reserves by \$1.3 million and it can be argued that the loan repayment reserve is no longer a reality.

At 30th June, 1983, the unaudited figures set the net asset value on a going concern basis at just sufficient to cover all debts - including Treasury loans - so that the external loans appear to be well protected. Eventual repayment of Treasury loans and working capital advances may depend on the disposal of further land holdings or the achievement of positive profitability.

NEW SOUTH WALES MEAT INDUSTRY AUTHORITY

The principal functions of the Authority, constituted under the Meat Industry Act, 1978, are to keep under review the construction and hygiene of slaughtering places in relation to the overall requirements of the State, to regulate the sale and entry of meat in certain areas and, in co-operation with the Department of Agriculture, provide a livestock market report service.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
250,000	Grants from Consolidated Fund	250,000	..
415,994	Licence Fees	379,428	(8.8)
34,800	Sale of Motor Vehicles	26,490	(23.9)
63,801	Interest	58,755	(7.9)
9,828	Fines	7,760	(21.0)
1,972	Sale of Seized Meat	8,897	351.2
....	Strip Branding Promotion	20,275	*
776,395		751,605	(3.2)
	Balance at 1st July, 1982 -		
250,000	Interest Bearing Deposits	302,333	20.9
128,559	Cash	124,925	(2.8)
378,559		427,258	12.9
<u>\$1,154,954</u>		<u>\$1,178,863</u>	2.1
	Payments -		
456,128	Salaries and Associated Charges	510,973	12.0
49,266	Travelling Expenses and Members' Fees	56,318	14.3
85,734	Livestock Market Reporting Service	130,438	52.1
95,607	Office and Administrative Expenses	95,768	0.2
39,461	Purchase of Motor Vehicles	42,646	8.1
1,500	Audit Fees	2,000	33.3
....	Strip Branding Promotion	16,880	*
727,696		855,023	17.5
	Balance at 30th June, 1983 -		
302,333	Interest Bearing Deposits	250,000	(17.3)
124,925	Cash	73,840	(40.9)
427,258		323,840	(24.2)
<u>\$1,154,954</u>		<u>\$1,178,863</u>	2.1

* Nil in previous year - not calculable.

Licence fees, \$379,428, included \$296,656 (\$335,026 in 1981-82) from abattoir and slaughter house licences and \$38,622 (\$35,448 in 1981-82) from meat van licences.

POULTRY FARMER LICENSING COMMITTEE

The Poultry Farmer Licensing Committee was constituted on 1st December, 1972, to stabilise commercial egg production by imposing quotas on the number of hens that may be kept by licensed farmers. Reconstituted by the Egg Industry Act, 1983, as a new corporation, the Committee's functions are much as before. Previous licenses continue in force for at least three months.

Expenses are met by the Egg Marketing Board (now the New South Wales Egg Corporation) and the Committee recoups such amounts as are requested. Receipts for the year ended 30th June, 1983, \$36,260, comprised licence fees, \$12,860, transfer fees, \$22,800, and \$600 for permits. After paying \$40,780 to the former Board as part reimbursement of costs, the balance on hand at the close of the year was \$4,480 compared with \$9,200 at 30th June, 1982. Allowing for the partial reimbursement, the net cost to the former Egg Marketing Board of administering the licensing function for the year ended 30th June, 1982 was of the order of \$43,000.

NEW SOUTH WALES EGG CORPORATION

Commencing on 1st July, 1983, the Egg Industry Act, 1983, constituted the Corporation whose main functions were previously the responsibility of the now defunct Egg Marketing Board for the State of New South Wales.

In terms of the Marketing of Primary Products Act, 1927, the former Board, after deducting the expenses of marketing and administration, was required to account to producers for the net proceeds from the sale of their deliveries to the Board during a pool year which, by regulations under the Act commenced on 1st July. The accounts in any one year were not to be closed until all production for the year had been sold and the final result of transactions ascertained. Surplus production is disposed of overseas through pools conducted by the Australian Egg Board. Statements of account for the pool year ended 30th June, 1982, could not be prepared until after April, 1983, when the Australian Egg Board made a final distribution from its export pool operations. Similarly it has not yet been possible to finalise the accounts for the year ended 30th June, 1983.

In 1981-82, the accounts were re-classified for management purposes and consequently it has not been practicable to show, except for balance sheet items, comparative figures for the previous year.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1982.

	\$'000
Income -	
Sales	69,197
Pool Contributions	5,092
Consignors' Handling, Selling and Administration Contributions	8,937
Producer Agents' Administration Contributions	734
Packing Materials and Promotion Charges	6,710
Sales Cartage Recovered	1,758
Poultry Industry Trust Fund - Subsidies	7,947
Administrative Expenses	120
Sundry Income	611
	<u>101,106</u>
Expenditure -	
Payment for Eggs Received - Consignors (N.S.W.)	73,253
Other Suppliers	563
Processing and Export Costs	6,294
Handling and Selling Expenses	10,119
Sales Promotion	4,575
Administration	4,065
	<u>98,869</u>
Excess of Income over Expenditure	<u>2,237</u>
	<u>101,106</u>

APPROPRIATION ACCOUNT for the year ended 30th June, 1982.

	\$
Balance 1st July, 1981*	55,563
Add -	
Excess of Income over Expenditure 1981-82	2,237,345
	<u>2,292,908</u>
Less -	
Provision for Distribution to Producers - Pool Surplus 1981-82	1,875,702
Transfer to Machinery Replacement Reserve	350,000
Adjustment - Previous Years	1,158
	<u>2,226,860</u>
Balance 30th June, 1982	<u>\$66,048</u>

* Balance adjusted from \$11,229 shown in previous year's report.

BALANCE SHEET as at 30th June, 1982.

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital -		
5,089	Building Fund	5,089	..
14	Distribution - Commonwealth Egg Control	14	..
5,103		5,103	..
	Retained Earnings -		
2,661	Machinery Replacement Reserve - (Note 1)	3,011	13.2
209	Fixed Assets Reserve	212	1.4
24	Replacement of Wooden Cases Reserve	24	..
81	General Reserve	71	(12.3)
56	Accumulated Funds	66	18.9
3,031		3,384	11.7
8,134	TOTAL	8,487	4.3
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
	Land and Buildings (Less Depreciation, \$3,829,015) - (Note 2)	2,978	(1.7)
3,029	Plant and Equipment (Less Depreciation \$3,653,284)	1,257	(12.0)
1,429		4,235	(5.0)
4,458			
	Investment (At Cost) -		
....	Shares - (Note 3)	....	..
	Current Assets -		
5,335	Debtors (Less Doubtful Debts \$10,000)	5,571	4.4
3,322	Stock - (Note 4)	3,627	9.2
4,050	Interest Bearing Deposits	5,425	33.9
12,707		14,623	15.1
17,165		18,858	9.9
	Less - Current Liabilities and Provisions -		
2,405	Creditors	3,271	36.0
4,390	Bank Overdraft	2,804	(36.1)
	Provisions -		
....	Distribution to Producers	1,876	*
1,719	Long Service Leave	1,872	8.9
517	Annual Leave	548	6.0
9,031		10,371	14.8
8,134		8,487	4.3

* Nil in previous year - not calculable.

- Note 1 Reserves - A further appropriation of \$350,000 was added to the Machinery Replacement Reserve.
- Note 2 Land and Buildings - Land and Buildings (\$6,806,424) have been valued by the Valuer-General at \$11,593,500.
- Note 3 Investments - Shares in Hunter Valley Co-operative, \$10.
- Note 4 Stocks - Stocks have been brought to account at the following values:

	\$	
Eggs - for local sale	498,930	(at net realisable value)
Eggs - for pulping	185,988	(at net realisable value)
Egg Products	1,483,597	(at net realisable value)
Packing Materials and Other	<u>1,458,822</u>	(at cost)
	<u>\$3,627,337</u>	

Payment to Consignors - Initial payments to New South Wales consignors increased by \$1,300,487 to \$73,253,174. The Board's statistics show that, after allowing for Board charges of 18.93 cents per dozen and a Commonwealth hen levy of 10.26 cents per dozen, the net return to these consignors in 1981-82 averaged 86.49 cents per dozen. Addition of the final distribution will bring the net return up to 89.45 cents per dozen. This will be 10.62 cents per dozen (13.5 per cent) more than for the previous year.

Egg Production and Disposal - Figures for two past years are:

	1980-81 Million dozen	1981-82 Million dozen	Increase % (-)
Recorded Production -			
Ungraded Eggs Consigned to Board	48.810	41.469	(15.0)
Producer-graded Eggs Consigned to Board	19.336	21.856	13.0
Producer Agents' Production	15.525	16.190	4.3
Ex Interstate	....	<u>0.480</u>	*
	<u>83.671</u>	<u>79.995</u>	(4.4)
Disposal -			
Producer Agents' Direct Sales	15.525	16.190	4.3
Local Market Sales by Board	43.990	43.790	(0.5)
Eggs Exported, including Interstate	0.392	0.676	72.2
Eggs Pulped	23.355	19.218	(17.7)
Difference between Opening and Closing Stocks, etc.	<u>+ 0.409</u>	<u>+ 0.121</u>	(70.4)
	<u>83.671</u>	<u>79.995</u>	(4.4)

* Nil in previous year - not calculable.

The total production of eggs at 80 million dozen was 3.7 million dozen less than for 1980-81. Local and interstate sales of shell eggs increased by 0.5 million dozen and related income rose by \$3,695,859 to \$53,407,742 (7.4 per cent) due to an increase in the overall average selling price of 5.51 cents per dozen.

Surplus eggs to be disposed of by pulping and by export were 4.2 million dozen less than in 1980-81.

As in previous years, the returns from the disposal of surplus eggs were significantly lower than payments already made to producers. For 1981-82 losses on disposal totalled \$12,445,483 and comprised:

	\$
Loss on sale of export and 1st quality eggs	11,921,237
Freight on Stock Movements - Export	379,108
C.E.M.A.A. Administration Charge (Net)	145,138
	<hr/> \$12,445,483 <hr/>

Against these losses the Board received \$7,947,102 in the form of subsidies from the Poultry Industry Trust Fund, which is financed from a Commonwealth hen levy of \$1.95 per annum per bird, and \$5,091,912 from pool contributions levied by the Board.

Handling, Selling and Administration Charges - Approximately 80 per cent of recorded local egg production was consigned to the Board. The balance was disposed of by producer agents, who are licensed to deal directly with purchasers at ruling prices. All producers contribute to the marketing and administration expenses of the Board, but at rates which vary according to the Board's assessment of their part in its costs. The charges for Consignors and Producer Agents at 30th June, 1982 were 14.5 cents and 5.0 cents per dozen respectively. Producer Agents also pay a packing and promotion charge. This charge varies with the type of sales made and, at 30th June, 1982, ranged from 6.57 cents per dozen for cartonned eggs, to 13.24 cents per dozen for loose eggs. Producer Packers received a rebate of 4.0 cents per dozen, which remained constant during 1981-82, for packing and grading eggs on behalf of the Board.

To cover the packing and promotion costs and sales cartage expenses for eggs consigned to the Board, a surcharge (which was increased from 16.0 to 19.0 cents per dozen from 1st April, 1982) is added when invoicing to retailers and other customers.

Accumulated Financial Position - Capital and Retained Earnings totalling \$8,487,266 at 30th June, 1982, have been built up in the main by deductions from pool proceeds. At the close of the previous year these funds aggregated \$8,133,902.

SYDNEY FARM PRODUCE MARKET AUTHORITY

Constituted by the Sydney Farm Produce Market Authority Act, 1968, the Authority may, within the County of Cumberland, provide, maintain, control and manage public markets for the sale of farm produce. The main market operations of the Authority are carried out at Flemington.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
3,924	Rents	4,431	12.9
4,880	Dues and Fees	5,658	15.9
390	Interest	482	23.4
727	Electricity, Gas and Sundry Income	1,021	40.5
<u>9,921</u>		<u>11,592</u>	16.8
	Expenditure -		
2,503	Salaries, Wages, etc.	2,768	10.6
10	Board Members' Fees	10	..
11	Audit Fee	18	52.2
799	Rates and Rents	1,004	25.6
618	Electricity and Gas	921	49.0
855	Markets Maintenance, Repairs, Cleaning, etc.	921	7.7
114	Insurances	109	(3.9)
138	Market Promotions	95	(31.1)
195	General Administrative Expenses	209	6.9
657	Depreciation and Amortisation	828	26.1
	Provision for -		
200	Annual and Long Service Leave	155	(22.8)
60	Retiring Allowances and Superannuation	86	43.3
<u>3,672</u>	Interest	<u>3,914</u>	6.6
<u>9,832</u>		<u>11,038</u>	12.3
<u>89</u>	Operating Surplus	<u>554</u>	526.0
....	Less - Prior Period Adjustments	308	*
100	Loan Repayment Reserve	150	50.0
<u>61</u>	Sinking Fund Contribution	<u>60</u>	(0.8)
<u>161</u>		<u>518</u>	222.2
(72)		36	+
....	Add transfer from General Reserve	210	*
<u>(72)</u>	Surplus Transferred to Accumulated Deficiency	<u>246</u>	+

+ Deficiency previous year - not applicable.

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
6,487	State Government	6,426	(0.9)
33,559	Loans Raised by Authority	34,453	2.7
40,046		40,879	2.1
	Other Capital -		
1,585	Assets Acquired Free of Cost	1,585	..
1,029	Capital Repaid Reserve	1,090	5.9
2,614		2,675	2.3
	Retained Earnings -		
1,526	Loan Repayment Reserve	1,889	23.8
10,257	General Reserve	8,922	(13.0)
11,783		10,811	(8.2)
6,405	Less - Accumulated Deficiency	6,159	(3.8)
5,378		4,652	(13.5)
48,038	TOTAL	48,206	0.4
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
46,216	Land and Buildings (Less Depreciation and Amortisation \$6,267,237)	47,048	1.8
215	Plant and Equipment (Less Depreciation \$180,826)	245	14.3
46,431		47,293	1.9
	Investments (At Cost) -		
1,526	Loan Repayment Reserve - Inscribed Stock, etc.	1,889	23.8
....	Deferred Expenses - Darling Harbour	800	*
	Current Assets -		
113	Stores and Materials (At Cost)	137	21.5
347	Debtors and Prepaid Expenses	391	13.0
2,513	Interest Bearing Deposits and Cash	2,133	(15.2)
2,973		2,661	(10.5)
50,930		52,643	3.4
	Less - Current Liabilities and Provisions -		
2,051	Creditors and Accruals	3,086	50.4
	Provisions -		
646	Annual and Long Service Leave	898	39.1
195	Retiring Allowances and Superannuation	453	132.5
2,892		4,437	53.4
48,038		48,206	0.4

* Nil in previous year - not calculable.

A rise in income of \$1,671,536 resulted mainly from an increase in rents and charges from 1st January, 1983. Operating expenditure rose by \$1,205,456, and the operating surplus was \$554,689 compared with \$88,609 in 1981-82. After allowance for capital debt charges, adjustments for superannuation (\$154,000) and annual leave (\$154,224) and a transfer from General Reserve of \$210,490, the result was a surplus of \$246,465 which reduced accumulated losses at 30th June, 1983, to \$6,158,977.

The accounting treatment for depreciation has been reconsidered. In previous years the depreciation charge was reduced by the total of sinking fund contributions and amounts set aside for loan repayment. For 1982-83 the full cost of depreciation was brought to account. Transfers totalling \$1,334,736 were made from the General Reserve to offset the additional cost for the current year and to reinstate the Provision to the total accrued to date.

Capital funds totalling \$1,500,000 were raised during the year by privately negotiated loans while repayments totalled \$667,028. Expenditure on Flemington Markets, \$2,742,047, brought the total cost of this project to \$52,861,340 at 30th June, 1983.

On 29th April, 1983 the Haymarket site, comprising both land and buildings, was resumed by the State. The Authority continued to operate this site under licence until 30th June, 1983 when these operations were relocated to Darling Harbour (on lease from State Rail Authority for 2 years). As at the date of this Report, the amount of compensation from the State for this resumption had not been determined, the site remaining in the accounts at cost (\$453,722). A valuation of the resumed land by the Valuer-General as at 30th June, 1982 was \$6 million.

Relocation costs of approximately \$800,000 in respect of the transfer of operations to Darling Harbour have been deferred and are to be amortised over 2 years.

DAIRY INDUSTRY MARKETING AUTHORITY OF NEW SOUTH WALES

Under the Dairy Industry Marketing Authority Act, 1979, the Authority's principal responsibility is the regulation and control of milk supply and of the production, quality and storage of dairy products and margarine.

TRADING AND INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
183,496	Sale of Milk	194,637	6.1
	Less -		
157,327	Purchase of Milk	167,348	6.4
7,821	Treatment	8,240	5.4
10,904	Transport, etc.	12,043	10.4
189	Prices Rationalisation Reserve	211	11.7
176,241		187,842	6.6
7,255	Administrative and Operating Margin	6,795	(6.3)
1,577	Interest	1,707	8.3
244	Publicity Contributions, etc.	422	73.1
393	Miscellaneous	355	(9.6)
9,469		9,279	(2.0)
	Expenditure -		
173	Members' Expenses	218	26.0
107	Pricing and Policy Committees - Expenses	28	(73.9)
2,485	Salaries and Associated Charges	2,668	7.4
920	General Administrative Expenses	1,077	17.0
1,691	Supervision	1,846	9.2
443	Laboratory and Veterinary Services, etc.	649	46.7
1,940	Advertising and Publicity	2,650	36.6
....	Loss on Sale of Assets	63	*
149	Depreciation	180	20.6
849	Provision - Employees' Accrued Entitlements	997	17.5
8,757		10,376	18.5
712	Operating Deficiency	(1,097)	+
Surplus			
	Less - Transfers from -		
....	Building Reserve	728	*
....	Provision for Property Maintenance and Repairs	184	*
712		185	+
360	Add - Transfer to Dairy Promotion Reserve	37	(89.8)
352	Deficiency Transferred to Accumulated Funds	(222)	+
Surplus			

* Nil in previous year - not calculable.

+ Surplus in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	RETAINED EARNINGS -		
827	Building Reserve	....	(100.0)
916	Prices Rationalisation Reserve	1,113	21.4
118	Dairy Promotion Reserve	154	31.3
5,441	Accumulated Funds	5,219	(4.1)
7,302	TOTAL	6,486	(11.2)
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
4,126	Land and Buildings (Less Depreciation \$1,134,603)	2,756	(33.2)
653	Furniture, Equipment and Motor Vehicles (Less Depreciation \$728,644)	862	32.0
4,779		3,618	(24.3)
	Investments (At Cost) -		
1,200	Securities of Public Authorities	5,200	333.3
	Current Assets -		
126	Stores, Stationery, etc. (At Cost)	209	65.8
12,775	Debtors	13,077	2.4
379	On-going Quota Stabilisation Scheme	107	(71.8)
6,157	Short Term Investments	5,037	(18.2)
19,437		18,430	(5.2)
25,416		27,248	7.2
	Less - Current Liabilities and Provisions -		
11,863	Creditors	8,699	(26.7)
70	Bank Overdraft	5,069	+
	Provisions -		
1,524	Long Service and Other Leave	1,738	14.0
4,473	Superannuation	5,256	17.5
184	Property Maintenance and Repairs	....	(100.0)
18,114		20,762	14.6
7,302		6,486	(11.2)

+ More than 1,000 per cent.

Sales increased by only 76,410 litres to 571,707,485 litres of which 521,148,134 litres was at whole milk prices and 50,559,351 litres at the lower cream separation prices. Price increases resulted in income from milk sales rising by \$11,141,570 to \$194,637,193. Payments to producers, \$167,348,000, averaged 29.27 cents per litre compared with 27.52 cents per litre in the previous year.

The operating deficiency of \$1,097,003 for 1982-83 contrasted with a surplus in the previous year of \$712,091. Major factors in the regression were rail strike cartage costs of \$636,847 and an increase of \$710,031 (to \$2,650,380) in advertising and publicity.

Disbursements under the Quota Stabilisation Scheme, which provides for payments of lump sums to producers whose milk quotas are cancelled or reduced, exceeded recoupments by \$106,818 as at 30th June, 1983. This amount is included as a current asset pending recovery.

The accounts incorporate activities related to the Dairy Promotion Council established to advise the Authority on the promotion and use of milk and dairy products. Funds for these purposes are principally provided by the inclusion of a special factor in the milk pricing structure (\$2,102,945 in 1982-83). Total income considered as related to the activities of the Council was \$2,687,184 and exceeded expenditure by \$36,804 (\$360,051 in 1981-82). This amount was transferred to the Dairy Promotion Reserve.

The written-down value of Land and Buildings decreased by \$1,369,702 due mainly to the sale of the Authority's Wollongong Office premises. A loss on sale (\$62,950) was charged as an expense in the income and expenditure account.

The balances of the Building Reserve and the Provision for Property Maintenance and Repairs as at 30th June, 1983 were transferred to Accumulated Funds, as they are no longer required.

A recent actuarial review assessed the Authority's deferred superannuation liability as at 30th June, 1983, at approximately \$12 million. The Authority's Superannuation Provision at that date was \$5.26 million.

FISH MARKETING AUTHORITY

The Fish Marketing Authority conducts and manages the Sydney Fish Centre at which it sells fish and crustaceans on behalf of fishermen's co-operative societies, individual fishermen and other suppliers.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th September, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
2,584	Commission on Sales	2,780	7.6
261	Rents	272	4.3
313	Interest	363	16.1
72	Miscellaneous	98	36.1
<u>3,230</u>		<u>3,513</u>	8.8
	Expenditure -		
1,417	Salaries, Wages, Fees, etc.	1,720	21.4
601	General and Administrative Costs, etc.	952	58.3
	Provision for -		
65	Depreciation	89	36.4
141	Retirement Fund Contributions	56	(60.1)
57	Annual and Long Service Leave	61	7.9
	Operating Deficiency -		
84	Fish Crates	140	67.8
(1)	Service Station	5	+
<u>2,364</u>		<u>3,023</u>	27.9
866	Operating Surplus	490	(43.5)
	Add		
	Extraordinary Item -		
....	Surplus on Consignment Account	24	*
	Transfer from Reserves -		
550	Capital Commitments	....	(100.0)
....	Crate Replacement	71	*
<u>1,416</u>	Net Surplus	<u>585</u>	(58.7)

+ Surplus previous year - not applicable

* Nil previous year - not calculable.

BALANCE SHEET as at 30th September, 1982

Previous Year \$'000		\$'000	Increase % (-)
	RETAINED EARNINGS -		
136	Crate Replacement Reserve	65	(52.0)
<u>5,086</u>	Accumulated Funds	<u>5,671</u>	11.5
<u>5,222</u>	TOTAL	<u>5,736</u>	9.8
	REPRESENTED BY -		
	Fixed Assets (At Cost)-		
	Land, Buildings and Wharves (Less		
2,322	Depreciation \$427,025)	6,278	170.4
	Plant, Equipment, etc. (Less		
<u>286</u>	Depreciation \$210,371)	<u>256</u>	(10.5)
<u>2,608</u>		<u>6,534</u>	150.5
	Investments (At Cost) -		
<u>190</u>	Government Securities	<u>190</u>	..
	Advances -		
<u>571</u>	Fishermen's Co-operative Societies	<u>1,570</u>	174.8
	Current Assets -		
89	Stock	131	47.7
984	Debtors (Less Doubtful Debts \$129,776)	1,412	43.5
<u>2,701</u>	Cash and Short Term Deposits	<u>1</u>	(100.0)
<u>3,774</u>		<u>1,544</u>	(59.1)
<u>7,143</u>		<u>9,838</u>	37.7
	Less - Current Liabilities and Provisions -		
438	Creditors	608	38.8
407	Bank Overdraft	2,305	466.9
236	Crate and Guarantee Deposits	301	28.1
	Provisions -		
473	N.S.W. Retirement Fund	459	(3.1)
<u>367</u>	Annual and Long Service Leave	<u>429</u>	16.8
<u>1,921</u>		<u>4,102</u>	113.6
<u>5,222</u>		<u>5,736</u>	9.8

Commission sales, the principal source of income, rose by \$196,238 or 7.6 per cent, as a result of higher selling prices during the year. Gross proceeds of seafood sales increased by \$2.0 million to \$29.7 million. The average rate of commission earned in 1981-82 was 9.36 per cent (9.23 per cent in 1980-81). Investment of cash holdings produced an increase of \$50,155 (16.1 per cent) to \$362,566 in interest earnings.

The provision for contributions to the New South Wales Retirement Fund, \$56,200, brought the balance to \$458,763, representing the Authority's assessment of its maximum liability to the Fund at 30th September, 1982. The provision for annual and long service leave at that date also approximated the accrued liability.

Of the increase of \$660,129 in expenditure, the main item was payroll, etc., which rose by \$303,435 (21 per cent). Preliminary survey and development costs for a computerised auction-accounting system amounted to \$111,961 and interest on bank overdraft was \$75,485.

The transfer of \$71,002 from Crate Replacement Reserve represents the funding for plastic crates purchased during the year.

Land and a warehouse building, located adjacent to the markets, were purchased during the year for \$4 million and the cost apportioned as to \$1.5 million to land and \$2.5 million to improvements. To finance the purchase the Authority increased its bank overdraft facility which at 30th September, 1982, was \$2,304,591. Including the warehouse purchase, land, buildings and wharves appear in the balance sheet at a depreciated value of \$6,278,169, which includes \$2,000,000 for the cost of land.

New loans to Fishermen's Co-operative Societies exceeded \$1 million and the balances outstanding at 30th September, 1982, amounted to \$1,569,941.

LEMON MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

As reported last year, a liquidator was appointed in April, 1982, to wind up the affairs of the Board.

Following completion of the liquidation, the Board was dissolved on 11th May, 1983. Surplus moneys on liquidation, \$27,004, were paid to the N.S.W. Citrus Growers' Council for use on projects which specifically benefit lemon growers in New South Wales.

CENTRAL COAST (N.S.W.) CITRUS MARKETING BOARD

The Board was constituted under the provisions of the Marketing of Primary Products Act, 1927, with the object of stabilising the industry and to assist in marketing and promoting the sale of citrus fruit (excluding lemons) grown in the area controlled by the Board. The crops are vested in and become the property of the Board but disposal is arranged through licensed agents.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
	Administration Fees -		
15,211	Agents	9,474	(37.7)
25,042	Processors	17,358	(30.7)
8,845	Producers	12,477	41.1
626	Interest	1,350	115.7
4,207	Sundry Income	6,333	50.5
53,931		46,992	(12.9)
10,536	Balance at 1st July, 1982	14,968	42.1
\$64,467		\$61,960	(3.9)
	Payments -		
4,565	Board Fees and Expenses	7,000	53.3
1,526	Secretary's Expenses	946	(38.0)
29,072	Salaries and Wages	21,130	(27.3)
9,508	Promotion and Marketing	10,680	12.3
4,528	General Office Expenses, etc.	4,694	3.7
300	Audit Fee	....	(100.0)
49,499		44,450	(10.2)
14,968	Balance at 30th June, 1983	17,510	17.0
\$64,467		\$61,960	(3.9)

The administration fee was calculated on the basis of 3 per cent of the gross value of fruit sold in bulk to processors, packing houses, etc., and 1.25 per cent of the gross sales through fresh fruit market agents, the Growers Market or privately in small lots by producers.

MURRAY VALLEY (N.S.W.) CITRUS MARKETING BOARD

All citrus fruit (excluding lemons) produced in the area controlled by the Board and coming into existence prior to 30th April, 1986, is vested in the Board. Growers are granted exemptions from the vesting order enabling them to market through approved packers, wholesalers and processors.

As the production areas of the Board and the Citrus Fruit Marketing Board in Victoria are contiguous, they have formed the Citrus Management Company Ltd, a company limited by guarantee, to provide management services and supervise marketing policies of the Boards. Marketing is carried out through the Citrus Marketing Company Pty Ltd, a wholly owned subsidiary of the management company. For 1982, the New South Wales Board's share of administration charges was \$25,200.

The management company collects service fees from growers on behalf of the Boards, mainly through packers and processors. The service fee increased by 2 cents to 10 cents per 30 litre case or equivalent from 1st May, 1982, and by a further 1 cent to 11 cents from 1st August, 1982. Of the increased sum, the marketing company's share was 8 cents and 3 cents was paid to the respective Boards.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year			Increase
\$		\$	% (-)
	Income -		
51,167	Service Fees	72,379	41.5
14,292	Interest Received	13,141	(8.1)
<u>\$65,459</u>		<u>\$85,520</u>	30.6
	Expenditure -		
23,300	Administrative Charges	25,200	8.2
11,258	Members' Fees and Allowances	8,849	(21.4)
5,415	Travelling Allowances	7,529	39.0
3,473	Donations	2,145	(38.2)
1,224	Printing, Postages, etc.	2,619	114.0
....	Inspectorial Fees	11,471	*
10,000	Promotion	16,237	62.4
600	Audit Fee	500	(16.7)
<u>6,269</u>	Miscellaneous	<u>4,238</u>	(32.4)
61,539		78,788	28.0
<u>3,920</u>	Surplus	<u>6,732</u>	71.7
<u>\$65,459</u>		<u>\$85,520</u>	30.6

* Nil in previous year - not calculable.

The accumulated surplus at 31st December, 1982, amounted to \$108,670 and was represented by interest bearing deposits, \$106,000, accrued interest thereon, \$3,465, and cash at bank, \$4,639, less creditors, \$5,434.

Retained earnings amounting to \$185,100 (\$199,166 at 31st December, 1981) were disclosed in the audited accounts of the associated joint management company and its subsidiary.

NEW SOUTH WALES DRIED FRUITS BOARD

The Board is constituted under the Dried Fruits Act, 1939, which provides for the regulation of the dried fruits industry including registration of packing houses. The Board, acting with similar organisations in other States, fixes the proportion of the crop to be sold within Australia. The remainder is exported, the overseas marketing arrangements being handled by the Commonwealth Dried Fruits Control Board.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
30,557	Contributions by Packing Houses	63,676	108.4
<u>4,673</u>	Interest	<u>5,711</u>	22.2
\$35,230		<u>\$69,387</u>	97.0
	Expenditure -		
8,561	Fees and Expenses - Board Members	7,661	(10.5)
8,003	Salaries and Allowances	9,255	15.6
9,445	Inspection Services	40,517	329.0
1,931	Grading	2,866	48.4
236	Contributions to Other Organisations	261	10.6
3,632	Office Expenses, etc.	5,476	50.8
400	Audit Fee	500	25.0
....	Provision for Annual and Long Service Leave	<u>6,659</u>	*
32,208		73,195	127.3
3,022	Deficiency	3,808	+
(Surplus)			
<u>\$35,230</u>		<u>\$69,387</u>	97.0

* Nil in previous year - not calculable.

+ Surplus in previous year - not applicable.

The contribution payable by packing houses for fruit processed was increased in 1982 from \$2.75 to \$4.25 per tonne. The quantity of fruit processed increased from 11,105 tonnes in 1981 to 15,249 tonnes in 1982.

Fees for inspection services, payable to the Department of Primary Industry, rose by \$31,072 (329.0%) to \$40,517.

BALANCE SHEET as at 31st December, 1982

Previous Year \$		\$	Increase % (-)
\$49,743	RETAINED EARNINGS - Accumulated Funds	\$46,035	(7.5)
	REPRESENTED BY -		
	Investments - (At Cost)		
32,792	Government Securities (F.V. \$33,000)	32,792	..
	Current Assets -		
16,000	Interest Bearing Deposits	13,500	(15.6)
2,173	Debtors and Prepayments	4,229	94.6
....	Cash	4,121	*
18,173		21,850	20.2
50,965		54,642	7.2
	Less -		
	Current Liabilities and Provisions -		
1,054	Bank Overdraft	....	(100.0)
153	Creditors and Accrued Charges	1,948	#
....	Provision for Annual and Long Service Leave	6,659	*
1,222		8,607	604.3
\$49,743		\$46,035	(7.5)

* Nil in previous year - not calculable.

More than 1,000 per cent.

YELLOW MAIZE MARKETING BOARD FOR THE STATE OFNEW SOUTH WALES

As stated in my previous Report, the Board ceased to operate as from 30th September, 1981 and the term of office of Board members terminated in March, 1982.

The Board's Bank overdraft, which was guaranteed by the State, has been discharged in full by payment of \$55,141 to the Board's bankers.

GRAIN HANDLING AUTHORITY OF NEW SOUTH WALES

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st October, 1982

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Australian Wheat Board Remuneration -		
25,881	General Handling and Storage	75,447	191.5
1,643	Carry over Stocks	972	(40.8)
	Grain Elevators Board of Victoria -		
779	Handling and Storage Charges	....	(100.0)
935	Coarse Grain Handling Charges	3,233	245.9
669	Despatch Allowances	374	(44.1)
5,613	Interest on Investments	5,065	(9.8)
885	Sundry Income	398	(55.1)
	Provision carried forward from Previous		
7,455	Year for Handling of Carry-over Grain	1,638	(78.0)
43,860		87,127	98.6
	Expenditure -		
16,832	Salaries and Associated Charges	24,919	48.0
174	Superannuation	689	295.7
6,789	Maintenance, Stores and Minor Equipment	5,895	(13.2)
1,418	Temporary Storages	2,177	53.5
160	Rental of Storage, Depots, etc.	990	520.2
1,550	Fumigants and Sprays	3,186	105.6
1,541	Light and Power	2,349	52.5
560	Insurance	690	23.2
3,487	Demurrage and Wharfage	6,635	90.2
2,740	Rail Freight	1,827	(33.3)
100	Interstate Movement of Grain	1,203	+
2,672	Other Expenses	3,609	34.9
	Provision for -		
1,638	Handling of Carry-over Grain	2,257	37.8
1,202	Superannuation and Retiring Allowances	1,303	8.4
880	Annual and Long Service Leave	1,041	18.4
5,950	Depreciation	6,432	8.1
10,898	Interest, and Other Loan Management Expenses	11,377	4.4
58,591		76,579	30.7
(14,731). (Deficiency)	Operating Surplus	10,548	*
(2,331)	Deduct - Sinking Fund Private Loans	2,464	5.7
14	Prior Period Adjustment	....	(100.0)
(17,048)	Transferred to Equalisation Fund	8,084	#

+ More than 1,000 per cent

* Deficiency in previous year - not applicable.

Transfer From Equalisation Fund in previous year - not applicable.

BALANCE SHEET as at 31st October, 1982

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
16,081	State Government	15,040	(6.5)
100,301	Loans raised by the Authority	98,409	(1.9)
116,382		113,449	(2.5)
	Other Capital -		
4,614	Loans Repaid Reserve	5,694	23.4
6,658	Assets Acquired from Reserves	17,719	166.1
11,272		23,413	107.7
	Retained Earnings -		
21,131	Sinking Fund - Private Loans	25,107	18.8
	Equalisation Fund for Grain		
7,378	Handling Charges	15,462	109.6
4,919	General Reserve	....	(100.0)
6,141	Accumulated Funds	....	(100.0)
39,569		40,569	2.5
167,223	TOTAL	177,431	6.1
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
578	Land	639	10.6
92,139	Buildings (Less Depreciation \$29,689,123)	93,339	1.3
38,724	Plant and Equipment (Less Depreciation \$33,533,485)	42,169	8.9
131,441		136,147	3.6
	Investments (At Cost) + -		
21,074	Sinking Fund - Private Loans	25,094	19.1
6,150	Superannuation and Retirement Funds	7,976	29.7
1,185	Insurance Fund	1,560	31.6
19,838	General	28,870	45.5
48,247		63,500	31.6

Previous Year \$'000		\$'000	Increase % (-)
	Current Assets -		
4,399	Stores (At Cost)	3,426	(22.1)
5,248	Debtors	2,339	(55.4)
559	Advances and Cash	2	(99.7)
....	Deferred Expenditure	739	*
10,206		6,506	(36.3)
189,894		206,153	8.6
	Less - Current Liabilities and Provisions -		
9,848	Creditors and Accruals	9,358	(5.0)
....	Bank Overdraft	2,956	*
	Provisions -		
1,199	Insurance Fund	1,582	32.0
3,819	Employees' Accrued Entitlements	4,571	19.7
6,167	Superannuation and Retirement Benefits	7,998	29.7
1,638	Handling of Carry-over Grain	2,257	37.8
22,671		28,722	26.7
167,223		177,431	6.1

+ Investments consisted of Inscribed Stock of Public Authorities, \$23,755,199, and Interest Bearing Deposits, \$39,745,000.

* Nil in previous year - not calculable.

With the new season's wheat receipts totalling 5.26 million tonnes, the payment by the Australian Wheat Board at \$14.40 per tonne (\$76.4 million) was higher than in the previous year by \$48.9 million. The cost of handling wheat carried over from the previous season was met by drawing on the provision, \$1.6 million, set aside from that year's accounts. For the grain still in the system at 31st October, 1982, a provision of \$2.3 million has been treated as a cost of the 1981-82 year and carried forward.

The rate of remuneration payable by the Australian Wheat Board for the 1982-83 year has been fixed at \$14.90 per tonne. With a harvest estimate for that year of only 1 million tonnes, owing to drought conditions, the Authority expects to incur an operating deficiency of some \$30 million.

Rail freight charges decreased by \$912,281 to \$1,827,284 mainly as a result of the substantially lesser movements of southern area wheat through the Newcastle terminal. Under new arrangements, the Australian Wheat Board pays the Authority the full handling charge for wheat delivered in the southern buffer zone area of the State and the Authority reimburses the Victorian Grain Elevators Board for terminal services in moving this wheat through its handling system. Charges for the interstate movement of grain increased by \$1,103,359 to \$1,203,325.

Income from handling coarse grains and seeds increased by \$2,298,011 to \$3,232,596 due mainly to an increase of almost 150 per cent in the quantity of grain received during the year.

Board policy is not to insure country elevators or office furniture against fire. An amount equivalent to the estimated annual premium which would be payable is credited to an insurance fund from which claims are met. With the addition of a contribution from revenue, \$250,000, and interest, \$161,502, less a claim, \$28,355, the Insurance Fund balance at 31st October, 1982, was \$1,581,724.

Private loans raised during the year totalled \$2,900,000 while \$4,790,962 was paid off earlier loans.

Expenditure on capital works was \$3,997,030 and on plant and equipment \$6,823,971. The cost of bin capping and restoration works at Sydney Terminal Elevator was \$1,739,305, of which \$1 million was treated as an operating cost and the balance capitalised. Including \$1,443,444 spent in 1980-81, it is expected that total costs to completion will be about \$5 million.

The Authority's General Reserve and Accumulated Funds, which have been fully used for the acquisition of assets, are included in the above Balance Sheet as "Other Capital - Assets Acquired from Reserves".

BARLEY MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

The Board was constituted under the Marketing of Primary Products Act, 1927. By proclamation, all barley produced in the State to 31st October, 1984, is vested in the Board. The 1981-82 crop was disposed of by a combined system of sales through licensed merchants and a voluntary pool.

Funds received included commission, at 50 cents per tonne on sales through licensed merchants, and licence fees payable by merchants at \$25 for the first year and \$5 in subsequent years.

The accounts incorporate those of the Board's wholly owned subsidiary, the Barley Trading Company Pty. Ltd. This Company was established in August, 1979 to purchase and trade in barley outside the pool system. It reimburses the Board for all services and facilities provided. The accounts of the Company were subjected to audit for purposes of the Companies (N.S.W.) Code by a registered company auditor.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st October, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
34,437	Commission, etc.	58,139	68.8
29,971	Interest	53,300	77.8
3,000	Profit on Sale of Assets	22,685	656.2
....	Government Export Grant	20,790	*
35,396	Barley Trading Co. - Net Profit after Tax	39,884	12.7
<u>\$102,804</u>		<u>\$194,798</u>	89.5
	Expenditure -		
42,265	Board Fees, Allowances and Expenses	45,867	8.5
268,799	Salaries, etc.	387,743	44.3
116,586	Rent, Telephones, Printing etc.	131,040	12.4
5,841	Insurance General	35,979	516.0
54,378	Depreciation	81,726	50.3
44,153	Promotion, Marketing and Research	51,408	16.4
5,707	Overseas Travel	34,102	497.5
2,000	Audit Fee	4,000	100.0
31,295	Provision for Annual and Long Service Leave	15,681	(49.9)
<u>571,024</u>		<u>787,546</u>	37.9
399,302	Less - Charge to Pool Account	649,416	62.6
153,915	- Charge to Barley Trading Co.	123,896	(19.5)
<u>553,217</u>		<u>773,312</u>	39.8
17,807		14,234	(20.1)
84,997	Surplus - Transferred to Accumulated Funds	180,564	112.4
<u>\$102,804</u>		<u>\$194,798</u>	89.5

* Nil in previous year - not calculable

The increase in insurance from \$5,841 to \$35,979 is primarily due to increased receivals and higher workers compensation insurance rates.

Transactions for the 1981-82 pool were:

Previous Pool \$		\$	Increase % (-)
	Income -		
19,666,615	Proceeds from Sales	45,943,960	133.6
5,918	Interest	345,777	+
27,691	Government Export Grant	20,000	(27.8)
15,039	Sundry Revenue	29,749	97.8
<u>\$19,715,263</u>		<u>\$46,339,486</u>	135.0
	Expenditure -		
1,482,115	Storage and Handling Charges	5,365,870	262.0
89,478	Shipping Expenses	497,836	456.4
2,497,119	Freight and Cartage	8,450,652	238.4
....	Depreciation - Buildings and Storages	94,739	*
194,568	Interest and Bank Charges	338,673	74.1
146,148	Operational Expenses	271,854	86.0
399,302	Administration Expenses	649,416	62.6
4,808,730		15,669,040	225.8
690,616	Less - Charge to Barley Trading Co.	1,648,965	138.8
4,118,114		14,020,075	240.4
373,646	Transfer to Storage Buildings and Equipment Reserve	934,265	150.0
15,198,893	Payments to Growers	31,382,172	106.5
24,610	Undistributed Balance - Transferred to Accumulated Funds	2,974	(87.9)
<u>\$19,715,263</u>		<u>\$46,339,486</u>	135.0

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

Receivals into the pool, 318,945 tonnes, represented an increase of 144.5 per cent on the 130,444 tonnes for 1980-81. Exports took 234,906 tonnes and the balance was sold locally.

Returns to growers, per tonne, for the past two years were:

	1980-81 \$	1981-82 \$
Malting Barley	137.05	122.01
2 - row Feed Barley	132.05	114.01
6 - row Feed Barley	130.05	111.01

For the first time the Board provided for depreciation on its Buildings and Storages. The charge for 1981-82 was \$94,739. Depreciation on these assets in respect of previous years, \$188,477, was charged against the Storage Buildings and Equipment Reserve.

BALANCE SHEET as at 31st October, 1982.

Previous Year \$		\$	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital Debt -		
<u>560,000</u>	Loans Raised by the Board	<u>592,000</u>	5.7
	Other Capital -		
<u>2,125,076</u>	Assets Acquired from Reserves	<u>2,252,753</u>	6.0
	Retained Earnings -		
386,856	Storage Buildings and Equipment Reserve	1,004,967	159.8
	Accumulated Funds -		
535,518	Barley Marketing Board	679,172	26.8
<u>73,065</u>	Barley Trading Co.	<u>112,949</u>	54.6
<u>995,439</u>		<u>1,797,088</u>	80.5
<u>\$3,680,515</u>		<u>\$4,641,841</u>	26.1
	REPRESENTED BY -		
	Fixed Assets - (At Cost)		
26,500	Land	26,500	..
	Buildings and Storages (Less		
<u>2,514,896</u>	Depreciation \$276,645)	<u>2,689,535</u>	6.9
	Plant, Furniture, etc. (Less		
<u>77,880</u>	Depreciation \$220,088)	<u>203,643</u>	161.5
<u>2,619,276</u>		<u>2,919,678</u>	11.5
	Current Assets -		
55,328	Stock (At Realised Value)	1,143,676	#
<u>2,806,174</u>	Debtors and Accrued Income*	<u>3,003,373</u>	7.0
900,000	Interest Bearing Deposits	4,730,000	425.6
367,268	Cash	514,626	40.1
<u>98,783</u>	Current Assets - Barley Trading Co.	<u>214,450</u>	117.1
<u>4,227,553</u>		<u>9,606,125</u>	127.2
<u>6,846,829</u>		<u>12,525,803</u>	82.9
	Less - Current Liabilities and Provisions -		
871,988	Creditors and Accruals	1,421,163	63.0
<u>2,228,247</u>	Owing to Growers	<u>6,378,873</u>	186.3
12,126	Current Liabilities - Barley Trading Co.*	29,678	144.7
	Provisions -		
40,363	Annual and Long Service Leave	35,454	(12.2)
<u>13,590</u>	Income Tax - Barley Trading Co.	<u>18,794</u>	38.3
<u>3,166,314</u>		<u>7,883,962</u>	149.0
<u>\$3,680,515</u>		<u>\$4,641,841</u>	26.1

* An amount of \$53,027 owed by the Barley Trading Co. has been eliminated on Consolidation.

More than 1,000 per cent.

Of a total of \$3,257,720 transferred from Pool proceeds to the Storage Buildings and Equipment Reserve (\$934,265 in 1981-82), \$2,252,753 had been expended on the acquisition of assets. Other accumulated earnings total \$792,121.

RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

INCOME AND EXPENDITURE ACCOUNT OF 1981 RICE CROP

1980 Crop \$'000		1981 Crop \$'000	Increase % (-)
Income -			
98,369	Sale of Rice	130,716	32.9
122	Moisture and Dockage Penalties	102	(16.7)
6	Late Delivery and Quality Penalties	74	#
177	Merchandising Interest	68	(61.2)
29	Sundry Income	100	242.1
<u>98,703</u>		<u>131,060</u>	32.8
Expenditure -			
Operating Costs -			
537	Paddy and Seed Receival	708	31.8
2,085	Storage, Handling and Hygiene	2,633	26.3
397	Engineering	559	40.9
352	Pure Seed Scheme	427	21.4
828	Publicity and Research	963	16.3
123	Appraisal	172	39.8
723	Administration	902	24.7
737	Finance	780	5.9
<u>5,782</u>		<u>7,144</u>	23.6
96	Mills Shareholder Bonus for Seed	196	104.1
<u>92,825</u>	Payment to Growers	<u>123,720</u>	33.3
<u>98,703</u>		<u>131,060</u>	32.8

More than 1,000 per cent.

BALANCE SHEET as at 31st October, 1982

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
30,538	Capital Equity Redemption Fund	34,362	12.5
<u>103</u>	Capital Equity Redemption Reserve	<u>126</u>	21.8
<u>30,641</u>		<u>34,488</u>	12.6
	REPRESENTED BY -		
	Fixed Assets (Note 1) -		
	Land, Buildings, etc. (Less		
<u>30,308</u>	Depreciation \$10.4 million)	<u>35,643</u>	17.6
	Intangible Assets -		
<u>3</u>	Trade Marks and Patents Pending	<u>6</u>	103.1
	Current Assets -		
	Debtors -		
52,689	Co-op. Mills - 1982 Pool (Estimated Sales)	37,669	(28.5)
4,926	Growers - Merchandising	4,354	(11.6)
570	Other	1,260	121.1
1,032	Stocks	1,172	13.6
<u>1</u>	Cash	<u>1</u>	0.3
<u>59,218</u>		<u>44,456</u>	(24.9)
<u>89,529</u>		<u>80,105</u>	(10.5)
	Less - Current Liabilities and Provisions -		
8,694	Bank Overdrafts	11,290	29.9
1,714	Creditors	1,609	(6.1)
48,362	1982 Pool Funds (Note 2)	32,559	(32.7)
<u>118</u>	Provision for Long Service Leave	<u>159</u>	34.5
<u>58,888</u>		<u>45,617</u>	(22.5)
<u>30,641</u>		<u>34,488</u>	12.6

Note 1 - At net book value as at 31st March, 1960 plus additions at cost since that date.

Note 2 - Based on estimated sales figures for 1982 Crop, after allowing for Advance Payments to Growers, \$60.1 million and Expense to date, \$5.9 million.

The income and expenditure statement relates to the 1981 pool which terminated on 31st January, 1982. The accounts remained open, however, until settlement with the miller had been effected and expenses had been paid. The final distribution to growers was made in October, 1982.

The total harvest for the 1981 pool was 735,829 tonnes compared with one of 585,867 tonnes for 1980, an increase of 149,962 tonnes or 25.6 per cent. Crop statistics furnished by the Board for the 1980 and 1981 crops show:

	Murrumbidgee & Coleambally Irrigation Areas		Murray Valley Irrigation District		Total		Increase % (-)
	1980	1981	1980	1981	1980	1981	
Number of Growers	1,096	1,123	1,280	1,426	2,376	2,549	7.3
Total Yield (Tonnes)	322,706	412,393	263,161	323,436	585,867	735,829	25.6
Hectares Harvested	62,905	59,116	47,352	42,037	110,257	101,153	(8.3)
Average per Hectare (Tonnes)	5.13	6.98	5.56	7.69	5.31	7.27	36.9

Except for seed requirements, the crop was sold to the Ricegrowers' Co-operative Mills Ltd. The average net return was \$177.64 per tonne compared with \$167.90 for the 1980 crop.

Payments to growers, for paddy and seed deliveries, at \$120,429,991 were higher by \$30,218,017, the overall average return per tonne being \$163.67 compared with \$153.98 in 1980.

The Pool for the 1982 crop terminated on 31st January, 1983, but accounts will remain open until the final distribution to growers. The pool is expected to close on 31st October, 1983.

At 31st October, 1982, fixed assets of the Board valued at cost less depreciation aggregated \$35,643,170 compared with \$30,308,339 at 31st October, 1981. Capital expenditures during the year were mainly on new rice storage facilities.

Finance for capital expenditure has been mainly derived from growers contributions by way of deductions from pool proceeds retained in a Capital Equity Redemption Fund. At 31st October, 1982, the Fund held \$34,362,256.

Commencing with the 1981 crop pool, depreciation is not charged on capital expenditure until the pool year when the assets are commissioned for use. The effect of the change in policy was to reduce the depreciation charge to the 1981 crop pool by \$220,453. Also commencing with this pool depreciation of residences has been discontinued.

Payments to growers for paddy and seed deliveries are shown in the 1981 crop accounts at gross values (i.e. before deduction of growers' contributions to the Capital Equity Redemption Fund). In the previous year's accounts net figures were quoted. In addition, so as to provide better presentation of information, in 1981 there were a number of minor changes in accounting classifications. To facilitate comparison of results, figures for 1980 shown in the accounts have been adjusted to accord with the changed accounting format.

GRAIN SORGHUM MARKETING BOARD FOR THE STATE OFNEW SOUTH WALES

All grain sorghum produced within New South Wales and coming into existence prior to 29th February, 1984, is vested in the Board under the provisions of the Marketing of Primary Products Act, 1927.

Under exemption provisions, merchants were licensed to purchase grain direct from registered growers upon payment to the Board of a commission at \$1.00 per tonne. From March, 1983, the licensed merchant system was replaced by a system of licensed agents who are required to pay a commission of \$2.00 per tonne on sorghum purchased direct from growers.

Formal accounts for the 1982 harvest pool have not as yet been prepared by the Board. For information, in view of the Board's financial position, figures extracted from the Board's financial records by my officers have been used in the following comment and statements. While no guarantee can be given, the figures are believed to be substantially correct.

In essence, the Board has an accumulated deficiency of \$760,000 as a result of its 1982 harvest transactions. There are also contingent liabilities of about \$3 million under contracts which it is presently unable to meet.

On 31st August, 1983, the Supreme Court ordered the Board to pay more than \$1,300,000 under two domestic contracts. The Board then requested the Court to appoint a provisional liquidator to administer its affairs. The Court agreed to this request on 1st September, 1983.

1982 Pool. The Board estimated a harvest of the order of 500,000 tonnes. To protect growers against price fluctuations, the Board entered into contracts for future delivery of approximately 100,000 tonnes. Many growers, anticipating better prices, did not deliver the vested crop to the Board and/or sold their harvests interstate, relying on Section 92 of the Commonwealth Constitution. As a result, the Board received only 12,713 tonnes of sorghum into the pool. It was then constrained to buy grain for cash to meet its contractual obligations. These purchases totalling \$10,894,305 comprised cash purchases from growers, \$1,463,203, purchases from Queensland organisations, \$7,899,087 and purchases of New Zealand maize, \$1,532,015. It would seem probable that some of the grain purchased had originally been vested in the Board before disposal by growers.

The Board used the United States commodity futures markets to balance fluctuations in prices. Operations on this market for the 1982 pool resulted in a profit of \$151,269 (compared with a loss of \$86,958 the previous year). On the other hand, the Board's currency hedging operations lost \$325,459.

Sales for the year, \$12,303,165 consisted of export sales, \$10,533,155, domestic sorghum sales, \$253,011 and sales of maize, \$1,516,999.

After transferring back to the pool the full amount (\$195,039) of its Retained Earnings and Contingencies Reserve as an offset to the trading loss, the deficiency at the close of the year was of the order of \$760,000.

ESTIMATED ACCOUNT of 1982 POOL INCOME AND EXPENDITURE

Previous Pool \$		\$	Increase % (-)
	Income -		
2,283,793	Sales	12,303,165	438.7
265	Licence Fees	50	(81.1)
57,434	Commissions	111,406	94.0
18,000	Interest	10,147	(43.6)
....	Futures Trading - Profit	151,269	*
....	Transfer from Long Service Leave Provision	3,573	*
....	Transfer from Retained Earnings	22,353	*
306,321	Transfer from Contingency Reserve	172,686	(43.6)
480	Sundry Income	6,889	+
2,666,293		12,781,538	379.4
....	Deficiency	759,241	*
\$2,666,293		\$13,540,779	407.9
	Expenditure -		
	Operating Costs -		
86,174	Receiving	278,208	222.8
317,795	Freight and Cartage	492,288	54.9
11,746	Shipping Charges	212,896	+
107,825	Salaries	99,266	(7.9)
48,455	Board Fees and Allowances	58,510	20.8
22,362	Rent	23,541	5.3
19,327	Telephone, Postage, etc.	21,638	12.0
4,909	Publicity	10,677	117.5
4,500	Audit Fee	8,000	77.8
7,528	Insurance	15,884	111.0
92,878	Interest	40,199	(56.7)
742	Depreciation	71	(90.4)
2,157	Provision for Long Service Leave	....	(100.0)
86,958	Futures Trading - Loss	....	(100.0)
1,622	Currency Hedging - Loss	325,459	+
40,875	Miscellaneous	65,680	60.7
855,853		1,652,317	93.1
68,179	Transfer to Contingencies Reserve #	111,556	63.6
....	Purchases from Other Sources	10,894,305	*
1,742,261	Payments to Growers	882,601	(49.3)
\$2,666,293		\$13,540,779	407.9

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

This represents commission and other earnings which are regarded as not pertaining to pool activities. The total in the Reserve was brought back in to reduce the deficiency.

ESTIMATED FINANCIAL POSITION as at 30th June, 1983

Previous Year \$			\$	Increase % (-)
....	Accumulated Deficiency	Note	(759,241)	**
83,483	Net Retained Earnings		....	(100.0)
<u>\$83,483</u>			<u>\$(759,241)</u>	**
REPRESENTED BY -				
Fixed Assets (At Cost) -				
Furniture and Equipment (Less				
70	Depreciation, \$23,013)		....	(100.0)
Intangible Assets -				
22,477	A.D.P. Development Costs		....	(100.0)
16,259	Market Development Costs		23,982	47.5
38,736			<u>23,982</u>	(38.1)
Current Assets -				
2,308	Debtors (Less Doubtful Debts \$5,000)		3,772	63.4
26,247	Prepayments		....	(100.0)
36,224	Cash		29,964	(17.3)
64,779			<u>33,736</u>	(47.9)
1983 Pool - Advance Payments -				
3,040,250	Expenses and Payments to Growers		415,794	(86.3)
2,621,543	Less - Income to Date		157,995	(94.0)
418,707			<u>257,799</u>	(38.4)
522,292			<u>315,517</u>	(39.6)
Less - Current Liabilities and Provisions -				
1,920	Creditors		167,692	+
6,572	Accrued Expenses		60,606	822.2
11,610	Provision for Long Service Leave		8,037	(30.8)
418,707	Bank Overdraft - 1982 Pool		....	(100.0)
....	Advance Payment - Sales Contract		838,423	*
438,809			<u>1,074,758</u>	144.9
<u>\$83,483</u>	(Excess of Liabilities over Assets) Note		<u>\$(759,241)</u>	#

** Surplus in previous year - not applicable.

+ More than 1,000 per cent.

* Nil in previous year - not calculable.

Excess of Assets in previous year - not applicable.

Note: See comment - "Subsequent Events"

Subsequent Events. During 1982, the Board entered into a forward export sales contract for the supply of 25,000 tonnes of 1983 season sorghum. Under that contract, the Board received an advance payment of \$838,423. The major part of this cash was used in making payments to satisfy 1982 obligations. Adverse exchange movements have increased the potential liability to more than \$900,000.

In addition, several forward domestic contracts for the supply of a total of 43,500 tonnes of sorghum were negotiated when the 1983 harvest prospects appeared to be favourable. The Board has been unable to deliver against the overseas and local contracts. As commented earlier, contingent liabilities approximating \$3 million are now faced in addition to the accumulated deficiency of around \$760,000.

Commodity and Currency Futures. The financially disastrous operations for 1982 are the result of contracting to sell a commodity not then in existence - and then being unable to deliver because of crop failures, compounded by growers' failure to observe the principle of vesting which is at the root of the marketing legislation.

The post balance date deterioration was so serious that my endorsement of the financial statements at 30th June, 1982, included:

" ... the Board's assets are insufficient to meet its commitments as they fall due and its viability is in doubt."

The entry of this (and other) marketing authorities into the futures market has been stated to be valid by eminent counsel. However there is always some element of speculation and a risk that events can produce loss. Securing the best possible prices for growers may be acceptable as part of the concept of organised marketing. However, a result such as now faces the Grain Sorghum Marketing Board, points up a need to review whether a marketing board should be permitted to buy or sell a product which is not in its possession. If that form of market protection for the growers is to continue, it would be useful also to prescribe how losses should be dealt with.

OATS MARKETING BOARD FOR THE STATE OF
NEW SOUTH WALES

All oats produced in New South Wales to 31st August, 1984, are vested in the Board which was constituted under the Marketing of Primary Products Act, 1927. As in the previous year, the crop for the 1982 season was handled by a combined system of sales through licensed merchants and a voluntary pool. Commission levied on sales through licensed merchants remained at 85 cents per tonne.

The Oats Trading Company Pty. Limited, wholly owned and controlled by the Board, was formed on 31st March, 1982, to facilitate the trading in oats outside the pool system. There had been no trading activity by the Company to 30th September, 1982.

Expenditures which cannot be attributed directly to either the licensed merchants system or the pool operations have been apportioned, as in the previous year, at 70 per cent against the pool and 30 per cent against the licensed merchants system.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th September, 1982

Previous Year \$		\$	Increase % (-)
	Income -		
19,633	Commission	29,216	48.8
1,315	Registration Fees	605	(54.0)
<u>31,899</u>	Interest, etc.	<u>39,198</u>	22.9
\$52,847		<u>\$69,019</u>	30.6
	Expenditure -		
5,158	Salaries	10,815	109.7
3,848	Board Fees and Expenses	4,144	7.7
5,060	Travelling Expenses	6,411	26.7
2,228	Management Fees	....	(100.0)
1,005	Rentals	3,075	206.0
681	Depreciation	1,634	139.9
300	Audit Fee	600	100.0
<u>2,346</u>	Other Expenses	<u>7,262</u>	209.5
<u>20,626</u>		<u>33,941</u>	64.6
32,221	Operating Surplus	35,078	8.9
<u>1,303</u>	Prior Period Adjustment	<u>....</u>	(100.0)
<u>\$33,524</u>	Surplus transferred to Accumulated Funds	<u>\$35,078</u>	4.6

Transactions for the 1981-82 Pool were:

Previous Year \$		\$	Increase % (-)
	Income -		
92,029	Sales - Bulk Oats	1,772,365	+
7,662	Interest	28,534	272.4
....	Sundry Income	5,825	*
<u>\$99,691</u>		<u>\$1,806,724</u>	+
	Expenditure -		
....	Freight and Cartage	300,529	*
4,841	Handling Charges	199,194	+
....	Wharfage and Other Costs	6,395	*
....	Country Agents Commission/Brokerage	13,329	*
5,202	Interest and Bank Charges	96,060	+
12,035	Salaries	25,236	109.7
8,978	Board Fees and Expenses	9,670	7.7
11,806	Travelling Expenses	14,960	26.7
2,345	Rentals	7,175	206.0
1,589	Depreciation	3,814	140.0
....	Legal Fees	8,371	*
700	Audit Fee	1,400	100.0
4,506	Management Fees	....	(100.0)
<u>5,811</u>	Other Expenses	<u>19,105</u>	228.8
57,813		705,238	+
72,648	Payment to Growers	1,084,379	+
<u>3,416</u>	Provision for Growers' Final Distribution	<u>17,107</u>	400.8
<u>\$133,877</u>		<u>\$1,806,724</u>	+
34,186	Operating Deficiency	....
<u>8,276</u>	Prior Period Adjustments	<u>....</u>	
<u>\$25,910</u>	Deficiency transferred to General Reserve	<u>....</u>	

* Nil in previous year - not calculable.

+ More than 1000 per cent.

Although an improvement on the previous year, the 1982 crop was also affected by drought. Receivals into the pool aggregated 15,137 tonnes, compared with 634 tonnes in the previous year, but were well short of receivals for the 1979 season of 53,778 tonnes.

The sales proceeds of the 1982 crop pool represent an average of \$117.08 per tonne against \$145.16 for the previous year.

Overseas travel expenses of the Chairman and Board Manager totalled \$10,756. It is anticipated that \$3,418 will be claimable under the Commonwealth Export Market Development Grant Act.

BALANCE SHEET as at 30th September, 1982.

Previous Year \$		\$	Increase % (-)
	RETAINED EARNINGS -		
211,703	General Reserve	211,703	..
97,681	Accumulated Funds	132,759	35.9
<u>\$309,384</u>		<u>\$344,462</u>	11.3
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
	Motor Vehicles, Furniture and Equipment		
15,243	(Less Depreciation \$7,718)	14,784	(3.0)
	Investments (At Cost) -		
....	Shares in Oats Trading Co. Pty. Ltd.	1	*
	Current Assets -		
307,000	Interest Bearing Deposits	463,000	50.8
7,616	Sundry Debtors	4,926	(35.3)
340	Cash and Advances	1,875	451.5
<u>314,956</u>		<u>469,801</u>	49.2
<u>330,199</u>		<u>484,586</u>	46.8
	Less - Current Liabilities -		
4,969	Bank Overdraft	44,485	795.3
12,430	Creditors, etc.	78,532	531.8
3,416	Provision for Growers' Final Distribution	17,107	400.8
<u>20,815</u>		<u>140,124</u>	573.2
<u>\$309,384</u>		<u>\$344,462</u>	11.3

* Nil in previous year - not calculable.

OILSEEDS MARKETING BOARD FOR THE
STATE OF NEW SOUTH WALES

By proclamation, all oilseeds produced within New South Wales and coming into existence up to and including 14th December, 1985, are vested in the Board which was constituted under the provisions of the Marketing of Primary Products Act, 1927.

The 1980-81 and 1981-82 crops were disposed of by sale through licensed merchants subject to a Board charge of \$3 per tonne to 31st March, 1981, and \$4.50 per tonne from 1st April, 1981. Voluntary pools were conducted by the Board in both years for linseed, soybeans, sunflower seed, safflower seed and rapeseed. Due to the small crop, the Board did not operate a lupin pool in either year.

To "hedge" against the possibility of falling prices, the Board traded on the Commodity Futures Market, selling and buying futures contracts. Some losses occurred when drought conditions prevented the Board from fulfilling all of these contracts. As it was not practicable to apportion gains and losses fairly to particular crop pools the two years' results have been run together to produce a composite accounting. The net overall deficiency (\$350,661) of futures transactions was taken into the General Account.

General comment on the implications of futures and similar transactions by marketing boards, are included in the report on operations of the Grain Sorghum Marketing Board.

Pool operations, generally, ran at a loss. Deficiencies totalled \$792,325 which, under existing legislative requirements to treat each pool separately, represents an overpayment to the 1980-81 and 1981-82 growers. Allowing for all transactions the Board has a net accumulated deficiency of \$772,597 carried forward into 1982-83.

INCOME AND EXPENDITURE ACCOUNT for the two years ended 31st October, 1982.

	\$
Income -	
Board Charges	279,959
Pools Administration Charges	335,147
Export Market Development Grant	89,475
Interest	44,682
Sowing Seeds Income	583,486
Sundry Income	1,600
	<u>\$1,334,349</u>
Expenditure -	
Board Fees and Allowances	83,541
Salaries and Related Expenses	244,244
Travelling - Local and Overseas	67,246
Administration and Other Costs	277,231
Audit Fee	4,500
Consultancy Fees	72,130
Agricultural Finance Agency -	
Establishment Expenses	23,226
Sowing Seeds Expenses	548,823
Storage Charges	21,851
Provision for Bad Debts	36,000
Depreciation	13,709
	<u>1,392,501</u>
Operating Deficiency	58,152
Add Deficiency on Futures Trading	
1980-81 and 1981-82	<u>350,661</u>
Total General Account Deficiency	<u>\$408,813</u>

Sowing seeds income and expenditure relates mainly to an assistance scheme under which the Board provides soybean seed to growers in certain areas and subsequently deducts costs involved from amounts due to those growers.

Expenses totalling \$23,226 were incurred by the Board in establishing the Agricultural Finance Agency (as an unincorporated body) on 10th February, 1982. The objects of the Agency are, by arranging financial accommodation and related services, to enable payment to be made to growers as soon as practicable after date of delivery of their crops and also to encourage the production and/or processing of oilseeds.

Summary of marketing pool operations for 1981 and 1982:

Pool	Sales Proceeds Etc. \$'000	Operating Costs (Net) \$'000	Payments to Growers \$'000	Deficiency \$'000
Sunflower	11,508	1,589	10,468	549
Soybean	5,594	348	5,250	4
Rapeseed	1,401	687	883	169
Linseed	468	388	132	52
Safflower	507	54	471	18

Pool deficiencies were contributed to by the financial failure of one of the Board's biggest customers. This delayed payment for seed delivered and led to the incurrence of abnormally high interest charges. In addition, the Board was required to purchase rapeseed and linseed from other than normal sources to fulfil sales contracts.

BALANCE SHEET as at 31st October, 1982.

At 31.10.80 \$	Financial Position -	\$	\$	Increase % (-)
Accumulated Funds			Accumulated Deficiency	
407,291	General Account		(1,522)	
	Pool Account Balances -			
14,734	Sunflower Pool	(534,342)		
1,508	Soybean Pool	(2,414)		
...	Rapeseed Pool	(169,320)		
384	Linseed Pool	(51,264)		
4,624	Safflower Pool	(13,735)		
21,250			(771,075)	
\$428,541	(Accumulated Deficiency)		\$(772,597)	*

* Accumulated Funds in previous year - not applicable.

At 31.10.80			Increase
\$		\$	% (-)
	Represented By -		
	Fixed Assets (At Cost) -		
	Furniture, Leasehold Improvements etc.		
<u>2,408</u>	(Less Depreciation \$32,706)	<u>23,047</u>	857.1
	Current Assets -		
390	Cash	390	..
2,548,784	Debtors, etc. (Less Doubtful Debts \$36,000)	1,424,204	(44.1)
<u>329,943</u>	Margin Deposits	<u>151,007</u>	(54.2)
<u>2,879,117</u>		<u>1,575,601</u>	(45.3)
<u>2,881,525</u>		<u>1,598,648</u>	(44.5)
	Less - Current Liabilities and Provisions -		
1,524,164	Bank Overdraft	312,053	(79.5)
235,824	Creditors	236,779	0.4
300,000	Loans Payable	1,661,549	453.8
384,720	Growers - Advances Payable	142,772	(62.9)
8,276	Growers - Final Distribution	3,429	(58.6)
....	Provision - Annual and Long Service Leave	<u>14,663</u>	+
<u>2,452,984</u>		<u>2,371,245</u>	(3.3)
<u>\$428,541</u>	(Excess of Liabilities over Assets)	<u>\$(772,597)</u>	*

+ Nil in previous year - not calculable.

* Assets exceeded Liabilities in previous year - not applicable.

Margin Deposits, \$151,007, represent amounts lodged with the Board's brokers in relation to operations on the Commodity Futures Market. These moneys have now been recovered in full.

WINE GRAPES MARKETING BOARD FOR THE SHIRES OF LEETON,
GRIFFITH, CARRATHOOL AND MURRUMBIDGEE

The Board was constituted pursuant to the provisions of the Marketing of Primary Products Act, 1927.

Wine grapes grown within the shires of Leeton, Griffith, Carrathool and Murrumbidgee are delivered direct to local wineries at prices negotiated between the proprietors and the Board. Wineries have the option of paying the Board for grapes or paying growers direct on behalf of the Board.

Contributions by growers for Board purposes are assessed on tonnages of wine grapes grown within the area of the Board's operations and are deducted from payments to the growers. For the 1982 vintage, the rate of deduction was 50 cents per tonne.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
37,013	Charges on Growers	27,111	(26.8)
14,399	Interest	6,822	(52.6)
174	Sundries	1,542	786.2
51,586		35,475	(31.2)
	Balance at 1st July, 1982 -		
4,569	Cash	14,257	212.0
85,000	Investment	79,343	(6.7)
\$141,155		\$129,075	(8.6)
	Payments -		
17,303	Salaries	18,260	5.5
7,845	Board Fees and Allowances	7,803	(0.5)
2,413	Industry Functions, etc.	2,855	18.3
5,128	Travelling Expenses	6,913	34.8
6,631	Subscriptions, etc.	9,249	39.5
4,238	Postage, Telephone and Office Expenses	4,563	7.7
2,468	Advertising	1,794	(27.3)
300	Audit Fee	600	100.0
1,229	Other	610	(50.4)
....	Advance to 1982 Pool Account (Net)	10,397	*
47,555		63,044	32.6
	Balance at 30th June, 1983 -		
14,257	Cash	6,031	(57.7)
79,343	Investment	60,000	(24.4)
\$141,155		\$129,075	(8.6)

* Nil in previous year - not calculable.

As at 30th June, 1983 the 1982 voluntary pool conducted in respect of surplus grape production had not been finalised. At that date a single payment of \$50 per tonne had been made to growers, (\$386,630) out of proceeds of sale \$430,606. A further payment is expected to be made in early 1984. Of approximately \$405,000 owed to the Pool by participating wineries and payable by 31st December, 1983, some \$264,000 is due by a major winery presently in receivership.

Activities of the 1983 voluntary pool were also incomplete at 30th June, 1983. At that date, \$184,931 had been received into the Growers' Pool Account from sale of grapes.

TOBACCO LEAF MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

All tobacco leaf produced in the State is vested in and becomes the property of the Board. The Tobacco Leaf Marketing Board of Queensland acts as receiving and selling agent and distributes the proceeds of sales to the New South Wales growers. An agency charge at 4 cents per kg of leaf is deducted by the Queensland Board as reimbursement of its expenses. An additional charge at 1.5 cents per kg was made in the 1981-82 season for expenses associated with an Industries Assistance Commission Inquiry into the Australian Tobacco Industry.

An analysis of production and sales of tobacco leaf of New South Wales growers for the season 1982-83 is not yet available. Statistics supplied by the Board in respect of the previous two years are summarised:

Season	Hectares Planted	kg	Sales \$	Average price per kg cents
1980-81	617	1,030,342	3,997,702	388.0
1981-82	540	854,782	3,527,312	412.66

BANANA MARKETING CONTROL COMMITTEE

The Banana Marketing Control Committee was constituted in 1970, under the provisions of the Banana Industry Act, 1969. Its primary functions are to arrange for the marketing and to assist in promoting the sale of bananas.

Apart from computer operating expenses, office and secretarial facilities are provided free of charge by the Banana Growers Federation Co-operative Ltd.

A charge of 2 cents per case and 1 cent per carton on all bananas grown by New South Wales growers, which are in the possession of any person for the purpose of marketing, was imposed by the Committee operative from 1st February, 1981. These charges are to remain in force until 31st January, 1984.

For the year ended 30th June, 1983, collections comprised charges, \$37,588, of which \$9,635 related to the previous year, and interest, \$1,359. Payments, \$50,801 included \$50,000 to the Banana Growers Federation Co-op. Ltd. as a contribution towards the cost of ripening rooms under construction at Coffs Harbour. At the close of the year funds held by the Committee amounted to \$44,067. Further charges totalling \$29,862 were received in August, 1983, in respect of the period January to June, 1983.

FUND CREATED BY THE WHEAT MARKETING (BARRING OF CLAIMS) ACT, 1929

The Wheat Marketing (Barring of Claims) Act, 1929, barred all claims under wheat marketing operations conducted by the Government in earlier years and directed that after the making of specified grants for research purposes, surplus moneys from operations be paid to a fund for investment. Income may be applied, as the Minister for Agriculture determines, towards agricultural education and research.

Income for 1982-83, \$9,818, comprised interest earned, \$9,318, and a donation of \$500 by the Grain Handling Authority of New South Wales towards the cost of a prize grant. Out of the income, \$3,236 was disbursed for overseas travel expenses, \$500 for a prize grant, and \$5,000 was set aside to meet approved commitments for overseas travel (\$3,000) and a contribution to the Farrer Memorial Scholarship Fund (\$2,000). The excess of income, \$1,081, was transferred to Accumulated Funds.

At 30th June, 1983, the capital of the Fund was \$112,767 and was invested in Commonwealth Government securities and interest-bearing deposits.

In my previous Report, I questioned the justification for the continued operation of this fund, having regard to the costs of administering such fund and to the fact that disbursements are not subjected to normal budgetary processes. Those observations are still applicable.

PRICKLY-PEAR DESTRUCTION FUND

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Receipts -		
1,087,000	Consolidated Fund	1,160,000	6.7
62,090	Recoverable Works, etc.	81,951	32.0
176,467	Miscellaneous	96,862	(45.1)
1,325,557		1,338,813	1.0
8	Balance 1st July, 1982	33,213	#
<u>\$1,325,565</u>		<u>\$1,372,026</u>	3.5
	Payments -		
871,803	Salaries and Associated Charges	915,457	5.0
59,789	Travelling Expenses and Allowances	75,468	26.2
202,379	Purchase and Maintenance of Motor Vehicles	181,455	(10.3)
134,925	Stock, Plant and Equipment	158,739	17.6
7,050	Land, Buildings and Improvements	21,663	207.3
16,406	General Expenses	18,379	12.0
1,292,352		1,371,161	6.1
33,213	Balance 30th June, 1983	865	(97.4)
<u>\$1,325,565</u>		<u>\$1,372,026</u>	3.5

More than 1,000 per cent.

The total of \$1,160,000 received from Consolidated Fund comprised the maximum annual subsidy of \$60,000 provided in the Prickly-pear Act, 1924, and a grant of \$1,100,000 from the vote for Agriculture and Fisheries.

FARRER MEMORIAL RESEARCH SCHOLARSHIP FUND

In terms of the Farrer Memorial Research Scholarship Fund Act, 1930, the Trustees of the fund may use earnings to assist study and research into agricultural problems.

For the year ended 31st December, 1982, income of the fund was \$7,020, derived mainly from interest on investments. Expenditure comprised \$4,410 for a scholarship awarded during the year, and \$1,135 on the 1982 Farrer Memorial Oration and Medal presentation. The excess of income over expenditure, \$1,475, increased accumulated income to \$18,539 at the close of the year.

Donations of \$8,000 received in 1982 increased the capital of the fund to \$57,022.

The balances of capital and income were held in the form of investments, \$63,520, cash at bank \$9,097, accrued interest \$2,621 and medal stocks \$323.

WILD DOG DESTRUCTION FUND

Administration of this Fund is vested in a Board constituted under the Wild Dog Destruction Act, 1921. Finance is obtained mainly by the imposition of a rate on land holdings in excess of 1,000 hectares in the Western Division (other than land within a municipality, town or village) and by way of subsidy from Consolidated Fund.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 31st December, 1982

Previous Year \$		\$	Increase % (-)
	Receipts -		
546,120	Rates	456,000	(16.5)
100,000	Subsidy from Consolidated Fund	100,000	..
5,017	Miscellaneous	5,554	10.7
651,137		561,554	(13.8)
285,578	Balance at 1st January, 1982	40,382	(85.9)
<u>\$936,715</u>		<u>\$601,936</u>	(35.7)
	Payments -		
298,251	Salaries, Wages and Associated Costs	329,131	10.4
207,733	Dog-proof Fences	41,230	(80.2)
95,470	Transport and Cartage	79,909	(16.3)
21,936	Maintenance of Cottages, Tanks and Bores	16,624	(24.2)
24,342	Plant and Equipment	32,056	31.7
24,836	Miscellaneous	23,717	(4.5)
14,814	Building Improvements	....	(100.0)
208,951	Loan Repayments and Interest	58,951	(71.8)
896,333		581,618	(35.1)
40,382	Balance at 31st December, 1982	20,318	(49.7)
<u>\$936,715</u>		<u>\$601,936</u>	(35.7)

The rate for 1982 decreased from 2 cents to 1.45 cents per hectare. The subsidy of \$100,000 received from the Consolidated Fund was the maximum amount payable under the Act.

Payments exceeded receipts by \$20,064, reducing the Fund balance in Special Deposits Account to \$20,318 as at 31st December, 1982.

The payments included \$58,951 for instalment and interest on a private loan of \$330,000 raised in 1980 for a major purchase of fencing material. Disbursements from the loan were reflected in higher payments figures for "Dog-proof Fences" in 1980 and 1981. No repayments have been made on a Treasury advance of \$50,000 provided in 1980 for the same purpose.

C.B. ALEXANDER FOUNDATION

The Foundation, a corporation constituted by the C.B. Alexander Foundation Incorporation Act, 1969, was established to promote and advance agricultural education at the C.B. Alexander Agricultural College at Paterson.

Audit of the accounts for the year ended 30th June, 1983, has not been completed and figures quoted are based on accounts which may be subject to adjustment.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$		\$	Increase % (-)
	Income -		
39,732	Gross Profit from Broiler Farm	38,892	(2.1)
....	Lease of Farms	12,000	*
7,005	Donations	....	(100.0)
5,000	Grant from Consolidated Fund	5,000	..
2,743	Agistment	1,994	(27.3)
1,211	Interest	1,587	31.0
723	Rent	1,134	56.8
....	Miscellaneous	1,635	*
<u>\$56,414</u>		<u>\$62,242</u>	10.3
	Expenditure -		
68,908	Interest on Mortgages	58,126	(15.6)
5,000	Grants	....	(100.0)
2,500	Construction of Swimming Pool	....	(100.0)
574	Legal Expenses	160	(72.1)
1,225	Miscellaneous	4,443	262.7
<u>78,207</u>		<u>62,729</u>	(19.8)
21,793	Deficiency	487	(97.8)
<u>\$56,414</u>		<u>\$62,242</u>	10.3

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$		\$	Increase % (-)
\$(15,693)	Accumulated Deficiency	\$(16,180)	3.1
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
76,000	Land	76,000	..
234,000	Buildings and Improvements (Less Depreciation \$52,000)	208,000	(11.1)
12,616	Plant and Equipment (Less Depreciation \$6,308)	9,462	(25.0)
322,616		293,462	(9.0)
	Current Assets -		
8,000	Livestock	3,500	(56.3)
2,248	Debtors and Prepaid Expenses	1,731	(23.0)
....	Interest Bearing Deposits	27,000	*
17,348	Cash	9,687	(44.2)
27,596		41,918	51.9
350,212		335,380	(4.2)
	Less - Current and Long Term Liabilities -		
353,979	Mortgage Loans	340,661	(3.8)
11,926	Accrued Interest	10,899	(8.6)
365,905		351,560	(3.9)
\$(15,693)	Excess of Liabilities over Assets	\$(16,180)	3.1

* Nil in previous year - not calculable.

Proceeds of mortgage loans negotiated in 1980-81 have been used to acquire a property for broiler production to extend the College's facilities for training in the intensive livestock industries and to provide a source of income to the Foundation.

In addition to this property, which is included in the Foundation's balance sheet, other lands vested in or purchased by the Foundation approximating 2,123 hectares are used by the College for educational purposes.

STATE SUPERANNUATION BOARD

At the time of preparation of this Report, accounts had not been finalised. The accounts shown in this review are based on unaudited provisional figures.

REVENUE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Contributions -		
156,142	Employee	188,307	20.6
113,472	Employer Current	136,606	20.4
123,824	Employer Pension Subsidy	145,022	17.1
393,438		469,935	19.4
199,764	Investment Earnings	255,829	28.1
307	Miscellaneous	308	0.2
593,509		726,072	22.3
	Expenditure -		
156,533	Pensions	177,942	13.7
	Employer Pension Subsidy - C.P.I.		
....	Adjustments	19,418	+
128,221	Lump Sum Benefits - Commuted Pensions	164,852	28.6
6,053	Refunds of Contributions and Interest	3,712	(38.7)
14,290	Withdrawal Benefits	13,320	(6.8)
....	Retrenchment Benefits	202	+
5,292	Administrative Expenses	5,940	12.3
	Interest Payable -		
683	Voluntary Savings Accounts	562	(17.8)
919	Reserve Unit Contributions	1,033	12.3
	Provisions -		
45	Depreciation	91	104.1
167	Long Service Leave	227	35.8
312,203		387,299	24.1
	Transfers to Reserves		
1,000	Investment and Contingencies	4,000	300.0
1,000	Renewals and Replacements	1,000	..
....	Prior Period Adjustment	(1,812)	+
314,203		390,487	24.3
279,306	Addition to Fund	335,585	20.1
593,509		726,072	22.3
	+ Nil in previous year - not calculable.		

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	ACCUMULATED FUNDS AND RESERVES -		
2,016,129	Accumulated Funds	2,351,714	16.6
	Reserves		
8,000	Investment and Contingencies	12,000	50.0
2,000	Renewals and Replacements	3,000	50.0
2,026,129	TOTAL	2,366,714	16.8
	REPRESENTED BY -		
	Investments (At Cost) * -		
705,349	Governmental Securities	836,639	18.6
64,308	Short Term Deposits	94,921	47.6
235,062	Building Society Loans	252,084	7.2
129,078	Shares	247,271	91.6
225,282	Corporate Debt Securities	213,548	(5.2)
186,954	Mortgage and Guarantee Secured Loans	173,313	(7.3)
	Properties (Less		
342,513	Depreciation, \$26.69 million)	420,993	22.9
115,998	Leveraged Leasing	106,932	(7.8)
....	Resource Development	105	+
2,004,544		2,345,806	17.0
	Fixed Assets - (At Cost Less		
425	Depreciation, \$425,756)	483	13.7
	Current Assets -		
27,010	Debtors	21,283	(21.2)
28,110	Accrued Investment Income	37,269	32.6
55,120		58,552	6.2
582	Assigned Life Assurance Policies	597	2.5
2,060,671		2,405,438	16.7
	Less Liabilities and Provisions -		
13,201	Contributions in Advance (Reserve Units)	14,138	7.1
7,893	Voluntary Savings	6,871	(13.0)
8,928	Creditors and Accrued Charges	10,182	14.1
(1,221)	Bank Overdraft	2,624	#
720	Provision for Long Service Leave	888	23.3
5,021	Employer Advance Contribution	4,021	(19.9)
34,542		38,724	12.1
2,026,129	Net Assets Available for Benefits	2,366,714	16.8

* All investments are recorded at cost except for shares which are subject to adjustment to take account of sales affecting portion of a holding and values written down in accordance with Board practice to reflect estimated realisations.

Cash at Bank in previous year - not applicable.

+ Nil in previous year - not calculable.

Employee contributions rose by \$32 million (\$25 million in 1981-82) as a result of the continuing increase in salary rates and a rise of 852 to 118,162 in the number of contributors.

Employer current contributions (\$137 million in 1982-83), rose proportionately. As well as making current contributions, employers are required to pay deferred contributions in the form of pension subsidies when employees retire or otherwise become eligible for pension. These subsidies increased by \$21 million or 17 per cent due to a rise in the number of pension recipients - 24,876 at the close of the year compared with 23,613 in the previous year - and an increase in the Consumer Price Index.

Following amendment of the Superannuation Act, from 24th December, 1982, the Fund is now required to meet 40 per cent of the cost of pension indexation. The transfer for 1982-83 was \$19 million.

Commuted lump sum payments continued to rise and totalled \$165 million compared with \$128 million in the previous year. This represents an increase of \$37 million compared with \$32 million for 1981-82.

A two year comparison of income from investments shows:

	1981-82 \$ mill.	1982-83 \$ mill.	Increase % (-)
Interest -			
Governmental Securities	65.82	87.01	32.2
Short Term Deposits	3.35	6.46	92.8
Building Society Loans	26.30	30.49	15.9
Corporate Debt Securities	25.65	28.74	12.0
Leveraged Leasing	10.50	15.22	44.9
Mortgage and Guarantee Secured Loans	22.68	24.49	8.0
	154.30	192.41	24.7
Dividends, etc., on Shares	13.70	20.72	51.2
Rents, etc., from Properties	32.02	42.72	33.4
Miscellaneous	0.01	0.11	+
	200.03	255.96	23.0
Less - Interest Paid for Temporary Finance	0.27	0.13	(51.9)
	<u>\$199.76</u>	<u>\$255.83</u>	28.1

+ In excess of 1,000 per cent.

The average earning rate of the Fund improved from 10.7 per cent in 1981-82 to 12.1 per cent in 1982-83.

Investments - Investment holdings at 30th June, 1983, aggregated \$2,346 million and were higher by \$341 million than at the close of the previous year. Of the total, \$837 million or 36 per cent (35 per cent at 30th June, 1982) was held in Governmental securities.

Advances of \$36 million were made during the year to building societies servicing the housing requirements of Fund members (\$34 million in 1981-82). After repayments, the Board's investment in these building societies was \$252 million, an increase for the year of \$17 million.

Investments in public companies at the end of each of the last three years were:

	At 30th June,			
	1981	1982	1983	Increase
	\$ mill.	\$ mill.	\$ mill.	% (-)
Shares	95.21	129.08	247.27	91.6
Corporate Debt Securities -				
Debentures	99.32	92.33	82.90	(10.2)
Unsecured Notes	11.65	15.46	17.18	11.1
Transferable Deposits	6.83	5.99	7.99	33.4
Letters of Credit	81.01	110.80	104.78	(5.4)
Bank Guaranteed Loan	0.70	0.70	0.70	..
	<u>\$294.72</u>	<u>\$354.36</u>	<u>\$460.82</u>	30.0

The Board took advantage of depressed prices and nearly doubled its share portfolio during the year. The aggregate market value of shares at 30th June, 1983, was \$339 million or \$91 million in excess of book values. A year earlier the excess was \$34 million.

Property investments rose by \$78 million to \$421 million at the close of the year and were comprised of freeholds, \$305 million, leaseholds, \$116 million, and joint ventures, \$1 million. Purchases of freehold land and buildings amounted to \$75 million compared with \$43 million in the previous year. Of the 76 properties owned by the Board at 30th June, 1983, 61 have been valued since 1979-80 as part of a three-year valuation cycle. The market value of these properties was assessed as \$107 million more than the book value of \$259 million.

In 1981-82, following amendments to the Superannuation Act, the Board entered into joint venture arrangements in resource and property developments. Cash outlay to date has been small but in the light of current and prospective commitments is expected to increase in future years.

An Investment and Contingencies Reserve is held to meet actual or anticipated losses on the Board's investments. Having regard to the growth of the Fund and the magnitude of its investment portfolio, the Board provided a sum of \$4 million from revenue during the year to raise the value to \$12 million at 30th June, 1983.

Accumulated Funds - The balance of the State Superannuation Fund increased during the year by \$336 million (\$279 million in 1981-82) and at 30th June, 1983 stood at \$2,352 million. At that date, \$12 million was also held in the Investment and Contingencies Reserve and \$3 million in a Renewals and Replacements Reserve.

Actuarial Valuation - The actuary's report on the Fund's condition at 30th June, 1981, has been completed but is not yet available for publication.

NEW SOUTH WALES RETIREMENT BOARD

The New South Wales Retirement Fund was established by the New South Wales Retirement Benefits Act, 1972. The Act provided a scheme of retirement and other benefits for employees of State Government departments and instrumentalities who had not in the past had a retirement scheme available to them. Provision was also made for improved benefits for employees who transferred to the Fund from such schemes as the Transport Retirement Fund, the Railway Superannuation Account and certain other minor schemes.

As well as administering the New South Wales Retirement Fund the Board administers the Transport Retirement Fund which has been closed to new contributors since July, 1973. The two Funds were merged on 1st July, 1983.

Audit of the accounts of the Board has not been completed and the figures quoted for 1982-83 are not necessarily final.

REVENUE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	New South Wales Retirement Fund -		
44,934	Employees' Contributions	48,895	8.8
43,531	Employers' Contributions	62,133	42.7
	Investment and Other Earnings Less		
29,977	Administrative Expenses	38,751	29.3
98	Transfer - Contributors' Reserve Account	121	23.6
118,540		149,900	26.5
	Transport Retirement Fund -		
737	Employees' Contributions	779	5.7
927	Employers' Contributions	985	6.2
	Investment and Other Earnings Less		
1,132	Administrative Expenses	1,397	23.5
2,796		3,161	13.1
121,336		153,061	26.1
	Expenditure -		
	New South Wales Retirement Fund -		
51,629	Lump Sum Benefits	78,144	51.4
7,408	Pensions	7,997	7.9
2,614	Refunds of Contributions	2,059	(21.2)
61,651		88,200	43.1
	Transport Retirement Fund -		
1,540	Lump Sum Benefits	1,665	8.1
35	Refunds of Contributions	69	97.7
1,575		1,734	10.1
	Allocations of Interest -		
....	Statutory Reserve Account	5,919	*
280	Employers' Advance Payments Account	149	(46.5)
119	Contributors' Reserve Account	310	159.4
399		6,378	+
	Addition to Funds -		
56,490	New South Wales Retirement Fund	55,322	(2.1)
1,221	Transport Retirement Fund	1,427	16.9
57,711		56,749	(1.7)
121,336		153,061	26.1

* Nil in previous year - not calculable.

+ Over 1,000 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	ACCUMULATED FUNDS AND RESERVES -		
	Accumulated Funds -		
293,288	New South Wales Retirement Fund	292,213	(0.4)
10,617	Transport Retirement Fund	12,045	13.4
303,905		304,258	0.1
	Reserves -		
500	Investment and Contingencies	....	(100.0)
....	Statutory Reserve Account	62,315	*
304,405		366,573	20.4
	REPRESENTED BY -		
	Investments (At Cost) -		
145,592	Government Securities	151,953	4.4
28,855	Debentures and Notes	30,366	5.2
28,641	Loans Secured by Mortgage	32,829	14.6
16,487	Short Term Deposits	17,490	6.1
23,745	Letters of Credit	40,345	69.9
16,221	Leveraged Leasing	20,256	24.9
43,646	Properties (Less Depreciation \$653,641)#	69,445	59.1
1,012	Shares	1,213	20.0
304,199		363,897	19.6
	Fixed Assets (At Cost		
147	Less Depreciation \$91,999)	172	16.8
74	Assigned Life Assurance Policies	81	8.8
	Current Assets -		
4,984	Debtors	5,320	6.7
5,315	Accrued Investment Income	7,016	32.0
10,299		12,336	19.8
314,719		376,486	19.6
	Less - Liabilities and Provisions -		
1,829	Employers' Advance Payments	975	(46.7)
5,669	Creditors and Accrued Charges	4,374	(22.8)
518	Provisions - Employee Entitlements	1,100	112.5
....	Bank Overdraft	347	*
2,298	Contributors' Reserve Account	3,117	35.6
10,314		9,913	(3.9)
304,405	Net Assets Available for Benefits	366,573	20.4

Depreciation applies to plant and equipment only.

* Nil in previous year - not calculable.

Contributions by employees to the New South Wales Fund rose by \$4.0 million to \$48.9 million while those to the Transport Fund increased by \$42,086 to \$779,112. Contributors at 30th June, 1983, were 63,434 and 1,343 respectively, compared with 59,806 and 1,458 a year earlier.

Employers' contributions are related to benefits paid out during the year. Increases in the Consumer Price Index and higher benefits emerging on exits caused employers' contributions to the New South Wales Fund to rise substantially by \$18.6 million or 42.7 per cent.

In the accounts, investment earnings are shown net after deducting administrative expenses. At a total of \$2.8 million, these costs were higher by \$0.9 million than in the previous year. The major increase was \$0.5 million in the amount provided for superannuation deferred liability.

Lump sum benefits paid by the New South Wales Fund in 1982-83 included \$69.1 million in respect of retirements at age 60. Higher wage rates resulted in the average benefit increasing by \$9,253 to \$65,189. The number of members electing to take lump sums increased to 1,061 compared with 789 in the previous year.

Contributors to the New South Wales Retirement Fund retiring at or after 60 years of age are required to take their benefits by way of pension, unless they have completed five years service as contributors. Pensions paid from this Fund increased by \$588,837 to \$8.0 million, reflecting the annual adjustment of pensions, in line with movements in the Consumer Price Index. At 30th June, 1983, there were 2,433 pensions in force with a total annual commitment of \$8.2 million.

My previous Report referred to surplus interest earnings within Accumulated Funds. Amendments to legislation in 1982-83 enabled a transfer of \$56.4 million to a statutory reserve account. In addition the account received an allocation of interest of \$5.9 million. Some retrospective, improved benefits are being paid from the Account and recommendations for further use are being prepared.

Investment income increased by \$10.1 million to \$42.9 million due to increased holdings and a generally higher average earning rate. A comparison of income from the various types of investment for the past two years shows:

	1981-82 \$ mill.	1982-83 \$ mill.	Increase % (-)
Interest -			
Government Securities	15.7	18.3	16.8
Debentures and Notes	3.1	3.8	19.6
Loans Secured by Mortgages	3.4	4.4	31.9
Short Term Deposits	2.7	2.4	(13.6)
Letters of Credit	3.5	5.4	55.5
Leveraged Leasing	0.6	3.0	370.7
	29.0	37.3	28.4
Rents, etc. from Land and Buildings	3.6	6.2	71.3
Dividends, etc., on Shares	0.2	0.2	3.3
	32.8	43.7	33.0
Less Loss on Sale of Investments	..	0.8	*
	32.8	42.9	30.8

* Nil in previous year - not calculable.

Aggregate investment holdings increased by \$59.7 million to \$363.9 million. The market value has been assessed at \$356.4 million based on quoted market prices and other methods as applicable. On a discounted cash flow method of valuation, fixed interest and credit foncier loans are \$19.7 million below their book value of \$293.2 million. No provision for loss has been made for this difference as normally it is intended to hold the loans to maturity. Investment in property shows estimated market values to be \$11.1 million in excess of book values. To obtain higher future yields some fixed interest investments were sold at a capital loss of \$1.3 million. An existing Investment and Contingencies Reserve was fully used to absorb part of the loss and the balance was deducted from investment income.

The Government Actuary has reported that at 30th June, 1980, the New South Wales Retirement Fund was in a strong financial condition and that the Transport Retirement Fund had a substantial surplus.

RAILWAY SERVICE SUPERANNUATION BOARD

Established in 1910, the Railway Service Superannuation Scheme extended to all permanent and some temporary staff of the Department of Railways, and to a number of ex-employees who transferred to other government and local government authorities. It was closed to new entrants in June, 1964.

Employers are required to make up the amount by which contributions from employees fall short of payments. With the scheme being closed to new entrants, the number of contributors has continued to decline and at 30th June, 1983, there were 2,135 contributors compared with 2,424 a year earlier. For 1982-83, employee contributions provided only \$121,897 of the \$24,186,031 paid out. The very heavy degree of subsidy called up from employing authorities is accounted for by the longstanding, but marked difference between employee contributions and benefits and the now rapid decline in the number of contributors. All administrative costs are also met by employers.

This scheme provides a classic example of the principle which was central to the comment at page 197 of my Report for 1981-82. The decline in current membership makes clearly evident - even without recourse to actuarial assessment - the extent to which current and future years' operations must pay for costs for services performed by former employees in previous years. At present rates these deferred costs would absorb \$100 million over the next four years alone.

The maximum contribution rate is presently \$2.00 per fortnight and provides for a maximum superannuation allowance or widow's pension of approximately \$122 or \$20 per fortnight, respectively. The benefits are calculated on a basis of average earnings and length of service and are indexed to annual movements in the Consumer Price Index. Twenty years ago, when the number of contributors was 45,284, the maximum contribution was \$1.01 per fortnight and the maximum benefit was approximately \$61.53 per fortnight.

Since February, 1972, widows of certain former contributors have been eligible for pensions. At the close of the year, benefits were being paid to 9,299 ex-employees and to 7,377 widows.

The Board's financial operations are recorded in the Government Railways Superannuation Account within Treasury Special Deposits Account.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
	Contributions from Employers -		
20,800	State Rail Authority of N.S.W.	22,150	6.5
1,321	Urban Transit Authority of N.S.W.	1,146	(13.2)
63	Department of Motor Transport	64	1.6
629	Electricity Commission of N.S.W.	658	4.5
49	Maritime Services Board of N.S.W.	51	5.2
124	Contributions from Employees	122	(1.3)
54	Miscellaneous	43	(20.2)
23,040		24,234	5.2
700	Balance at 1st July, 1982	784	11.9
23,740		25,018	5.4
	Payments -		
19,559	Superannuation Allowances	20,552	5.1
3,327	Widows' Pensions	3,581	7.6
36	Refunds	31	(13.8)
33	Gratuities	20	(40.1)
1	Actuarial and Legal Expenses	2	22.0
22,956		24,186	5.4
784	Balance at 30th June, 1983	832	6.1
23,740		25,018	5.4

LOCAL GOVERNMENT SUPERANNUATION BOARD

Constituted by the Local Government and Other Authorities (Superannuation) Act, 1927, the Board administers schemes covering employees of local Government bodies, public hospitals and certain other semi-public organisations.

Prior to 1969, insurable employees were required to take out insurance cover for amounts which varied according to age and salary at date of commencement. Premium payments are dealt with through the Insurance Account of the Board. A Provident Fund, established under the Act, was designed to cover prescribed employees who through age, disability or other cause were unable to effect life assurance under the Insurance provisions or who elected to be exempted from those provisions.

Amending legislation introduced a Superannuation Benefits Fund as from 1st January, 1969, which all new entrants were required to join. Existing contributors to the Insurance Account and Provident Fund were given a right to elect to transfer to the new Fund. The scheme aimed at providing a lump sum in cash (in addition to the normal retirement benefits) for employees, or for dependants if the contributor died before reaching retiring age.

In 1977, a Pension Fund Scheme was established for all new employees, with provision for participants of the three existing schemes to elect to transfer to the Pension Fund up to 30th September, 1981.

The number of participants and their distribution as at 31st March in each of the past four years was as follows:

	Insurance Account	Provident Fund	Benefits Fund	Pension Fund	Total
1980	3,948	4,939	42,490	25,876	77,253
1981	3,386	4,311	37,252	30,378	75,327
1982	2,201	3,503	23,617	47,157	76,478
1983	1,987	3,064	21,444	50,631	77,126

Contributions to the Insurance Account and Provident Fund are shared by employers and employees in equal proportions while those to the Benefits Fund are borne by employers and employees on a 60:40 basis. Contributions to the Pension Fund range from two to six per cent of salaries for employees. For employers they range from 5.25 per cent of salaries to 150 per cent of employee's contributions plus two per cent of salaries.

The following funds statement for all of the Board's activities shows movements in funds which are held primarily towards meeting benefits accruing in respect of current and future members. Only inflows and outflows of cash and claims due and payable at balance date are reflected.

Previous Year \$'000		\$'000
	Funds were obtained from -	
108,448	Contributions	132,557
63,240	Sales and Maturities of Investments	88,205
88,465	Investment Income	96,548
6,481	Other Income	1,968
<u>266,634</u>		<u>319,278</u>
	Funds were applied to-	
	Benefits -	
62,188	Lump Sums	66,527
995	Pensions	1,092
12,295	Refunds of Contributions	8,230
184,021	Purchase of Investments	230,956
2,464	Management Expenses	2,892
104	Purchase of Fixed Assets	532
1,419	Reduction in Current Liabilities	978
2,800	Increase in Current Assets (other than Cash)	2,973
348	Net Increase in Cash	5,098
<u>266,634</u>		<u>319,278</u>

The following statements of the Board's activities are compiled on the basis of accrual accounting.

LOCAL GOVERNMENT (SERVANTS) INSURANCE ACCOUNT

A total of \$1,807,554 received into the account during the year ended 31st March, 1983, was \$5,010,719 less than in the previous year. This was due mainly to only 5 members surrendering their policies in 1982-83, on transfer to the Pension Fund, compared with 876 similar transfers in 1981-82. Income was disbursed as follows:

Previous Year \$'000		\$'000	Increase % (-)
	Benefits Paid -		
863	Withdrawals	863	..
601	Retirements and Deaths	438	(27.1)
1,464		1,301	(11.1)
746	Premium Contributions Paid to Life Offices	451	(39.6)
4,608	Transfers to Pension Fund	55	(98.8)
<u>6,818</u>		<u>1,807</u>	<u>(73.5)</u>

LOCAL GOVERNMENT PROVIDENT FUND

REVENUE ACCOUNT for the year ended 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
4,953	Contributions	4,664	(5.8)
9,882	Investment Income	9,275	(6.1)
<u>129</u>	Matured Policies	<u>76</u>	(40.9)
14,964		14,015	(6.3)
	Expenditure -		
	Benefits Paid -		
8,349	Withdrawals and Retirements	9,152	9.6
<u>157</u>	Deaths	<u>103</u>	(34.6)
8,506		9,255	8.8
118	Management Expenses	110	(6.4)
<u>5,884</u>	Transfers to Pension Fund	<u>246</u>	(95.8)
14,508		9,611	(33.8)
<u>456</u>	Addition to Contributors' Funds	<u>4,404</u>	865.9
14,964		14,015	(6.3)

Contributions declined by \$288,781 compared with a fall of \$459,494 in 1981-82. There were 14 transfers to the Pension Fund (314 in 1981-82).

Interest allocated to contributors' accounts was at an average rate of 13.68 per cent per annum, compared with 13.55 per cent for the previous year.

BALANCE SHEET as at 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
71,460	CONTRIBUTORS' FUNDS	75,865	6.2
	REPRESENTED BY -		
	Investments (At Cost) -		
71,574	Units in Investment Pool	75,864	6.0
	Current Assets -		
309	Debtors	263	(14.8)
71,883		76,127	5.9
	Less - Current Liabilities -		
423	Creditors	262	(38.0)
71,460	Net Assets Available for Benefits	75,865	6.2

SUPERANNUATION BENEFITS FUND

REVENUE ACCOUNT for the year ended 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
31,530	Contributions	29,015	(8.0)
34,092	Investment Income	31,445	(7.8)
65,622		60,460	(7.9)
	Expenditure -		
	Benefits Paid -		
16,343	Withdrawals and Retrenchments	9,525	(41.7)
6,677	Retirements	8,486	27.1
2,005	Deaths	1,348	(32.8)
3,073	Disablements	4,149	35.0
28,098		23,508	(16.3)
866	Management Expenses	760	(12.3)
98,532	Transfers to Pension Fund	852	(99.1)
127,496		25,120	(80.3)
61,874	Addition to Contributors' Funds	35,340	*
(Reduction)			
65,622		60,460	(7.9)

* Decrease in previous year - not applicable.

Contributions were lower by \$2.5 million (8.0 per cent). There were 70 transfers to the Pension Fund (9,385 in 1981-82) while exits numbered 2,103 (4,250 in 1981-82).

Interest allocated to contributors' accounts was at an average rate of 13.58 per cent per annum compared with 14.2 per cent for 1981-82.

BALANCE SHEET as at 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
<u>233,048</u>	CONTRIBUTORS' FUNDS	<u>268,389</u>	15.2
	REPRESENTED BY -		
	Investments (At Cost) -		
233,473	Units in Investment Pool	267,879	14.7
	Current Assets -		
<u>1,763</u>	Debtors	<u>1,791</u>	1.6
<u>235,236</u>		<u>269,670</u>	14.6
	Less - Current Liabilities and Provisions -		
2,152	Creditors and Provisions	1,281	(40.5)
<u>36</u>	Bank Overdraft	<u>....</u>	(100.0)
<u>2,188</u>		<u>1,281</u>	(41.4)
<u>233,048</u>	Net Assets Available for Benefits	<u>268,389</u>	15.2

SUPERANNUATION PENSION FUND

REVENUE ACCOUNT for the year ended 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
71,965	Contributions	98,877	37.4
44,133	Investment Income	55,614	26.0
109,023	Transfers from Other Funds	1,153	(98.9)
<u>115</u>	Reinstatement Transfers	<u>192</u>	67.0
225,236		<u>155,836</u>	(30.8)
	Expenditure -		
<u>1,165</u>	Management Expenses	<u>1,640</u>	40.7
	Lump Sum Benefits Paid -		
12,457	Withdrawals and Retrenchments	9,155	(26.5)
14,707	Retirements	18,245	24.1
1,940	Deaths	2,557	31.8
<u>7,317</u>	Disablements	<u>10,780</u>	47.3
36,421		<u>40,737</u>	11.9
	Pensions Paid -		
677	Former Contributors	698	3.0
<u>318</u>	Dependants	<u>394</u>	24.0
995		<u>1,092</u>	9.7
38,581		43,469	12.7
<u>186,655</u>	Addition to Contributors' Funds	<u>112,367</u>	(39.8)
<u>225,236</u>		<u>155,836</u>	(30.8)

Contributions increased by \$26.9 million to \$98.9 million following a net gain of 3,474 members, (including 89 transferred from other Funds) and the effect of higher salary rates.

Interest allocated to contributors' accounts was at an average rate of 13.38 per cent per annum (13.17 per cent for 1981-82).

BALANCE SHEET as at 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
389,165	CONTRIBUTORS' FUNDS	501,533	28.9
	REPRESENTED BY -		
	Investments (At Cost) -		
385,212	Units in Investment Pool	497,998	29.3
	Current Assets -		
5,561	Debtors	5,289	(4.9)
136	Cash	....	(100.0)
5,697		5,289	(7.2)
390,909		503,287	28.7
	Less - Current Liabilities and Provisions -		
1,744	Creditors and Provisions	1,754	0.6
389,165	Net Assets Available for Benefits	501,533	28.9

LOCAL GOVERNMENT (SUPERANNUATION) MANAGEMENT ACCOUNT

REVENUE ACCOUNT for the year ended 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
2,150	Management Charges	2,510	16.8
359	Investment Income	214	(40.4)
25	Commission	19	(22.6)
253	Miscellaneous	412	62.7
2,787		3,155	13.2
	Expenditure -		
2,534	Administrative Expenses	2,990	18.0
106	Transfer to Contingent Account	148	39.5
	Provision for -		
137	Depreciation	179	30.6
68	Annual and Long Service Leave	117	74.2
2,845		3,434	20.7
58	Deficiency	279	379.5
2,787		3,155	13.2

Costs of administering the various Funds are reflected in the Management Account which, for the most part, is financed from commissions received on life policies, contributions from the Provident, Benefits and Pension Funds and investment earnings.

BALANCE SHEET as at 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
<u>2,188</u>	ACCUMULATED FUNDS	<u>1,909</u>	(12.8)
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
731	Furniture and Equipment (Less Depreciation \$456,026)	1,040	42.1
<u>27</u>	Motor Vehicles (Less Depreciation \$18,949)	<u>19</u>	(28.5)
758		<u>1,059</u>	39.6
	Investments (At Cost) -		
<u>2,080</u>	Units in Investment Pool	<u>1,542</u>	(25.9)
	Current Assets -		
1	Debtors	26	*
<u>2</u>	Cash	<u>1</u>	(30.2)
3		<u>27</u>	975.5
<u>2,841</u>		<u>2,628</u>	(7.5)
	Less - Current Liabilities and Provisions -		
309	Creditors	266	(13.8)
<u>344</u>	Provisions - Annual and Long Service Leave	<u>453</u>	31.4
653		<u>719</u>	10.1
<u>2,188</u>		<u>1,909</u>	(12.8)

* More than 1,000 per cent.

INVESTMENT POOL

Investment on behalf of the various Funds administered by the Board is undertaken through the Investment Pool. Income earned is distributed to the various Funds on the basis of their unit holdings in the Pool.

A comparison of income from the various types of investments for the past two years shows:

	1981-82 \$mill.	1982-83 \$mill.	Increase % (-)
Interest -			
Short Term Deposits	4.05	4.38	8.0
Government Securities	23.94	28.43	18.7
Debentures and Notes	5.76	3.45	(40.0)
Letters of Credit and Bank Bills	3.00	6.91	130.4
Mortgages	11.78	16.53	40.3
Building Societies	1.96	3.07	56.5
Leveraged Leasing	0.15	0.88	481.9
	<u>50.64</u>	<u>63.65</u>	21.2
Dividends, etc. on Shares	15.56	8.98	(42.3)
Rents from Land and Buildings	17.64	17.20	(2.5)
Distributions from Life Offices and Managed Fund	<u>4.63</u>	<u>6.72</u>	45.2
	<u>88.47</u>	<u>96.55</u>	9.1

Income from shares includes realised capital profits of \$3.1 million compared to \$10.2 million in 1981-82.

At 31st March, 1983, funds in the Pool totalling \$843.3 million were represented by:

Previous Year \$ mill.		\$ mill.	Increase % (-)
	Investments (At Cost) -		
30.6	Short Term Deposits	15.0	(51.1)
235.3	Government Securities	253.9	7.9
37.4	Debentures and Notes	25.6	(31.5)
32.0	Letters of Credit	55.7	74.2
102.7	Mortgages	130.6	27.2
20.8	Building Society Advances	26.7	28.2
3.0	Leveraged Leases	9.0	200.0
71.7	Shares	85.0	18.7
116.5	Land and Buildings	183.9	57.8
32.2	Life Offices and Managed Fund	32.3	0.3
...	Unit Trusts	7.3	+
682.2		825.0	20.9
	Current Assets -		
...	Cash at Bank #	3.3	+
12.5	Accrued Investment Income	14.4	15.0
0.8	Debtors (Less Doubtful Debts \$268,943)	1.9	151.8
13.3		19.6	47.8
695.5		844.6	21.4
	Less - Current Liabilities and Provisions -		
1.2	Creditors and Provisions	1.3	10.0
1.9	Bank Overdraft	...	(100.0)
3.1		1.3	(56.6)
692.4		843.3	21.8

+ Nil in previous year - not calculable.

All Bank Accounts, except for the Management Account were transferred to the Investment Pool in 1982-83.

Aggregate investment holdings increased by \$142.8 million, of which \$67.4 million was in land and buildings. The market value of investments, which include accrued interest where appropriate, has been independently assessed to be \$832.8 million. Investments in property and shares show estimated market values in excess of book values by \$27.1 million and \$5.9 million respectively, but Government Securities were \$27.5 million below cost due to interest rates on the loans being less on the whole than is currently obtainable.

During the year the Board entered into a joint venture arrangement for the purpose of property developments. The cost of development is being funded by the Board by way of direct investment (70 per cent) and unit trusts (30 per cent). Approximately 20-25 per cent of the unit trusts will be issued to the joint venturer as their fee which share may ultimately be acquired by the Board at the then current value.

Under the leveraged leasing agreement with the Maritime Services Board, referred to in my previous Report, a further advance of \$6 million was made.

CONTINGENT ACCOUNT

REVENUE ACCOUNT for the year ended 31st March, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
106	Transfer from Management Account	148	39.5
	Expenditure -		
35	Sickness Benefits	49	39.3
34	Funeral Donations	41	21.9
40	Employees' Superannuation Contributions	58	44.3
109		148	35.8
3	Deficiency	...	(99.1)
106		148	39.5

Funds of the Contingent Account are provided from the Management Account and may be used to provide sickness benefits and funeral donations and also to meet premiums or contributions of permanent employees who are unable, through sickness or other cause, to pay such premiums or contributions.

Pension Fund - Actuarial Investigation Triennium ended 31st March, 1981 - The contribution rate payable by special authorities (e.g. public hospitals) and the practice of making refunds to those authorities have not been varied.. Advice for the Treasurer in the actuaries report was that, on the basis of the present funding arrangements, the assets of the special authorities reserve will be exhausted at the end of forty-two years. (The reserve forms part of Contributors' Funds and stood at \$64.1 million at 31st March, 1983.) Since any deficiency in the reserve is required to be met from Consolidated Fund, a liability is accumulating which could need to be met in time by the Treasurer.

PARLIAMENTARY CONTRIBUTORY SUPERANNUATION FUND

The Fund is administered by seven managing trustees, two from the Legislative Council and five from Legislative Assembly, with the Secretary and Comptroller of Accounts, the Treasury, as custodian trustee.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
563	Contributions from Members	615	9.2
2,054	Contributions from Consolidated Fund	5,678	176.4
840	Interest on Investments	1,020	21.5
<u>3,457</u>		<u>7,313</u>	111.6
	Expenditure -		
1,317	Pensions	1,655	25.6
2,115	Lump Sum Benefits - Commuted Pensions	119	(94.4)
126	Refunds of Contributions	22	(82.3)
<u>3,558</u>		<u>1,796</u>	(49.5)
101	Addition to Fund	5,517	*
(Reduction)			
<u>3,457</u>		<u>7,313</u>	111.6

* Reduction in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	RETAINED EARNINGS -		
7,432	Accumulated Funds	12,949	74.2
	REPRESENTED BY -		
	Investments (At Cost) -		
	Loans to Government and Statutory Authorities	7,783	9.5
	Current Assets -		
135	Debtors and Accrued Interest	25	(81.8)
314	Cash	5,416	+
<u>449</u>		<u>5,441</u>	+
7,554		13,224	75.0
	Less - Current Liabilities -		
122	Creditors	275	125.2
<u>7,432</u>		<u>12,949</u>	74.2

+ More than 1,000 per cent.

The main features of the Parliamentary Contributory Superannuation Act, 1971 as amended in 1979 and 1981, provide for:

- (1) Members' contributions at the rate of 12.5 per cent of salary.
- (2) Pensions after seven years service at a rate of 48.8 per cent of the current basic Parliamentary salary for a private member. The rate increases by 0.2 per cent of salary for each extra month of service until, at 20 years service, it reaches the maximum, i.e. 80 per cent of the current salary rate.
- (3) Pensions are adjusted automatically in line with movements in members' salaries.
- (4) Part of a member's or spouse's pension can be commuted for a lump sum payment at a rate of ten times the amount of annual pension entitlement so converted. A pensioner who commutes continues to receive automatic increases on the pension entitlement which was converted to a lump sum.
- (5) Pension continues to be payable to former members who accept office or hold a place of profit under the Crown.
- (6) Members who leave Parliament after less than seven years service receive a refund of contributions plus a supplementary benefit. The "supplementary benefit" is two and one-third times the contributions paid by a member whose service is involuntarily terminated, and one and one-sixth times for voluntary termination.
- (7) Spouses' pensions are at three-quarters of a deceased member's entitlement with a minimum of 45 per cent of current basic parliamentary salary.
- (8) Pension entitlement for children under 18 years of age or full-time students under 25 years of age is at the rate of 10 per cent of current basic Parliamentary salary where there is no surviving spouse or 5 per cent where there is a surviving spouse.

The Act provides for an actuarial investigation to be made every three years into the state and sufficiency of the Fund. The most recent actuarial investigation conducted as at 30th June, 1981, resulted in a recommendation to increase the annual contribution paid from Consolidated Fund from \$2,054,000 to \$5,678,000. The first payment of the increased contribution was made during 1982-83.

At 30th June, 1983, there were 138 pensioners comprising 90 ex-members, 47 widows and 1 widower.

POLICE SUPERANNUATION FUND

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
	Contributions -		
18,300	Consolidated Fund	25,661	40.2
11,626	Members of Police Force *	12,613	8.5
10	Miscellaneous	12	28.7
29,936		38,286	27.9
22	Balance at 1st July, 1982	222	929.0
29,958		38,508	28.5
	Payments -		
27,706	Pensions	35,791	29.2
1,193	Gratuities	2,035	70.6
837	Refunds of Contributions	579	(30.8)
29,736		38,405	29.2
222	Balance at 30th June, 1983	103	(53.7)
29,958		38,508	28.5
9,388	* Number of contributors at 30th June	9,812	

Pension and other payments under the Police Regulation (Superannuation) Act, 1906, and the Police Association Employees (Superannuation) Act, 1969, are financed from current receipts. Apart from the cash balance, no funds have been accumulated against future needs. Costs are borne in greater part by Consolidated Fund which provided 67 per cent of total receipts compared with 61 per cent for the previous year. Contributions from members of the Police Force rose by \$986,425 to \$12,612,896.

The annual cost of living adjustment to pension rates, applied from 24th September, 1982, was the main factor in the increase of \$8,084,544 (29.2%) in pension payments. New pensions totalled 248 and there were 116 departures from the Fund, leaving 2,804 pensioners at 30th June, 1983.

Gratuities may be paid to contributors or their dependants, where a member dies or where a member with less than twenty years service becomes medically unfit through causes other than those related to police duties. In addition, gratuities may be paid to members of the Police Force injured on duty, to limits equivalent to those prescribed by the Workers' Compensation Act, 1926. The member need not have been discharged from the Force to receive such a gratuity.

Fourteen gratuities totalling \$1,321,135 were paid to dependants of deceased members compared with \$648,932 in the previous year. In addition the Board approved the payment of \$713,395 in gratuities to 17 members rendered medically unfit through causes other than those related to police duties. In the previous year \$537,708 was paid to 14 members.

COAL AND OIL SHALE MINE WORKERS
SUPERANNUATION TRIBUNAL

The Tribunal, established under the Coal and Oil Shale Mine Workers (Superannuation) Act, 1941, administers schemes for superannuation benefits and workers' compensation subsidies for persons engaged in the coal and oil shale mining industries. Benefits are payable in approved cases of permanent disability or incapacity and for widows and approved dependants of deceased mine workers.

The Superannuation Fund is financed by owner and worker contributions while the Compensation Subsidy Fund is financed by a levy on the mine owners.

COAL AND OIL SHALE MINE WORKERS SUPERANNUATION FUND
INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Contributions -		
23,922	Mine Owners	25,960	8.5
17,543	Mine Owners - Special - S.19(2A)	19,039	8.5
7,994	Mine Workers	8,666	8.4
49,459		53,665	8.5
3,192	Interest on Investments	4,506	41.2
1	Miscellaneous Income	21	*
52,652		58,192	10.5
	Expenditure -		
16,023	Pensions	16,121	0.6
22,808	Lump Sum Benefits	35,856	57.2
553	Administrative Expenses	655	18.5
324	Refunds of Contributions	688	112.3
31	Interest on Refunded Contributions	57	86.0
62	Provision for Long Service Leave	30	(51.7)
(3)	Provision for Doubtful Debts	30	+
39,798		53,437	34.3
12,854	Addition to Fund	4,755	(63.0)
52,652		58,192	10.5

* Over 1,000 per cent.

+ Decrease in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
32,796	RETAINED EARNINGS - Accumulated Funds	37,551	14.5
	REPRESENTED BY -		
	Fixed Assets -		
33	Furniture and Equipment (At Cost - Less Depreciation \$12,277)	44	32.3
13,853	Investments (At Cost) -	31,145	124.8
18,230	Government Securities	6,600	(63.8)
32,083	Term Deposits	37,745	17.6
	Current Assets -		
3,537	Debtors and Accruals (Less Doubtful Debts \$39,478)	3,413	(3.5)
1,333	Cash	147	(89.0)
....	Advances	5	*
4,870		3,565	(26.8)
36,986		41,354	11.8
	Less - Current Liabilities and Provisions -		
3,987	Creditors and Accruals	3,570	(10.5)
203	Provision for Long Service Leave	233	14.8
4,190		3,803	(9.2)
32,796		37,551	14.5

* Nil in previous year - not calculable.

Superannuation contribution rates and benefits are indexed to the "Reference Rate" which is the weekly rate of wages prescribed for the classification of loaderman in industry awards applying to the New South Wales coal mining industry. Wage increases produced increased receipts of \$4.2 million from mine owners' and workers' contributions, although the number of contributors fell to 20,183 in June, 1983, compared with 21,557 a year earlier. The fall in contributors can be generally attributed to retrenchments within the industry.

As the scheme no longer provides for persons to retire on a pension, the number of pensioners decreased during the year by 397 to 7,982 at 30th June, 1983.

Lump sum payments rose by over \$13 million to \$35.9 million. This was due mainly to the extension of the lump sum benefit scheme on 26th October, 1982, to allow for voluntary early retirement for mine workers having the necessary age and service qualifications. The other contributing factor was a higher "Reference Rate" stemming from wage increases early in the year.

The net addition to the Fund, \$4.8 million, brought Accumulated Funds to \$37.6 million at 30th June, 1983.

Actuarial Valuation - Superannuation Fund - The most recent actuarial valuation reported that the net liability of the Fund, as at 30th June, 1980, remaining to be paid for by the special mine owners' contribution, was \$349.3 million compared with \$326.5 million at 26th March, 1979.

The report pointed out that, if the contribution rates are to remain unchanged, the funding of the net liability referred to above will depend, inter alia, on growth in the number of employees in the industry. Further, subject to a sufficient growth in the number of contributors and to adequate earnings on investments, it could be expected that the special contribution of 5½ per cent of the "Reference Rate" would fund the net liability in approximately 21 years. Since the report there has been an overall rise in interest rates and an 11.0 per cent increase in the number of contributors. However, as indicated earlier, retrenchments have now resulted in a negative growth rate in the number of contributors.

COAL AND OIL SHALE MINE WORKERS COMPENSATION SUBSIDY FUND
INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
542	Contributions - Mine Owners	547	0.8
<u>140</u>	Interest	<u>157</u>	12.3
682		704	3.2
<u> </u>		<u> </u>	
	Expenditure -		
589	Subsidy Payments	583	(1.0)
11	Administrative Expenses	14	20.8
(...)	Provision for Doubtful Debts	<u>1</u>	+
600		598	(0.4)
<u>82</u>	Addition to Fund	<u>106</u>	29.6
682		704	3.2
<u> </u>		<u> </u>	
+ Decrease in previous year - not applicable.			

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	RETAINED EARNINGS -		
624	General Reserve	624	..
882	Accumulated Funds	988	12.0
1,506	TOTAL	1,612	7.0
	REPRESENTED BY -		
	Investments (At Cost) -		
819	Government Securities	869	6.1
591	Term Deposits	641	8.5
1,410		1,510	7.1
	Current Assets -		
	Debtors and Accruals (Less		
70	Doubtful Debts \$3,357)	74	5.7
36	Cash	36	0.9
106		110	4.1
1,516		1,620	6.9
	Less - Current Liabilities -		
10	Creditors and Accruals	8	(17.6)
1,506		1,612	7.0

The Compensation Subsidy Fund is mainly financed by a weekly levy on mine owners for each worker employed. The levy increased by 1 cent to 50 cents from 1st July, 1982.

From the Fund a subsidy is provided to bring the amount paid, under the Workers' Compensation Act, 1926, to miners affected by dust, up to the maximum rate for full incapacity provided by that Act. Should the miner be over 60 years of age, however, the subsidy is to be not less than the amount of pension entitlement from the Mine Workers' Superannuation Fund. Payments of subsidy are subject to deduction for earnings in excess of prescribed limits and for Commonwealth age or invalid pensions. The number of persons receiving subsidy was 157 in June, 1983, compared with 175 a year earlier.

After bringing to account the addition to the Fund for the year, \$106,119, Accumulated Funds totalled \$988,207 at 30th June, 1983.

Actuarial Valuation - Subsidy Fund - The most recent actuarial valuation of the Fund disclosed that at 30th June, 1980, the assessed value of pension payments falling due after that date to then existing pensioners totalled approximately \$4.4 million while accumulated funds and reserves aggregated some \$1.4 million. However, having regard to the power of the Tribunal to levy contributions, the Actuary considered the Subsidy Fund to be in a satisfactory financial condition.

WORKERS' COMPENSATION COMMISSION OF NEW SOUTH WALES

The Workers' Compensation Act, 1926, requires insurers and self-insurers, licensed under the Act, to make contributions to a fund which is used primarily to meet the costs of administering the Act and the Uninsured Liability Scheme.

The accounts shown in this review are based on unaudited figures supplied by the Commission and are not necessarily final.

ADMINISTRATION FUND

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
	Contributions from -		
11,673	Licensed Insurers	9,246	(20.8)
35	Bush Fire Fighters Compensation Fund	42	20.6
1,796	Interest	2,426	35.0
58	Miscellaneous	44	(22.6)
<u>13,562</u>		<u>11,758</u>	<u>(13.3)</u>
	Expenditure -		
3,909	Salaries and Associated Charges	4,485	14.7
238	Medical Examination Costs	346	45.8
530	Court Reporting	739	39.5
997	Rent, Cleaning and Lighting	1,101	10.4
8	Audit Fees	15	87.5
790	Improvements to Leasehold Premises	423	(46.5)
593	Sundry Expenses	768	29.3
	Provision for -		
4,939	Uninsured Liability	2,301	(53.4)
233	Long Service Leave	240	3.1
48	Depreciation	74	54.2
<u>12,285</u>		<u>10,492</u>	<u>(14.6)</u>
1,277	Operating Surplus	1,266	(0.9)
	Less -		
250	Transfer to Provision for Supply	450	80.0
140	Transfer to General Reserve	150	7.1
<u>390</u>		<u>600</u>	<u>53.8</u>
<u>887</u>	Addition to Accumulated Funds	<u>666</u>	<u>(24.9)</u>

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	RETAINED EARNINGS -		
2,472	Accumulated Funds	3,139	27.0
<u>1,390</u>	General Reserve	<u>1,540</u>	10.8
3,862	TOTAL	<u>4,679</u>	21.1
	REPRESENTED BY -		
	Fixed Assets -		
	Furniture and Fittings (At Cost - Less Depreciation \$419,046)	505	7.3
<u>471</u>	Library (At Cost - Less Depreciation \$110,090)	<u>197</u>	12.4
646		<u>702</u>	8.7
	Investments (At Cost) -		
<u>10,645</u>	Government Securities	<u>11,120</u>	4.5
	Current Assets -		
147	Debtors (Less Doubtful Debts \$287)	120	(18.7)
691	Interest Accrued	836	20.9
<u>6,580</u>	Term Deposits	<u>8,475</u>	28.8
7,418		<u>9,431</u>	27.1
<u>18,709</u>		<u>21,253</u>	13.6
	Less -		
	Current Liabilities -		
325	Creditors	326	0.4
<u>215</u>	Bank Overdraft	<u>298</u>	38.4
540		<u>624</u>	15.6
	Provisions -		
11,000	Uninsured Liability	12,100	10.0
2,200	Supply	2,650	20.5
857	Long Service Leave	950	10.8
<u>250</u>	Rehabilitation	<u>250</u>	..
14,307		<u>15,950</u>	11.5
<u>14,847</u>		<u>16,574</u>	11.6
3,862		<u>4,679</u>	21.1

Contributions by way of levies on premium income of insurers licensed under the Act decreased by \$2.4 million to \$9.3 million following a fall in the rate levied. Expenditure decreased by \$1.8 million to \$10.5 million due primarily to a reduction in the amount set aside to the Provision for Uninsured Liability. The operating surplus for the year was \$1.3 million, similar to that of the previous year.

The allocation of \$450,000 brought the Provision for Supply to \$2.65 million, the amount which the Commission estimates will be required to finance the payment of operating expenses up to the receipt of the first instalment of contributions in 1983-84.

An Uninsured Liability Scheme has been designed to meet awards of compensation against employers who have not effected or maintained insurance cover. Payments, less recoveries from uninsured employers, amounted to \$1.2 million, similar to the previous year. An additional allocation of \$2.3 million (\$4.9 million in 1981-82) was made bringing the balance provided to \$12.1 million, the estimated liability, compared with \$11 million at the end of the previous year.

Brucellosis Compensation Fund - Workers in the cattle slaughtering industry who are confirmed as having contracted brucellosis are covered by normal workers' compensation provisions. The Workers' Compensation (Brucellosis) Act, 1979, provides for payments to workers who exhibit symptoms consistent with a diagnosis of brucellosis but whose health tests return an inconclusive or a negative result. The Fund is administered by the Workers' Compensation Commission.

No contributions were levied during the year, but a repayable advance of \$30,000 was received from the Commission to finance operations.

Income, \$1,390, derived from interest on investments, was outweighed by expenditure of \$69,851 which included \$62,659 on compensation and \$6,796 for medical expenses. The accumulated deficiency of the Fund at the close of the year was \$25,064.

Bush Fire Fighters Compensation Fund - This Fund is designed to compensate persons sustaining injury or loss of personal effects or equipment while engaged in voluntary bush fire fighting in areas outside those covered by the Fire Brigades Act, 1909.

The Workers' Compensation Commission determines the requirements of the Fund and the amount is obtained by an allocation from the New South Wales Bush Fire Fighting Fund. The allocation in 1982-83 was \$400,000 compared with \$812,000 in the previous year.

After meeting compensation payments, \$555,607, and costs of administration, \$38,861, the balance available to meet unsettled claims decreased by \$193,915 to \$834,239.

Although the Commission has not assessed the value of claims outstanding at 30th June, 1983, the liability at 31st January, 1983, was estimated at \$2.5 million compared with \$1.4 million a year earlier.

Beneficiaries Trust Funds under the Workers' Compensation Act - Trust funds administered by the Commission on behalf of beneficiaries totalled \$24.1 million at 30th June, 1983, and were represented by:

	\$'000
Advances Secured by Mortgage	3,868
Trustee Securities	<u>20,346</u>
	24,214
Less Bank Overdraft	<u>152</u>
	<u>24,062</u>

Trust funds are held as a common fund to provide increased earnings for beneficiaries by taking advantage of improved investment opportunities.

Bureau of Medical Inspection - Broken Hill - The Bureau was established by agreement between the State Government and mining companies located in Broken Hill, mainly to carry out medical examinations of mine employees. The funds of the Bureau are administered by the Workers' Compensation Commission.

After bringing to account minor ancillary earnings, the full costs of the Bureau are met in agreed proportions by the Health Commission, the Workers' Compensation Commission, the Workmens' Compensation (Broken Hill) Joint Committee and the mining companies.

Expenditure for 1982-83 totalled \$137,835, the major component being salaries and related costs, \$84,567.

At 30th June, 1983, funds of the Bureau amounted to \$94,395 and comprised provision for long service leave \$63,855, provision for replacement of equipment \$15,000 and general reserve \$15,540. They were represented by investments, \$95,000, debtors \$28,182, less bank overdraft and creditors, \$28,787.

WORKERS' COMPENSATION (DUST DISEASES) BOARD

The Board administers a scheme which provides weekly compensation to workers, in certain occupations, disabled through the inhalation of dust. In addition, related medical expenses are met and, on the death of the worker, dependants receive weekly compensation plus a lump sum payment. Rates are adjusted periodically under indexation provisions.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
4,920	Contributions - Insurance Premiums Committee	5,525	12.3
25	Rents, etc.	36	39.9
4,945		5,561	12.4
68	Balance at 1st July, 1982	13	(80.2)
5,013		5,574	11.2
	Payments -		
4,377	Compensation	4,732	8.1
145	Medical Examination Costs	121	(16.0)
327	Salaries, etc.	366	11.8
5	Members' Fees	5	(2.8)
4	Audit Fees	7	100.0
72	Research Grants	70	(2.8)
70	General	84	19.4
5,000		5,385	7.7
13	Balance at 30th June, 1983 +	189	*
5,013		5,574	11.2

* More than 1,000 per cent.

+ Does not include a total of \$2,101,010 held in separate investment savings bank accounts in trust for beneficiaries under awards.

Dust Diseases Contributions Account and Dust Diseases Outstanding Liability Reserve Fund - The Workers' Compensation (Dust Diseases Act) 1942, authorises the Insurance Premiums Committee to make levies on licensed insurers and self-insurers to provide the amounts needed to pay compensation to workers affected by dust diseases and to build up an Outstanding Liability Reserve Fund.

All contributions are credited in the first instance to the Reserve Fund and transfers are made, as required, through the Contributions Account to the Workers' Compensation (Dust Diseases) Board which makes the compensation payments. The income of the Reserve Fund totalled \$13.5 million (\$11.3 million in 1981-82) and comprised \$8.1 million from contributions and \$5.4 million from interest on investments. After transferring \$5.5 million through the Contributions Account to the Board, the balance at the close of the year rose by \$8.0 million to \$48.7 million, of which \$47.2 million was invested. The liability under compensation awards, against which the Reserve Fund is being built up, was estimated by the Board to be \$95 million at 30th June, 1983.

WORKMEN'S COMPENSATION (BROKEN HILL) JOINT COMMITTEE

In accordance with a decision by the Committee the year-end has been changed to 30th June. The following figures cover a nine-month period only and previous year comparisons have therefore been omitted.

INCOME AND EXPENDITURE ACCOUNT for the period ended 30th June, 1983

	\$
Income -	
Contributions by -	
State Government	44,598
Mining Companies for Mine Workers and Hard-Luck Cases	44,598
Mining Companies for Mine Employees	78,712
Interest	453
	<u>\$168,361</u>
Expenditure -	
Mine Workers and Hard-Luck Cases Compensation	32,538
Medical Examinations	15,204
Administrative Expenses	41,908
	89,650
Mine Employees Compensation, etc.	78,711
	<u>\$168,361</u>

A scheme, established under the Workmen's Compensation (Broken Hill) Act, 1920, provides weekly compensation to any workmen afflicted by pneumoconiosis or tuberculosis and prevented from resuming work in a Broken Hill mine. In addition, medical expenses associated with the worker's complaint are met and limited funeral expenses and dependant's weekly compensation are paid. Benefits to workmen employed since 1920 (referred to in the Act as "mine employees") are met exclusively by mining companies, while those for persons employed prior to 1920 ("mine workers") and for hard-luck cases, together with administrative costs, are shared equally by the Government and the mining companies.

The number of beneficiaries at 30th June, 1983, was 80 compared with 91 at 30th September, 1982. Compensation rates were increased from 1st October, 1982 and 1st April, 1983, under indexation provisions.

The Act allows mine owners to lodge funds with the Joint Committee within the limit of their respective liabilities as determined by actuarial review. The most recent quinquennial review, at 31st December, 1982, assessed these liabilities at \$2,042,564 (\$1,757,140 in the 1977 review) towards which advance contributions of \$1,682,737 (including interest thereon) were held at 30th June, 1983, in the form of authorised trustee securities.

MARITIME SERVICES BOARD OF N.S.W.

STATEMENT OF INCOME AND EXPENDITURE for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
Income -			
Port Management -			
92,384	Charges on Cargo	77,984	(15.6)
21,392	Charges on Vessels	21,558	0.8
12,399	Commercial Charges	14,954	20.6
47,268	Coal Loading Charges	70,435	49.0
173,443		184,931	6.6
3,762	Waterways Management	4,765	26.7
5,839	Interest on Deposits	6,013	3.0
1,348	Miscellaneous Sources	1,374	1.9
184,392	Total Income	197,083	6.9
Expenditure -			
Port Management -			
20,327	Operations	23,217	14.2
11,067	Sundry Services	12,404	12.1
33,143	Coal Loading Facilities	47,482	43.3
64,537		83,103	28.8
3,125	Waterways Management	4,272	36.7
16,480	Maintenance of Properties and Equipment	18,911	14.8
10,248	Provision for Depreciation	10,935	6.7
Administrative Expenses -			
17,834	Management and Administration	21,198	18.9
1,377	General Charges	1,241	(9.9)
60	Audit Fee	125	108.3
19,271		22,564	17.1
Financing Charges -			
18,247	Interest - Capital Debt	19,942	9.3
13,456	Interest - Private Borrowings	16,730	24.3
347	Loan Management and Flotation	352	1.5
200	Provision for Doubtful Debts	200	..
32,250		37,224	15.4
145,911	Total Expenditure	177,009	21.3

Previous Year \$'000		\$'000	Increase % (-)
38,481	Balance of Income available for Renewal of Assets and Other Purposes	20,074	(47.8)
2,570	Add Profit on Sale of Fixed Assets	256	(90.0)
<u>2,280</u>	Newcastle Harbour Deepening - Interest on Investments	<u>1,395</u>	(38.8)
43,331		21,725	(49.9)
....	Abnormal Items		
43,331	Prior Period Adjustments	<u>2,144</u>	*
		19,581	(54.8)
9,672	Applied for -		
	Contribution to Consolidated Fund	11,076	14.5
17,642	Transfer - Newcastle Harbour Deepening Charges	1,622	(90.8)
690	Repayment - Port Kembla Harbour Deepening	....	(100.0)
1,520	Sinking Fund Contributions -		
7,000	Private Borrowings	1,454	(4.3)
....	Renewal of Assets	....	(100.0)
....	Provision for -		
....	Retirement Benefits	1,850	*
	Extended and Annual Leave	<u>3,900</u>	*
36,524		19,902	(45.5)
6,807	Deficiency to Accumulated Funds	321	#
(Surplus)			

* Nil in previous year - not calculable.

Surplus in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
CAPITAL AND RETAINED EARNINGS -			
	Capital Debt -		
192,319	State Government	189,403	(1.5)
165,534	Loans Raised by Board	195,396	18.0
5,751	Loan Liability - Port Kembla (Further Development) Act, 1971	5,230	(9.1)
<u>363,604</u>		<u>390,029</u>	7.3
	Other Capital -		
1,193	Commonwealth Government Grant	9,272	677.5
80,000	Newcastle Harbour Deepening Levy	85,576	7.0
144,990	Earnings Expended on Assets	144,990	..
<u>226,183</u>		<u>239,838</u>	6.0
	Retained Earnings -		
5,027	Loans Repayment Reserve	6,251	24.3
628	Accumulated Funds	307	(51.1)
<u>5,655</u>		<u>6,558</u>	16.0
<u>595,442</u>	TOTAL	<u>636,425</u>	6.9

Previous Year \$'000		\$'000	Increase % (-)
	REPRESENTED BY -		
	Fixed Assets -		
577,451	Real Property, Plant, etc. (At Cost) - (Less Depreciation \$70,510,489)	605,957	4.9
	Investments -		
1,050	Shares in Kooragang Coal Loader Ltd. (At Cost)	2,125	102.4
	Current Assets -		
1,948	Stores and Materials	2,028	4.1
22,151	Debtors (Less Provision for Doubtful Debts \$364,635)	24,692	11.5
25,724	Interest Bearing Deposits	49,544	92.6
12,843	Cash at Bank and in Transit	6,662	(48.1)
62,666		82,926	32.3
641,167		691,008	7.8
	Less -		
	Current Liabilities -		
21,175	Creditors	23,968	13.2
9,255	Trust - Newcastle Harbour Deepening Account	5,302	(42.7)
30,430		29,270	(3.8)
	Provisions -		
....	Annual Leave	3,050	*
4,436	Extended Leave	5,868	32.3
4,114	Retirement Benefits	8,931	117.1
3,061	Dredging	2,744	(10.4)
3,684	Future Maintenance of Coal Loaders and other Plant	4,720	28.1
15,295		25,313	65.5
45,725		54,583	19.4
595,442		636,425	6.9

* Nil in previous years - not calculable.

At the time of preparation of this Report, audit of the accounts of the Board had not been completed and figures quoted for 1982-83 are not necessarily final.

Earnings - Operating income was derived from the following ports:

	1981-82	1982-83	Increase	Increase
	\$'000	\$'000	\$'000 (-)	% (-)
Sydney	64,553	65,405	852	1.3
Newcastle	57,683	54,908	(2,775)	(4.8)
Port Kembla	32,578	40,765	8,187	25.1
Botany Bay	24,156	29,350	5,194	21.5
Other Ports	5,422	6,655	1,233	22.7
	<u>184,392</u>	<u>197,083</u>	<u>12,691</u>	6.9

The volume of cargoes handled by all ports of New South Wales decreased by 4,228,365 tonnes (or 5.6 per cent) to 71,543,493 tonnes.

Earnings rose by \$12,690,547 to \$197,082,765 but this was due mainly to an increase of \$23,167,648 from coal handling charges, reflecting a rise in rates levied and increased exports. All statutory charges were increased, but there was a decline in the cargo throughput and earnings from charges on cargoes and vessels fell by \$14,232,745 (12.5 per cent). The discontinuance of the special harbour deepening levy at Newcastle from 31st May, 1982 was another significant factor.

Expenditure - Expenditure increased overall by \$31,097,725 (or 21.3 per cent) to \$177,008,307.

The direct cost of operating the Board's coal loading facilities at the three major ports during 1982-83 was \$47,482,485, an increase of \$14,339,660 (or 43.3 per cent). The commencement of operation of the new coal loader at Port Kembla during November, 1982, and the upgrading and expansion of facilities at other ports were major factors. Labour costs rose significantly. Additional labour was needed to man the new and improved facilities and to enable the introduction of a 38 hour week.

The special harbour levy from contributors to the Newcastle Harbour Deepening Project ceased by agreement between the parties from 31st May, 1982. Total levy collections to 30th June, 1983, amounted to \$81,585,620.

The deepening of Newcastle Harbour undertaken by West Ham Dredging Company Pty. Ltd. was completed on 4th February, 1983. To 30th June, 1983 a total of \$90,877,093 had been derived from special levy contributions and interest. To that date expenditure amounting to \$85,575,648 had been met from levy funds and \$18 million from the Board's internal sources. An unexpended balance of \$5,301,445 remained available in the levy account to meet final costs of the project and/or to be refunded.

My previous Report referred to the establishment of the new accounting base for the Board's 1981-82 accounts, including certain adjustments being made to accumulated funds. Further refinements in the 1982-83 accounts reflect adjustments for items not taken up at the time of establishing that new accounting base. Included in the net prior period adjustment of \$2,143,838 is \$4,158,368 to adjust the initial accrual in 1980-81 of income from port rates, and a reclassification from accumulated funds to "Other Capital" of \$7,534,263, equivalent to Commonwealth contributions to the National Debt Sinking Fund in reduction of capital debt.

The net deficiency of \$320,990 transferred to accumulated funds was after crediting proceeds of the special harbour levy to Newcastle Harbour Deepening Account, \$1,622,439 and providing \$5,750,000 to strengthen the provisions held for long service leave, annual leave and retirement benefits. As shown in notes on the accounts, best estimates available point to substantial shortfalls in these provisions. The Board has been requested to approach the Government Actuary for assistance in calculating its liability for deferred contributions to the State Superannuation Fund.

Other allocations were \$1,454,007 to sinking funds for loan repayment and the contribution to the Consolidated Fund of 6 per cent of revenue required to be made under a 1981 amendment to the Maritime Services Act. The contribution was calculated as \$11,075,914.

Capital Funds - Capital indebtedness of the Board at 30th June, 1983, was \$390,028,512 comprising \$189,402,461 provided by the State Treasury, \$5,229,881 from loans received under the Port Kembla (Further Development) Act, 1971 and \$195,396,170 from the Board's own loan raisings. Of the Board's own loan raisings \$131,899,755 has been obtained from five overseas loans for the purposes of construction and upgrading works at the Port Kembla and Balmain coal loaders.

To provide additional finance for the construction of the new coal loader at Port Kembla, the Board entered into a leveraged leasing arrangement. The agreement provided for leasing of stacking and reclaiming machinery for the new loader for 12 years ending in 1994. The total equipment cost was \$46,923,486 and during 1982-83 the Board made lease payments of \$5,894,308. The Board's total contingent liability under the leveraged leasing agreement period to October, 1994 is estimated at \$88 million.

Retained Earnings - After absorbing the year's deficiency of \$320,990, accumulated funds at 30th June, 1983 were \$307,090.

Assets - Expenditure during 1982-83, \$38,738,687, included \$22,502,672 on the Newcastle Harbour Deepening project, \$2,451,910 on construction and upgrading of wharves and jetties at Kooragang Island, and \$1,896,486 on upgrading and harbour deepening costs associated with the coal loading works at Carrington Basin.

At 30th June, 1983, Fixed Assets (At Cost) comprised:

	\$
Wharves and Jetties	146,691,575
Shore Buildings	27,128,171
Deepening of Ports	172,849,905
Reclamations	120,774,281
Port Roadways	6,158,334
Coal Loading Works	162,876,970
Floating Plant, Workshops, Depots, etc.	<u>39,988,450</u>
	<u>\$676,467,686</u>

As in the previous year, depreciation of fixed assets has been provided on a straight-line basis and, as a matter of policy, assets comprising lands, roadways, reclamations and port deepening have not been depreciated.

The Kooragang Coal Loader Ltd. is a company formed to finance, construct and operate a new coal loader at Kooragang Island, Newcastle. To maintain its 20 per cent equity the Board acquired further shares to the extent of \$1,075,000 making its total shareholding at 30th June, 1983 to \$2,125,000. The Company's audited financial statements at 31st March, 1983 indicate that operations are yet to commence and that the Company has fixed and other non-current assets of \$102,205,000 and current assets of \$11,864,000. Current liabilities, including \$60,000,000 unsecured loans, total \$71,944,000.

STATE RAIL AUTHORITY OF NEW SOUTH WALES

The Authority, constituted under the Transport Authorities Act, 1980, is responsible for the operation of all passenger and freight rail services throughout the State, including a workshop subsidiary. Urban and inter-urban passenger services are provided in consultation with the Urban Transit Authority.

The accounts of the Authority for 1982-83 were not finalised in time to permit completion of audit and figures are not necessarily final.

For the purposes of this Report, the Income and Expenditure Account is presented on an aggregate basis. However, the Authority prepares a more detailed Income and Expenditure Account to show the cost of the three services - Metropolitan Passenger, Country Passenger, and Freight.

INCOME AND EXPENDITURE ACCOUNT for the year ending 30th June, 1983

Previous Year \$'000		\$'000	\$'000	Increase % (-)
	Income -			
168,131	Passenger Services	193,674	15.2	
451,373	Freight Services	452,626	0.3	
22,908	Trading and Catering Services	23,243	1.5	
20,804	Other	25,276	21.5	
	Revenue Supplement in terms of Section 66 of the Transport Authorities Act	448,285	15.7	
<u>387,327</u>		<u>1,143,104</u>	8.8	
1,050,543	Appropriation from Consolidated Fund for Interest, Principal and Other Loan Charges Payable by the Authority	70,891	30.8	
<u>54,192</u>		<u>1,213,995</u>	9.9	
<u>1,104,735</u>				
	Expenditure -			
841,630	Operations and Maintenance Administration and General Charges	888,364	5.6	
82,797	Trading and Catering Services	96,870	17.0	
28,444	Pay-roll Tax	29,162	2.5	
40,966	Audit Fees	43,733	6.8	
120	Long Service Leave	225	87.5	
24,830	Retirement Benefits	29,736	19.8	
23,893	Contributions to Government Railways Superannuation Account	47,215	97.6	
21,045	Less - Contribution from Consolidated Fund	22,181		
(13,100)	Leveraged Leasing Payments	14,400	7,781	(2.1)
21,535	Less - Contribution from Consolidated Fund	66,717	209.8	
<u>(21,535)</u>		<u>66,717</u>	....
1,050,625		1,143,086	8.8	
(82)	Net Surplus (Deficiency)	18	*	
<u>1,050,543</u>		<u>1,143,104</u>		
	Interest, Principal and Other Charges on Loans raised by the Authority	70,891	30.8	
<u>54,192</u>		<u>1,213,995</u>	9.9	
<u>1,104,735</u>				

* Deficiency in previous year - not applicable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital -		
1,937,823	Section 63 of Transport Authorities Act	2,168,378 ++	11.9
	Retained Earnings -		
42,441	Loan Repayment Reserve	62,467	47.2
91	Revenue Supplement Adjustment	109	20.3
1,980,355	TOTAL	2,230,954	12.7
	REPRESENTED BY -		
	Fixed Assets -		
25,254	Land	25,560	1.2
1,215,605	Railway and Trackwork Infrastructure	1,363,562	12.2
516,017	Rolling Stock	542,104	5.1
162,532	Workshops, Plant and Equipment	177,831	9.4
1,919,408		2,109,057	9.9
	Investments (at face value) -		
42,283	Loan Repayment Reserve	60,201	42.4
192	Other Purposes	291	51.6
42,475		60,492	42.4
1,481	Advances to N.S.W. Retirement Fund	426	(71.2)
	Current Assets -		
98,655	Stores and Materials	103,051	4.5
79,830	Debtors (Less Doubtful Debts \$1,495,000)	63,654	(20.3)
(33,916)	Cash and Bank Balances	21,657	+
144,569		188,362	30.3
2,107,933		2,358,337	11.9
	Less Current Liabilities -		
72,514	Creditors, Accruals and Working Accounts	62,955	(13.2)
	Provisions -		
43,586	Accrued Leave	43,579	..
1,481	Retirement Benefits	426	(71.2)
5,229	Fire and Accident	7,233	38.3
2,935	Workers Compensation	3,932	34.0
....	Improvements to Buildings and Commercial Sites	7,500	*
53,231		62,670	17.7
	Long Term Liabilities -		
1,833	Indian Pacific Agreement	1,758	(4.1)
127,578		127,383	(0.2)
1,980,355		2,230,954	12.7
++	Subject to determination by Committee of Review.		
+	Overdraft in previous year - not applicable.		
*	Nil in previous year - not calculable.		

Accounting Policies. Although the Accounts are, in the main, prepared on an accrual basis, there are some departures. Costs associated with the leveraged leasing of rolling stock, capital works and loans raised by the Authority, are brought to account on a cash basis.

Insofar as leasing and capital works are concerned, the treatment in 1982-83 was consistent with that adopted in previous years. However, the Authority's liabilities in respect of loans, now met fully by special appropriation of the Consolidated Fund, were calculated on an accrual basis in earlier years. In 1981-82 the amount accrued was approximately \$9.9 million. The change resulted in the amount shown for 1982-83 being less than otherwise would have been the case.

Income - Earnings were derived from the following sources:-

	1981-82	1982-83	Increase	Increase
	\$'000	\$'000	\$'000(-)	% (-)
Freight Services	451,373	452,626	1,253	0.3
Passenger Services	168,131	193,674	25,543	15.2
Trading and Catering Services	22,907	23,243	336	1.5
Rents, Advertising, etc.	12,228	15,166	2,938	24.0
Interest on Advances	3,574	2,145	(1,429)	(40.0)
Miscellaneous	5,003	7,965	2,962	59.2
	663,216	694,819	31,603	4.8

Freight - Statistics maintained by the Authority indicated that total freight hauled was comprised as follows:-

	Tonnes (Million)		Increase
	1981-82	1982-83	% (-)
Goods	12.7	10.4	(18.1)
Coal	22.6	27.9	23.5
Wheat	5.0	2.9	(42.0)
Livestock	0.1	0.2	100.0
	40.4	41.4	2.5

The economic situation and the prolonged drought have had an adverse effect on the Authority's freight business. This resulted in revenue being substantially less than was anticipated at the beginning of the year. However, rate increases and an increase in coal haulage, enabled a slight overall improvement in freight revenue. Improved port facilities and the easing of industrial problems which had severely affected the movement of coal in 1981-82, contributed to increased haulage of coal for export. At \$197,291,292, the carriage of coal contributed an additional \$56,947,962 in 1982-83. There was also a proportionally significant rise in the carriage of livestock, occasioned by the large numbers of stock transported for agistment.

Passenger - According to statistics maintained by the Authority, total passenger journeys decreased by 6 per cent during 1982-83. Factors influencing the downturn in patronage were the general economic recession and industrial disputes. However, fare increases introduced on the 8th November, 1981, and the compounding effect these had on further increases operative from the 18th July, 1982, contributed to a 15.2 per cent increase in income.

Government Contributions - A summary shows:-

	1981-82	1982-83	Increase	Increase
	\$'000	\$'000	\$'000(-)	% (-)
Revenue Supplements	387,327	448,285	60,958	15.7
Concessions	54,623	63,654	9,031	16.5
Debt Charges	54,192	70,891	16,699	30.8
Leasing	21,535	66,717	45,182	209.8
Railways Superannuation Account	13,100	14,400	1,300	9.9
Total - Operations	530,777	663,947	133,170	25.1
Capital Works and Services	89,400	30,800	(58,600)	(65.5)
TOTAL	620,177	694,747	74,570	12.0

The Consolidated Fund carries the debt charges on previous years' capital expenditure including that incurred by the Authority's predecessors. As indicated at page 20 of my 1979-80 Report, these relate to about \$1,500 million of the State's total debts.

In accordance with Section 66 of the Transport Authorities Act, 1980, Revenue Supplements are paid from the Consolidated Fund to the Authority to assist it in the exercise of its functions. Payments are also made (from the Vote to the Minister for Transport) to enable concession (or nil) rates for fares of pensioners, students and other groups and for selected freight.

The Transport Authorities Act also provides that such sums as are necessary to meet the Authority's liability in respect of loans and other financial accommodation obtained pursuant to Section 65 of the Act shall be met as a special appropriation from the Consolidated Fund. The 30.8 per cent increase (to \$70.9 million) in these payments may be attributed to a net rise in private borrowings and the raising of a second public loan.

Amounts received from the Consolidated Fund as assistance towards the Authority's capital works programme were 65.5 per cent less than in 1981-82. This reduction was offset by increased direct borrowings. In terms of the Transport Authorities Act the cost of servicing these and subsequent borrowings is to be met from Consolidated Fund.

Payments under leveraged leases also were met by funds provided from the State's Consolidated Fund. The 209.8 per cent increase is due to the leases being operative for the full year compared with an average of four months in the previous year.

Expenditure - The Authority implemented a cost saving programme to offset the adverse effect of the drought and the economic recession on its earnings. The programme included a complete freeze on the recruitment of staff, cutbacks in overtime to minimum levels, the curtailment of freight services (corresponding with the downturn in trade), a reduction in train manning levels, the rationalisation of station operating times and changes in inspection procedures. The programme, coupled with the wages pause, was successful in offsetting the shortfall between actual and budgeted revenue, and the revenue supplement remained at the budgeted figure.

Salaries and wages, the principal component in operating costs rose by only \$27,287,190 to \$716,039,435. The rise, 4.0 per cent, included the full year's effect of the December, 1981 Metal Trades decision.

During the year, \$47,215,174 was paid to the New South Wales Retirement Board to cover the cost of benefit payments made on behalf of the Authority. This sum was higher by \$23,321,916 than in the previous year due to the effect of the 1981 Metal Trades decision and the fact that 1981-82 payments were, to some extent drawn from moneys deposited in advance with the Board. At 30th June, 1983, the balance held by the Board had fallen to \$426,356.

Contributions to the Government Railways Superannuation Account are based on estimates of the amount required to be paid out from the account during the year. The contribution of \$22,181,000 in 1982-83 was offset by a subsidy of \$14.4 million from the Consolidated Fund.

Capital and Retained Earnings -

Capital - In addition to Consolidated Fund allocations, direct borrowings, and drawings against an overseas credit facility, the Authority used leverage leasing packages to maintain its capital works programme.

Loan Repayment Reserve - Although the Transport Authorities Act, 1980, provides that Consolidated Fund appropriations are to be made to meet the Authority's liabilities in respect of loans, etc., the Authority is also obliged by statute to establish a loan repayment fund in respect of loans raised by it. In accordance with this requirement, the Authority allocated \$12,220,000 to the Reserve in 1982-83. This was a decrease of \$3,896,518 compared with 1981-82 and results from a revision of the basis on which contributions are determined. In prior years the Authority calculated the amount to be provided by referring to the remaining term of the loans and employing sinking fund tables as appropriate. However, as loans are likely to be rolled-over, the Authority has adopted the standard rate of $\frac{1}{2}$ of 1 per cent as its basis for determining the amount to be provided. Sinking fund tables will continue as the basis for determining contributions pertaining to public borrowings in line with statements made in the respective prospectuses. The balance of the Reserve, as at 30th June, 1983, stood at \$62,466,758. The major portion of the Reserve was represented by investments in the Authority's own loans.

Assets - Capital funds expended by the Authority on railway works, etc., totalled \$323,906,019 (\$37,954,289 higher than in 1981-82) as under:-

	1981-82	1982-83	Increase
	\$'000	\$'000	% (-)
Rolling Stock	130,680	159,971	22.4
Additions to Lines, Buildings, etc.	87,375	79,513	(9.0)
Eastern Suburbs Railway	469	16,289	+
Track Upgrading	25,969	14,766	(43.1)
Duplication of Railway Lines	8,162	5,101	(37.5)
Electrification and Improvements of Railway Lines	28,497	43,832	53.8
Botany Railway Improvements	346	234	(32.5)
Coal Loading Facilities, etc.	4,454	4,200	(5.7)
	<u>285,952</u>	<u>323,906</u>	13.3

+ Greater than 1000 per cent.

The expenditure on rolling stock included some \$137.0 million (\$120.0 million in 1981-82) for the building of rolling stock which is to be subject to sale and lease-back arrangements. Approximately \$13.4 million was spent on new contracts for the building of 20 X.P.T. cars, 100 suburban cars and 80 inter-urban cars. The estimated total cost of these contracts is \$282.2 million.

The terms of the leases vary between 8 years 11 months and 15 years, with all packages containing renewal provisions. These sale and lease-back arrangements are now expected to make \$581.1 million available over a five year period ending in 1985-86. To 30th June, 1983, \$463.0 million had been drawn down (including \$125.9 million in 1982-83). The lease payments, which are being met out of moneys appropriated from the Consolidated Fund, were \$66.7 million in 1982-83. The annual cost will increase as all leases come into full operation.

Of the \$43.8 million spent on electrification and improvements of railway lines, \$19.5 million was in relation to the section Waterfall - Port Kembla (\$4.8 million in 1981-82) whilst \$24.2 million was expended on the section Gosford - Newcastle (\$23.5 million in 1981-82).

Expenditure on the Eastern Suburbs Railway aggregated \$185.1 million to 30th June, 1983. Included in this figure is an amount of \$15,993,367 paid to a former contractor (in accordance with an Arbitrator's ruling) during the year.

Amounts spent on Additions to Lines, Buildings, etc., include \$21.7 million on signalling systems, \$9.7 million on workshops, \$7.0 million on bridges, \$6.8 million for train servicing facilities, \$5.5 million for buildings and \$4.8 million on freight infrastructure which includes a payment of some \$4.2 million for the purchase of the unexpired portion of a lease of Authority land at Chullora and lessee's improvements. My separate report on the lease purchase, made to the Authority and the Minister as required by Section 61 of the Act, has been tabled by the Minister and therefore is not repeated here.

Land continues to be noted in the Authority's accounts at the cost of acquisition. My observations on a Public Accounts Committee recommendation that Authorities disclose in their Annual Reports the current market value of real estate having potential for alternative use, are contained in Part II of this Report. It is understood that the Authority's Property Advisory Board is considering a proposal to revalue commercially used property at intervals of not more than five years.

Amounts owing by debtors decreased by some \$16.2 million (20.3 per cent) to \$63.7 million as at 30th June, 1983. The decrease has, to some extent, been occasioned by coal companies accepting the previous year's increase in freight rates and in so doing, agreeing to pay amounts withheld as at 30th June, 1982. Included as Debtors is an amount of \$1,125,577 (\$3,390,935 in 1981-82) owing by other participating bodies of the Railway Level Crossing Fund. As the Authority is responsible for the administration of the Fund and further, as the Fund had been exhausted, it has been necessary for the Authority to advance additional working capital to enable the work programme to continue.

The Authority's net cash and bank balances improved from an overdraft of some \$33.9 million as at 30th June, 1982, to a favourable balance of approximately \$21.7 million at 30th June, 1983. This situation was facilitated by net cash inflows, totalling roundly \$55.6 million, of capital works and working capital funds.

Liabilities - The Authority has a very substantial commitment in respect of employer's contribution to the various superannuation schemes, which in general, require payment as benefits emerge. The contingent liability, calculated by the New South Wales Retirement Board, as at 30th June, 1983, was of the order of \$333 million for employees, when they reach age 65. Should the majority of employees retire before age 65, the contingent liability would be considerably less. Contributions to the Railway Service Superannuation Scheme represent the amount needed each year to meet the difference between payments from the Scheme and employees' contributions. A contingent liability for these contributions cannot be assessed but some particular observations on the Railway Service Superannuation Fund are in Part II of this Report.

Provisions - The Provision for Accrued Leave has, as a practice of long standing, been supplemented annually by a 3.5 per cent payroll on-cost. It covers the disbursement of both long service leave payments and any annual leave entitlements due on retirement. The full effects of the flow-on of the Metal Trades decision to the Authority's employees was largely responsible for payments from the provision being significantly higher (at \$32,144,503) than the on-cost contributions of \$28,437,462. The Rail Cost Index for 1982-83 recorded a rise (in the labour content) of 13 per cent and as such, the Authority is of the opinion that it needs to raise the level of the Provision in recognition of that upward movement. To that end, the Authority has adjusted the Provision by way of special allocation of \$3.7 million. The adequacy of this provision cannot be assessed as the value of the untaken long service entitlements, which may be drawn on termination of service, has not been calculated by the Authority.

The allocation to the Fire and Accident Insurance Provision is assessed in relation to the incidence of accidents, bush fires, inflation, etc. In determining the Provision, items such as road motor vehicles and income producing properties are not taken into consideration as these are covered by specifically arranged insurance. Contributions during the year aggregated \$2,900,000, whilst expenditure totalled \$896,353. Of those payments \$132,615 related to compensation claims for death and personal injury arising out of the rail accident at Granville on 18th January, 1977 (\$2,944,762 in 1981-82). Payments have been finalised in 189 cases while 16 claims remain unsettled. As the statutory period of limitations has now elapsed, it is unlikely that further claims will be received.

Contributions in 1982-83 to the Provision for Workers' Compensation were calculated in the same manner as in 1981-82, i.e. 2.7 per cent of total salaries and wages. After meeting payments totalling \$21,761,687 and allowing for contributions of \$22,758,742, the balance of the Provision at 30th June, 1983 was \$3,932,460, an increase of roundly \$1 million over the previous year.

During the year the Authority established a Provision for Upgrading of Buildings and the Development of Commercial Sites. As there has been a significant reduction in rented office premises, the Authority intends upgrading Authority owned buildings. The Authority also considers that provision of funds is necessary for the development of commercial sites in strategic centres with a view to improving investment returns. Having regard to the cost-cutting programme effected in 1982-83, the Authority has taken the view that the cost of operations for that year should reflect a reasonable provision towards financing of these projects. Accordingly, a special allocation of \$7.5 million was made to the Provision.

Amounts allocated to the various provisions have been mainly funded from working expenses. Where appropriate, these sums have been augmented by on-costs included in capital projects, etc.

URBAN TRANSIT AUTHORITY OF NEW SOUTH WALES

The Urban Transit Authority, constituted under the Transport Authorities Act, 1980, is responsible for the operation of publicly owned bus and ferry services and transport co-ordination activities in the urban and inter-urban areas of Sydney, Newcastle and Wollongong.

The Accounts of the Authority for 1982-83 were not finalised in time to permit completion of audit and figures are not necessarily final.

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		Bus \$'000	Ferry \$'000	Total \$'000	Increase % (-)
	Income -				
56,063	Passenger Revenue	57,167	8,099	65,266	16.4
3,168	Other Revenue	3,400	59	3,459	9.2
115,880	Consolidated Fund Contributions	120,379	8,121	128,500	10.9
175,111		180,946	16,279	197,225	12.6
	Deficit drawn from Revenue Supplement Adjustment Account	....	64	64	(78.1)
175,404		180,946	16,343	197,289	12.5
	Special Appropriation to meet Debt Charges, etc.	479	....	479	*
175,404		181,425	16,343	197,768	12.8
	Other Activities - Consolidated Fund Contribution			230	12.7
204	Deficit drawn from Revenue Supplement Adjustment Account			7	(97.3)
175,861				198,005	12.6
	Expenditure -				
	Administrative and General Charges	18,307	1,218	19,525	19.9
140,890	Operation of Services	143,311	13,632	156,943	11.4
9,990	Leasing Costs	11,443	128	11,571	15.8
7,019	Payroll Tax	7,361	574	7,935	13.1
	Provision for -				
873	Accrued Leave	518	341	859	(1.6)
175	Marine and Public Risk	....	450	450	157.1
175,225		180,940	16,343	197,283	12.6
	Surplus transferred to Revenue Supplement Adjustment Account	6	....	6	(96.7)
175,404		180,946	16,343	197,289	12.5
	Interest and Other Loan Charges	479	....	479	*
175,404		181,425	16,343	197,768	12.8
457	Other Activities			237	(48.2)
175,861				198,005	12.6

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital -		
27,898	Section 63 of the Transport Authorities Act	29,140 ++	4.5
	Retained Earnings -		
....	Loan Repayment Reserve	121	*
27,898	TOTAL	29,261	4.9
	REPRESENTED BY -		
	Fixed Assets -		
12,558	Land, Buildings, Wharves, etc.	16,326	30.0
6,379	Rolling Stock	6,326	(0.8)
1,246	Plant and Machinery	1,661	33.3
12,277	Vessels	14,827	20.8
....	Vessels Under Construction	2,977	*
32,460		42,117	29.7
	Current Assets -		
	Stores and Materials (less Obsolete Stock, \$100,000)	5,962	11.4
5,352	Debtors and Prepayments (less Doubtful Debts, \$100,000)	5,103	(7.7)
5,531	Guarantees	6	..
6	Cash	17,833	(27.7)
24,674		28,904	(18.7)
35,563		60	+
(5)	Revenue Supplement Adjustment	28,964	(18.5)
35,558		71,081	4.5
68,018			
	Less -		
	Current Liabilities -		
10,181	Creditors and Deposits	11,718	15.1
7,081	Accrued Salaries and Wages	6,505	(8.1)
17,262		18,223	5.6
	Provisions -		
8,821	Accrued Leave Entitlements	9,484	7.5
12,318	Superannuation and Retirement Benefits	12,338	0.2
1,719	Marine and Public Risk	1,775	3.3
22,858		23,597	3.2
40,120		41,820	4.2
27,898		29,261	4.9

* Nil in previous year - not calculable.

+ More than 1,000 per cent.

++ Not yet determined by Committee of Review.

Income - Fares for all services were increased by approximately 20% from 15th August, 1982. The higher fares together with, according to preliminary Authority statistics, a slight overall rise of 0.9% in Bus patronage resulted in an increase of \$7,741,230 in Bus revenue. The upward trend in Ferry patronage experienced over past years continued with a rise for 1982-83 of 12.7%. Included in these statistics are passenger figures for the Stockton Ferry, Newcastle. The Authority took over the operation of this service from 2nd February, 1983. Main sources of other income were rents (\$1,679,952) and advertising (\$1,508,801).

Payments from Consolidated Fund to supplement the income of the Authority are made in the form of general revenue supplements, subsidies for specific costs, and payments for concessional or free transport. These amounted to:

	BUS SERVICES \$'000	FERRY SERVICES \$'000	OTHER ACTIVITIES \$'000
Revenue Supplements	79,630	7,283	230
Travelling Concessions for Schoolchildren, Pensioners, Students, Police, etc.	27,351	710	...
Contribution towards employer liability to the Railway Superannuation Fund	1,120	...	...
Leasing Costs	11,443	128	...
Transport of Disabled	835	...	...
	<u>120,379</u>	<u>8,121</u>	<u>230</u>

In addition, the Authority's liability in respect of loans and other financial accommodation is met as a special appropriation from the Consolidated Fund. \$478,698 was so provided in 1982-83 (nil in 1981-82).

A 15.8 per cent increase in leasing costs reflected commitments for an additional 170 buses, the last of which was delivered in August, 1983, and initial payments for the ferry "Queenscliff", which was commissioned on 9th July, 1983.

Capital - Capital expenditure on Bus Services \$2,383,184, related mainly to improvements at depots and workshops, \$1,416,584. A total of \$7,437,058 was spent on Ferry Services. Major items were a new hydrofoil under construction in Italy, \$2,152,946; \$3,095,037 on new ferries for the Manly Service and \$1,067,455 incurred on improvements to terminals at Circular Quay and Manly.

Assets - Workshop Stores Discrepancies - In 1981-82 the Authority reported to me the discovery of discrepancies in stocks of omnibus parts. After investigation by the Authority the total value was settled as being about \$50,000. It was believed the stores were taken over a period of 12 to 18 months and charges have been laid against a number of persons.

The investigations disclosed some gaps in physical security at stores and some areas of ineffectiveness in the procedures for stocktaking and the review of any discrepancies which were found to exist.

Allowing for improvements made to locking systems, the overnight physical security is now largely satisfactory. However, there is fairly free access to the stores buildings during working hours which results in some difficulties for physical control. In this situation the effectiveness of stocktaking and the reporting and review of discrepancies is important to reveal quickly any undesirable developments. Stocktaking procedures are partly in arrears and the review process is not at optimum effectiveness.

The Authority is moving to computerise and improve its stock control recording and the physical security. A review of progress will be made during the coming year.

Liabilities - The Authority has a substantial commitment in relation to employer's contribution to retirement benefits of employees. The contingent liability calculated by the N.S.W. Retirement Board as at 30th June, 1983 was of the order of \$32.3 million for employees when they reach 65. Should the majority of employees retire before age 65, the contingent liability would be considerably less. The assessed contingent liability as at 30th June, 1983 in respect of employees covered by the Transport Gratuity scheme was of the order of \$34.5 million. Contributions to the Railway Superannuation Account represents the amounts needed each year to meet the difference between payments from the account and employees' contributions. Contingent liability for employer contributions to the Railway Superannuation Account and of Ferry Services employee superannuation arrangements has not been assessed.

DEPARTMENT OF MOTOR TRANSPORT

The Department, which is under the control of the Commissioner for Motor Transport, administers the Road Transport and Traffic and the Public Vehicles Funds. In addition it levies and collects motor vehicle taxation payable to the Department of Main Roads and receives third party insurance premiums for the Government Insurance Office of New South Wales. Ad valorem stamp duty on new and transferred motor vehicle certificates of registration payable to Consolidated Fund is also collected by the Department.

Motor vehicle taxation collections for the Department of Main Roads aggregated \$264,903,389. This was higher by \$37,678,880 (16.6 per cent) due mainly to increases in rates and in the number of vehicle registrations.

Third party insurance premiums collected on behalf of the Government Insurance Office aggregated \$386,892,915. Commission of \$5,884,865 was deducted and paid to the Road Transport and Traffic Fund. Departmental statistics show that the Government Insurance Office continued to conduct the great bulk of third party insurance (approximately 98.0 per cent).

Consolidated Fund was credited with \$70,066,918 collected for ad valorem stamp duty and a contribution of \$766,025 was made from Consolidated Fund to the Road Transport and Traffic Fund towards the costs of collection.

ROAD TRANSPORT AND TRAFFIC FUND

Fees for the registration of motor vehicles and the licensing of drivers and riders under the Motor Traffic Act, 1909, are the Fund's major sources of revenue. Receipts may be used to meet administrative and other expenses (including those of the Public Vehicles Fund) and to pay for the services of police engaged in traffic duties. The Traffic Authority Act, 1976, provides for the transfer each year from the Road Transport and Traffic Fund to the Traffic Facilities Fund of such amounts as are, from time to time, agreed upon by the Treasurer and the Minister for Transport together with any balance remaining in the Fund at 30th June.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
83,623	Registration Fees, Licence Fees, etc.	110,048	31.6
5,256	Commission on Third Party Insurance	5,885	12.0
629	Public Vehicles - Transfer Tax	745	18.5
	Consolidated Fund Contribution for		
710	Collecting Stamp Duty	766	7.8
206 *	Personalised and Custom Plate Fees	1,685	717.8
66	Tow-trucks - Fees	86	30.5
21	Commonwealth Grants	....	(100.0)
1,083	Miscellaneous	2,013	85.9
91,594		121,228	32.4
	Payments -		
56,283	Costs of Administration	60,232	7.0
1,379	Purchase of Assets	2,410	74.7
1,147	Motor Plates and Registration Labels	1,301	13.5
125	Capital Debt Charges	136	8.8
139	Repayment of Treasury Advance	....	(100.0)
11,633	Payment for Police Services	43,299	272.2
750	Grant towards Ambulance Services Costs	750	..
20,138	Payments to Traffic Facilities Fund	13,100	(34.9)
91,594		121,228	32.4

* In addition, \$1,261,545 was paid directly to the Traffic Facilities Fund.

Collections were higher by \$29,633,978 (32.4 per cent) due mainly to the effect, for the full year, of a 50 per cent increase in drivers' licence and registration fees applicable from 1st March, 1982. Departmental statistics show that 3,351,200 motor vehicle registrations were in force as at 30th June, 1983, an increase of 61,728 while 3,254,833 drivers' and riders' licences were issued, an increase of 76,488.

The Transfer of Public Vehicles (Taxation) Act, 1969, imposes a tax on the transfer of licences for taxi-cabs and private hire cars at rates varying from 2.5 to 25 per cent based on the current market value of the licence. During 1982-83, \$745,136 was collected from the transfer of 434 licences having an aggregate market value of \$18,335,650.

Collections for personalised number plates were \$1,393,417 and custom number plates, \$291,252, a rise of \$131,872 and \$85,256 respectively. In previous years revenue from personalised number plates was appropriated to the Traffic Facilities Fund to meet the running costs of the Traffic Accident Research Unit. Now, however, as the Unit has been fully integrated with the Traffic Authority, revenue is retained in the Road Transport and Traffic Fund.

Capital expenditure totalled \$2,410,111 and comprised buildings \$1,368,778, furniture and equipment \$838,788 and motor vehicles \$202,545.

The Transport Act, 1930, provides for the payment from the fund of an annual grant towards the cost of Ambulance Services. The contribution for the year, \$750,000 was well within the limits prescribed by the Act of \$1 for each driver's and rider's licence.

The contribution of \$43,298,917 to Consolidated Fund towards the cost of police supervision and control of traffic, although much higher than in 1981-82, continued to be less than the assessed cost of that service (\$58,700,000 as referred to in the Consolidated Fund Receipts section of this Report).

Transfers to the Traffic Facilities Fund, including clearance of the balance of the Road Transport and Traffic Fund, totalled \$13,100,000.

PUBLIC VEHICLES FUND

Proceeds of the weight tax on omnibuses and other public motor vehicles operating in the Metropolitan, Newcastle and Wollongong Transport Districts, and fees for service licences issued in these districts, are credited to the Fund. Administrative costs are met from the Road Transport and Traffic Fund.

The Urban Transit Authority of New South Wales is the principal operator of omnibus services and contributed 43.7 per cent of the total receipts of \$1,726,000 from the tax on buses and service licence fees.

The omnibus tax is distributed to the local authorities charged with the upkeep of roads over which the vehicles operate. Where a government omnibus service is in operation within a transport district one-half of service licence fees is applied in reduction of the capital indebtedness of the government transport undertaking and the balance is distributed as above. Where no government omnibus service operates the whole of service fees is distributed to the local authorities.

Fifty councils and two other bodies concerned with the upkeep of roads shared in the distribution of \$1,623,196. Principal recipients were councils of the cities of Sydney, \$256,960, Newcastle, \$110,801, Bankstown, \$80,977, and Wollongong, \$66,384, and councils of the municipalities of Randwick, \$82,320, Blacktown, \$67,550, and Canterbury, \$64,971. The remainder of the service licence fees, \$19,777, was applied in reduction of the capital indebtedness of the Metropolitan and Newcastle Government transport services.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983.

Previous Year \$'000		\$'000	Increase % (-)
	Receipts -		
1,392	Tax - Omnibuses	1,656	18.9
532	Other Public Vehicles	594	11.8
80	Service Licence Fees	71	(11.2)
2,004		2,321	15.8
377	Balance at 1st July, 1982	386	2.4
2,381		2,707	13.7
	Payments -		
	Distribution to Councils, etc. -		
1,338	Tax on Omnibuses	1,602	19.7
62	Service Licence Fees	21	(66.8)
525	To Traffic Facilities Fund	575	9.5
15	For Supervision of Taxicab Ranks	15	..
55	Capital Indebtedness - Transport Services	20	(63.7)
1,995		2,233	11.9
386	Balance at 30th June, 1983	474	22.7
2,381		2,707	13.7

ROAD TRANSPORT AND TRAFFIC FUND ADVANCE PAYMENTS ACCOUNT

This account is used to hold those portions of three-year licence fees which represents payments in advance for future years. Of \$5,535,257 held in the account at the close of the previous year, \$3,777,703 was transferred to the Road Transport and Traffic Fund for 1982-83 licence fees. Further advance payments of \$4,381,152 net, were received in 1982-83 leaving \$6,138,706 to be carried forward to future years.

TRAFFIC AUTHORITY OF NEW SOUTH WALES

The Authority was established by the Traffic Authority Act, 1976, and is responsible for the overall planning and management of traffic in the State, including the co-ordination of traffic control activities and the promotion of traffic safety measures.

Financial operations are recorded in the Traffic Facilities Fund within Special Deposits Account. The Act provides for payments into the Fund from the Road Transport and Traffic Fund and the Public Vehicles Fund, and from the proceeds of motor vehicle weight taxes and levies. Contributions are also received from the Sydney Harbour Bridge Account and from other bodies.

STATEMENT OF RECEIPTS AND PAYMENTS for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
Receipts -			
Commonwealth Grants -			
1,949	Construction and Maintenance	2,148	10.2
38	Traffic Safety Education	38	..
Contributions from -			
20,138	Road Transport and Traffic Fund	13,100	(34.9)
350	Consolidated Fund	....	(100.0)
525	Public Vehicles Fund	575	9.5
13,825	Motor Vehicle Taxation	27,100	96.0
2,227	Sydney Harbour Bridge Account	2,105	(5.5)
241	Berowra to Calga Tollway	444	84.4
200	Waterfall to Bulli Tollway	213	6.4
1,200	Long Term Loan	1,500	25.0
Traffic Accident Research Unit -			
1,268	Number Plate Sales, etc.	....	(100.0)
763	Income from Services Provided	1,022	33.9
4	Sundry Receipts	22	450.7
42,728		48,267	13.0
1,008	Balance at 1st July, 1982	735	(27.1)
43,736		49,002	12.0
Payments -			
Department of Main Roads -			
28,451	Maintenance and Operations (Net Cost)	30,522	7.3
8,589	Construction	8,567	(0.3)
2,090	Administration	2,345	12.2
Department of Motor Transport -			
3,070	Administration	3,292	7.2
....	Interest on Loans	193	*
....	Sinking Fund Contribution	217	*
661	Traffic Management and Safety Investigations	1,598	141.8
....	Public Relations	73	*
76	Planning and Research	78	2.4
43	Purchase of Motor Plates	....	(100.0)
21	Transfer to Road Transport and Traffic Fund	....	(100.0)
43,001		46,885	9.0
735	Balance at 30th June, 1983	2,117	188.1
43,736		49,002	12.0

* Nil in previous year - not calculable.

Receipts were higher by \$5,539,072 (13.0 per cent) due mainly to an increase of \$13,275,000, in contributions from Motor Vehicle Taxation which more than offset the fall of \$7,038,000 in contribution from the Road Transport and Traffic Fund.

With the integration of the Traffic Accident Research Unit with the Traffic Authority, the administrative responsibility for traffic safety was consolidated under that Authority. The running costs of the Unit are now met from the general revenue. Fees charged for specially made number plates, used for this purpose in previous years, are now retained in the Road Transport and Traffic Fund.

Maintenance and similar payments to the Department of Main Roads, \$30,522,303, were higher by \$2,071,751 (7.3 per cent) and included \$15,276,851 for road marking and signposting, \$10,808,201 for maintenance of traffic signals and \$2,403,822 for driver aid schemes (i.e. towing, patrol, lane changing control and other services on freeways and bridges where special traffic control conditions apply). Efforts are made to recover the cost of repairs to signals and other traffic facilities damaged by the public. Sums recovered are offset against expenditure.

Expenditure also included \$1,597,706 on traffic management and safety investigations of which \$1,223,896 was for the random breath testing publicity campaign.

Construction expenditure, \$8,566,390, which relates to works performed to Department of Main Roads' designs and specifications, comprised:

	\$
Traffic Signals and Intersection Improvements	5,397,190
Cycleways	632,123
Pedestrian Facilities including Signals	394,298
Other Traffic Management and Safety Projects	824,406
Driver Aid Schemes	297,510
Engineering Administration	1,020,863

A further loan of \$1,500,000 was obtained in June from the Government Insurance Office making a total from this source of \$2,700,000. Terms provide for six monthly interest payments with the final interest payment and the principal sum due to be repaid in June, 1993. Including the unspent loan moneys, the cash balance at 30th June, 1983, was \$2,116,767.

DEPARTMENT OF MAIN ROADS

Because of its largely tax-based revenue sources, which are applied to capital construction works, the presentation of accounts for this authority presents particular problems. Published accounts have been largely cash records because the matching principle of accrual accounting and normal concepts of balance sheet format are not directly appropriate.

Following is an experimental format intended to give an overview of the funds which became available to the Department during the year, and the manner in which they were applied. A statement has also been included to show the overall cash, or debt, position. No attempt has been made to assess the present value of roads, bridges, etc. built through use of the borrowed money. Also, because the accounting framework does not provide for the preparation of a balance sheet, the values of all plant and assets are not readily ascertainable.

The following Statement, which has been compiled by my officers from the accounts of the Department is intended to show the flow of funds between the Department and external parties for the year ended 30th June, 1983. Traffic facility operations, financed from the Traffic Facilities Fund are not in this Statement but are included in comment on the Traffic Authority.

1981-82 \$'000		1982-83 \$'000	\$'000
	<u>Source of Funds</u>		
	Grants and Taxes -		
	Commonwealth -		
212,387	Road Grants Act	227,527	
....	Australian Bicentennial Road Projects	33,700	
....	Wage Pause Employment Programme	843	
<u>212,387</u>		<u>262,070</u>	
	State -		
212,621	Motor Vehicle Registration Tax	238,661	
....	Diesel Fuel Levy	30,113	
<u>4,304</u>	Contributions for Specified Works	<u>4,116</u>	
<u>216,925</u>		<u>272,890</u>	
<u>429,312</u>			534,960
	Operations -		
14,602	Tollways	14,721	
5,606	Rents from Properties Acquired for Works	7,673	
<u>2,332</u>	Miscellaneous	<u>2,994</u>	
<u>22,540</u>			25,388
3,756	Interest	4,983	
86,900	Loans	57,800	
7,800	Leveraged Lease Finance	....
<u>2,129</u>	Sale of Properties No Longer Required	<u>5,149</u>	
<u>100,585</u>			67,932
<u>552,437</u>			<u>628,280</u>

1981-82 \$'000		1982-83 \$'000	1982-83 \$'000
<u>Application of Funds</u>			
Construction and Maintenance of Roads -			
State Roads -			
244,627	Construction and Reconstruction	287,492	
118,473	Maintenance	133,610	
40,002	Acquisition of Land	28,426	
<u>403,102</u>		<u>449,528</u>	
47,015	Local Roads	50,315	
5,377	Planning and Research	5,338	
<u>455,494</u>			505,181
Operations -			
21,869	General Administration	23,844	
6,307	Tollways	6,985	
2,469	Property for Works Administration	2,329	
2,962	Rental Property Expenses	3,717	
<u>33,607</u>			36,875
49,986	Interest and Loan Management Expenses		64,513
5,615	Capital Debt Repayments		5,805
<u>544,702</u>			<u>612,374</u>
4,323	Net Increase in Monetary Assets *		23,663
3,412	Variation in Trust and Working Accounts, etc.		(7,757)
<u>552,437</u>			<u>628,280</u>
* Comprises -			
3,969	Increase in Cash		15,467
354	Increase in Sinking Fund Investments		8,196
<u>4,323</u>			<u>23,663</u>

Excluding interest required to be added to Reserves for Loan Repayment (\$3.8 million) the total cash available to the Department for the construction and maintenance of the State's road system, \$624.5 million, was \$74.4 million (roughly 14 per cent) more than in the previous year.

Proceeds of taxes and charges on motor vehicles (\$238,660,699) showed a net increase of \$26.0 million or 12.2 per cent, mainly due to an indexed adjustment in rates of tax effective from 1st July, 1982. In addition, a total of \$30,112,848 came from the diesel fuel levy imposed by the State under the Business Franchise Licences (Petroleum Products) Act, 1982.

Commonwealth grants (including Bicentennial Projects) and State borrowings, provided \$319.9 million which was \$20.6 million more than in 1981-82.

	1981-82 \$ million	1982-83 \$ million	Increase % (-)
Commonwealth Grants	212.4	262.1	23.4
State Borrowings -			
General Loan Allocation	4.0	..	(100.0)
D.M.R. Loans	<u>82.9</u>	<u>57.8</u>	(30.3)
	<u>\$299.3</u>	<u>\$319.9</u>	6.9

Miscellaneous receipts at \$2,993,979 include \$1,957,970 for fines imposed in terms of the Ordinance under the Local Government Act, 1919, for the control of vehicle loads. The cost of enforcing these actions, \$3,181,892, is included in State Roads - Maintenance.

Payments for construction, reconstruction and maintenance of roads and bridges totalled \$505.2 million, an increase of \$49.7 million over the previous year and comprised \$471.4 million for roads and bridges, \$28.5 million for property acquisitions and \$5.3 million for planning and research.

Payments for interest and management expenses on loans obtained from external parties rose by \$14,527,263 (29 per cent) to \$64,513,231.

To provide up-to-date costs for individual works, internal suspense or operating accounts have been established. They cover the purchase of stores and materials for issue to individual works and the operation and replacement of road plant and motor vehicles. The costs are then recovered into these accounts by charges included in the total cost shown for capital and maintenance works. The net variation in operating and suspense accounts appears as one of the balancing factors in the funds statement included earlier.

The cash balance at 30th June, 1983, \$29,978,815 was higher by \$15,466,933 than at 30th June, 1982. Included in the 1983 balance was \$14,347,647 and \$5,418,448, respectively, representing unexpended funds provided under the Road Grants Act, 1981, and the Australian Bicentennial Road Development Trust Fund Act, 1982. Assistance for bicentennial projects was largely received during the last quarter of the year. Further comment on "Commonwealth Aid For Roads" is made elsewhere in this Report.

The Department's accounting framework does not provide for the preparation of a balance sheet. The following rudimentary statement of cash position includes only those figures readily ascertainable from the books as at 30th June, 1983.

Previous Year \$'000		\$'000	\$'000
	Capital Debt -		
147,275	Loan Funds Provided by State		144,577
358,520	Loans raised by the Department		412,807
<u>25,881</u>	Borrowed from Internal Reserves		<u>28,451</u>
531,676			<u>585,835</u>
	Investments - Reserves for		
	Loan Repayment - (At Cost) -		
15,135	Government Securities	12,450	
25,882	Department of Main Roads	28,451	
<u>10,230</u>	Promissory Notes	<u>21,112</u>	
51,247			62,013
	Current Assets -		
8,984	Cash - General Account	24,619	
5,528	- Trust Accounts	5,360	
2,925	Debtors	3,437	
<u>22,127</u>	Stores	<u>19,729</u>	
39,564			53,145
<u>90,811</u>			<u>115,158</u>
	Less Current Liabilities -		
5,314	Sundry Creditors	4,980	
<u>5,528</u>	Trust Accounts	<u>5,360</u>	
10,842			<u>10,340</u>
<u>79,969</u>			<u>104,818</u>
451,707	Net Monetary Liability*		<u>481,017</u>

* Against the net monetary liability of \$481 million, departmental records show the value (at cost) of road plant and equipment and motor vehicles at \$77.8 million; that a total of \$36.4 million has been invested in Land and Buildings used for Works and Administration and that the book value of land surplus to current requirements for roadworks is \$29 million. The value of land held for currently planned future roadworks is not available from the Department's accounting records. In addition, the value of assets such as survey and laboratory equipment and plant and equipment employed at the Central Workshop and Central Asphalt Manufacturing Plant cannot be readily obtained. Allowing for the value of all these assets, the balance of debt is represented by investment in the State road system.

In addition to its gross capital debt, \$585.8 million, the Department is committed to the payment of annual instalments under a leveraged lease finance arrangement following the sale of plant and equipment during 1981-82. According to figures obtained from the Department, the lease requires the payment of eight annual instalments of approximately \$1.7 million and a payment at the expiration of the lease term equivalent to 18.85 per cent of the cost price of the equipment. The Department then has an option to extend the lease period. The first instalment is due on 1st October, 1983. The book value of this equipment, \$7.8 million, is included in the balance on road plant and equipment and motor vehicles.

As at 30th June, 1983, the accrued liability in respect of employers deferred superannuation contributions was unknown. Under the annual cash budget which applies, no annual provision is made towards meeting the cost of deferred contributions in respect of the approximately 3,200 employees who are members of the New South Wales State Superannuation Fund.

Over the past three years, external investments totalling some \$26.6 million (\$2.6 million in 1982-83) have been realised and re-invested in the Department's own loans. While this re-arrangement of investment holdings provides cash for the Department's current works programme, it also creates an ongoing liability for capital debt charges to be met from future years income.

The cash flow of tollway operations in 1982-83 was:

	Berowra- Calga Tollway \$'000	Waterfall- Bulli Tollway \$'000	Sydney Harbour Bridge \$'000
<u>Collections</u>			
Road Tolls	6,961	1,842	5,918
Contribution by Transport Authorities	....	....	523
Rents (net)	....	....	684
	<u>6,961</u>	<u>1,842</u>	<u>7,125</u>
<u>Applied to -</u>			
Operating Expenses -			
Cost of Collecting Tolls	1,162	881	2,179
Maintenance and Lighting	91 *	497	2,184
Traffic Facilities Fund	444	213	2,105
General Administrative Expenses	90	55	200
Interest and Management Expenses	<u>3,044</u>	<u>2,130</u>	<u>1,689</u>
	4,831	3,776	8,357
Principal Repayment and Sinking Fund	500	1,110	140
Surplus Funds Invested for Loan Repayment	<u>1,630</u>	<u>....</u>	<u>....</u>
	<u>6,961</u>	<u>4,886</u>	<u>8,497</u>
Shortfall in Collections	<u>Nil</u>	<u>3,044</u>	<u>1,372</u>

* Maintenance of Berowra to Calga Tollway is met from National Highway Maintenance Grants in the Commonwealth Aid Roads Fund.

From the available cash balance after meeting maintenance, collection costs and loan expenses on the Berowra / Calga Tollway, an additional \$1.6 million was set aside for repayment of loans. At 30th June, 1983 surpluses applied in this manner aggregated \$11.7 million.

On the other hand, the costs associated with the Waterfall / Bulli Tollway continue to over-run toll collections by a substantial sum. For 1982-83 this was \$3.0 million bringing the total shortfall to about \$23.2 million.

Sydney Harbour Bridge collections also fell short of the total payments for operations, improvements and debt charges. All available funds in the Sydney Harbour Bridge Reserve Account, \$1,513,695, were drawn out to meet the deficiency. The transfer to the Traffic Facilities Fund, \$2,105,003 for upgrading of traffic facilities on the bridge was lower by \$122,179. As indicated elsewhere in comments on that Fund regular annual costs covered by the transfer to the Fund include towing and lane-changing services.

COMMONWEALTH AID FOR ROADS

The Commonwealth Road Grants Act 1981, provided for the payment of assistance totalling \$229,675,000 in respect of the year 1982-83. Of this sum, \$110,989,000 was for National Roads and \$118,686,000 for roads other than National Roads.

The Australian Bicentennial Road Development Trust Fund Act, 1982, established a Trust Fund for the provision of financial assistance to the States for expenditure on upgrading Australian roads in celebration of the Bicentenary in 1988. Assistance to New South Wales totalled \$33,700,000. Of this sum, \$24,000,000 was for National Roads and \$9,700,000 was for other roads.

GOVERNMENT INSURANCE OFFICE OF
NEW SOUTH WALES

At the time of preparation of this Report the accounts of the Government Insurance Office had not been finalised. The accounts shown in this review are based on unaudited figures supplied by the Office and are not necessarily final.

GENERAL INSURANCE DIVISION

REVENUE ACCOUNT for year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
198,536	Premiums less Reinsurances	281,014	41.5
<u>10,625</u>	Less - Unearned Premium Adjustment	<u>20,410</u>	92.1
<u>187,911</u>	Earned Premium Income	<u>260,604</u>	38.7
124,770	Claims Paid less Recoveries	151,132	21.1
	Adjustment of Provision		
35,783	for Outstanding Claims	57,694	61.2
1,032	Workers' Compensation Commission Levy	985	(4.6)
5,927	Fire Brigade Levy	7,194	21.4
<u>26,429</u>	Expenses of Management including Commission	<u>36,090</u>	36.6
<u>193,941</u>	Total Claims Cost and Expenses	<u>253,095</u>	30.5
(6,030)	Underwriting Surplus	7,509	*
Deficit			
<u>32,975</u>	Investment Income	<u>44,443</u>	34.8
26,945		51,952	92.8
	Payment to Treasurer - Equivalent		
<u>8,985</u>	to Income Tax	<u>20,198</u>	124.8
<u>17,960</u>	Surplus	<u>31,754</u>	76.8

* Deficit in previous year - not applicable.

The aggregate underwriting surplus of \$7.5 million represents an improvement of \$13.5 million on the previous year. Gains occurred in general accident insurance, \$10.4 million, and fire insurance, \$3.6 million, whilst workers' compensation (non-Government) deteriorated by \$0.5 million.

Income from investments increased by \$11.5 million to \$44.4 million and brought the earned profit up to \$52 million (\$27 million in the previous year).

After allowance for the payment of \$20.2 million to the Treasurer as equivalent to income tax, the accounts showed a net profit of \$31.8 million to be carried to the Investment and Disaster Reserve. This transfer brought the Reserve up to \$212 million.

The assessment of the amount needed as a provision for unsettled and unreported claims at the close of the year is a major factor influencing annual results. The additional \$57.7 million provided in the accounts is an estimate based on statistical evidence and experience available to the Office. Projected future costs are taken to account.

In forming an audit opinion on the accounts, considerable reliance is placed on the Managing Director's advice that the amount provided for claims is appropriate. The bases of the assessment are reviewed by my Office generally for reasonableness and consistency and the advice of the Government Actuary is obtained before concluding the audit opinion.

Sectional operating results were:

Previous Year Result \$'000	Section	Earned Premium Income \$'000	Claims and Expenses \$'000	Underwriting Result \$'000	Increase % (-)
1,221 Deficit	Workers' Compensation (non-Government)	111,428	113,188	1,760 Deficit	44.2
292 Deficit	Fire	45,835	42,525	3,310 Surplus	*
4,567 Deficit	General Accident	102,464	96,595	5,869 Surplus	*
50 Surplus	Marine	877	787	90 Surplus	78.2
6,030 Deficit	TOTAL	260,604	253,095	7,509 Surplus	*

* Deficit in previous year - not applicable.

Workers' Compensation (non-Government). Earned premiums rose by \$41.9 million or 60.2 per cent following significant increases in new business. However, the underwriting result deteriorated to a deficit of \$1.8 million due to a rise of \$42.4 million or 60.0 per cent in cost of claims and increased management expenses.

Fire. A rise of \$13 million or 39.5 per cent in earned premium income reflects higher rates and additional business. Household and fire commercial contributed \$1.8 million and \$1.6 million respectively to the underwriting surplus of \$3.3 million. The cost of claims increased \$4.8 million or 23.4 per cent due to inflationary trends and damage claims approximating \$1.2 million following severe storms.

General Accident. The improvement of \$10.4 million, to an underwriting surplus of \$5.9 million, was achieved largely in the results of motor vehicle (comprehensive) insurance, which constituted the bulk of the business. The motor vehicle result improved \$13.1 million to an underwriting surplus of \$6.7 million. There was an increase of 20.6 per cent in earned premiums but only a moderate 2.7 per cent rise in claims cost and expenses following a reduction of 11.2 per cent in the number of motor vehicle claims lodged.

Governmental Workers' Compensation Account

STATEMENT OF TRANSACTIONS for year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
56,592	Balance at 1st July, 1982	58,135	2.7
22,847	Premiums less Reinsurances	27,433	20.1
5,796	Investment Income	6,052	4.4
28,643	Total Income	33,485	16.9
24,227	Claims Cost	27,458	13.3
1,136	Expenses of Management	1,382	21.7
422	Workers' Compensation Commission Levy	311	(26.3)
1,315	Payment to Treasurer - Equivalent to Income Tax	1,993	51.6
27,100	Total Claims Cost and Expenses	31,144	14.9
58,135	Balance at 30th June, 1983	60,476	4.0

The Governmental Workers' Compensation Account reflects the operations in respect of sixty-eight government employers who participate in what is regarded as a pay-as-you-go scheme.

Outstanding claims, to be met from the balance of the account plus future contributions, are estimated to be of the order of \$80 million at present cost levels.

GENERAL INSURANCE DIVISION

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	RETAINED EARNINGS -		
180,253	Investment Fluctuation and Disaster Reserve	212,007	17.6
	REPRESENTED BY -		
35,816	Fixed Assets (At Cost less Depreciation \$6.2 million) -	49,510	38.2
	Investments (At Cost) -		
160,349	Governmental Securities	229,457	43.1
31,074	Secured Loans	27,747	(10.7)
85,367	Shares	131,583	54.1
95,677	Debentures and Unsecured Notes	99,931	4.4
24,840	Term Deposits	5,568	(77.6)
1,603	Leveraged Lease	593	(63.0)
26,026	Other	39,101	50.2
424,936		533,980	25.7
	Current Assets -		
27,851	Debtors (less Provision for Doubtful Debts \$1.3 million)	34,050	22.3
7,420	Other	9,536	28.5
35,271		43,586	23.6
496,023		627,076	26.4
	Less - Underwriting Liabilities and Deferred Income -		
58,136	Governmental Workers' Compensation Account	60,476	4.0
158,887	Outstanding Claims	216,581	36.3
75,046	Unearned Premiums	95,520	27.3
292,069		372,577	27.6
203,954		254,499	24.8
	Current Liabilities and Provisions -		
3,845	Creditors	4,818	25.3
20,592	Provisions	34,515	67.6
(736)	Bank Overdraft	3,159	*
23,701		42,492	79.3
180,253		212,007	17.6

* Cash at Bank in previous year - not applicable.

The General, Disaster, Building and Investment Fluctuation Reserves (separately shown in the balance sheet of the previous year) were combined to form the Investment Fluctuation and Disaster Reserve as at 30th June, 1983.

MOTOR VEHICLES (THIRD PARTY) INSURANCE DIVISION

being business conducted under the Motor Vehicles
(Third Party Insurance) Act, 1943

REVENUE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
349,371	Premiums less Reinsurances	391,666	12.1
<u>18,600</u>	Less - Unearned Premium Adjustment	<u>22,100</u>	18.8
330,771	Earned Premium Income	369,566	11.7
<u>130,711</u>	Investment Income	<u>163,125</u>	24.8
<u>461,482</u>	Total Income	<u>532,691</u>	15.4
285,456	Claims Cost	392,235	37.4
5,277	Commission - Department of Motor Transport	5,904	11.9
<u>5,090</u>	Expenses of Management	<u>6,016</u>	18.2
<u>295,823</u>	Total Claims Cost and Expenses	<u>404,155</u>	36.6
<u>165,659</u>	Addition to Fund +	<u>128,536</u>	(22.4)

+ Not included in assessment of Payment to Treasurer -
Equivalent to Income Tax.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	FUND AVAILABLE TO MEET CLAIMS -		
	Motor Vehicles (Third Party) Insurance		
<u>1,151,817</u>	Fund	<u>1,280,353</u>	11.2
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
	Land and Buildings		
<u>17,111</u>	(Less Depreciation, etc. \$303,759)	<u>19,048</u>	11.3
	Investments (At Cost) -		
756,978	Governmental Securities	799,345	5.6
12,427	Shares	19,975	60.7
99,301	Debentures and Unsecured Notes	181,936	83.2
244,363	Secured Loans	277,762	13.7
33,939	Term Deposits	23,278	(31.4)
51,263	Leveraged Leases	58,433	14.0
88,880	Bank Bills and Letters of Credit	68,718	(22.7)
12	Joint Venture	97	708.3
<u>1,000</u>	Other	<u>3,001</u>	200.1
<u>1,288,163</u>		<u>1,432,545</u>	11.2
	Current Assets -		
5,053	Debtors	7,636	51.1
<u>29,736</u>	Interest Accrued	<u>34,881</u>	17.3
<u>34,789</u>		<u>42,517</u>	22.2
<u>1,340,063</u>		<u>1,494,110</u>	11.5
	Less - Underwriting Liabilities		
	and Deferred Income -		
13,270	Repurchased Reinsurance Risk	11,140	(16.1)
<u>175,400</u>	Unearned Premiums	<u>197,500</u>	12.6
<u>1,151,393</u>		<u>1,285,470</u>	11.6
	Current Liabilities -		
117	Creditors	211	80.3
<u>(541)</u>	Bank Overdraft	<u>4,906</u>	+
<u>1,151,817</u>		<u>1,280,353</u>	11.2

+ Cash at Bank in previous year - not applicable.

With the addition of \$128.5 million from the revenue account, the Fund balance of \$1,280 million at 30th June, 1983, is the sum available to meet claims. Although no provision has been made within the accounts, the level of claims outstanding is assessed each year by the Office. The most recent assessment of liability (at 30th June, 1983) was \$1,500 million based on statistical projections of known costs.

Earned premium income was higher by \$38.8 million or 11.7 per cent due to adjustment of premium rates in line with movements in the Consumer Price Index and a moderate growth in business of 1.9 per cent. The number of policies in force at 30th June, 1983, was 3.3 million.

After allowing for capital losses of \$14.8 million resulting from a switch to higher yielding securities, income from investments rose by \$32.4 million or 24.8 per cent.

The cost of claims rose \$106.8 million (37.4 per cent) due to higher awards, an increase of 19.3 per cent in the number of litigated and unlitigated settlements, and additional claims expenses of \$6.4 million. As a result of new arrangements involving quarterly lump sum settlements of hospital accounts, cost of claims was affected by a once only payment of \$10 million to the Department of Health in consideration of all unpaid accounts as at 30th June, 1983.

Investments on leveraged leasing advances totalled \$7.2 million (net of repayments) compared with \$24.1 million for the previous year. Placement of funds included \$7.8 million to assist the Urban Transit Authority in acquiring one hundred and seventy buses.

LIFE INSURANCE DIVISION

REVENUE ACCOUNT for year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
45,498	Premiums less Reinsurances	49,810	9.5
2,260	Values allowed on conversion to Investment Linked Policies	2,375	5.1
<u>18,069</u>	Investment Income	<u>26,690</u>	47.7
<u>65,827</u>	Total Income	<u>78,875</u>	19.8
8,890	Claims Cost	10,268	15.5
14,418	Surrenders (including values allowed on conversion to Investment Linked Policies)	16,551	14.8
<u>4,413</u>	Expenses of Management including Commission	<u>5,636</u>	27.7
<u>27,721</u>	Total Claims Cost and Expenses	<u>32,455</u>	17.1
38,106	Net Income	46,420	21.8
<u>3,670</u>	Payment to Treasurer Equivalent to Income Tax	<u>6,824</u>	85.9
34,436	Addition to Fund	39,596	15.0
175,060	Life Insurance Fund 1st July, 1982	208,222	18.9
<u>1,274</u>	Less - Transfer to Investment and Contingency Reserve	<u>4,258</u>	234.2
<u>208,222</u>	Life Insurance Fund 30th June, 1983	<u>243,560</u>	17.0

The growth of investment linked policies continued during the year. These policies provide death cover and have an investment element that allows policy holders to determine types of investment in which their contributions are placed. Policies of this nature issued in 1982-83 totalled 4,650 compared with 3,598 in the previous year and brought the total sum insured to \$327.5 million for 11,539 policies at 30th June, 1983. Also, there were 4,721 traditional policies issued during the year (for sums insured totalling \$318.4 million) compared to 4,714 (for \$247.6 million) in 1981-82. Policies in force at 30th June, 1983, totalled 56,414 (sum insured \$1,135 million) as opposed to 59,761 (\$970 million) at the close of the previous year.

Premium income increased \$4.4 million (9.3 per cent) to \$52.2 million due mainly to rises of \$5.2 million and \$0.3 million in investment linked and term insurance as offset by a decline of \$1.2 million in traditional new business.

Investment income increased 47.7 per cent to \$26.7 million and when applied to the mean of the Fund opening and closing balances represented an earning rate of 11.8 per cent as compared with 9.4 per cent for the previous year.

The ratio of expenses to net premiums increased by 1.6 per cent to 10.8 per cent.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	FUND AVAILABLE TO MEET CLAIMS AND FUTURE BENEFITS -		
208,222	Life Insurance Fund	243,560	17.0
	RETAINED EARNINGS -		
8,753	Investment Contingency Reserve	13,011	48.6
216,975	TOTAL	256,571	18.2
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
	Land and Buildings (Less Depreciation, etc. \$979,394)	60,662	16.4
	Investments (At Cost) -		
66,050	Governmental Securities	85,503	29.5
41,362	Shares	62,667	51.5
32,183	Debentures and Unsecured Notes	20,921	(35.0)
18,439	Secured Loans and Loans on Policies	16,894	(8.4)
12,547	Letters of Credit	14,047	12.0
100	Term Deposits	9,080	+
170,681		209,112	22.5
	Current Assets -		
666	Premiums Receivable	697	4.7
378	Debtors	93	(75.4)
2,978	Interest Accrued	3,518	18.1
4,022		4,308	7.1
226,837		274,082	20.8
	Less - Underwriting Liabilities and Deferred Income -		
2,208	Outstanding Claims	2,434	10.2
3,993	Unearned Premiums	6,293	57.6
6,201		8,727	40.7
220,636		265,355	20.3
	Current Liabilities and Provisions -		
100	Creditors	201	101.0
(339)	Bank Overdraft	1,283	*
3,900	Provision for Payment to Treasurer Equivalent to Income Tax	7,300	87.2
3,661		8,784	139.9
216,975		256,571	18.2

+ Over 1,000 per cent.

* Cash at Bank in previous year - not applicable.

INSURERS' CONTRIBUTION FUND

The Fund was established to assist insurers to meet increases in workers' compensation rates which result from amendments to the Workers' Compensation Act, 1926. The Fund is under the control of the Government Insurance Office of New South Wales. Contributions by insurers, licensed under the Act, are assessed on the basis of their deemed premium income. Disbursements are mainly payments to insurers of the proportion of compensation made by them to injured workers as permitted or prescribed by the Act.

During the year ended 30th June, 1983, income was \$55.8 million comprising levies on insurers, \$54.2 million and interest earnings, \$1.6 million. Disbursements consisted of payments to insurers for compensation to injured workers, \$38.4 million, and management expenses, \$0.3 million. Weekly compensation payments accounted for \$14.5 million of this and lump sum entitlements for \$23.9 million.

The balance of the Fund at 30th June, 1983, \$34,226,110, was represented by bank bills, \$21,589,157, term deposits, \$12,600,000, and cash at bank, \$36,953.

STATUTORY FUNDS RELATING TO CERTAIN INSURANCE COMPANIES

Upon the failure of certain insurance companies, legislation has been enacted establishing Statutory Funds under the control of the Government Insurance Office to meet claims under workers' compensation insurance policies issued by the subject companies. The Funds are financed from levies on insurers. Upon dissolution of the companies concerned, the Insurers' Contribution Fund assumes liability for claims notified after dissolution and receives surplus moneys remaining in the Statutory Funds after payment of authorised claims and the distribution of dividends received.

FUND CREATED BY THE RIVERINA INSURANCE COMPANY LIMITED AND ANOTHER INSURANCE COMPANY ACT, 1971

A final dividend of \$49,641 was received during the year from the liquidator of the Riverina Insurance Company Limited, bringing total dividends received to 28.8 cents in the dollar. Dividends paid to date by the liquidator of Country Traders Mutual Insurance Limited equal 37 cents in the dollar.

From contributions by insurers, \$500,000, and interest, a total of \$544,325 has been made available for the purposes of the Fund. At 30th June, 1983, outstanding loans to the liquidator of Riverina Insurance Company Limited totalled \$236,946 and those relating to the Country Traders Mutual Insurance Limited were \$218,674. Cash at bank at the close of the year stood at \$88,705, whilst outstanding claims of the Fund were estimated at \$27,000.

FUND CREATED BY THE ASSOCIATED GENERAL CONTRACTORS
INSURANCE COMPANY LIMITED ACT, 1980

During 1982-83 payments, \$997,758, consisted of further loans to the liquidator of Associated General Contractors Insurance Company Limited, \$1,249,312 (less recoveries of \$326,805 from the Insurers' Contribution Fund) and administration expenses, \$75,251. Income, \$1,061,131, comprised levies from insurers, \$1 million, and interest earnings, \$61,131.

From contributions by insurers, \$4,942,704, and interest, a total of \$5,160,578 has been made available for the purposes of the Fund. At 30th June, 1983, expenditure totalled \$4,440,830 including outstanding loans to the liquidator of Associated General Contractors Insurance Company Limited, \$4,285,250. At the close of the year the balance of the Fund, \$719,748, was represented by term deposits, \$711,980, and cash at bank, \$7,768, whilst outstanding claims were estimated at \$3.3 million net of recoveries.

FUND CREATED BY THE NORTHUMBERLAND INSURANCE
COMPANY LIMITED ACT, 1975

During 1982-83 further claims of \$54,706 and administration expenses, \$329, were paid. Income, \$106,962, comprised contributions by insurers \$98,882 and interest earnings \$8,080.

From contributions by insurers, \$790,258, and interest, a total of \$853,505 has been made available for the purpose of the Fund. At 30th June, 1983, expenditure totalled \$773,937 including claims paid, \$768,131. A balance of \$79,568 was held in the Fund's bank account at that date, whilst outstanding claims were estimated at some \$67,000.

THE NOMINAL DEFENDANT

Damages claimed from the Nominal Defendant relate to death or bodily injury caused by, or arising out of, the use of an uninsured or unidentified motor vehicle. Payments for the past two years were:

	31st December,		
	1981	1982	Increase
	\$'000	\$'000	% (-)
Claims including Legal Costs and			
Investigation Expenses	10,527	14,489	37.6
Less Recoveries	534	191	(64.2)
	<u>9,993</u>	<u>14,298</u>	43.1

Net expenditure was \$14,298,108 (after allowing for sums received under sharing agreements, etc.) and is recoverable from insurers in the motor vehicle field in proportion to their third party premium income. On this basis, the Government Insurance Office will meet 97.6 per cent of the 1982 payments in addition to bearing all administrative and internal legal costs.

At 31st December, 1982, the unsettled claims on hand were estimated to total \$102 million.

STATE BANK OF NEW SOUTH WALES

Audit of the accounts of the Bank has not been completed and the figures quoted for 1982-83 are not necessarily final.

GENERAL BANKING BUSINESS

PROFIT AND LOSS ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
358,369	Gross Revenue	462,885	29.2
358,369		462,885	29.2
236,636	Interest	319,304	34.9
98,062	Expenses of Management	116,541	18.8
....	Abnormal Item	9,542	*
1,000	Transfer to Reserve for Contingencies	3,000	200.0
	Net Profit Appropriated to -		
6,121	Reserve Fund	3,914	(36.1)
16,550	Treasurer of New South Wales	10,584	(36.1)
358,369		462,885	29.2

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Retained Earnings -		
58,898	Reserve Fund	62,812	6.6
110,923	Special Reserve	110,923	..
46,463	Reserve for Contingencies	44,650	(3.9)
....	Premises Revaluation Reserve	50,300	*
<u>216,284</u>		<u>268,685</u>	24.2
	Represented by -		
	Fixed Assets -		
	Premises, Sites, Equipment and		
<u>83,422</u>	Other Fixed Assets	<u>178,898</u>	114.5
	Investments -		
409,639	Government Securities	520,253	27.0
2,921	Shares in Listed Companies	1,703	(41.7)
218,546	Short Term Investments	564,672	158.4
<u>17,627</u>	Other Securities and Investments	<u>81,403</u>	361.8
<u>648,733</u>		<u>1,168,031</u>	80.0
2,026,918	Loans, Advances and Bills Discounted	2,347,957	15.8
451,957	Bank Acceptances - Customer Liability	662,672	46.6
23,231	Notes, Coin and Cash at Bankers	18,755	(19.3)
	Cheques and Bills of Other Banks and		
13,162	Balances with and due from Other Banks	59,640	353.1
	Bills Receivable and Remittances		
74,389	in Transit	63,973	(14.0)
<u>22,088</u>	All Other Assets	<u>23,034</u>	4.3
<u>3,343,900</u>		<u>4,522,960</u>	35.3
	Less -		
26,490	Inscribed Stock and Debentures	168,327	535.4
2,533,263	Deposits	3,257,478	28.6
451,957	Bank Acceptances	662,672	46.6
14,659	Balances Due to Other Banks	48,233	229.0
62,801	Bills Payable and Other Liabilities	72,803	15.9
	Provisions -		
15,433	Deferred Superannuation Liability	18,630	20.7
16,501	Long Service Leave	18,045	9.4
5,441	Accrued Recreation Leave	5,870	7.9
<u>1,071</u>	Other	<u>2,217</u>	107.0
<u>3,127,616</u>		<u>4,254,275</u>	36.0
<u>216,284</u>		<u>268,685</u>	24.2

* Nil in previous year - not calculable.

During the year the Bank entered into a joint venture, on an equal share basis, with the European Asian Bank AG to set up the merchant bank European Asian of Australia Limited. The new merchant bank is expected to be active in financing trade between Australia, Europe and Asia. As mentioned in my previous Report the State Bank also has a 20 per cent interest in another merchant bank, B.O.T. Australia Limited.

In September, 1982, the members of the State Building Society of N.S.W. Limited (S.B.S.) and the Rural Building and Investment Society Limited (R.B.I.S.) merged their operations by way of transfer of the engagements of the S.B.S. to the R.B.I.S., and, in turn, the R.B.I.S. then changed its name to the State Building Society Limited. The merged society is registered under the Building and Co-operative Societies Act, 1901 and the Bank owns 100 per cent of the fixed capital.

The net profit of \$14.5 million for 1982-83 was a decrease of \$8.2 million or 36.1 per cent on that of the previous year. The sharp decline included the effect of an abnormal item of \$9.5 million in interest expense. Repayment by the Bank of term deposits prior to maturity normally results in savings because actual interest paid is less than the initial deposit rate. In prior years the Bank had taken into account each year an estimate, based on historical experience, of the savings in interest expense it would expect by future prepayment of term deposits then outstanding. Due to a change in the structure of the Bank's deposits in 1982-83, partially as a result of the introduction of new deposit products, this accounting practice has been discontinued. In future, any savings on prepayments of term deposits will be reflected in the net profit of the Bank for the year in which such prepayments occur.

The State Bank Act, 1981, provides for payment into Consolidated Fund, from net profits derived from general banking business, of an amount that would be payable as income tax if the Bank's income was taxable, and a "capital-cost" contribution (somewhat equivalent to a dividend) of one half of the difference between the net profit and the "taxation-equivalent contribution". Sums payable for 1982-83 were \$6.7 million as "taxation equivalent" and \$3.9 million as "capital-cost" contributions.

Net earnings, comprised of gross revenue less interest payable, rose by \$21.8 million (17.9 per cent) compared with a rise of \$8.6 million (7.7 per cent) in the previous year. The growth reflects increased business. Expenses of management increased by \$19.2 million due, for the most part, to the continued upward movement in salary rates.

In terms of the Amalgamation Agreement ratified by the Commonwealth and State Bank Agreements Ratification Act, 1931, the Bank became entitled to receive 50 per cent of the net profits of the Commonwealth Savings Bank of Australia's business in New South Wales. Pursuant to this Agreement the Bank received payments in respect of each year up to 30th June, 1981. A total of \$114.1 million has been received, of which \$110.9 million is held in a Special Reserve. The Commonwealth Savings Bank made no payment in respect of the year ended 30th June, 1982 and the State Bank has commenced proceedings in the High Court to recover the sum of \$13.8 million (together with interest thereon) for operations in 1981-2.

At 30th June, 1983, the Reserve for Contingencies stood at \$44.7 million, a net decrease of \$1.8 million, and there was a Provision for Doubtful Debts (\$10 million) included as a deduction from Loans, Advances, etc., in the balance sheet.

Asset holdings as premises, sites, etc. rose by \$96 million to \$179 million. Bank policy is now to revalue properties with investment potential annually, with the balance to be revalued at least once every three years. Investment properties were revalued upward during the year and resulted in the establishment of a Revaluation Reserve in an amount of \$50.3 million. The Bank purchased a property adjoining its Martin Place site for \$11 million and is presently constructing a new building on both sites which is scheduled for completion in 1986 at an estimated cost of \$100 million.

Deposits rose by \$724 million, (compared with a rise of \$461 million in 1981-82) due principally to additions to funds held on certificates of deposit, State Treasury term deposits and deposits in overseas branches.

Investments, including interest accrued, totalled \$1,168 million at balance date compared with \$649 million at 30th June, 1982. The holding in Government securities, \$520 million, comprised \$316 million in Commonwealth Inscribed Stock, \$179 million in securities of Local, Quasi- and Semi-Governmental Authorities and \$25 million in Commonwealth Treasury Notes.

Loans and advances made during the year were at a higher level than in 1981-82 and aggregate outstandings rose by \$321 million:

	At 30th June, 1982 \$ mill.	1983 \$ mill.	Increase % (-)
Overdraft, Term and Bankcard Extended Credit	1,549	1,809	16.8
Personal and Industrial Finance Loans	470	529	12.6
Government Agency Business - Allocation of Proceeds of Inscribed Stock	<u>8</u>	<u>10</u>	25.4
	<u>2,027</u>	<u>2,348</u>	15.8

Inscribed stock and debentures on issue, \$168 million, increased by \$142 million (net of repayments) following the raising of \$114 million overseas, through the Bank's initial Eurobond issue, and \$29 million on the domestic market.

STATE BANK OF NEW SOUTH WALES

Audit of the accounts of the Bank has not been completed and the figures quoted for 1982-83 are not necessarily final.

GENERAL BANKING BUSINESS

PROFIT AND LOSS ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
<u>358,369</u>	Gross Revenue	<u>462,885</u>	29.2
<u>358,369</u>		<u>462,885</u>	29.2
236,636	Interest	319,304	34.9
98,062	Expenses of Management	116,541	18.8
....	Abnormal Item	9,542	*
1,000	Transfer to Reserve for Contingencies	3,000	200.0
	Net Profit Appropriated to -		
6,121	Reserve Fund	3,914	(36.1)
<u>16,550</u>	Treasurer of New South Wales	<u>10,584</u>	(36.1)
<u>358,369</u>		<u>462,885</u>	29.2

* Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Retained Earnings -		
58,898	Reserve Fund	62,812	6.6
110,923	Special Reserve	110,923	..
46,463	Reserve for Contingencies	44,650	(3.9)
....	Premises Revaluation Reserve	50,300	*
216,284		268,685	24.2
	Represented by -		
	Fixed Assets -		
	Premises, Sites, Equipment and		
83,422	Other Fixed Assets	178,898	114.5
	Investments -		
409,639	Government Securities	520,253	27.0
2,921	Shares in Listed Companies	1,703	(41.7)
218,546	Short Term Investments	564,672	158.4
17,627	Other Securities and Investments	81,403	361.8
648,733		1,168,031	80.0
2,026,918	Loans, Advances and Bills Discounted	2,347,957	15.8
451,957	Bank Acceptances - Customer Liability	662,672	46.6
23,231	Notes, Coin and Cash at Bankers	18,755	(19.3)
	Cheques and Bills of Other Banks and		
13,162	Balances with and due from Other Banks	59,640	353.1
	Bills Receivable and Remittances		
74,389	in Transit	63,973	(14.0)
22,088	All Other Assets	23,034	4.3
3,343,900		4,522,960	35.3
	Less -		
26,490	Inscribed Stock and Debentures	168,327	535.4
2,533,263	Deposits	3,257,478	28.6
451,957	Bank Acceptances	662,672	46.6
14,659	Balances Due to Other Banks	48,233	229.0
62,801	Bills Payable and Other Liabilities	72,803	15.9
	Provisions -		
15,433	Deferred Superannuation Liability	18,630	20.7
16,501	Long Service Leave	18,045	9.4
5,441	Accrued Recreation Leave	5,870	7.9
1,071	Other	2,217	107.0
3,127,616		4,254,275	36.0
216,284		268,685	24.2

* Nil in previous year - not calculable.

During the year the Bank entered into a joint venture, on an equal share basis, with the European Asian Bank AG to set up the merchant bank European Asian of Australia Limited. The new merchant bank is expected to be active in financing trade between Australia, Europe and Asia. As mentioned in my previous Report the State Bank also has a 20 per cent interest in another merchant bank, B.O.T. Australia Limited.

In September, 1982, the members of the State Building Society of N.S.W. Limited (S.B.S.) and the Rural Building and Investment Society Limited (R.B.I.S.) merged their operations by way of transfer of the engagements of the S.B.S. to the R.B.I.S., and, in turn, the R.B.I.S. then changed its name to the State Building Society Limited. The merged society is registered under the Building and Co-operative Societies Act, 1901 and the Bank owns 100 per cent of the fixed capital.

The net profit of \$14.5 million for 1982-83 was a decrease of \$8.2 million or 36.1 per cent on that of the previous year. The sharp decline included the effect of an abnormal item of \$9.5 million in interest expense. Repayment by the Bank of term deposits prior to maturity normally results in savings because actual interest paid is less than the initial deposit rate. In prior years the Bank had taken into account each year an estimate, based on historical experience, of the savings in interest expense it would expect by future prepayment of term deposits then outstanding. Due to a change in the structure of the Bank's deposits in 1982-83, partially as a result of the introduction of new deposit products, this accounting practice has been discontinued. In future, any savings on prepayments of term deposits will be reflected in the net profit of the Bank for the year in which such prepayments occur.

The State Bank Act, 1981, provides for payment into Consolidated Fund, from net profits derived from general banking business, of an amount that would be payable as income tax if the Bank's income was taxable, and a "capital-cost" contribution (somewhat equivalent to a dividend) of one half of the difference between the net profit and the "taxation-equivalent contribution". Sums payable for 1982-83 were \$6.7 million as "taxation equivalent" and \$3.9 million as "capital-cost" contributions.

Net earnings, comprised of gross revenue less interest payable, rose by \$21.8 million (17.9 per cent) compared with a rise of \$8.6 million (7.7 per cent) in the previous year. The growth reflects increased business. Expenses of management increased by \$19.2 million due, for the most part, to the continued upward movement in salary rates.

In terms of the Amalgamation Agreement ratified by the Commonwealth and State Bank Agreements Ratification Act, 1931, the Bank became entitled to receive 50 per cent of the net profits of the Commonwealth Savings Bank of Australia's business in New South Wales. Pursuant to this Agreement the Bank received payments in respect of each year up to 30th June, 1981. A total of \$114.1 million has been received, of which \$110.9 million is held in a Special Reserve. The Commonwealth Savings Bank made no payment in respect of the year ended 30th June, 1982 and the State Bank has commenced proceedings in the High Court to recover the sum of \$13.8 million (together with interest thereon) for operations in 1981-2.

At 30th June, 1983, the Reserve for Contingencies stood at \$44.7 million, a net decrease of \$1.8 million, and there was a Provision for Doubtful Debts (\$10 million) included as a deduction from Loans, Advances, etc., in the balance sheet.

Asset holdings as premises, sites, etc. rose by \$96 million to \$179 million. Bank policy is now to revalue properties with investment potential annually, with the balance to be revalued at least once every three years. Investment properties were revalued upward during the year and resulted in the establishment of a Revaluation Reserve in an amount of \$50.3 million. The Bank purchased a property adjoining its Martin Place site for \$11 million and is presently constructing a new building on both sites which is scheduled for completion in 1986 at an estimated cost of \$100 million.

Deposits rose by \$724 million, (compared with a rise of \$461 million in 1981-82) due principally to additions to funds held on certificates of deposit, State Treasury term deposits and deposits in overseas branches.

Investments, including interest accrued, totalled \$1,168 million at balance date compared with \$649 million at 30th June, 1982. The holding in Government securities, \$520 million, comprised \$316 million in Commonwealth Inscribed Stock, \$179 million in securities of Local, Quasi- and Semi-Governmental Authorities and \$25 million in Commonwealth Treasury Notes.

Loans and advances made during the year were at a higher level than in 1981-82 and aggregate outstandings rose by \$321 million:

	At 30th June,		Increase % (-)
	1982 \$ mill.	1983 \$ mill.	
Overdraft, Term and Bankcard Extended Credit	1,549	1,809	16.8
Personal and Industrial Finance Loans	470	529	12.6
Government Agency Business - Allocation of Proceeds of Inscribed Stock	<u>8</u>	<u>10</u>	25.4
	<u>2,027</u>	<u>2,348</u>	15.8

Inscribed stock and debentures on issue, \$168 million, increased by \$142 million (net of repayments) following the raising of \$114 million overseas, through the Bank's initial Eurobond issue, and \$29 million on the domestic market.

GOVERNMENT AGENCY BUSINESS

STATEMENT OF ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
58,449	Gross Revenue	70,754	21.1
<u>11,630</u>	Costs of Administration - Amount Recoupable	<u>13,474</u>	15.9
<u>70,079</u>		<u>84,228</u>	20.2
	Interest on Capital Funds - State		
483	Mortgage Loan Schemes	2,986	517.8
71	Other Interest	21	(70.4)
11,630	Costs of Administration	13,474	15.9
	Transfer of Revenue -		
57,814	The Treasurer of New South Wales	67,202	16.2
<u>81</u>	Other	<u>545</u>	572.5
<u>70,079</u>		<u>84,228</u>	20.2

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Liabilities -		
861,040	Loan Capital, Other Raisings and Charges	936,305	8.7
<u>5,597</u>	Creditors	<u>21,630</u>	286.4
<u>866,637</u>		<u>957,935</u>	10.5
	Assets -		
41,349	Cash at Bank	47,342	14.5
	Balances Outstanding on		
818,187	Advances, Charges and Claims	893,880	9.3
	Rural Assistance Agency -		
42	Land Acquisition	....	(100.0)
	Special Industries Agency -		
3,702	Land Acquisition and Development, etc.	3,962	7.0
	Decentralisation and Development Agency -		
590	Land Acquisition and Development	590	..
<u>2,767</u>	Sundry Debtors	<u>12,161</u>	339.5
<u>866,637</u>		<u>957,935</u>	10.5

For purposes of accounting, it is administratively convenient to include in the accounts of Government Agency Business, details of operations of those agencies defined in the State Bank Act and some other Government Agencies administered under agreements. Activities reflected in the accounts are:

Agency

Advances to Settlers.
 Closer Settlement. *
 Decentralisation and Development.
 Housing Society.
 Irrigation.
 Rural Assistance.
 Rural Industries.
 Sale of Homes.
 Special Assistance to New Industries.
 Special Industries.
 Stamp Duty Deferred Payment Scheme.
 State 1st Mortgage Loan Scheme. +
 State 2nd Mortgage Loan Scheme. #
 Tourist Industry.
 Western Sydney Employment Assistance Fund.
 Wollongong Special Assistance Programme.

* Closed during the year.

+ New agency.

Formerly the State Supplementary Housing Loan Scheme.

Except for the State 1st and 2nd Mortgage Loan Schemes Agencies and the Special Industries Agency, which meet their own costs, administrative costs are met by the State Government to which, in turn, is paid revenues collected on account of the agencies.

Costs of administration of the Government Agencies, assessed by the Bank at \$13.5 million, were higher by \$1.8 million mainly due to increased salaries and associated charges of the Rural Industries Agency.

Revenue of the agencies, \$70.8 million, was higher by \$12.4 million than in the previous year:

Agency	1981-82 \$'000	1982-83 \$'000	Increase % (-)
Housing Society	23,078	28,836	25.0
Irrigation	16,394	19,878	21.3
Decentralisation and Development	4,817	5,326	10.6
Sale of Homes	5,435	5,091	(6.3)
Rural Assistance	4,441	4,488	1.0
Rural Industries	3,079	2,943	(4.4)
Others	<u>1,205</u>	<u>4,192</u>	247.8
	58,449	70,754	21.1

Revenues are derived mainly from interest charges on loans, advances, and home sales made by the Bank. In the case of the Irrigation Agency however, debits for water rates, rents, etc., are raised as directed by the Water Resources Commission.

During the year the liability for loan capital, other raisings and charges increased by \$75.3 million to \$936.3 million:

Previous Year \$'000		\$'000	Increase % (-)
<u>839,026</u>	Liability at 1st July, 1982	<u>861,040</u>	2.6
	Add -		
	Capital Provided to Agencies 1982-83 -		
5,458	Rural Industries	41,313	656.9
....	State 1st Mortgage Loan Scheme	23,800	*
33,000	Housing Society	21,843	(33.8)
12,599	Stamp Duty Deferred Payment Scheme	19,022	51.0
11,150	State 2nd Mortgage Loan Scheme	14,580	30.8
11,400	Decentralisation and Development	8,400	(26.3)
13,774	Other	13,911	1.0
<u>87,381</u>		<u>142,869</u>	63.5
	Principal Sums Charged to Debtors -		
801	Less Repossessions, etc.	974	21.6
<u>57,895</u>	Revenue for 1982-83	<u>70,239</u>	21.3
<u>985,103</u>		<u>1,075,122</u>	9.1
	Deduct -		
	Repayments of Capital by Agencies -		
28,961	Housing Society	29,372	1.4
9,824	Stamp Duty Deferred Payment Scheme	11,479	16.8
7,895	Decentralisation and Development	8,225	4.2
4,257	Rural Industries	6,778	59.2
7,666	Sale of Homes	6,463	(15.7)
9,170	Other	9,542	4.1
<u>67,773</u>		<u>71,859</u>	6.0
54,991	Revenue Paid to State Government	61,139	11.2
855	Interest paid on Inscribed Stock, etc.	3,966	364.0
	Debts written off, waived		
444	or adjusted, less recoveries	1,852	316.5
<u>124,063</u>		<u>138,816</u>	11.9
<u>861,040</u>	Liability at 30th June, 1983	<u>936,306</u>	8.7

* Nil in previous year - not calculable.

The Housing Society Agency was provided with capital funds of \$21.8 million from the Home Purchase Assistance Account within Treasury Special Deposits Account. The allocations allowed funds to be provided to co-operative building societies to finance home builders and loans to be made to individual applicants in areas where no building society exists. To 30th June, 1983, advances totalled \$788 million, (\$37.6 million in 1982-83).

Lending activities of the Rural Industries Agency included \$35.8 million for relief of the effects of natural disasters and of this amount, \$27.2 million was for drought relief carry-on loans to farmers.

The allocation of \$4.4 million to the Rural Assistance Agency was made from funds provided under the Rural Adjustment Scheme. Loans, etc., made by the agency to enable farmers to discharge their liabilities for essential carry-on requirements, rehabilitation, farm reconstruction, etc., totalled \$7.0 million.

The Irrigation Agency raised charges of \$0.98 million on behalf of the Water Resources Commission for land purchases and improvements within irrigation areas and received an allocation of \$5.75 million from the Treasury. Advances made during the year for farm water and soil conservation projects totalled \$5.5 million.

An amount of \$8.4 million was allocated to the Decentralisation and Development Agency for loans, to firms and corporations engaged in country areas, for the erection of factory premises, for staff housing and for general purposes. During 1982-83, 28 loans totalling \$7.5 million were made for these purposes.

In terms of the Stamp Duty Deferred Payment Scheme certain persons purchasing their first home may elect to defer payment of stamp duty. During the year, 18,220 purchasers so elected, involving duty of \$19 million.

The State Mortgage Loan Schemes provide first and second mortgage finance to first home buyers from funds provided by the Government Insurance Office, Builders Licensing Board and the Rental Bond Board. During the year 335 first mortgage loans and 1,248 second mortgage loans were made, totalling \$15.8 million and \$13.3 million respectively.

Two loans totalling \$366,867 were made under the programme which provides assistance to industries within the area of the City of Greater Wollongong.

Further capital of \$180,000, made available to the Western Sydney Employment Assistance Fund Agency, was for the promotion of employment through assistance to industry by loans made on behalf of the Department of Industrial Development and Decentralisation.

Loans continued to be made through the Advances to Settlers Agency for dairy promotion and farm improvements. Activities of the Closer Settlement, Sale of Homes, Special Assistance to New Industries, and Tourist Industry Agencies were restricted to the administration of existing loans.

Included in the Government Agency Business liability at 30th June, 1983, was an amount of \$10.1 million which represented the proceeds of the issue of inscribed stock allocated by the Bank to the Special Industries Agency. This agency is empowered to acquire and develop land for use by industries, other than country industries, which are considered to be of special significance to the economic or industrial development of the State.

Balances outstanding on advances, charges and claims increased by \$75.7 million:

Agency	At 30th June,		Increase % (-)
	1982 \$'000	1983 \$'000	
Housing Society	424,336	432,622	2.0
Rural Industries	67,181	99,951	48.8
Sale of Homes	100,208	93,689	(6.5)
Rural Assistance	63,023	64,901	3.0
Irrigation	54,612	58,890	7.8
Decentralisation and Development	58,407	57,985	(0.7)
Stamp Duty Deferred Payment Scheme	32,672	39,872	22.0
State 1st Mortgage Loan Scheme	....	15,847	*
State 2nd Mortgage Loan Scheme	9,201	21,402	132.6
Other	8,547	8,721	2.0
	<u>818,187</u>	<u>893,880</u>	9.3

* Nil in previous year - not calculable.

At 30th June, 1983, Government Agency Business funds totalling \$47.3 million were held in General Banking Business accounts. Interest allowed by the Bank on these funds is paid direct to the Treasury and is not brought into the accounts of the agencies. A sum of \$7.1 million was so paid in 1982-83.

NEW SOUTH WALES TREASURY CORPORATION

The Corporation was established on 10th June, 1983, by the Treasury Corporation Act, 1983. Its principal function is to provide, as a central borrowing authority, financial accommodation and other financial services for public authorities.

Expenses of the Corporation, net of income derived from the temporary investment of cash holdings, are recoverable from participating Authorities pro rata to their approved loan allocations.

STATEMENT OF OPERATING COSTS for the period ended 30th June, 1983.

	\$
Operating Costs -	
Salaries and Associated Charges	22,458
Administrative Expenses -	
Printing	46,863
Stores, Stationery, etc.	6,429
Postal and Telephone	52,551
Audit Fee	3,000
Interest	421,633
Loan Raising Expenses -	
Underwriting, Registry Charges, Bank Commission, Advertising, etc.	<u>7,511,728</u>
	8,064,662
Less: Interest Earned on Temporary Investments	<u>353,561</u>
Net Cost Recoverable from Authorities	<u>\$7,711,101</u>

BALANCE SHEET as at 30th June, 1983.

	\$	\$
CAPITAL DEBT -		
Loans Raised by Corporation		147,980,173
Treasury Advance		<u>250,000</u>
		<u>\$148,230,173</u>
REPRESENTED BY -		
Intangible Assets -		
Establishment Costs		90,872
Current Assets -		
Debtors -		
Authorities	7,711,101	
Accrued Interest	<u>334,023</u>	
	8,045,124	
Short Term Deposits	145,943,585	
Cash	<u>2,235,586</u>	
		<u>156,224,295</u>
		156,315,167
Less - Current Liabilities -		
Creditors and Accruals		<u>8,084,994</u>
		<u>\$148,230,173</u>

The Corporation's first loan, a public issue of \$375 million of Premier State Bonds, closed on 30th June, 1983. Subscriptions received to 30th June, 1983, totalled \$147,980,173 and included application deposits of 10 per cent with the balance payable on or before 30th September, 1983. No loan moneys had been allocated to Authorities at 30th June, 1983.

Establishment costs, \$90,872, were capitalised and are to be amortised over three years commencing 1983-84.

At 30th June, 1983, net expenditure recoverable from authorities totalled \$7,711,101.

TOTALIZATOR AGENCY BOARD

INCOME AND EXPENDITURE ACCOUNT for the year ended 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	Income -		
88,325	Commission	93,582	6.0
4,245	Earnings from Investments	4,620	8.8
410	Other Income	511	24.6
92,980		98,713	6.2
	Expenditure -		
	Operations -		
8,880	Salaries and Associated Charges	9,382	5.6
20,981	Agency Expenses	22,824	8.8
4,252	Communications	4,245	(0.2)
1,831	Machine Maintenance	1,947	6.4
2,872	Other Costs	2,930	2.0
38,816		41,328	6.5
	Properties -		
485	Salaries and Associated Charges	507	4.6
3,314	Rents	3,854	16.3
1,310	Provision for Repairs and Maintenance	1,352	3.2
1,299	Other Costs	1,426	9.7
6,408		7,139	11.4
	Administration -		
4,227	Salaries and Associated Charges	4,286	1.4
39	Board Expenses	41	5.3
40	Audit Fees	55	37.5
5,053	Depreciation	5,753	13.9
620	Provisions for Annual and Long Service Leave	372	(39.9)
1,304	Other Costs	1,124	(13.8)
11,283		11,631	3.1
....	Footy TAB Establishment Costs	402	+
56,507		60,500	7.1
36,473	Surplus prior to Allocations	38,213	4.8
	Allocations for -		
2,689	Machine Replacement	916	(66.0)
....	Footy TAB Contingency	50	+
250	Operational and Other Contingencies	250	..
2,939		1,216	(58.6)
33,534	Surplus	36,997	10.3

+ Nil in previous year - not calculable.

BALANCE SHEET as at 30th June, 1983

Previous Year \$'000		\$'000	Increase % (-)
	CAPITAL AND RETAINED EARNINGS -		
	Capital -		
9,000	Contributions by Clubs+	9,000	..
19,969	Assets Acquired from Internal Sources	19,969	..
28,969		28,969	..
	Retained Earnings -		
692	Machine Replacement Reserve	1,611	132.7
1,045	Operational and Contingencies Reserve	1,133	8.4
1,737		2,744	57.9
31,038	Funds Available for Distribution	34,240	10.3
61,744	TOTAL	65,953	6.8
	REPRESENTED BY -		
	Fixed Assets (At Cost) -		
13,177	Land and Buildings (Less Depreciation \$2,436,344)	14,005	6.3
16,546	Equipment and Furniture (Less Depreciation \$26,595,305)	13,770	(16.8)
29,723		27,775	(6.6)
	Intangible Assets -		
836	Establishment Costs, etc. (Less Written Off \$1,785,171)	801	(4.2)
1,000	Investments (At Cost)	500	(50.0)
	Current Assets -		
2,005	Debtors, Prepayments and Accruals	2,214	10.4
33,242	Short Term Investments	41,032	23.4
8,280	Other	6,291	(24.0)
43,527		49,537	13.8
75,086		78,613	4.7
	Less - Current Liabilities -		
5,215	Customers' Balances	5,353	2.6
983	Agents' Funds	1,137	15.7
3,208	Other Creditors	1,802	(43.8)
9,406		8,292	(11.8)
	Provisions -		
2,342	Employee Leave and Retirement Benefits	2,672	14.1
1,594	Other	1,696	6.4
3,936		4,368	11.0
13,342		12,660	(5.1)
61,744		65,953	6.8

+ The State Government recouped the Clubs from commission earnings in accordance with Section 14(2)(b) of the Totalizator (Off-Course Betting) Act.

The Totalizator Agency Board receives bets either as an agent for a club using a totalizator on a racecourse or as the principal in the conduct of a pool of investments. At 30th June, 1983, the Board operated through 40 branches, 509 agencies and 52 sub-agencies. In addition, Sydney is the centre for State-wide telephone betting.

For Win, Place and Quinella investments, there is deducted a statutory commission of 14 per cent of which 6.5 per cent is remitted to the Treasury. The balance of 7.5 per cent is applied in meeting operational, administrative and capital costs of the Board, and in making payments to Racing Clubs, the Greyhound Racing Control Board and the Trotting Authority.

The rates of commission deducted from Doubles totalizator investments and Trifecta totalizator investments are 16 per cent and 17 per cent, respectively. These commissions are distributed between the Consolidated Fund (8.0 per cent), the Racecourse Development Fund (0.5 per cent) and the Board (7.5 per cent of Doubles investments and 8.5 per cent of Trifecta investments) for application as set out above.

The Board operated on 2,018 meetings during 1982-83, comprised of 821 galloping, 573 trotting and 624 greyhound meetings. Turnover was \$1,220.73 million (an increase of \$69.53 million) and was derived from:

	Galloping	Trotting	Greyhound	Total
	\$m	\$m	\$m	\$m
Sydney	392.07	59.44	51.84	503.35
Other New South Wales	118.69	40.26	66.09	225.04
Victoria	329.16	35.67	8.43	373.26
Queensland	104.67	4.77	0.28	109.72
South Australia	3.73	...	...	3.73
Western Australia	3.97	0.37	...	4.34
Tasmania	0.13	...	0.03	0.16
Overseas	0.12 *	1.01 +	...	1.13
	<u>952.54</u>	<u>141.52</u>	<u>126.67</u>	<u>1,220.73</u>
	<u>78.0%</u>	<u>11.6%</u>	<u>10.4%</u>	<u>100.0%</u>

* English Derby.

+ New Zealand Meetings.

Commissions on the turnover were distributed \$93.58 million to the Board, \$84.66 million to the Treasury, and \$1.77 million to the Racecourse Development Fund.

Investments over the past two years classified under types of totalizator betting are shown below:

	1981-82		1982-83		Increase
	\$m	%	\$m	%	% (-)
Win	486.09	42.2	517.89	42.4	6.5
Place	257.84	22.4	275.73	22.6	6.9
Double	151.08	13.1	151.46	12.4	0.3
Quinella	57.46	5.0	72.74	6.0	26.6
Trifecta	<u>198.73</u>	<u>17.3</u>	<u>202.91</u>	<u>16.6</u>	<u>2.1</u>
	<u>\$1,151.20</u>	<u>100.0</u>	<u>\$1,220.73</u>	<u>100.0</u>	<u>6.0</u>

Phone - TAB betting turnover rose by 9.6 per cent to \$224.5 million and represented 18.4 per cent of total racing turnover. There were 103,008 accounts in existence at 30th June, 1983, an increase of 5,131 accounts on the previous year following an expansion of facilities in both metropolitan and country areas.

In addition to commission, the Board received \$4.6 million from investment earnings and \$510,735 in other income. The latter included rents, \$418,716, and a Soccer Pools surplus, \$41,430, less the Footy TAB deficiency of \$34,161. In terms of the Soccer Football Pools Act, 1975, the Board acts as a pools representative within this State. Investments received for the pools increased by \$102,476 to \$934,306.

On 21st February, 1983, a new form of betting entitled Footy TAB was introduced, based upon the weekly draw of the Sydney Rugby League premiership competition or other selected matches. Each week's Footy TAB investments are placed into a pool from which 75 per cent is paid out as dividends, 10 per cent is paid to the Leisure, Sport and Tourism Fund within Special Deposits and 15 per cent is retained by the Board as commission.

To 30th June, 1983, Footy TAB investments totalled \$5,043,690, with commission of \$756,553 being earned by the Board. Related expenditure was assessed at \$790,714, leaving a deficiency of \$34,161. The total Footy TAB establishment costs of \$402,301 were written off during the year.

The surplus for the year (\$36,997,469) was increased by \$18,062 for prior period adjustments after allocations for machine replacement costs and contingencies, bringing funds available for distribution to \$37,015,531. The scheme of distribution for 1982-83 provides for an allocation to the Racecourse Development Fund of \$7,399,494, representing 20 per cent of the surplus available. Payments made to clubs prior to 30th June, 1983, amounted to \$2,775,586, the balance being distributed after that date.

Distributions for the past three years have been:

	1980-81	1981-82	1982-83	Increase
	\$m	\$m	\$m	% (-)
Clubs				
Gallopings	17.17	18.82	20.72	10.1
Trotting	3.00	3.30	3.61	9.4
Greyhound	3.25	3.46	3.83	10.7
	23.42	25.58	28.16	10.1
Trotting Authority of N.S.W.	0.77	0.89	0.98	9.8
Greyhound Racing Control Board	0.37	0.40	0.47	17.2
Racecourse Development Fund	6.13	6.71	7.40	10.3
	30.69	33.58	37.01	10.2

Assets Acquired from Internal Sources, \$19.96 million, denotes the extent to which allocations to the Machine Replacement Reserve and transfers to the Development Reserve have been expended on the acquisition of fixed assets.

During the year there was a net reduction of \$2.6 million in fixed assets. This included the disposal of computer betting equipment made obsolete by the total conversion to "Tabmark" betting, offset by acquisitions of new equipment, \$1.4 million, and new sites and improvements \$1.3 million.

Arrangements have been made for the payment by the Board on behalf of the Minister as an Act of Grace, of claims and refunds in respect of lost and destroyed tickets where the Board is satisfied that a genuine claim exists in circumstances defined by the Minister. The Board is authorised to make payment of valid claims after expiry of six weeks from date of meeting, subject to satisfactory completion of investigations. Claims amounting to \$220,548 were paid in the year ended 30th June, 1983.

The statutory requirement that there shall be payable a minimum dividend of 104 per cent of the value of an investment on the totalizator, subject to certain exceptions, cost the Board \$78,221 in 1982-83.

Figures quoted in this review, being based on race meetings held to 30th June, 1983, may differ from Treasury statistics given elsewhere in this report, as clubs are allowed a period of fourteen days from date of a meeting in which to furnish returns and forward remittances to the Department of Leisure, Sport and Tourism for transmission to the Treasury.

ELECTION FUNDING AUTHORITY OF NEW SOUTH WALES

The Authority was constituted under the Election Funding Act, 1981, with the responsibility for dealing with applications for registration and claims for payment under a scheme for the public funding of election campaigns. It is also responsible for receiving declarations of political contributions made to and electoral expenditure incurred by parties, groups and candidates participating in State election campaigns. Funds are provided by way of special appropriation from the Consolidated Fund.

Payments in 1982-83, \$108,869, comprised \$88,558 in respect of the 1981 General Election, (\$79,924 to the Call to Australia Group and \$8,634 to three candidates), and \$20,311 in respect of the Drummoyne By-election held on 17th April, 1982.

Administrative expenses of the Authority of roundly \$89,000 are included with those of the Electoral Commissioner. The major expenditure was for salaries and associated payments, which approximated \$85,000.

Under principles expressed in advice given by the Crown Solicitor, payments totalling \$61,012, mainly in 1981-82 now appear to be invalid. Consideration is being given to recovery action.

LEGAL SERVICES COMMISSION OF NEW SOUTH WALES

The Commission, constituted under the Legal Services Commission Act, 1979, is primarily responsible for providing legal services, including legal aid, in accordance with the Act. Legal aid services may be provided by the Commission's officers or by private practitioners. In the case of a civil action, a legally assisted person may be required to contribute towards the Commission's costs and, if successful in the action, to meet portion of the balance of these costs. Costs awarded against legally assisted persons in civil matters and costs in criminal and child welfare cases are usually wholly met by the Commission.

STATEMENT OF FINANCIAL OPERATIONS for the year ended 30th June, 1983

	\$'000
Expenditure -	
Legal Aid Provided -	
Civil Matters	10,414
Less Client Contributions and Costs Recovered	<u>6,531</u>
	3,883
Criminal Indictable Matters	1,937
Other Criminal Matters	820
Childrens' Services	1,030
Prisoners' Services	85
Grants to Legal Centres	<u>166</u>
	7,921
Salaries and Administration -	
Salaries and Associated Costs	4,217
Rent, Rates and Insurance	709
Depreciation	170
Transport and Subsistence Costs	138
Audit Fee	22
Miscellaneous	<u>296</u>
	5,552
	<u>13,473</u>
Less Interest and Miscellaneous Income	<u>507</u>
Cost of Providing Legal Services	12,966
Less Subsidy Allocations -	
State Government	7,400
Statutory Interest Account	<u>5,187</u>
	12,587
Less Applied to Capital Purposes	<u>80</u>
	<u>12,507</u>
Operating Deficiency	<u><u>459</u></u>

The operating deficiency, \$459,253 merely represents the difference between costs incurred and brought to account in the year, and the amount received as grants-in-aid. For 1982-83, grants consisted of \$7,400,000 from the Consolidated Fund of the State and \$5,186,955 from the Law Society's Statutory Interest Account (under the Legal Practitioners Act, 1898). The figures for 1981-82 were \$6,503,000 and \$4,414,434, respectively. Because of changes in the format of accounts, full previous year figures are not available for comparison.

STATEMENT OF FINANCIAL POSITION as at 30th June, 1983

	\$'000
Capital - Contribution from State Government and Statutory Interest Account	525
Accumulated Deficiency	(1,249)
TOTAL (Deficiency)	(724)
Represented by -	
Fixed Assets (At Cost and Valuation) -	
Furniture, Equipment, etc. (Less Depreciation \$170,323)	354
Investments (At Cost) - Debentures	50
Current Assets -	
Debtors and Prepayments	53
Cash	1
Trust Moneys	1,624
	2,082
Less - Current Liabilities and Provisions -	
Creditors and Accruals	655
Provision for Long Service Leave	527
Trust Funds	1,624
	2,806
Excess of Liabilities over Assets	(724)

The Statement of Financial Position does not include the substantial but undetermined commitment for costs to be incurred in completing matters which are in progress.