



MINISTRY OF TRANSPORT

AUTHORITY ANNUAL REPORTS

1982/83

VICTORIAN RAILWAYS BOARD
MELBOURNE AND METROPOLITAN TRAMWAYS BOARD
COUNTRY ROADS BOARD
TRANSPORT REGULATION BOARD
ROAD SAFETY AND TRAFFIC AUTHORITY
RAILWAY CONSTRUCTION AND PROPERTY BOARD
MELBOURNE UNDERGROUND RAIL LOOP AUTHORITY

142

ANNUAL REPORT OF TRANSPORT AUTHORITIES

FOR YEAR ENDED 30th JUNE 1983

The attached financial statements and reports have been prepared in accordance with Section 234 of the Transport Act 1983. The Statements and Reports detail the financial results and other matters of significance in relation to the Transport Authorities which operated during the financial year ended 30th June, 1983.

The Authorities were:-

- Victorian Railways Board (VRB)
- Melbourne and Metropolitan Tramways Board (MMTB)
- Country Roads Board (CRB)
- Transport Regulation Board (TRB)
- Road Safety and Traffic Authority (ROSTA)
- Railway Construction and Property Board (RCPB)
- Melbourne Underground Rail Loop Authority (MURLA)

The Authorities were abolished on 30th June 1983 and replaced on 1st July 1983 by the Metropolitan Transit Authority (MTA), the State Transport Authority (STA), the Road Traffic Authority (RTA) and the Road Construction Authority (RCA).

S.M. CRABB
MINISTER OF TRANSPORT

INDEX

Victorian Railways Board (VRB)	5
Melbourne and Metropolitan Tramways Board (MMTB)	23
Country Roads Board (CRB)	33
Transport Regulation Board (TRB)	49
Road Safety and Traffic Authority (ROSTA)	55
Railway Construction and Property Board (RCPB)	61
Melbourne Underground Rail Loop Authority (MURLA)	73
Declarations of Pecuniary Interest	79

VICTORIAN RAILWAYS BOARD

REPORT FOR THE YEAR ENDED 30th JUNE, 1983

Metropolitan Passenger Services

Patronage continued the upward trend reported in 1981/82, the increase in 1982/83 over the previous year being approximately 2.5%. Improved service reliability coupled with improved station manning, and cleaner and more modern rolling stock have contributed to the increased patronage.

During 1982/83 there was no increase in fares which have remained unchanged since October, 1981 when a weighted increase of 13% was made.

A Neighbourhood Ticket scheme was introduced on a trial basis in the Caulfield-Moorabbin-Sandringham area. It entails a flat fare multi-modal ticket providing unlimited two hour travel in the defined Neighbourhood on train, tram or bus.

An extended scheme of concession travel for unemployed persons has also been introduced.

The metropolitan network was increased to include six stations between Dandenong and Pakenham. Two new stations were opened, Ginifer on the St. Albans line and Parliament on the Loop. The Clifton Hill lines tunnel of the Loop was opened in November 1982.

On-time running of trains has improved due to particular attention to preventative maintenance programs, and improvements in the system for reporting train defects.

The suburban train fleet is undergoing a major replacement program as obsolete rolling stock is phased out and modern air-conditioned trains are purchased. Under the revised program of updating trains about 20 trains per year will be delivered up to 1987.

Major trackwork carried out during the year includes—

- completion of track duplication between Ringwood and Bayswater.
- continuing track duplication work between Ringwood and Croydon.
- electrification of the line between Altona Junction and Werribee.
- continuing major re-arrangement and upgrading of track and signalling at North Melbourne and Franklin Street Junctions.

Improved security for passengers and train crews has been achieved with the fitting of two-way radios to 220 of the 550 suburban motor carriages.

An additional 481 car parking spaces were provided bringing the total up to 18,647 at 142 stations.

Country and Interstate Passenger Services

Inter-Urban and Inter-City passenger patronage increased by 15% over the previous year, indicating a response to the faster and more frequent services introduced in October, 1981, and the continued introduction of new and refurbished carriages on country services.

Offsetting this, there was a substantial downturn in the patronage of Interstate trains. This was due in part to the economic recession and industrial disputes, but it also reflects a sharp increase in competition following changes in pricing policies of the airlines and eight express coach companies now operating.

The VICRES computerised Passenger Seat Reservation System was further developed during the year to include facility for interstate bookings, inclusion of fares information, and the commissioning of Colac as the sixteenth Regional Booking Office.

Eight three-car sets of new air-conditioned carriages were introduced during the year and in addition, eleven older air-conditioned cars were modernised. The first of four air-conditioned Diesel Rail Cars was refurbished and returned to service. 60% of the trains and railmotors that run daily are air-conditioned.

Contracts were entered into during the year for the rebuilding of 39 locomotives, the conversion of 43 Harris cars to air-conditioned Inter-Urban cars and the design of a new long distance Inter-City car.

On-train catering services have also been improved and expanded, with 32 daily services now offering the new "Rail Snacks" service.

A six week trial was made with a daylight service between Melbourne and Adelaide. Patronage rose slightly in response to this initiative, but insufficiently to justify the heavy investment in new rolling stock that regular operation would require.

Freight

The Victorian grain harvest was devastated by severe drought conditions in 1982/83, resulting in a drastic reduction in revenue derived from the haulage of grain and certain other commodities.

Although there was a general down-turn in freight carried, mainly due to the drought and prevailing economic conditions, there were significant increases in the volume of petroleum, dried fruits and powdered milk carried. The increase in the level of liquid fuel freighted by rail occurred as a consequence of Government regulation of this traffic.

Total freight moved in 1982/83 was 8.57 million tonnes, which is a reduction of 26.3% on the tonnage carried the previous year.

An analysis of the tonnage hauled is:
(⁰⁰⁰ tonnes)

	1982/83	1981/82	Decrease	%
Victorian				
— Wheat Traffic	1021	2800	1779	64
— General Traffic	4155	4743	588	12
Intersystem Traffic	3393	4080	687	17
Total	8569	11623	3054	26

Level Crossing Safety

The programme of level crossing protection was continued with the conversion of 10 suburban level crossings from flashing lights to boom barriers. The installation of 4 boom barriers and 27 flashing lights has further improved safety at country level crossings.

Industrial Relations

The major industrial issue during the year was the negotiation of an agreement in respect of the introduction of a 38 hour week/19 day month in VicRail. The agreement was subsequently ratified by the Australian Conciliation and Arbitration Commission. Implementation of the scheme has been progressively achieved, but difficulty is being experienced in introducing the shorter hours in the operating grades.

Industrial Safety

The program of education for management and supervisors on the requirements of the new and existing safety, health and welfare legislation continued during 1982/83.

A concerted effort to reduce the number of accidents has resulted in a significant decrease in the frequency rate from 58 in June, 1981/82 to 52 during 1982/83. The frequency rate is the number of injuries involving loss of time per million man hours.

Industrial Disputes

The number of man days lost by staff directly involved in strikes/stoppages during the year continued the downward trend reported last year.

A comparison of man days lost over the past seven financial years is as follows:

1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
9284	66984	40189	82308	11291	2268	1569

Industrial relations training particularly for first line supervisors has continued. This, together with the new disputes settlement procedure which was part of the 38 hour week agreement, has played an important role in the continuing reduction in industrial disputation.

VICTORIAN RAILWAYS BOARD
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 1983

(All figures are in \$ millions)

	Note	1983 \$M	1982 \$M
Fixed Assets (At Cost or Valuation less Accumulated Depreciation)	2		
Track		331.450	278.394
Rolling Stock		212.968	253.427
Plant & Machinery		48.221	42.401
Land		6.175	6.649
Buildings		101.298	93.024
Other		14.738	9.697
		714.850	683.592
Leased Assets - Rolling Stock (Less Amortisation)	3	165.030	-
Investment (at written down value)	4	2.143	3.186
Current Assets	5		
Cash		1.618	11.075
Debtors		26.764	30.097
Special Funds Held by State Government		15.870	26.265
Securities Held in Trust	6	.218	.200
Stores, Stock and Work in Progress		15.870	13.452
		60.340	81.089
TOTAL ASSETS		942.363	767.867
Current Liabilities	7		
Creditors & Accruals		61.554	65.213
State Government Current Account		2.310	11.971
Monies Held in Trust		.245	.220
Employees Leave entitlements	8	157.610	126.249
Provision for Workers' Compensation	9	11.800	-
Provision for Superannuation Pensions	10	46.300	-
Borrowings	11	.177	.125
Loans from State Government	12	.886	.098
Lease Liability	13	.843	-
		281.725	203.876
Non Current Liabilities			
Employees Leave entitlements	8	20.952	21.750
Provision for Superannuation Pensions	10	382.700	-
Borrowings	11	60.961	19.875
Loans from State Government	12	25.428	13.377
Lease Liability	13	166.231	-
		656.272	55.002
TOTAL LIABILITIES		937.997	258.878
TOTAL CAPITAL EMPLOYED		4.366	508.989
FUNDS WERE PROVIDED BY:			
Advances by State Government	14	816.905	852.679
Other Funds	14	57.754	57.269
Asset Realisation and Revaluation Reserve	15	84.985	48.557
Property Vested and Assets Transferred to Railway Construction and Property Board	16	(49.758)	(36.139)
Accumulated Deficit	17	(905.520)	(413.377)
TOTAL FUNDS		4.366	508.989

VICTORIAN RAILWAYS BOARD
PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1983

REVENUE EARNED	1982/83 \$M	1981/82 \$M
Passenger Services and Subsidies	103.811	88.696
Parcels and Mail	9.224	10.082
Freight Services and Subsidies	108.804	137.676
Property Rentals	5.264	5.427
Agency Works (including Intersystem Charges)	6.501	5.042
Trading and Catering Services	12.217	11.327
Other	2.307	1.948
TOTAL REVENUE	248.128	260.198
COSTS INCURRED		
Operations - Trains	128.937	111.954
- Stations	48.016	42.095
- Yards	24.125	21.382
- Freight Depots & Road Contracts	31.209	30.812
- Catering and Canteen Services	14.551	12.928
	246.838	219.171
Signalling and Safeworking	39.042	33.873
Maintenance, Repairs and Renewals		
- Rolling Stock	70.195	59.000
- Infrastructure-Track, Bridges, Buildings, Stations & Structures	65.882	64.701
- Plant & Equipment	3.931	3.380
	140.008	127.081
Administration	55.792	45.776
Superannuation Pensions	40.088	33.435
Lump sum Payment on Retirement or Leaving Service	11.127	9.199
Payroll Tax	23.107	19.893
Insurance and Workers' Compensation	22.531	9.590
Other Ancillary Services & Overheads Recovered on Capital Works	(7.688)	(6.756)
Agency Works	6.099	4.624
Depreciation and amortisation of assets	14.911	12.909
Loss on Assets Written Off or Scrapped	.843	.243
Provision for Doubtful Debts	2.976	-
Employees Leave entitlements	30.563	-
Auditors Remuneration	.070	.060
TOTAL COSTS INCURRED	626.307	509.098
Operating Deficit before Finance Charges	378.179	248.900
Add Finance Charges		
State Government Interest	40.201	35.067
Interest on Public Borrowings	6.102	.629
Leasing charges on Rolling Stock	7.798	1.408
Operating Deficit	432.280	286.004

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE 1983 (Continued)

	1982/83 \$M	1981/82 \$M
Operating Deficit	432.280	286.004
Less: Revenue Supplement received from the State Government (see note below)	329.626	230.729
Interest paid by State Government	40.201	35.067
Leasing charges financed from other sources	2.233	—
Less Non Operating Expenses financed from Revenue Supplement (s.385)		(0.098)
	371.675	265.698
Net Operating Deficit before Extraordinary Items	60.605	20.306
Extraordinary Items:		
Accrued Liabilities and Provision for:—		
Superannuation Pensions (note 10)	429.000	—
Employees Leave entitlements (note 8)	—	147.999
Diminution in the value of Investment (note 4)	1.043	—
Doubtful Debts	—	.098
Other Items:		
Stock revaluation (note 1 (iv))	(3.044)	—
Capitalisation of interest on Commonwealth Loans (note 12)	4.539	—
NET DEFICIT FOR YEAR	492.143	168.403
ACCUMULATED DEFICIT FOR THE YEAR ENDED 30TH JUNE, 1983 (SEE NOTE 17)		
Deficit Brought Forward	413.377	244.974
Net Deficit for the Year	492.143	168.403
Deficit Carried Forward	905.520	413.377
Note		
The Revenue Supplement received from the State Government represents:		
Annual Appropriations from the Consolidated Fund for Working Expenses	531.838	460.369
Special Appropriations for:		
Victorian Railways Board expenses	.077	.140
Superannuation	40.088	33.435
Non-recurring expenses	—	.905
	572.003	494.849
Less: Railway receipts paid into the Consolidated Fund	242.377	264.120
	329.626	230.729

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR YEAR ENDED 30TH
JUNE, 1983**

	1982/83 \$M	1981/82 \$M
Source of Funds		
Net deficit for year	492.143	168.403
Adjustments for items not involving the movement of cash:—		
Depreciation and amortisation of assets	(14.911)	(12.909)
Loss on assets written off or scrapped	(.843)	(.243)
Provision for doubtful debts	(2.976)	(.098)
Provision for Superannuation Pensions	(429.000)	—
Employees Leave entitlements	(30.563)	(147.999)
Provision for Workers' Compensation	(11.800)	—
Capitalisation of interest on Commonwealth Loans	(4.539)	—
Stock Revaluation	3.044	—
Provision for diminution in the value of Investment	(1.043)	—
	(492.631)	(161.249)
Net Surplus of funds	.488	(7.154)
Sale of rolling stock and other assets	154.124	25.585
Conditional sale of land to the Ministry of Housing	6.496	—
Public Borrowings	21.350	20.000
Funds provided under Works and Services Act	155.997	51.673
Borrowing	20.000	—
Other State funds	.173	4.843
Loan from State Government	8.398	2.260
	367.026	97.207
Application of Funds		
Capital Expenditure	182.542	109.342
Repayment of State Loans	185.512	2.554
Repayment of other Loans	.310	—
Reduction in net current liabilities	(1.338)	(14.689)
	367.026	97.207

Notes to and Forming Part of the Accounts

Section 234 of the Transport Act 1983, requires the State Transport Authority to prepare annual accounts for the Victorian Railways Board for the financial year ended 30th June, 1983.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

The accounts have been prepared under the historical cost convention and have not been adjusted to take account of the current costs of specific assets and the impact of such costs on the operating results, except to the extent that they are reflected in the revaluation of certain assets as stated in Notes 2 and 15.

The accounts have been prepared on an accrual basis.

Long service leave for employees with service of 3 years or more and retiring gratuity entitlements have been brought to account. No accrual has been raised for sick leave as this is taken up when payment is made.

Where property has been vested in the Railway Construction and Property Board for no consideration pursuant to the provisions of the Railway Construction and Property Board Act, such land and buildings were transferred at an agreed value determined either by an independent valuer or at the market value at the time of disposal.

(ii) Fixed Assets.

Adjustments for assets transferred, written off, sold or revalued are reflected in the total value of fixed assets as recorded in the accounting records. Values stated in the accounts for fixed assets are as per accounting records. However, it was not possible to align these records with physical assets. A complete physical inventory and asset revaluation is currently being undertaken together with the implementation of a new system to record and control assets to ensure that this problem does not arise in future. Additions to fixed assets include jobs in various stages of completion.

(iii) Depreciation.

Depreciation is charged on fixed assets (other than Track and Land) at annual rates based on the estimated working life of each type of asset with due allowance for residual value at the expiration of that period. Depreciation is not charged on Track, which is maintained at full effectiveness, with damage or deterioration made good as it occurs.

(iv) Stores, Stock and Work in Progress

Stores consist of materials and supplies for construction, maintenance and operations and are valued at average cost. Work in progress for manufactured stores has been valued at cost. Catering stock is valued at cost less provision for obsolescence. During the year stock of a custody nature was returned to stock at a revalued amount.

(v) Leasing - Rolling Stock

The leasing agreements entered into by the Board are of a financial nature and have therefore been capitalised in line with current accounting practice. Leased assets are amortised over their remaining useful life.

(vi) Superannuation Pensions

The Victorian Railways Board reimburses the State Superannuation Board the employer's portion of pensions paid to retired employees. An accrual for liability appropriate to retired employees (based on an actuarial assessment) has been included in the accounts. No provision has been included for the future Superannuation Pension of existing employees.

NOTE 2 - FIXED ASSETS

Expenditure on Fixed Assets in 1982/83 was \$182.542 million (1981/82 \$109.342 million).

During the year assets were revalued by \$35.209 million (1981/82 \$20.684 million).

The written down value of assets disposed of, transferred, sold or scrapped were:—

	1982/83	1981/82
	\$M	\$M
Sale of Rolling Stock	154.074	25.000
Assets no longer in use and written off	.843	.740
Assets transferred to the control of the Railway		
Construction and Property Board	18.659	30.454
Value of land sold	.027	.010
Other assets sold	.023	123.000
	<hr/>	<hr/>
	173.626	179.204
	<hr/>	<hr/>

Details of Fixed Assets and the Accumulated Depreciation are set out below:-

	1982/83				1981/82			
	At Cost	At 1975 Valuation	Depreciation	Written Down Value	At Cost	At 1975 Valuation	Depreciation	Written Down Value
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Track	410,900	—	(79,450)	331,450	357,844	—	(79,450)	278,394
Rolling Stock	349,494	40,145	(176,671)	212,968	397,421	40,145	(184,139)	253,427
Plant and Machinery	63,354	—	(15,133)	48,221	56,052	—	(13,651)	42,401
Land	6,175	—	—	6,175	6,649	—	—	6,649
Buildings	120,120	—	(18,822)	101,298	111,455	—	(18,431)	93,024
Other	19,129	—	(4,391)	14,738	13,506	—	(3,809)	9,697
	969,172	40,145	(294,467)	714,850	942,927	40,145	(299,480)	683,592

Transactions affecting Fixed Assets are given in the table below:-

	Value at 30.6.82 after Depreciation	Additions in year	Revaluation during Year	Transferred, Disposed of, Sold or Written off in year	Value at 30.6.83 before Depreciation	Depreciation 1982/83	Value at 30.6.83 after Depreciation
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Track	278,394	53,063	—	.007	331,450	—	331,450
Rolling Stock	253,425	106,995	17,879	154,917	223,382	10,414	212,968
Plant and Machinery	42,401	7,301	—	—	49,702	1,481	48,221
Land	6,651	—	8,074	8,550	6,175	—	6,175
Buildings	93,026	9,559	9,256	10,152	101,689	.391	101,298
Other	9,695	5,624	—	—	15,319	.581	14,738
	683,592	182,542	35,209	173,626	727,717	12,867	714,850

Depreciation charged in 1982/83 was \$12.867 million (1981/82 \$12.909 million).

Accumulated depreciation to 30th June 1983 was \$294.467 million (1981/82 \$299.480 million) of which only \$36.187 million was provided by cash appropriations.

NOTE 3 - LEASED ASSETS - ROLLING STOCK

Details of Leased Assets and amortisation for the year were:-

	\$M
Leased Assets - Rolling Stock (note 13)	167.074
Less amortisation	2.044
	<hr/>
Unexpired Value	165.030
	<hr/> <hr/>

NOTE 4 - INVESTMENT

This asset is represented by the investment in VicRail Pipelines Pty. Ltd. as follows:-

	1982/83 \$M	1981/82 \$M
Shares - at cost	.001	.001
Debentures - at cost (secured by a floating charge over the assets of the company)	3.185	3.185
	<hr/>	<hr/>
	3.186	3.186
Less provision for diminution in the value of the investment	1.043	—
	<hr/>	<hr/>
	2.143	3.186
	<hr/> <hr/>	<hr/> <hr/>

The provision was made due to the continued losses being reported by the Company resulting in the inability to meet its commitments to the Board.

NOTE 5 - CURRENT ASSETS

Current assets are as follows:-

	1982/83 \$M	1981/82 \$M
Cash		
Cash Advances	.873	10.783
Revenue Cash in transit	.745	.292
	1.618	11.075
Debtors		
Revenue	24.624	26.083
(Less) Provision for Doubtful Debts	(3.074)	(.098)
Other	5.214	4.112
	26.764	30.097
Special Funds held by State Government (See Note 6)	15.870	26.265
Securities Held in Trust	.218	.200
Stores, Stock and Work in Progress		
Stores and Materials	12.518	9.167
Manufacturing - Work in Progress	2.678	2.866
Catering Services Stock	.674	1.419
	15.870	13.452
	60.340	81.089

Cash advances represent monies held by Stationmasters and Accounting Offices and due for reimbursement by State Government.

Other debtors \$5.214 million (1981/82 \$4.112 million) include amounts due in respect of agency works, sales of land and materials, and sundry debtors.

Securities held in Trust represent securities deposited by contractors, the contra being Monies held in Trust. In addition, bank guarantees \$11.326 million (1981/82 \$8.992 million) are held as securities against freight debtors and contractors.

NOTE 6 - SPECIAL FUNDS HELD BY STATE GOVERNMENT

The balances in Special Funds held by the State Government were:-

	1982/83 \$M	1981/82 \$M
Railway Accident & Fire Insurance Fund	—	.200
Consolidated Fund	—	.373
Manufacturing & Trading & Catering Account	.255	—
Railways Repayment Account	.027	.020
Treasury Trust Funds	12.162	21.130
Railways Stores Suspense Account	2.241	4.542
Sinking Fund	.075	—
Agency Accounts	1.110	—
	15.870	26.265

The Railways Repayment Account represents cash held on behalf of railway clients who lodge deposits pending the completion of certain work.

Treasury Trust Funds represent the liability for railway salaries, wages and payroll deductions.

Amounts held in Railways Stores Suspense Account are available to finance stores purchases.

NOTE 7 - CURRENT LIABILITIES

Current liabilities are as follows:-

	1982/83 \$M	1981/82 \$M
Creditors and Accruals		
Salaries and wages	5.299	12.227
Payroll deductions	6.863	8.903
Payroll Tax	—	2.365
Stores, Services and Intersystem Rebates of Fares and Freight, and Unearned Income	36.523	39.811
Advance payments by Customers and Agencies	4.470	1.235
Ministry of Housing - (conditional sale of land)	1.903	.672
	6.496	—
	<hr/>	<hr/>
State Government Current Account	61.554	65.213
Monies Held in Trust	2.310	11.971
Employees Leave entitlements (note 8)	.245	.220
Provision for Workers' Compensation (note 9)	157.610	126.249
Provision for Superannuation Pensions (note 10)	11.800	—
Public Borrowing (Note 11)	46.300	—
Commonwealth Loans (note 12)	.177	.125
Lease Liability (note 13)	.886	.098
	.843	—
	<hr/>	<hr/>
	281.725	203.876
	<hr/>	<hr/>

State Government Current Account represents advances to cover Railway revenue earned but not received, and amounts due from State Government for reimbursement of expenditure.

The amount of \$.245 million (1981/82 \$.220 million) for Monies Held in Trust is the contra of Securities Held in Trust \$.218 million (1981/82 \$.200 million) and the balance of \$.027 million (1981/82 \$.020 million) held in the Railways Repayment Account (See Note 6).

NOTE 8 - EMPLOYEES LEAVE ENTITLEMENTS

The Employees Leave entitlements at 30th June, 1983 were:

	1982/83		1981/82	
	Due within 12 months \$M	Due after 12 months \$M	Due within 12 months \$M	Due after 12 months \$M
Provision for Long Service Leave and Retiring Gratuity	92.357	20.952	79.926	21.750
Accrued Annual Leave	55.321	—	46.323	—
Provision for leave accrued as a result of the introduction of the 38 hour week	9.932	—	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
	157.610	20.952	126.249	21.750
	<hr/>	<hr/>	<hr/>	<hr/>

The provision for leave accrued of \$9.932 million is an estimate based on a sample of employees' entitlements costed at average payroll rates.

NOTE 9 - WORKERS' COMPENSATION

As a result of a change in accounting policy a blanket provision of \$11.800 million based on an average of the past three years as adjusted by the inflation rate has been made for the first time in the accounts to cover future liabilities in relation to Workers' Compensation and Common Law suits.

NOTE 10 - SUPERANNUATION PENSIONS

It is estimated that a liability of \$429 million exists in respect of pensions appropriate to retired employees (based on an actuarial assessment). \$46.3 million is the amount estimated to be payable to the State Superannuation Board during 1983/84 in respect of retired employees benefits.

No provision has been included in the accounts for the future Superannuation Pension of existing employees.

NOTE 11 - BORROWINGS

During 1982/83 further borrowings were made pursuant to the Railway (Borrowing Powers) Act 1981 by the issues of Railways Inscribed Stock totalling \$21.350 million. Total borrowings to 30th June, 1983 were \$41.350 million. Repayments during 1982/83 were \$0.212 million.

Further maturities of the stock are as follows:-

	Year ended 30th June	Amount \$M
	1984	.177
	1985	.344
	1986	7.404
	1987	18.326
	1988	2.060
	1989	1.660
	1990	2.276
	1991	.914
	1992	1.078
	1993	6.775
	1994	.124
		<hr/>
		41.138
		<hr/>
Repayable - within 12 months		.177
- after 12 months		40.961
		<hr/>
		41.138
		<hr/>

In addition the Board borrowed \$20 million from the State Government. This loan is repayable at 30th September, 2003. The principal is to be indexed half yearly in accordance with movements in the Consumer Price Index.

NOTE 12 - LOANS FROM STATE GOVERNMENT

Loans by Commonwealth Government for State Railway Projects:

	1982/83 \$M	1981/82 \$M
National Railway Network (Financial Assistance) Act	19.100	10.702
Capitalisation of interest due to the Commonwealth Government	4.539	—
	<hr/>	<hr/>
	23.639	10.702
Uniform Railway Gauge	2.675	2.773
	<hr/>	<hr/>
	26.314	13.475
	<hr/>	<hr/>
Repayable - within 12 months	.886	.098
- after 12 months	25.428	13.377
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	26.314	13.475
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NOTE 13 - LEASING — ROLLING STOCK

During the year ended 30th June, 1983 the Board entered into leasing agreements at an estimated capital value of \$146.2 million. Leasing arrangements entered into by the Board to date for Rolling Stock equipment total \$211.790 million.

Total lease payments are estimated to be \$543 million over 16 years.

Equipment drawdowns to date total \$167.074 million (\$.843 million repayable within 12 months) with \$44.716 million to be drawdown by 31st July, 1984.

The contract for the leasing of the hopper wagons (\$30 million) was in foreign currency. The liability for the repayment will fluctuate with the movement in the currency exchange rate.

NOTE 14 - FUNDS PROVIDED**(1) ADVANCES BY STATE GOVERNMENT**

	1984/83 \$M	1981/82 \$M
Advances for Capital purposes from Loans raised by the State of Victoria	716.003	751.777
Commonwealth Grants to the State of Victoria for Railway projects:-		
Urban Public Transport	74.094	74.094
Uniform Railway Gauge	26.808	26.808
	<u>816.905</u>	<u>852.679</u>

(2) OTHER FUNDS

These funds were provided from:-

	30/6/83 \$M	30/6/82 \$M
Transport Fund	23.137	23.137
Boom Barriers Fund	.740	.740
Level Crossings Fund	10.889	10.889
Public Account	3.186	3.186
Sundry Special Funds	13.892	13.892
Working Capital for Manufacturing		
Work in Progress and Trading & Catering	3.206	3.206
Railway Accident and Fire Insurance Fund	—	.200
Non operating expenses provided under a Working Vote	2.404	2.019
Other	.300	—
	<u>57.754</u>	<u>57.269</u>

NOTE 15 - ASSET REALISATION AND REVALUATION RESERVE

Movements in the Asset Realisation and Revaluation Reserve, during the year were:-

	1982/83 \$M	1981/82 \$M
Balance at beginning of year	48.557	27.873
Revaluation of property transferred to the Railway Construction and Property Board during the year	17.331	20.684
Adjustment of valuation of properties transferred to the Railway Construction and Property Board in previous years	1.218	—
Capitalisation of gain from sale and lease back of hopper wagons, to be amortised over the life of the leased assets.	17.879	—
	<u>84.985</u>	<u>48.557</u>

NOTE 16 - PROPERTY VESTED AND ASSETS TRANSFERRED TO RAILWAY CONSTRUCTION AND PROPERTY BOARD

	1982/83 \$M	1981/82 \$M
Value of property vested at 30th June 1982	36.139	14.345
Railway land and property vested in Railway Construction and Property Board during the year	18.659	21.794
Adjustment of valuation of properties transferred to the Railway Construction and Property Board during 1980/81 and 1981/82	1.218	—
Railway funds expended on assets transferred to the Railway Construction and Property Board in 1980/81	(6.258)	—
	<u>49.758</u>	<u>36.139</u>

NOTE 17 - ACCUMULATED DEFICIT

The accumulated deficit at 30th June, 1983 comprises of:-

	1982/83 \$M	1981/82 \$M
(1) Costs and provisions not funded by State Government		
(a) Depreciation and amortisation charged in excess of cash appropriated	283.143	268.232
(b) Employees Leave entitlements	178.562	—
(c) Provision for Workers' Compensation	11.800	147.999
(d) Provision for Superannuation Pensions	429.000	—
(e) Provision for Doubtful Debts	3.074	.098
(2) Revenue earned but not yet received	(3.683)	(3.195)
(3) Loss on Assets written off or scrapped	1.086	.243
(4) Stock revaluation	(3.044)	—
(5) Capitalisation of interest on the Commonwealth Loans	4.539	—
(6) Provision for diminution in the value of investment	1.043	—
	905.520	413.377
	905.520	413.377

NOTE 18 - CAPITAL COMMITMENTS

As at 30th June, 1983 the Victorian Railways Board had entered into contracts for the supply of components and capital equipment for an estimated value of \$360 million.

NOTE 19 - MELBOURNE UNDERGROUND RAIL LOOP AUTHORITY

In accordance with Sections 41 of the Melbourne Underground Rail Loop Act 1970, the Governor in Council has given approval for the completed sections of the loop to be vested in the Victorian Railways Board.

The Board was responsible for the operation and maintenance of these sections of the loop, including Museum and Parliament stations.

In accordance with the direction issued by the Minister for Transport in 1981/82, the asset value of the sections of the loop which have passed under the control of the Board has not been brought to account.

The Transport Act 1983 (Number 9921) was proclaimed to become effective as from the 1st July, 1983. Under the provisions of the Transport Act, the Victorian Railways Board ceased to exist. The successor Authority is the State Transport Authority.

The Act provides for the Managing Director and Principal Accounting Officer of the successor authority to certify the correctness of the statement of accounts for the year ended 30 June, 1983.

In accordance with Section 234 (1) of the Transport Act 1983 we hereby certify that the attached accounts show a true and fair view of the financial transactions for the year and the state of affairs of the former Victorian Railways Board at 30 June, 1983.

K. M. Fitzmaurice
Managing Director
State Transport Authority

G. Glinski
Chief General Manager
Finance and Accounting
State Transport Authority

AUDITOR-GENERAL'S REPORT

The books and accounts of the Victorian Railways Board for the year ended 30 June 1983 have been audited as required by Sub-section (2) of Section 234 of the Transport Act 1983.

In previous years the Board presented to Parliament financial statements prepared on a modified accrual basis. The 1981-82 comparative figures shown in the statements are unaudited, as there was no legislative provision for an audit of those accounts.

As indicated in Note 1 (ii) to the accounts, the Board was unable to align the fixed asset values in its financial records with the physical assets. As the asset recording system does not identify individual assets, audit was unable to carry out tests to determine the existence and valuation of assets included in the item Fixed Assets.

Note 19 to the accounts indicates that the financial value of those sections of the Melbourne Underground Rail Loop which are vested in the Board in accordance with the approval of the Governor-in-Council have not been included in the Board's accounts. Based on a certificate issued to the Melbourne Underground Rail Loop Authority by its Consulting Engineers, the value of this asset is in excess of \$146 million. In my opinion, the asset value should have been included in the Board's accounts and the assets and equity of the Board are accordingly understated by an amount in excess of \$146 million.

The Board has recognised as a liability an amount of \$429 million for its liability for pensions payable to retired employees. Although the amount was actuarially calculated, audit was unable to obtain details of the data on which the calculation was made and, therefore, was unable to determine the adequacy or otherwise of the provision.

Except for the effect on the financial statements of the matters referred to above, in my opinion, the financial statements, being the Statement of Financial Position, the Profit and Loss Account and the Statement of Source and Application of Funds, present fairly the financial position of the Victorian Railways Board at 30 June 1983 and the results of its operations for the year then ended.

B. J. Waldron
Auditor General
9/8/84

SUPPLEMENTAL INFORMATION NOT FORMING PART OF THE ACCOUNTS
VICTORIAN RAILWAYS BOARD
SUMMARY OF RECEIPTS AND EXPENDITURE
(TREASURY FIGURES)

OPERATING				
	Budget \$M	Year 1982/83 Actual \$M	Variance \$M	Year 1981/82 Actual \$M
Receipts	276.160	242.377	(33.783)	264.120
Budget Revenue Supplement	313.360	313.360	—	233.100
Total	589.520	555.737	(33.783)	497.220
Operating Expenditure (See note)				
Labour	378.650	365.400	(13.250)	317.361
Material & Other Services	171.690	166.438	(5.252)	143.008
Special appropriations	39.180	40.165	.985	34.480
	589.520	572.003	(17.517)	494.849
Surplus (Deficit) after Budget Revenue Supplement		(16.266)	(16.266)	2.371

NOTE: Includes interest of \$.142 million (1981/82 \$.146 million) and repayment principal \$.096 million (1981/82 \$.096 million) in respect of loans by the Commonwealth Government for funds provided to the State under the Railways Standardisation Agreement.

PAYMENTS MADE BY TREASURY ON ACCOUNT OF RAILWAYS

	Year 1982/83 \$M	Year 1981/82 \$M
Interest	40.201	35.067
Sinking fund contribution	.894	.848

CAPITAL EXPENDITURE

	Year 1982/83 \$M	Year 1981/82 \$M
Expenditure on Fixed Assets (See schedule for details)	182.542	109.342
Funds were provided from-		
(1) Works and Services Appropriation Act Less. Agency Works for Other Parties	-	73.933 (2.852)
(2) Public Borrowings	21.350	71.081
(3) Transport Fund	-	4.843
(4) Victorian Development Fund	20.000	
(5) Consolidated Fund		
Balance 1.7.82	.373	1.000
Sale of Assets (under sale and lease back agreement)	154.074	25.575
Sale of Land to Ministry of Housing	6.496	-
Depreciation - cash appropriation	-	.400
Less Balance 30.6.83	(24.063)	(3.73)
Less. Agency Works for other parties	(2.705)	-
Less. Leverage Leasing charged to Profit & Loss Account	(2.233)	-
	131.942	26.602
(6) Commonwealth Government under the National Railway Network (Financial Assistance) Act.	8.397	-
(7) Increase in Creditors		
- At 30.6.83	14.256	13.403
- At 30.6.82	(13.403)	(6.587)
	.853	6.816
	182.542	109.342

DISSECTION OF CAPITAL EXPENDITURE OVER ASSET GROUPING

	1982/83 \$M	1981/82 \$M
Track	53.063	30.573
Rolling Stock	106.995	63.510
Machinery and Plant	7.301	6.361
Buildings	9.559	6.521
Other Assets	5.624	2.377
	182.542	109.342
The major items of capital expenditure in 1982/83 were:		
(1) METROPOLITAN SERVICES		
New Suburban Trains	76.227	33.998
Refurbishing Harris Trains	2.383	6.938
Automatic Power Signalling and Signal Box		
Amalgamation in Central Area	4.520	8.283
Ringwood—Bayswater—Croydon Track Duplication	4.801	2.909
Altona Junction—Werribee Electrification	4.565	4.221
North Melbourne/Franklin Street Trackwork re-arrangement	6.873	2.255
(2) INTERCITY & INTERURBAN SERVICES		
Country Carriages	21.559	14.211
(3) FREIGHT SERVICES		
Freight Rolling Stock	6.399	5.865
(4) INFRASTRUCTURE		
Bridge Works	11.557	6.267
Track Relaying	11.221	.450
Ararat—Serviceton—Centralised Train Control &		
New Crossing Loops	9.543	2.217
Flashing Lights	2.592	2.264
(5) OTHER ITEMS		
	20.302	19.464
	182.542	109.342

**ADJUSTMENT OF TREASURY (CASH) FIGURES RELATING TO RECEIPTS AND
OPERATING EXPENDITURE TO TAKE ACCOUNT OF ACTUAL REVENUE EARNED
AND EXPENSES INCURRED BY RAILWAYS**

	1982/83	1981/82
REVENUE	\$M	\$M
Receipt — Treasury	242.377	264.120
Add		
Amounts Collected by Railways but not Brought to Account by Treasury during the year	—	1.283
Revenue Debtors at End of Year not included in Treasury Receipts	24.351	25.410
Revenue Creditors at Beginning of the Year	12.582	1.208
	<hr/>	<hr/>
	279.310	292.021
Deduct		
Amounts Collected by Railways in Previous Year but included in Treasury Receipts for Current Year	1.283	1.099
Revenue Debtors at Beginning of Year included in Treasury Receipts	25.410	18.142
Revenue Creditors at End of Year	4.249	12.582
Amount collected by Treasury, but not in Railways	.240	—
	<hr/>	<hr/>
	31.182	31.823
	<hr/>	<hr/>
Revenue Earned — Railways	248.128	260.198
	<hr/>	<hr/>
OPERATING EXPENSES		
Expenditure — Treasury	572.003	494.849
Less:— Expenditure funded by Working Vote, not included in Railways operating results:—		
Sinking Fund	.075	
Loan Repayment	.310	
	<hr/>	<hr/>
	(385)	(098)
	<hr/>	<hr/>
	571.618	494.751
Add:—Expenditure charged to Railways operating result funded by Works and Services	2.233	—
	<hr/>	<hr/>
	573.851	494.751
Add		
Creditors and accruals charged to Operating Expenses by Railways but not included in Treasury Expenditure during year	16.178	10.915
	<hr/>	<hr/>
	590.029	505.666
Deduct		
Creditors charged to Operating expenses by Railways in Previous Year but included in Treasury during Year	10.915	7.283
	<hr/>	<hr/>
	579.114	498.383
Add		
Depreciation not funded by Treasury	14.911	12.509
Interest recorded by Treasury on Loans made on behalf of Railways	40.201	35.067
Loss on assets written off	.843	.243
Provision for doubtful debts	2.976	—
Employees leave entitlements	30.563	—
Provision for Workers' Compensation	11.800	—
	<hr/>	<hr/>
	680.408	546.202
	<hr/>	<hr/>

MELBOURNE AND METROPOLITAN TRAMWAYS BOARD REPORT FOR THE YEAR ENDED 30 JUNE 1983

Tram

Patronage for the year was approximately 109,000,000 an increase of 5.3% over 1981/82.

The program for the replacement of the tram fleet continued and 21 new trams were delivered during the year. At 30 June 1983 a total 223 'Z' Class trams had been delivered of the 230 contracted for prior to this year. A contract for 28 new trams, with modifications to improve passenger comfort and safety, was let during the year. An order was also placed for the supply of two prototype articulated light rail vehicles.

The Government embarked on a 5 year program to completely renovate the 'W' Class trams which were built some 50 years ago. There are currently 125 of these trams still in operation, and they are being progressively renovated at the rate of 2 a month.

On 18 May 1983 the Premier of Victoria, the Honourable John Cain, cut a ribbon to start the operation of trams along the first stage of the Bundoora tramway extension in Plenty Road, between Tyler Street and Boldrewood Parade. The extension has been well patronised since its opening with over 1000 passengers per day travelling on the new section of the route. This early acceptance indicates that the projections for patronage on the complete extension should be achieved or surpassed. Preliminary work has commenced on Stage 2 of the extension which should be completed in 1984 and the whole project is planned for completion by the middle of 1985.

During the year a covered passenger interchange was erected at the corner of Elizabeth Street and Flinders Street to provide improved facilities for passengers changing from trains to trams. A new interchange was planned for the intersection of St. Kilda Road and Park Street to improve access to the western end of the City for passengers from southern suburbs.

A program to improve traffic flow and reduce delays to trams has been initiated involving the introduction of new road traffic regulations, tram detection at traffic signals, separation of trams and other vehicles using pavement markings and signs and minor roadworks at critical locations. This program will be implemented later this year with a view to completion by mid 1984 and will involve an extensive public awareness and education campaign, particularly in relation to the regulatory changes.

Bus

Patronage was approximately 26,000,000 an increase of 9.3% on 1981/82.

Improvements have been made to services on several bus routes including a new Freeway bus service from Park Orchards to the City, additional Freeway trips from Donvale and additional trips on the West Gate Freeway service.

Finance

The State Government contributed \$57.98 million in direct revenue support to MMTB passengers during the year. This was an increase of \$10.33 million in direct revenue support over that provided in 1981/82. In addition the Government provided \$7.47 million towards the cost of providing concession travel for students, pensioners and other social beneficiaries.

Industrial Relations

As in the previous financial year the improved industrial relations climate was a significant factor in the provision of a reliable service to our passengers and assisted in attracting passengers to the service. Improvements to staff facilities are continuing. Reconstruction is proceeding at Footscray and Glenhuntly and a bus workshop is being built at Northcote.

General

The method for providing travel concessions to the unemployed was altered during the year to a system of providing a renewable concession card, with a limited validity period. This has significantly increased the availability of public transport to the unemployed.

Work has commenced on an Automatic Vehicle Monitoring system, which will provide early advice of any delays to trams or buses and includes facilities to assist in better communications with vehicles in the interest of passenger and crew security.

MELBOURNE & METROPOLITAN TRAMWAYS BOARD.

BALANCE SHEET AS AT 30th JUNE, 1983.

	Notes	1983 \$'000	1982 \$'000
TOTAL EQUITY			
Grants & Contributions	13	31,978	30,656
Leased Asset Reserve	14	13,702	
		45,680	30,656
Less Accumulated Deficit	15	43,703	32,750
TOTAL EQUITY		1,977	(2,094)
REPRESENTED BY			
CURRENT ASSETS			
Cash on hand and at Bank			204
Accounts Receivable		7,930	1,224
Stores on Hand (at cost)		2,807	2,890
Work in Progress	16	147	215
		10,884	4,533
Investments (at cost)	25	32,420	9,396
Fixed Assets (nett of Depreciation)	17	78,730	98,436
Leased Assets (nett of Amortisation)	18	50,899	-
Intangible Assets (nett of Amortisation)	19	967	1,024
TOTAL ASSETS		173,900	113,389
 DEDUCT:			
LIABILITIES			
Bank Overdraft (nett of Cash in Hand)	20	1,589	
Creditors Accruals and Provisions	21	20,008	16,357
		21,597	16,357
Capital Debt	22	100,574	99,114
Lease Liability—Trams	23	49,744	
Contractors' Deposits and Securities	24	8	12
		171,923	115,483
NETT ASSETS		1,977	(2,094)

The accompanying notes form part of these accounts.

MELBOURNE & METROPOLITAN TRAMWAYS BOARD.

STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED 30th JUNE, 1983.

INCOME.

	Notes	1983 \$'000	1982 \$'000
Fares	2	56,055	53,924
Recoup of Road Maintenance Costs		2,400	2,200
Miscellaneous	3	603	877
Non-Operating	4	3,383	795
		<hr/>	<hr/>
		62,441	57,796

EXPENDITURE

Direct Operational Costs	5	62,026	52,545
Maintenance	6	25,319	22,319
Administration	7	7,177	6,452
Workers' Compensation		1,712	3,433
Payroll Tax		5,003	4,191
Depreciation and Amortisation	8	4,279	3,329
Accrued Sick Leave and Long Service Leave	9	1,858	1,679
Retiring Gratuities	9	3,508	2,295
Public Liability Claims	10	3,675	2,414
Non Operating	11	360	277

TOTAL EXPENDITURE.

114,917 98,934

DEFICIT BEFORE FINANCING CHARGES.

52,476 41,138

Financing Charges

- Leasing Charges

12 5,067 2,404

- Interest on Capital Debt

11,388 10,373

16,455 12,777

DEFICIT AFTER FINANCING CHARGES.

68,931 53,915

Less Revenue Supplement from State Government

57,978 47,650

DEFICIT FOR YEAR.

10,953 6,265

The accompanying notes form part of these accounts.

MELBOURNE AND METROPOLITAN TRAMWAYS BOARD.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS:

These accounts are prepared in accordance with Section 234 of the Transport Act 1983

1. Accounting Policies.

The accounting policies adopted by the Board, except where otherwise stated, include applicable accounting standards issued by the Australian Accounting Bodies. The accounts are drawn up in accordance with the historical cost convention and are on an accrual basis except for sick leave, long service leave and retiring gratuities (see note 9).

2. Fares.

Fares include revenue collection from tram and bus operations and the Board's share of the revenue of the sale of travel cards by Private Bus Operators.

3. Miscellaneous.

Advertising revenue has been included under this item.

4. Non Operating.

Interest on investment has been credited to non operating income.

5. Direct Operational Costs.

	1982/83	1981/82
Traffic Operations Cost—Tram	\$44,144,152	\$37,391,794
Traffic Operations Cost—Bus	12,626,654	10,704,789
Traction Energy	3,124,164	2,541,526
Fuel Oil	2,131,326	1,906,831
	\$62,026,296	\$52,544,940

6. Maintenance

	1982/83	1981/82
Permanent Way	3,173,693	\$ 2,816,618
Tramcars	12,782,766	11,040,803
Buses	5,028,096	4,336,797
Electrical Equipment of Lines and Substations.	2,833,916	2,574,784
Buildings and Grounds	1,500,076	1,549,823
	\$25,318,547	\$22,318,825

7. Administration.

	1982/83	1981/82
General Administration	\$ 6,203,476	\$ 5,531,614
Supply Department	974,005	920,403
	\$ 7,177,481	\$ 6,452,017

8. Depreciation and Amortisation.

Depreciation has been provided on buildings, plant and equipment at rates which allow for the cost to be written down over the expected economic life of the asset. The straight line method of depreciation has been used.

Leased Assets are being amortised over the respective life of the assets.

9. Accrued Sick Leave, Long Service Leave and Gratuities.

An additional sum of \$1,500,000 has been taken into account during the year as a preliminary provision for the introduction of improved Retirement Benefits for employees. The Board is unable to provide an accurate assessment of the liability for superannuation until details of the scheme are finalised.

No specific provisions have been made in the accounts for sick leave, long service leave or retiring gratuities in respect of current employees.

The liability not taken into account at 30th June 1983 is estimated to be:

Accrued Sick Leave	\$ 5,398,500
Long Service Leave	10,488,322
Gratuities	7,780,697

10. **Public Liability.**

Provision has been made for all known outstanding claims and an estimate of possible claims for which the Board may become liable, refer note 21.

11. **Non Operating Expenditure**

The operating costs of Wattle Park and rented properties are the major expenditure items under this heading.

12. **Leasing Charges.**

	1982/83	1981/82
Trams	\$2,086,013	\$ —
Buses	2,981,384	2,404,297
	<u>\$5,067,397</u>	<u>\$2,404,297</u>

(refer note 23)

13. **Grants and Contributions.**

	1982/83	1981/82
Government Grants—		
Tram Lines	\$157,573	\$157,573
Trams	21,140,264	21,140,264
Buses	1,550,026	1,550,026
Net contributions toward major Tramways Works constructed at the request of other organisations.	9,130,282	7,808,100
	<u>\$31,978,145</u>	<u>\$30,655,963</u>

14. **Leased Asset Reserve.**

This item represents the difference between the proceeds from the sale of assets which are subject to the lease agreements and the written down value of those assets. The Leased Asset Reserve is to be amortised over the life of the leased assets.

Proceeds from Sale of Assets	\$51,620,000
Less Written Down Value of Assets	37,848,468
	<u>13,771,532</u>
Less Amortisation	69,957
Leased Asset Reserve	<u>\$13,701,575</u>

15. **Accumulated Deficit.**

The accumulated deficit is as follows:-

	1982/83	1981/82
Accumulated Deficit at 1 July	\$32,749,380	\$26,484,233
Deficit for the year (net of Revenue Supplement)	10,953,625	6,265,147
	<u>\$43,703,005</u>	<u>\$32,749,380</u>

Due to a change in accounting policy the revenue supplement is now included in the Statement of Income and Expenditure.

16. **Work in Progress.**

Work in Progress excludes capital works expenditure in progress which has been included as part of Fixed Assets (Refer Note 17).

	1982/83	1981/82
Work in Progress (excluding Capital Works).	\$146,776	\$215,119

17. **Fixed Assets.**

	1982/83	1981/82
Permanent Way	\$33,786,645	\$30,579,545
Rolling Stock — Tramcars	39,424,025	71,078,000
Rolling Stock — Buses	6,806,278	6,765,843
Electrical Equipment of Lines	1,760,445	1,433,410
Transmission Lines and Feeders	917,002	884,305
Substation Plant	2,406,279	2,153,428
Land and Buildings	12,345,504	8,409,460
General Plant and Equipment	3,525,395	2,811,832
Furniture and Fittings	2,222,919	941,195
Motor Vehicles and Mobile Plant	2,370,152	1,922,545
	<hr/>	<hr/>
Less Provision for Depreciation (on Leased Assets only)	\$105,564,644 31,938,323	\$126,979,563 32,519,962
	<hr/>	<hr/>
Work in Progress - Capital Works	73,626,321 5,103,328	94,459,601 3,976,375
	<hr/>	<hr/>
	<u>\$78,729,649</u>	<u>\$98,435,976</u>

18. **Leased Assets**

Rolling Stock - Tram	\$51,620,000
Less Accumulated Amortisation	721,654
	<hr/>
	<u>\$50,898,346</u>

19. **Intangible Assets (nett of Amortisation)**

	1982/83	1981/82
Alterations to Mains, Sewers, etc.	\$338,223	\$338,223
Contribution towards Bridges, Roads, etc.	1,537,209	1,537,209
Sundry Construction Account Charges, etc.	1,006,966	1,006,966
Expenditure on Scheme for Proposed Tramways.		63,800
	<hr/>	<hr/>
	2,882,398	2,946,198
Less Accumulated Amortisation	1,915,569	1,921,722
	<hr/>	<hr/>
	\$966,829	\$1,024,476
	<hr/> <hr/>	<hr/> <hr/>

20. **Bank Overdraft (nett of Cash in Hand)**

		1982/83	1981/82
Bank Overdraft		\$1,649,957	\$(160,709)
Less Cash on Hand	\$50,375		(33,245)
Conductors' Change	10,550	(60,925)	(9,779)
	<hr/>	<hr/>	<hr/>
		\$1,589,032	\$(203,733)
		<hr/> <hr/>	<hr/> <hr/>

21. **Creditors, Accruals and Provisions**

Included under the heading of Creditors, Accruals and Provisions are the following:

	1982/83	1981/82
Creditors:		
Trade Creditors	\$2,113,272	1,397,607
Miscellaneous Creditors	3,164,607	2,406,154
Accruals:		
Payroll Tax	1,043,249	238,320
Payroll Accrued	1,276,687	2,852,518
Interest on Loans	2,506,111	2,373,526
Purchase of Power - Traction Energy	259,000	218,231
Annual Leave	1,470,847	1,269,654
Legal Fees	140,000	92,000
Fire Insurance	43,817	42,014
Retiring Gratuities	17,659	138,202
Provisions:		
Public Liability Claims	4,800,000	3,727,555
Leasing of Buses	539,460	435,327
Superannuation Retirement Benefits	2,500,000	1,000,000
Miscellaneous	132,528	165,947
	<hr/>	<hr/>
	\$20,007,237	\$16,357,055
	<hr/> <hr/>	<hr/> <hr/>

22. **Capital Debt**

Capital Debt to be redeemed:

	1982/83	1981/82
Within one year	\$2,692,715	\$3,798,016
One year or more	97,881,402	95,315,800
	<hr/>	<hr/>
	\$100,574,117	\$99,113,816
	<hr/> <hr/>	<hr/> <hr/>

23. Leasing

The Board has entered into leasing arrangements in respect of 210 passenger buses for a period of ten years.

50 Volvo Buses	October 1978 — October 1988
130 MAN Buses	April 1981 — April 1991
30 MAN Buses	April 1982 — April 1992

Leasing charges in respect of these buses amounted to \$2,981,384 for the current year and are shown in the statement of operations.

The leases provide for a residual value of 10% at the end of the lease, with the option of renewing the lease.

Tram Lease Back agreements were arranged during the year to the value of \$51,620,000.

		Term of Lease	
Lease No. 1	22 Z3 Class Trams	\$10,230,000	10 years.
Lease No. 2	30 Z3 Class Trams	13,950,000	10 years.
Lease No. 3	16 Z3 Class Trams	7,440,000	10 years.
Lease No. 4	50 Z1 Class Trams	20,000,000	10 years.
		<u>\$51,620,000</u>	

Leases totalling \$51,620,000 were capitalized in the accounts. The amount of \$49,743,734 shown in the balance sheet represents the principal lease liability outstanding at 30 June, 1983. The leased assets will be amortised over the life of the assets.

During the 1983/84 financial year it is estimated that expenditure totalling \$7,236,375 will be paid on account of existing lease agreements.

(i) Lease for \$10,230,000	\$1,798,843
(ii) Lease for \$13,950,000	2,353,216
(iii) Lease for \$ 7,440,000	1,208,342
(iv) Lease for \$20,000,000	1,875,874
	<u>\$7,236,375</u>

24. Contractors' Deposits

Contractors' Deposits which have been received in cash are lodged in the general funds of the Board.

25. Sinking Fund

Amounts provided for Sinking Fund of \$3,758,383 in respect of outstanding capital debt are included in the investments shown below:—

	1982/83	1981/82
Inscribed Stock	\$3,770,548	\$3,196,000
Deposits at Call	28,650,000	6,200,000
	<u>\$32,420,548</u>	<u>\$9,396,000</u>

26. Contingent Liability as at 30 June, 1983.

A letter of credit with a limit of approximately \$131,052 has been arranged through the Commonwealth Trading Bank in respect of an overseas contract for the supply of equipment for new trams and buses.

27. Capital Commitments

The Board has contractual commitments for:—

New Trams	\$22,555,000
Automatic Vehicle Monitoring Systems. (which is subject to a lease agreement)	\$13,459,000
	<u>\$36,014,000</u>

The Transport Act 1983 (Number 9921) was proclaimed to become effective as from the 1st July, 1983. Under the provisions of the Transport Act, the Melbourne and Metropolitan Tramways Board ceased to exist. The successor Authority is the Metropolitan Transit Authority.

The Act provides for the Managing Director and Principal Accounting Officer of the successor authority to certify the correctness of the statement of accounts for the year ended 30 June, 1983.

In accordance with Section 234 (1) of the Transport Act 1983 we hereby certify that the attached accounts show a true and fair view of the financial transactions for the year and the state of affairs of the former Melbourne and Metropolitan Tramways Board at 30 June, 1983.

L. A. Strouse
Managing Director
Metropolitan Transit Authority

P. R. Riboni
Chief General Manager
Finance and Corporate Services
Metropolitan Transit Authority

AUDITOR-GENERAL'S REPORT

The books and accounts of the Melbourne and Metropolitan Tramways Board for the year ended 30 June 1983 have been audited as required by Section 234 of the Transport Act 1983.

(1) As stated in note 9 to the accounts:

- (a) The Board provided an amount of \$1.5 million in the year for Superannuation and Retiring Benefits. The Board indicates it cannot provide an accurate determination of its liability, therefore I am unable to express an opinion on the adequacy of the provision of \$2.5 million.
- (b) The Board has not made specific provision in the accounts for sick leave, long service leave and gratuities which it has estimated as amounting to \$23.668 million. As a result, it is my opinion, that the liabilities in the balance sheet are understated by an amount of \$23.668 million.

(2) As stated in note 21 to the accounts, the Board has increased the provision for public liability claims from \$3.727 million to \$4.8 million. Included in the \$4.8 million is an amount of \$1.491 million in respect of which the Board cannot provide any evidence to support its estimate and thus I am unable to express an opinion in respect of this portion of the provision for public liability claims.

Subject to the above, in my opinion, the accompanying financial statements, being the balance sheet and statement of income and expenditure, are properly drawn up so as to present a true and fair view of the state of the affairs of the Board at 30 June 1983 and of the operations of the Board for the year ended on that date.

B. J. WALDRON
Auditor-General
6/1/84

COUNTRY ROADS BOARD

REPORT FOR THE YEAR ENDED 30th JUNE 1983

Road Construction

The Board completed the following major construction projects during the year.

- a \$15m dual carriageway and road over rail overpass at Latrobe Terrace, Geelong;
- a \$26m dual carriageway and bypass project on the Hume Freeway at Seymour;
- a bypass of Wallace and Bungaree on the Western Freeway, at a cost of \$23.6m;
- the \$1.6m construction of the Old Gippsdown Interchange at Moe on the Princes Freeway.

Progress continued during the year on other major projects, a number of which will be completed in 1983/84. The most notable of these ongoing construction works are: the Calder Highway bypass of Keilor; the Princes Freeway bypasses of Berwick and Warragul; the Western Freeway bypass of Melton; and Hume Highway construction work on the Benalla and Wodonga bypasses and duplicate carriageways south of Euroa and Wodonga.

A Nepean Highway project for the construction of 6.8 kilometres of dual carriageway between Elsternwick and Moorabbin is expected to be completed in late 1984 at a cost of \$60m. Stage I of the Princes Highway project in Caulfield, between Waverley and Tooronga roads, is well underway with completion expected in early 1985 at an estimated cost of \$5.25m. The final project will provide four lanes for traffic in each direction between Waverley and Hawthorn Roads.

The Board continued or completed work on several significant planning studies dealing with stretches of the Calder Highway (Diggers Rest to Gisborne), Princes Highway (Trafalgar), Western Highway (Princes Highway to Ashley Street) and a number of major metropolitan arteries.

During 1982/83 work was commenced on 93 bridges estimated to cost \$24.6m. This represented a considerable increase on works undertaken in the previous year, which amounted to 69 bridges at an estimated cost of \$21.9m.

A review of road classifications throughout Victoria was completed with a view to correcting the most serious anomalies and achieving a more desirable continuity in the declared road network. Following discussions with Municipal Councils, an additional 190 km of State Highways, 469 km of main roads and 62 km of tourist roads were declared from 1 July, 1983.

Finance

Funds totalling \$147.61m were made available to Victoria by the Commonwealth for road works in 1982/83 under the Roads Grants Act 1981 (As amended).

The Australian Bicentennial Road Development Program commenced in late 1982. A Trust Fund was established by the Commonwealth for the granting of additional financial assistance to the States and the Northern Territory for the upgrading of roads and other purposes in celebration of the Bicentenary in 1988. In 1982/83 expenditure on roads from funds provided to Victoria from this Trust Fund amounted to \$16.4m. Funds were expended on work on national, arterial and local road projects; for example, the Nepean Highway widening, the Benalla bypass on the Hume Freeway and the Calder Highway between Ravenswood and Big Hill. Approximately \$2.2m of these funds was allocated to municipal councils in 1982/83.

The Board's general allocation to municipal councils in 1982/83 amounted to \$122.9m. This was distributed across Victoria's 211 municipal councils and to French Island for works on main and unclassified roads.

West Gate Bridge

The first increase in toll fees since the Bridge opened more than three and a half years earlier came into effect on 30 August, 1982. Toll increases of between 25% to 33%, together with a slight growth in traffic volume, produced a 20% increase in the level of revenue over the previous year. Accrued revenue from tolls for 1982/83 was \$8,366,299 as compared with \$6,750,760 in 1981/82.

COUNTRY ROADS BOARD

STATEMENT OF ACCOUNTS FOR YEAR ENDED 30 JUNE 1983

EXPLANATORY NOTES

1. Section 128 of the Country Roads Act stated—

“128 The Board shall as soon as practicable after the termination of each year present a report to the Minister setting forth its proceedings, the permanent works constructed, and the roads maintained during such year. The report shall give particulars as to the locality of the works constructed and of the roads maintained and the mileage of such roads and shall contain an account of all moneys received and expended under the provisions of this Act.”

In accordance with Section 128 the accounts of the Country Roads Board were maintained on a cash accounting basis throughout financial year 1982/83 although separate accounts were also kept on an accrual basis relating to the operations of the West Gate Bridge.

2. However Section 234 (1) of the Transport Act which was assented to on 23 June 1983 and repealed the Country Roads Act as from 1 July 1983 provided for the preparation of a statement of accounts for the Country Roads Board on an accrual accounting basis. Section 234 (1) states—

“The relevant successor Authority shall as soon as practicable after 1 July 1983 and not later than 1 December 1983 cause to be prepared a statement of accounts in respect of the former Authority for the year ending on 30 June 1983 in a form appropriate to the activities of the former Authority and certified to be correct by the Managing Director and the principal accounting officer (by whatever name called) of the relevant successor Authority and including such information as is necessary to give a true and fair view of the financial transactions and state of affairs of the former Authority.”

3. Accordingly the attached statements have been prepared by adjustment of accounting records maintained on a cash basis to give recognition to accrual accounting concepts where possible. Where necessary, estimates based on statistical samples have been made. Comparative information for 1981/82 is not available in the same format.
4. The accounts of the Country Roads Board were maintained on an historical cost basis.

COUNTRY ROADS BOARD

STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 1983

	Notes	\$	\$
CURRENT ASSETS			
Cash		1,652,703	
Trust Fund Balances held in D.M.B.	(11)	1,735,784	
Deferred Charges	(12)	171,800	
Debtors	(13)	3,450,559	
Prepayments	(14)	604,698	
Inventories	(15)	5,904,512	
Short term investments	(16)	400,348	
Amounts owing by municipalities for permanent works		95,879	14,016,283
		<hr/>	
NON-CURRENT ASSETS			
Long term investments	(16)	81,876	
Mortgages on properties sold		2,725,555	
Interest free loans	(17)	152,419	
Amounts owing by municipalities for permanent works		1,527,668	4,487,518
		<hr/>	
FIXED ASSETS			
Land and buildings	(18)	39,396,561	
West Gate Bridge	(19)	191,616,563	
Plant and motor vehicles	(20)	20,096,727	
Equipment — including traffic facilities	(21)	5,960,884	257,070,735
		<hr/>	
			<u>\$275,574,536</u>
CURRENT LIABILITIES			
Overdraft	(22a)	3,800,000	
Loans	(22b)	24,350,193	
Creditors		3,069,806	
Accrued Entitlements to staff & employees	(23)	9,300,000	
Prepaid Tolls and Rent		413,337	
Other	(24)	1,529,609	42,462,945
		<hr/>	
NON-CURRENT LIABILITIES			
Accrued entitlements to staff & employees	(23)	15,048,798	
Long Term Borrowings & Advances	(25)	288,854,309	303,903,107
		<hr/>	
Accumulated Loss — West Gate Bridge Operations		Dr.102,985,299	
Accumulated Funds — CRB		32,193,783	Dr. 70,791,516
		<hr/>	
			<u>\$275,574,536</u>

COUNTRY ROADS BOARD
STATEMENT OF FINANCIAL TRANSACTIONS
FOR YEAR ENDED 30 JUNE 1983

	Notes	\$	\$	\$
COLLECTIONS				
Collections on behalf of Consolidated Fund	(1)		18,900,136	
Works & Services Appropriations	(2)		181,662,517	
Recurrent Annual Appropriations	(2)		240,466,000	
Funds Available via Miscellaneous Accounts	(3)		1,565,252	
Other Income	(4)		5,108,849	447,702,754
EXPENDITURE				
Road Expenditure				
Main Roads — Construction and Reconstruction		41,123,638		
Maintenance		23,630,387		
State Highways — Construction and Reconstruction		51,509,373		
Maintenance		29,651,267		
Freeways — Construction and Reconstruction		65,917,687		
Maintenance		7,511,827		
Tourists' Roads — Construction and Reconstruction		3,504,108		
Maintenance		3,853,171		
Forest Roads — Construction and Reconstruction		1,012,880		
Maintenance		1,596,693		
Unclassified Roads — Construction and Reconstruction		48,358,903		
Maintenance		11,989,873		
Tram Tracks Reconstruction (MMTB)		487,053		
Murray River Bridges & Punts		520,800		
Rail/Road Bridges Protection		1,469,827		
Traffic Line Marking		4,282,943		
Traffic Facilities Program — Works Expended	(5)	7,534,847	303,955,277	
Non-road Expenditure				
Management and Operating	(6)	57,053,484		
Management & Operating — Traffic Facilities Program	(5)	2,141,096		
Accrued Staff & Emp. Entitlements (Net of Prep.)	(14&23)	8,900,000		
Planning & Research		4,800,361		
Statutory & Financial Payments	(7)	63,030,782		
Miscellaneous Expenditure	(8)	916,196	136,841,919	440,797,196
Operating Surplus plus Profit on Sale of Fixed Assets	(10)			6,905,558 248,829
OPERATING SURPLUS — CRB Operations				7,154,387
West Gate Bridge Operations				
Operating Deficit	(9)			24,457,643
DEFICIT FOR THE YEAR				17,303,256

APPROPRIATION STATEMENT FOR YEAR ENDED 30 JUNE 1983

	West Gate \$	CRB \$	Total \$
Balance brought forward 1 July 1982	78,527,656	Cr.25,039,396*	53,488,260
NET DEFICIT (Surplus CR) for year	24,457,643	Cr. 7,154,387	17,303,256
ACCUMULATED LOSSES (FUNDS — Cr.)	102,985,299	Cr.32,193,783	70,791,516

*CRB balance brought forward comprises net assets less liabilities as at 1 July 1982.

Notes to and Forming Part of the Accounts

1. Collections

All collections made on behalf of the Consolidated Fund were paid directly into that Fund. Details of these collections are as follows.

Municipal Contributions	\$3,806,080	
Sale of Surplus Land	9,065,902	
Interest on Investments	2,084,193	
General Receipts	3,943,961	
Total	\$18,900,136	

In addition to the above West Gate Bridge Toll cash receipts amounting to \$8,476,785 were collected. This amount after adjusting for accrued and prepaid toll revenue has been taken into account when calculating the West Gate Bridge Deficit.

2. Works and Services and Recurrent Annual Appropriations

Works and Services Appropriation (inc. \$50,000 for Municipalities Forest Roads Improvement Fund)	\$181,662,517	
Recurrent Annual Appropriations	\$240,466,000	

For details of the composition of the above appropriations refer to supplemental information not forming part of the accounts (Refer Appendix A)

3. Funds available via Miscellaneous Accounts comprise the following:—

Account	Amount	
— Natural Disasters Relief Account	\$668,729	
— Country Roads Board Special Works Account	896,523	
	\$1,565,252	

4. Other Income

Comprises the following items:

Municipal Contributions in arrears	\$ 52,910	
Rental Income — Arrears less prepaid	160,249	\$213,159
Fund Balances Brought Forward 1 July 1982		
— Country Roads Board Fund	4,785,753	
— Special Works Account	109,937	4,895,690
		\$5,108,849

5. Traffic Facilities Program

Prior to 1982/83 expenditure on Traffic Facilities projects was treated as part of the State road classification rather than as a specific works program. Expenditure on this program in 1982/83 comprised the following:—

— Works	\$7,534,847	
— Management & Operating	2,141,096	
	\$9,675,943	

The above expenditure does not include \$1,357,472 being the value of equipment held in stock for this program at 30 June 1983 (refer note 15).

6. Management & Operating		
Comprises expenditure on the following items:		
Personnel Expenses including salaries		\$46,783,463
Administrative overheads		4,514,374
Technical service overheads		3,177,652
Property Maintenance		1,466,909
Land Sales Costs		535,719
Special Works Charges		6,730
Depreciation		
— Buildings	\$273,155	
— Plant and Motor Vehicles	2,238,135	
— Equipment	468,025	2,979,315
		<hr/>
Doubtful Debts		24,500
		<hr/>
		\$59,488,662
less: Net Credits on Operating Accounts	\$1,189,414	
Transfers to Planning & Research	\$1,245,764	2,435,178
		<hr/>
		\$57,053,484
		<hr/> <hr/>
7. Statutory and Financial Payments		
Comprises the following items:		
Disbursements to the Consolidated Fund		
Collections (as per Note 1)	\$18,900,136	
West Gate Bridge Toll Cash Receipts	8,476,785	27,376,921
		<hr/>
Disbursements to the Works and Services Account (Being loan funds and temporary borrowings on behalf of West Gate Bridge)		15,300,000
Contribution to Transport Regulation Board		\$17,607,000
Interest Payments		2,746,861
		<hr/>
		\$63,030,782
		<hr/> <hr/>
8. Miscellaneous Expenditure		
This item refers to the net adjustment on the conversion of final accounts to an accrual basis and is represented as follows:		
Creditors Claims on Hand	\$981,785	
Less Accounts prepaid	65,589	
		<hr/>
		\$916,196
		<hr/> <hr/>
9. West Gate Bridge — Operating Deficit		
A separate set of accounts was maintained for West Gate Bridge. For details of how the deficit of \$24,457,643 is arrived at, refer to note 27 which shows the West Gate Bridge Operating Statement for year ended 30 June 1983.		
10. Profit on Sale of Fixed Assets		
Comprises the following items:		
Plant	\$177,028	
Land and Buildings	77,538	\$254,566
		<hr/>
Less loss on Sale of Equipment		5,737
		<hr/>
		\$248,829
		<hr/> <hr/>

11. **Trust Fund Balances**

As at the 30 June 1983, balances were held in the Trust Fund as follows:

The Country Roads Board Fund		\$1,371,466
Country Roads Board Security Account		364,318
		<hr/>
		\$1,735,784
		<hr/> <hr/>

12. **Deferred Charges**

This item represents balances held in various Head Office suspense clearing and distribution accounts pending allocation as operating expenditure.

13. **Debtors**

Government Departments	\$736,011	
Municipalities	2,425,702	
Contractors and Individuals	26,748	
Rentals	191,473	
	<hr/>	
	3,379,934	
West Gate Bridge Debtors	95,125	\$3,475,059
	<hr/>	
less Provision for Doubtful Debts		24,500
		<hr/>
		\$3,450,559
		<hr/> <hr/>

The provision for Doubtful Debts is based on an analysis of outstanding amounts.

14. **Prepayments**

Comprises the following items:

Bill financing charges	\$463,930	
Rent on accommodation	12,718	
Rent on computer equipment	34,597	
Maintenance contracts	4,500	
Insurance	61,334	
Employees Annual Leave — WGB	1,589	
— CRB	26,030	27,619
	<hr/>	
		\$604,698
		<hr/> <hr/>

15. **Inventories**

Comprises the following items at "Cost"

Stores and Precast Materials	\$5,644,512
Stationery Store	260,000
	<hr/>
	\$5,904,512
	<hr/> <hr/>

Includes stockholdings of \$1,357,472 purchased in connection with the Traffic Facilities Program.

16. **Investments**

Short Term Investments refers to SEC Inscribed Stock which has a face value of \$400,000.

Long Term Investments refers to SEC Inscribed Stock which has a face value of \$86,000.

17. **Interest Free Loans**

This item refers to loans made under Section 11C (1) of the Land Compensation Act 1958. These loans are secured by first mortgage on the property.

18. **Land and Buildings** — at assessed value

This item refers to those assets which are in service. Land and Buildings are shown at assessed values which are based on a combination of assessments made by officers of the RCA and registered valuers. Assessments are as at 30 June 1983. Depreciation charged on Country Roads Board Buildings for 1982/83 was \$273,155. Buildings associated with the West Gate Bridge operations were included at historical cost values.

19. West Gate Bridge

This item refers to the West Gate Bridge facility and is shown at the written down value at 30 June 1983. Depreciation is calculated on a straight line basis over the expected life of the asset. The annual rate of depreciation is 1%. Refer to Supplemental information, Appendix B note 2 (a) forming part of the West Gate Bridge Balance Sheet for a schedule of accumulated depreciation.

20. Plant and motor vehicles

Depreciation is calculated on a straight line basis. Major items are depreciated over a ten year nominal life with a 9% residual value. Minor items are depreciated over a five year nominal life with a 17% residual value. Motor vehicles used for West Gate Bridge operations are depreciated at 5% per annum.

	Cost	Accumulated Depreciation	Written Down Value 30/6/83
Country Roads Board	\$36,483,648	\$16,523,276	\$19,960,372
West Gate Bridge	154,731	18,376	136,355
	36,638,379	16,541,652	20,096,727

21. Equipment — including traffic facilities

Items in this category are shown at their written down value at 30 June 1983. Assets relating to the West Gate Bridge have been depreciated using the straight line method whereas the assets of the Country Roads Board have been depreciated using the reducing balance method. Depreciation charged in 1982/83 is as follows—

Country Roads Board	\$468,025
West Gate Bridge	329,850
	\$797,875

22a. Overdraft

The overdraft of \$3,800,000 has been guaranteed by the Government of Victoria

22b. Loans

Loans comprise the following:

Bills of Exchange	\$13,000,000
Inscribed Stock (Interest)	4,278,020
*Inscribed Stock (Principal)	5,572,173
Permanent Works	1,500,000
	\$24,350,193

* Balance of Inscribed Stock shown as Long Term Borrowings and Advances. Refer Note 25.

23. Accrued Entitlements to Staff & Employees

	West Gate Bridge	Country Roads Board	Total
Wages and Salaries	\$89,032	\$1,976,595	\$2,065,627
Annual Leave & Leave Loading	122,452	5,127,770	5,250,222
Long Service Leave 1982/83	23,831	1,821,665	1,845,496
	235,315	8,926,030	9,161,345
Long Service Leave Prior to 1/7/82	—	15,187,453	15,187,453
	\$235,315	\$24,113,483	24,348,798

The figure of \$235,315 for West Gate Bridge includes an amount of \$116,202 subsequently allowed for when consolidated on a uniform basis with the Country Roads Board accounts. A provision for Long Service Leave has been made for benefits accrued to staff and employees having regard to existing legal liability. No amount has been included in the accounts in respect of those employees who have not attained the length of service required to qualify for Long Service Leave.

It is anticipated that of the total accrued entitlements, \$9,300,000 will be paid out in 1983/84.

24. Other Current Liabilities

Comprises the following:

Treasury Advance	\$900,000
Sinking Fund Reserve	3,751
Contract Retentions	625,858
	<hr/>
	\$1,529,609
	<hr/>

25. Long Term Borrowings and Advances

Comprises the following:

Inscribed Stock	\$236,450,029
Victorian Government Advances	29,000,000
Permanent Works	23,404,280
	<hr/>
	\$288,854,309
	<hr/>

26. General Notes

Properties acquired for road works

At 30 June 1983 the Country Roads Board owned properties which are either required for future roadworks or situated in a "band of interest" or planning scheme for future roadworks, or surplus to requirements and awaiting final survey after roadworks, or land-locked awaiting plans of consolidation and restoration of access before being sold.

Where possible, these properties are rented or leased until required for road works or sold as surplus to requirements.

Type of Property	No.	Assessed Market Value at 30/6/83
Improved	907	\$ 54,811,500
Unimproved	2,639	81,276,733
		<hr/>
		\$136,088,233
		<hr/>

The market value of these properties was assessed at 30 June 1983 by officers of the RCA. These properties are not shown as an asset in the Statement of Assets and Liabilities because land acquisition costs are charged to road expenditure in the year of purchase. This treatment is consistent with expenditure on roads and bridges.

Other Items

(a) Claims

At 30 June 1983 a claim has been lodged with the Railway Construction and Property Board concerning \$9.75m of road funds expended in relation to the provision of a possible future railway line in the median of the Eastern Freeway.

(b) Forward Contracts

The value of contracts at 30 June 1983, which are expected to be completed during 1983/84, is:—

Capital Works — Building Construction	\$ 176,392
Road, Bridge and Ancillary works	\$30,972,589
*Land Acquisition	\$16,984,299

* The estimated value of all Land Acquisition and Requests to Purchase cases currently being negotiated is \$21,050,700.

(c) Superannuation

No provision has been made for the employer's contribution to the State Superannuation Fund under Section 20 of the Superannuation Act 1958.

27. West Gate Bridge

**COUNTRY ROADS BOARD —
WEST GATE BRIDGE
OPERATING STATEMENT
YEAR ENDED 30 JUNE 1983**

<u>1982</u>		<u>1983</u>	
\$	\$	\$	\$
6,750,760	TOLL REVENUE		8,366,299
	OPERATING EXPENSES		
	Administration Division		
2,304,537	Depreciation and amortisation	2,317,109	
210,231	Insurances	165,267	
325,494	Wages and salaries	299,388	
30,726	Superannuation	18,868	
7,595	Audit fees	—	
41,028	Members fees and allowances	—	
91,382	Power and heating	131,114	
269,041	Other	245,204	
<hr/>		<hr/>	
3,280,034		3,176,950	
	Operations Division		
1,484,695	Wages and salaries	1,731,533	
194,839	Other	207,136	
<hr/>		<hr/>	
1,679,534		1,938,669	
	Maintenance Division		
305,718	Materials and labour	434,309	
180,046	Wages and salaries	174,032	
93,129	Other	72,983	
<hr/>		<hr/>	
578,893		681,324	
191,161	Technical Services Division	166,974	
102,470	Public Relations & Marketing Division	61,741	
<hr/>		<hr/>	
5,832,092	TOTAL OPERATING EXPENSES		6,025,658
<hr/>			<hr/>
918,668	SURPLUS FROM OPERATIONS BEFORE FINANCE COSTS		2,340,641
22,827,121	Interest - inscribed stock	25,017,189	
2,581	- other	34,285	
1,741,465	Bills and other finance charges	1,683,334	
<hr/>		<hr/>	
24,571,167		26,734,808	
270,232	Less Interest received/receivable	51,137	26,683,671
		<hr/>	<hr/>
			24,343,030
	ABNORMAL ITEM		
—	Additional net accrued employee entitlements (notes 14 & 23)		114,613
<hr/>			<hr/>
23,382,267	LOSS FOR THE PERIOD		24,457,643
<hr/>			<hr/>

The West Gate Bridge Balance Sheet together with the notes forming part of that Balance Sheet (refer appendix B) should be read in conjunction with the above notes.

Subject to the explanatory notes at the commencement thereof the Statement of Assets and Liabilities and accompanying Income and Expenditure Statement together with the notes to those statements give to the best of our knowledge and belief, a true and fair view of the state of affairs of the Country Roads Board as at 30 June 1983 and the financial transactions for the year then ended.

T. H. RUSSELL
Chairman and Managing Director
Road Construction Authority

W. F. TURNER
General Manager — Finance
Road Construction Authority

AUDITOR-GENERAL'S REPORT

The statement of accounts of the Country Roads Board for the year ended 30 June 1983 have been audited, as required by sub-section (2) of Section 234 of the Transport Act 1983.

Reference is made in the statement of accounts to the supplemental information attached to but not forming part of the accounts. An audit opinion is not expressed in respect of the matters contained within such supplemental information.

In my opinion, the accompanying Statement of Assets and Liabilities and Statement of Financial Transactions present fairly the financial position of the Country Roads Board at 30 June 1983 and the results of its operations for the year then ended.

B. J. Waldron
Auditor-General
6/8/84

Supplemental Information not forming part of the Accounts

COUNTRY ROADS BOARD

Appendix A

WORKS AND SERVICES AND RECURRENT ANNUAL APPROPRIATIONS

FURTHER DETAILS

Works and Services Appropriations

Australian Bicentennial Road Development Program	(a)	16,354,912
Commonwealth Road Grants	(a)	144,194,605
Municipal Contributions	(b)	3,800,000
Sale of Surplus Land	(b)	1,963,000

Total Country Roads Board Operations		<u>166,312,517</u>
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Plus Appropriations for West Gate Bridge Operations

Inscribed Stock (Capitalised Receipt)	8,500,000	
Temporary Financial Accommodation	6,800,000	15,300,000

Plus Municipalities Forest Roads Improvement Fund		<u>50,000</u>
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181,662,517

Recurrent Annual Appropriations (previously paid into Country Roads Board Fund)

Payment in lieu of fees previously received under the Motor Car Act	(b)	108,000,000
Payment in lieu of fees from the Roads & Special Projects Fund	(b)	113,400,000
Investment Income	(b)	1,476,000
General Receipts	(b)	3,750,000

226,626,000

Less Amounts Previously Appropriated to Other Departments

RoSTA	2,650,000	
Ministry of Tourism	1,910,000	4,560,000

Total Country Roads Board Operations		<u>222,066,000</u>
--------------------------------------	--	--------------------

Plus Transfers for West Gate Bridge Operations

Special Grant	10,000,000	
Amount in lieu of Toll Fees	8,400,000	18,400,000

240,466,000

(a) Australian Bicentennial Road Development Funds and Commonwealth Road Grants were in the first instance paid to the credit of the Consolidated Fund and subsequently drawn down as expenditure was incurred. The actual amounts paid into the Consolidated Fund for year ended 30 June 1983 were as follows:—

Bicentennial Roads Program	20,467,000
Commonwealth Road Grants	147,671,000
	<u>168,138,000</u>

(b) In accordance with the Public Account (Trust Funds) Act 1982 moneys which were previously paid to the credit of the Country Roads Board Fund were, during 1982/83, paid into the Consolidated Fund and amounts were appropriated to the Country Roads Board in lieu of these receipts in accordance with either the Works and Services Appropriation Act 1982 or the Appropriation (1982/83, No. 1) Act 1982. Note 1 lists those amounts which were collected by the Country Roads Board during 1982/83 and were paid into the Consolidated Fund.

**COUNTRY ROADS BOARD —
WEST GATE BRIDGE
BALANCE SHEET - 30 JUNE 1983**

Appendix B

<u>1982</u>		<u>1983</u>
\$		\$
	LONG TERM LIABILITIES	
216,308,215	Inscribed stock	232,395,877
29,000,000	Advances - Government of Victoria — CRB Head Office	29,000,000 10,000,000
245,308,215		271,395,877
	These loans have been applied towards:	
	FIXED ASSETS	
194,381,552	West Gate Bridge	192,455,574
1,970,395	Other	1,688,776
196,351,947		194,144,350
	CURRENT ASSETS	
81,959	Maintenance stores - at cost	101,374
368,250	Prepayments - bill financing charges	463,930
46,681	- other	49,149
104,925	Debtors	95,125
	— Head Office — Clearing Account	168,467
50,776	Cash	62,360
43,376	Investments - Sinking Fund	443,724
695,967		1,384,129
197,047,914	TOTAL ASSETS	195,528,479
	Less	
	CURRENT LIABILITIES	
10,000,000	Bills of Exchange	13,000,000
14,112,658	Inscribed stock - principal	5,377,328
4,019,242	- interest	4,191,299
299,923	Creditors and accruals	331,675
30,081	Provision for staff entitlements	30,081
2,699	Contract retentions	1,654
261,598	Prepaid toll revenue	382,113
1,541,154	Bank overdraft	3,800,000
—	Sinking Fund Reserve	3,751
30,267,355		27,117,901
166,780,559	TOTAL ASSETS LESS CURRENT LIABILITIES	168,410,578
	Add	
	ACCUMULATED DEFICIT	
55,145,389	Accumulated loss at 30 June 1982	78,527,656
23,382,267	Loss for the period	24,457,643
78,527,656		102,985,299
245,308,215		271,395,877

COUNTRY ROADS BOARD

NOTES TO AND FORMING PART OF THE WEST GATE BRIDGE BALANCE SHEET FOR YEAR ENDED 30 JUNE 1983

1. SIGNIFICANT ACCOUNTING POLICIES

The basis of accounting and the accounting policies adopted in the preparation of the accounts are set out below:-

(a) Basis of accounting

The accounts have been prepared in accordance with generally accepted accounting principles which incorporate the accrual, going concern and historical cost conventions.

(b) Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost of each fixed asset during its expected useful life. The principal annual rates in use are-

Bridge, ancillary facilities and administration building	1%
Traffic surveillance control, toll collection and air conditioning equipment	15%
Motor vehicles	5%
Maintenance equipment	20%
Office furniture and fittings	7½%

(c) Provision for staff entitlement

The amounts expected to be paid to employees for their pro rata entitlement to long service and annual leave are accrued annually at current pay rates having regard to experience of employee departures and periods of service.

2. FIXED ASSETS

(a) West Gate Bridge

Comprising bridge across the River Yarra including all road works, toll gates, permanent works and buildings ancillary to the construction, operations or use of the bridge.

		\$
Bridge		196,537,413
Buildings		877,230
		197,414,643
Less Accumulated Depreciation — Bridge	\$4,920,850	
— Buildings	38,219	4,959,069
		192,455,574
Written down value at 30 June, 1983		

(b) Other assets

	Cost	Accumulated Depreciation	Written down value at 30/6/83
Traffic surveillance, control and toll collection equipment	1,852,525	730,174	1,122,351
Motor vehicles	154,731	18,376	136,355
Maintenance equipment	295,941	53,043	242,898
Office furniture and equipment	267,603	80,431	187,172
	\$2,570,800	\$882,024	\$1,688,776

3. INSCRIBED STOCK

The total value of inscribed stock on issue as at 30 June 1983 is as follows:-

	\$
Due for Repayment	
During year ended 30 June 1984	5,377,328
Later than 30 June 1984	232,395,877
	<hr/>
	237,773,205
	<hr/> <hr/>

In terms of the provisions of the Country Roads Act 1958 as amended by the West Gate Bridge Authority (Transfer of Functions) Act 1982 —

The inscribed stock with interest thereon was charged and secured upon the revenues of the Board.

The due repayment of the principal sums and the payment of interest secured by the inscribed stock is guaranteed by the Government of Victoria.

4. (a) ADVANCES GOVERNMENT OF VICTORIA

The advances are unsecured and subject to repayment on one month's notice. The Government does not propose any charge for interest during an initial period of five years ending 30 June 1985.

(b) ADVANCE CRB HEAD OFFICE

Represents a special allocation to West Gate Bridge out of the Country Roads Board Recurrent Annual Appropriation for 1982/83.

TRANSPORT REGULATION BOARD REPORT FOR THE YEAR ENDED 30 JUNE 1983

Licensed Vehicle Testers

The administration of the Licensed Vehicle Tester Scheme was transferred to the Board on 1 April, 1983, relieving the Police of this responsibility.

Tow Trucks

The Transport Regulation (Tow Truck) Act, established the power to declare a controlled area for the operation of accident-attending tow trucks and to establish an allocation centre to control metropolitan accident towing. Such a scheme was started on 1 September, 1982.

Taxis

A program which provides for disabled people to travel at half the normal taxi fare in either conventional taxis or vehicles specially designed for the carriage of disabled people was introduced on 14 February, 1983. Multiple hiring of taxis was also introduced during the year.

Bus Services

A number of new bus services were introduced during the year and services have been reorganised following reviews undertaken jointly by the Board and Ministry of Transport. Projects undertaken included reorganisation of Geelong's transport system, provision of bus transport for discontinued rail services and participation in public area transport reviews.

Vehicle Registrations

In October, 1982, a new billing system was introduced to enable payment of motor registration renewals to be made through the banking system. On payment at any bank the registered owner is immediately given a receipt for registration and insurance fees. Public acceptance of the new system is shown by the fact that about fifty percent of renewals are being transacted through the banking system.

Following an amendment to legislation, a revised method of handling transfers of registration is now operating. New certificates of registration which incorporate acquisition and disposal notices are being issued.

Driver Licences

Driver Licences can now be issued for six years, the benefit will appear in three years time when the yearly level of licence renewals will decline. For the three years from March, 1983, half of the renewal licences are to be issued for three years and half for six years.

Computerisation of the driver licence system will start during 1983/84 and a revised form of licence will be issued in 1984.

Regional Offices

The policy of providing motor registration and driver licence offices at selected locations within reasonable reach of the motorists throughout the State has continued. There are now 24 regional offices. This policy has meant that over the year the equivalent of 19 additional Police Officers have been released from registration and licensing duties, to perform Police functions.

Finance

Expenditure for 1982/83 was \$37.9 million which was \$1.3 million under budget and \$3.9 million more than 1981/82. Revenue collections to the Consolidated Fund ran ahead of budget, \$611 million was collected in 1982/83. The costs of administration as per the determination made by the Minister of Transport totalled \$36.6 million and following the abolition of the various Trust Funds by virtue of the Public Account (Trust Funds) Act 1982, amounts totalling \$20.2 million were collected for costs of administration under the determination made by the Minister of Transport.

TRANSPORT REGULATION BOARD

STATEMENT OF ASSETS AND LIABILITIES AT 30 JUNE 1983

	\$	\$
Accumulated Funds at 1 July, 1982	10,008,088	
Less Deficit for Year	155,392	
		\$9,852,696
Represented by —		
FIXED ASSETS (Notes 3 & 4)		
Land		607,000
Land and Buildings		962,144
Buildings on Crown and Leasehold Land		10,576,500
Office and other Equipment	378,738	
Less Accumulated Depreciation	289,610	89,128
EDP Equipment	1,166,258	
Less Accumulated Depreciation	776,011	390,247
Furniture and Fittings	762,891	
Less Accumulated Depreciation	419,320	343,571
Inspection Equipment	368,211	
Less Accumulated Depreciation	189,317	178,894
Motor Vehicles	655,159	
Less Accumulated Depreciation	169,347	485,812
		13,633,296
CURRENT ASSETS		
Cash on hand		19,640
Cash at Banks (note 12)		2,326,132
D.M.B. Deposits (Note 13)		625,908
Sundry Debtors (Note 11)	595,409	
Less. Provision for doubtful debts (Note 11)	53,180	542,229
Stores and Stationery		545,794
Prepayments		62,091
		4,121,794
TOTAL ASSETS		\$17,755,090
LESS LIABILITIES (Note 14)		
Bank Overdraft — (Note 11)	226,119	
Accrued Salaries	365,406	
Creditors and Accrued Expenses	642,385	
Accrued Disbursements Payable	3,226,972	
D.M.B. Advance (Note 15)	25,000	
Accrued — Annual Leave (Note 6)	338,483	
Accrued — Long Service Leave (Note 5)	3,078,029	
(See also Note 7)		7,902,394
NET ASSETS		\$9,852,696

TRANSPORT REGULATION BOARD
STATEMENT OF FINANCIAL TRANSACTIONS
YEAR ENDED 30 JUNE 1983

	\$	\$
COLLECTIONS (Note 2)		
Registration Revenue		606,677,091
Regulatory Revenue		1,400,217
Other Revenue		2,627,600
Recoupment of Administration Costs		20,224,000
Accrued Revenue Receivable		1,396,008
		632,324,916
Less		
Disbursements to Consolidated Fund and Works and Services Account		632,324,916
		Nil
Recurrent Annual Appropriation		37,937,428
Ministry of Transport Projects — Recoup	49,845	
Transport Fund Levy	86,913	
Gain on Sale of Motor Vehicles	73,548	210,306
		38,147,734
LESS EXPENDITURE		
Salaries and Related Costs	29,328,122	
Accommodation and related costs	1,299,185	
Other Operating Expenses	6,418,385	
	37,045,692	
Transport Levy	86,913	
Special Projects	42,285	
Police Charge for involvement in MRB activities	1,128,236	
	1,257,434	38,303,126
EXCESS OF EXPENDITURE OVER INCOME		155,392

TRANSPORT REGULATION BOARD
FINANCIAL STATEMENTS FOR YEAR ENDING 30 JUNE 1983
NOTES TO AND FORMING PART OF THE ACCOUNTS

Section 234 of the Transport Act 1983 requires the Road Traffic Authority to prepare annual accounts for the Transport Regulation Board for the financial year ended 30 June 1983.

1. Basis of Accounting

The accounts have been prepared on a full accrual basis and have not been adjusted to take account of the current costs of specific assets and the impact of such costs on the operating results.

2. Collections

All collections made on behalf of the Consolidated Fund were paid directly into that Fund. Allowance has been made for revenue accruals for money received by the Board but not paid to the Consolidated Fund at balance date and accounts receivable for revenue.

No accrued amounts have been included for the major items of Registration fees, Third Party Insurance Premiums and Driver Licences, since it is considered no debt is due until licence holders etc. notify their intention to renew by payment of the appropriate fees.

3. Asset Valuation

Furniture and Equipment has been valued on a combination of appraisal and historical cost. Schedules have been derived from stocktakes taken after balance date. For land and buildings, estimates of current market value have been used. These estimates have been derived from several sources, including insured values, Municipal valuations, Valuer-General's valuations, and Officer's estimates. For 1983/84 it is proposed to use Valuer-General's valuations revised at two yearly intervals for all land and buildings. All other assets have been valued at historical cost.

4. Depreciation

With the exception of land and buildings, assets have been depreciated on a straight line basis using rates based on estimated working lives of the assets, with no provision for residual values.

5. Long Service Leave Liability

Long service leave liability has been calculated only for employees with length of service in excess of ten years. Liability has been determined using an average pay rate and total number of years of service for which entitlement is due.

6. Annual Leave Liability

Annual leave liability has been calculated using an estimate of leave outstanding per employee at 30 June 1983, and an average pay rate. The estimate of leave outstanding was determined from a representative sample of employee records.

7. Superannuation Liability

No allowance has been made for superannuation liability for either existing or retired employees as no suitable data is available to calculate this liability.

Accurate information on this liability is being sought from the State Superannuation Board.

8. Transport Regulation Fund

The balance of \$415,459 held in the Transport Regulation Fund on 30 June 1982 was transferred to Consolidated Fund under the provisions of the Public Account (Trust Funds) Act 1982, with effect from 1 July 1982 and accordingly does not appear in the Statement of Revenue and Expenditure.

9. Ministry of Tourism Recoveries

An amount of \$330,459 owing from 1981/82 was recouped from the Ministry of Tourism. This amount does not appear in the Statement.

10. Bus Loans

Records of loans made to bus operators are maintained by the Board on behalf of the Ministry of Transport. All repayments of principal and interest received by the Board have been paid direct to the Consolidated Fund and Works and Services Account and these amounts are included in the Statement of Financial Transactions. The principal outstanding at 30 June, 1983 was \$2,766,262

11. Sundry Debtors

Included in Sundry Debtors is an amount of \$274,630 for dishonoured cheques outstanding at 30 June 1983. Of this amount \$226,119 was outstanding as an overdraft, in bank accounts. Of the total dishonoured cheques outstanding, an amount of \$53,180 has been deemed uncollectable and has been deducted from amounts owing to the Consolidated Fund at balance date.

12. Cash at Banks

The following summarises the disposition of Cash at Banks at 30 June 1983.

Head Office A/C		
TRB Advance	4,360	
MRB Excess Fees	(125,000)	
MRB No. 2 Suspense	7,564	
MRB Billing System	898,946	
TRB Suspense	7,254	793,124
		<hr/>
Regional Office Revenue Clearing A/Cs	(522,302)	
Regional Offices' Funds in Transit to Head Office	2,055,310	1,533,008
		<hr/>
		2,326,132
		<hr/>

13. D.M.B. Deposits

This amount is held by D.M.B. in the following accounts:

Departmental Suspense Accounts		
Motor Registration Branch	143,000	
Transport Regulation Board	3,000	146,000
		<hr/>
Transport Regulation Board Regional Trust Account		479,908
		<hr/>
		625,908
		<hr/>

14. Liabilities

The only non-current liability within this group relates to Long Service Leave. Because of the indeterminate nature of employee leave applications, resignations and retirements, no reliable apportionment of the \$3,078,029 Liability into Current and Non-Current Liability has been made.

15. D.M.B. Advance

This represents petty cash and change floats required for the Board's operations at the close of the financial year.

The Transport Act 1983 (Number 9921) was proclaimed to become effective as from the 1st July, 1983. Under the provisions of the Transport Act 1983, the Transport Regulation Board ceased to exist. The successor Authority is the Road Traffic Authority.

The Act provides for the Managing Director and Principal Accounting Officer of the successor authority to certify the correctness of the statement of accounts for the year ended 30 June, 1983.

In accordance with Section 234 (1) of the Transport Act 1983 we hereby certify that the attached accounts show a true and fair view of the financial transactions for the year and the state of affairs of the former Transport Regulation Board at 30 June, 1983.

K. Shea
Managing Director
Road Traffic Authority

L. G. Wilks
Chief General Manager
Corporate Administration
Road Traffic Authority

AUDITOR-GENERAL'S REPORT

The statement of accounts of the Transport Regulation Board for the year ended 30 June 1983 have been audited, as required by sub-section (2) of Section 234 of the Transport Act 1983.

In my opinion, the accompanying Statement of Assets and Liabilities and Statement of Financial Transactions present fairly the financial position of the Transport Regulation Board at 30 June 1983 and the results of the operations for the year then ended.

B. J. Waldron
Auditor-General
11/7/1984

ROAD SAFETY AND TRAFFIC AUTHORITY REPORT FOR THE YEAR ENDED 30 JUNE, 1983

Road Safety and Management

The key objectives have been to reduce road deaths and injuries and to improve the efficiency of the road traffic system in Victoria.

To achieve these objectives, the Authority has implemented programs directed towards the traffic environment, the road user and, to some extent, the vehicle.

The programs have been successful in that the number of people killed in 1982/83, was 709, the second lowest in 23 years. This is a significant achievement bearing in mind that over that period there have been large increases in licensed drivers, vehicles registered and distance travelled by vehicles.

Unfortunately, there has not been a similar reduction in the number of people reported as injured and that total has remained relatively constant for the past five years.

Traffic Signal Linking

A program of computer linking of traffic signals in the Melbourne Metropolitan area over a five year period has been developed with the current emphasis on inner suburban tram routes. During 1982/83, about 110 sites were connected to regional computers.

Road User Behaviour Programs

A number of Road User Behaviour Programs have been implemented, including:

- Motorcycle rider training for learner permit applicants which involves a defensive riding and roadcraft written test, and in certain areas a basic riding skills test or rider training course.
- Driver Improvement for drivers with more than one demerit point traffic offence in a specific period. Ninety-nine group discussion meetings of drivers were held under this program.

Publicity

Three major publicity campaigns have been used to promote safe road practices.

- Radar: which concentrated on the drivers perceived risk of being apprehended for speeding.
- Drink-Driving: with emphasis on the increased likelihood of being stopped at a Random Breath Test Station and on alternatives to driving after drinking.
- Use of Restraints: with emphasis being given to the "Buckle Up in the Back" Campaign.

Education

The following programs have been developed to educate school children on road safety.

- Roadwork which is a curriculum unit aimed at primary school children aged 5—10 years which incorporates material related to pedestrian and passenger safety.
- Bike Ed which is aimed at the 9—13 years old group, and seeks to increase their knowledge of road laws and basic bicycle mechanics, promote correct use of the roads and improve cycling skills.
- Science and the Road which is designed to integrate the teaching of road safety principles into the Year 10 curriculum.

Pilot Schemes

Two pilot schemes, the bicycle helmet promotion and the bassinet restraint loan scheme, have been continued through 1982/83. Results from both of these schemes will be evaluated in 1983/84.

Finance

An amount of \$9.96 million was appropriated for the 1982/83 year and \$1.5 million was provided for the capital works program.

ROAD SAFETY AND TRAFFIC AUTHORITY

STATEMENT OF FINANCIAL TRANSACTIONS

YEAR ENDED 30 JUNE 1983

COLLECTIONS (Note 2)

	\$	\$
Recovery of Promotion	2,065	
RoSTA Charges	5,841	
Developers' Contribution	133,500	
Other Receipts	119	
	<hr/>	
	141,525	
less Disbursements to the Consolidated Fund	141,525	Nil
	<hr/>	
Recurrent Annual Appropriations		9,963,772
plus Gain on Sales of Motor Vehicles		4,627
C.R.B. Contribution — Deferred Payments Scheme		499,970
		<hr/>
		10,468,369
EXPENDITURE		
Salaries and Related Costs	3,747,690	
General Expenses	715,407	
Research and Investigations	214,594	
Motorcycle Training	87,006	
Promotions and Publications	926,492	
Data Processing	237,077	
School Crossing Supervisors	3,899,577	
Signs and Lines	1,233,702	
Developer Funded Works	69,714	
Municipal Funded Works	96,852	
Metropolitan Traffic Facilities	30,770	
Deferred Payments Scheme-Transfer to Consolidated Fund	599,820	
—Contribution to C.R.B.	52,347	
Depreciation Expenses (Note 5)	119,539	
	<hr/>	
TOTAL EXPENDITURE		12,030,587
		<hr/>
EXCESS OF EXPENDITURE OVER INCOME (Note 3)		<u><u>\$1,562,218</u></u>

ROAD SAFETY AND TRAFFIC AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 1983

	\$	\$	\$
Accumulated Deficit at 1 July 1982		(1,037,642)	
Plus Deficit for year		(1,562,218)	
		<hr/>	(2,599,860)
NON CURRENT LIABILITIES			
Deferred Payments — Municipalities	870,237		
Loan — State Insurance (Note 9)	1,500,000		
	<hr/>		
		2,370,237	
CURRENT LIABILITIES			
Accrued Disbursements Payable	2,365		
Creditors	623,537		
School Crossing Subsidies	745,701		
Provision for Annual Leave (Note 7)	49,436		
Provision for Long Service Leave (Note 6)	150,083		
Deposits — Contractors	1,000		
Advances from municipalities (Note 10)	123,553		
	<hr/>		
		1,695,675	
TOTAL LIABILITIES (Note 8)			4,065,912
			<hr/>
			<u>\$1,466,052</u>
Represented by—			
FIXED ASSETS			
Motor Vehicles (Note 4)	287,539		
Less Accumulated Depreciation	115,780	171,759	
	<hr/>		
Furniture and Fittings (Note 4)	67,600		
Less Accumulated Depreciation	34,814	32,786	
	<hr/>		
Equipment (Note 4)	880,352		
Less Accumulated Depreciation	216,700	663,652	
	<hr/>		
			868,197
CURRENT ASSETS			
Debtors		202,346	
Statcon Hardware (Note 4)		82,715	
Traffic Facilities Hardware (Note 4)		117,135	
Stores and Stationery (Note 4)		46,243	
Cash in Transit		1,000	
Balance of Deferred Payments Trust A/C		123,553	
Trust Fund held in DMB		1,000	
Prepayments		23,863	
		<hr/>	
			597,855
			<hr/>
			<u>\$1,466,052</u>

ROAD SAFETY AND TRAFFIC AUTHORITY
FINANCIAL STATEMENTS FOR YEAR ENDING 30 JUNE 1983
NOTES TO AND FORMING PART OF THE ACCOUNTS

Section 234 of the Transport Act 1983 requires the Road Traffic Authority to prepare annual accounts for the Road Safety and Traffic Authority for the financial year ended 30 June 1983.

1. Basis of Accounting

The accounts have been prepared on a full accrual basis and have not been adjusted to take account of the current costs of specific assets and the impact of such costs on the operating results.

2. Collections

The Authority made collections on behalf of the Consolidated Fund and these collections were paid directly into that Fund. Allowance has been made for revenue accruals for money received by the Authority but not paid to the Consolidated Fund at balance date.

3. Excess of Expenditure over Income

\$1.5 Million of the Excess of Expenditure over Income was funded by a loan from the State Insurance Office (see also note 9). The balance of the excess represents non-cash items such as depreciation and accruals.

4. Asset Valuation

Furniture and Equipment has been valued on a combination of appraisal and historical cost. Schedules have been derived from stocktakes taken after balance date. For land and buildings, estimates of current market value have been used. These estimates have been derived from several sources, including insured values, Municipal valuations, Valuer—General's valuations, and Officer's estimates. For 1983/84 it is proposed to use Valuer—General's valuations revised at two yearly intervals for all land and buildings. All other assets have been valued at historical cost.

5. Depreciation

Assets have been depreciated on a straight line basis using rates based on estimated working lives of the assets, with no provision for residual values.

6. Long Service Leave Liability

Long service leave liability has been calculated only for employees with length of service in excess of ten years. Liability has been determined using an average pay rate and total number of years of service for which entitlement is due.

7. Annual Leave Liability

Annual leave liability has been calculated using an estimate of leave outstanding per employee at 30 June 1983, and an average pay rate.

8. Superannuation Liability

No allowance has been made for superannuation liability for either existing or retired employees as no suitable data is available to calculate this liability.

9. Loans — State Insurance Office

A loan was obtained from the State Insurance Office for the purpose of traffic facilities program works. The loan is repayable in four years through the Victorian Transport Borrowing Agency with interest at 14.9% per annum, payable half yearly.

10. Advances from Municipalities

Advances are held from various Municipalities for funding the installation of traffic signals and other intersection treatments. The advances are interest free, and repayable after five years.

11. Capital Expenditure

Capital expenditure has been recognised only for realisable assets which are held by the Authority at balance date. All expenditure on Traffic Facilities has not been capitalised as the assets become the property of the relevant authority.

The Transport Act 1983 (Number 9921) was proclaimed to become effective as from the 1st July, 1983. Under the provisions of the Transport Act 1983, the Road Safety and Traffic Authority ceased to exist. The successor Authority is the Road Traffic Authority.

The Act provides for the Managing Director and Principal Accounting Officer of the successor authority to certify the correctness of the statement of accounts for the year ended 30 June, 1983.

In accordance with Section 234 (1) of the Transport Act 1983 we hereby certify that the attached accounts show a true and fair view of the financial transactions for the year and the state of affairs of the former Road Safety and Traffic Authority at 30 June, 1983.

K. Shea
Managing Director
Road Traffic Authority

L. G. Wilks
Chief General Manager
Corporate Administration
Road Traffic Authority

AUDITOR-GENERAL'S REPORT

The statement of accounts of the Road Safety and Traffic Authority for the year ended 30 June 1983 have been audited as required by sub-section (2) of Section 234 of the Transport Act 1983.

During the year the Authority paid an amount of \$1.5 million being the proceeds of a loan raised by the Authority to the Works and Services Account operated by the Department of Management and Budget and received from that Department an amount of \$1.5 million, such amount being appropriated to the Authority under the provisions of the Works and Services Appropriation Act 1982. These transactions were not included in the Statement of Financial Transactions.

As these transactions with the Department of Management and Budget were not legally contingent upon each other, in my opinion, both transactions should have been disclosed in the Statement of Financial Transactions. Therefore, in my opinion, both the collections and expenditure of the Authority are understated by \$1.5 million.

Except for the effect on the Statement of Financial Transactions of the matter discussed above, in my opinion, the accompanying Statement of Assets and Liabilities and Statement of Financial Transactions present fairly the state of affairs of the Road Safety and Traffic Authority at 30 June 1983 and the results of its operations for the year then ended.

B. J. Waldron
Auditor-General
25/7/84

RAILWAY CONSTRUCTION AND PROPERTY BOARD REPORT FOR THE YEAR ENDED JUNE 1983

Rail Works

Design work on the Webb Dock Rail Link commenced during the year. The project will require the construction of a bridge over the Yarra River, and is due to be completed by December 1984. Preliminary work has commenced on the construction of an Altona-Laverton Rail Link. This project is due to be completed in December 1984.

Jolimont Development

During the year detailed reports on the decentralisation of train stabling and the development of the Jolimont Rail Yards were prepared and presented to Cabinet. A Cabinet Committee has been established for the project to determine its economic viability and planning implications.

Relocation of Sale Station

During 1982/83 agreement was reached between VicRail and Sale City Council for the relocation of the Sale Railway Station.

Box Hill Station

Railway track and associated structural works continued on the Box Hill Station project throughout the year culminating in the elimination of the Station Street level crossing on 30 May, 1983. Two tracks are operational with temporary platform facilities in the southern half of the new rail cutting. Construction work for the remaining half of the cutting is proceeding. The old railway station buildings are now out of service.

Werribee Station

The redevelopment of Werribee Station which includes a pedestrian subway, new platforms and ramps was partially completed at 30 June 1983. The finishing and fit-out of the new facilities, including five shops, were well advanced. It is anticipated that the project will be completed during the last half of 1983 at a total cost of \$6 million.

Disposal of Surplus Railway Property

Following a careful evaluation of the benefits of proceeding with a conventional railway line to Doncaster it was decided to abandon this approach in favour of a light rail system. Sales of land made surplus as a result of this decision amounted to \$5.5 million at 30 June, 1983.

Sales of other surplus railway property amounted to \$2.4 million.

Railway Housing

There were 880 houses transferred by the Victorian Railways Board to the Railway Construction and Property Board during 1982/83. A total of 305 houses was sold during the year at a value of \$7 million.

RAILWAY CONSTRUCTION AND PROPERTY BOARD
BALANCE SHEET
as at 30th June, 1983

	Note	1983 \$	1982 \$
BOARD EQUITY			
Funds Provided from	2		
— State Treasury		8,414,085	6,772,983
— Transport Fund		12,934,859	12,934,859
Value of Assets Vested in Board	3	49,757,935	29,697,715
Accumulated Deficit	4	(963,336)	(740,078)
TOTAL BOARD EQUITY		70,143,543	48,665,479
REPRESENTED BY:			
FIXED ASSETS	5	422,591	387,825
NON CURRENT ASSETS			
Development Land	6	2,591,291	11,134,103
Housing	7	22,760,771	12,322,219
Trade Debtors	8	9,563,997	4,266,953
		34,916,059	27,723,275
CURRENT ASSETS			
Cash at Bank	9	2,636,975	90,684
Short Term Investments	10	750,000	450,000
Trade Debtors	8	3,326,567	608,788
Other Debtors	11	106,663	123,970
Prepayments	12	100,279	491,541
Development Land	6	7,775,072	1,862,000
Housing	7	4,463,435	5,002,500
Work in Progress	13	28,554,737	17,884,377
		47,713,728	26,513,860
TOTAL ASSETS		83,052,378	54,624,960
less NON CURRENT LIABILITIES			
Loans — Secured	14	2,831,290	1,996,626
Provision for Long Service Leave and Retiring Gratuities	15	220,443	181,991
Provision for Superannuation	16	1,278,954	962,833
		4,330,687	3,141,450
less CURRENT LIABILITIES			
Bank Overdraft	17	—	81,293
Creditors and Accruals	18	2,325,509	667,824
Loans — Secured	14	6,068,700	1,930,045
Provision for Annual Leave		183,939	138,869
		8,578,148	2,818,031
NET ASSETS		70,143,543	48,665,479

The accompanying explanatory notes form part of the accounts.

RAILWAY CONSTRUCTION AND PROPERTY BOARD

OPERATING STATEMENT for the year ended 30th June, 1983

	Note	1983 \$	1982 \$
HOUSING OPERATIONS			
Net Surplus/(Deficit) on Sale of Houses	19	(664,796)	(590,189)
Net Surplus/(Deficit) on Housing Rentals	20	(139,936)	224,721
Interest Received		444,984	123,850
Vote Funds Received from Treasury		—	84,244
		<hr/>	<hr/>
Surplus/(Deficit) on Housing Operations		(359,748)	(157,374)
DEVELOPMENT OPERATIONS			
Net Surplus on Sale of Development Properties	21	1,023,755	3,420
Net Surplus on Rentals	22	137,011	124,284
Interest Received		116,991	130,857
Loss on Sale of Fixed Assets		(4,999)	(242)
Sundry Income	23	255	92,192
Net Surplus/(Deficit) on Recovery of Internal Operating Costs Against Projects	24	(458,354)	(268,257)
Project Costs Written Off	25	(678,169)	(85,588)
Net Cost of Surveys Plans and Estimates Written Off		—	(39,069)
Vote Funds Received from Treasury		—	391,712
Surplus from Development Operations		<hr/>	<hr/>
		136,490	349,309
Total Surplus/(Deficit) from Operations before Abnormal Items		<hr/>	<hr/>
		(223,258)	191,935
Abnormal Items			
— Establishment of Opening Provision for Superannuation		—	(659,708)
— Establishment of Opening Provision for Long Service Leave for Permanent Staff		—	(102,912)
		<hr/>	<hr/>
Surplus/(Deficit) from Operations		(223,258)	(570,685)

The accompanying explanatory notes form part of the accounts.

RAILWAY CONSTRUCTION AND PROPERTY BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION for year ended 30th June, 1983

	Note	1983 \$	1982 \$
SOURCE OF FUNDS			
Total Surplus/(Deficit) from Operations for Year		(223,258)	191,935
Add back items for which cash outlays were not required in the current period			
Value of Assets Vested in the Board included in Cost of Sales		8,044,150	4,663,341
Provisions for			
— Depreciation		38,214	35,333
— Long Service Leave and Retiring Gratuities		38,452	38,070
— Superannuation		316,121	303,125
— Annual Leave		45,070	39,189
— Loss on Sale of Fixed Assets		4,999	242
		8,263,748	5,271,235
Funds from Operations		8,263,748	5,271,235
State Treasury - Capital Projects		1,641,102	411,365
Reduction in Land and Houses		4,746,323	—
Increase in Secured Loans		4,973,319	3,926,671
Sale of Fixed Assets		1,507	550
		19,625,999	9,609,821
USES OF FUNDS			
Increase in Work in Progress - Development Projects		10,670,360	7,383,611
Increase in Land and Houses		—	417,595
Purchase of Fixed Assets		79,486	227,502
Movement in level of Working Capital	26	5,948,569	4,185,652
		16,698,415	12,214,360
Resulting in an Increase/(Decrease) in Cash at Bank, Bank Overdraft and Short Term Deposits of:		2,927,584	(2,604,539)
		19,625,999	9,609,821

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. ACCOUNTING POLICIES

1.1 HISTORICAL COST

The financial statements of the Board are prepared in accordance with the historical cost convention.

1.2 ACCRUAL ACCOUNTING

The accounts are prepared on an accrual basis with debtors and creditors being brought to account in preparing the financial statements.

1.3 GOING CONCERN

On the 1st July-1983 the new Transport Act came into operation. Under this Act the Railway Construction and Property Board ceased to exist and the assets and liabilities were vested in the successor authority — the State Transport Authority. As these assets and liabilities will be taken up at book value in the successor authority, the financial statements have been prepared with assets being stated at the appropriate cost/value on the basis that operations will be continued in the successor authority.

1.4 SALE OF PROPERTY

Sales of property are brought to account on exchange of contracts provided the deposit has been paid, the contract is unconditional and all works have been completed. The full profit/loss is brought to account at the time of sale and where considered necessary, a provision for any doubtful debts is brought to account.

1.5 DEPRECIATION

Fixed assets are depreciated on the straight line basis at rates designed to recoup the cost of each asset over its expected life. No depreciation is provided in respect of housing assets.

1.6 HOLDING CHARGES

Holding charges consisting of interest and rates are capitalised in respect of major projects. In respect of minor projects and housing, holding charges are charged against income in the current year.

1.7 HOUSES AND LAND VESTED IN THE BOARD

Houses and land transferred from VicRail are vested in the Board at Board valuation. This valuation may be subject to variation in the case of development land where valuations are subsequently obtained from the Valuer General's office. When sales are made, the profit/loss is determined after deduction of the Board's valuation of the property at the time of vesting and all costs associated with any subsequent upgrading and/or development.

2. FUNDS PROVIDED

This represents all funds provided by the State Treasury and the former Transport Fund operated by the Ministry of Transport for expenditure of a capital nature.

3. VALUE OF ASSETS VESTED IN THE BOARD

1983	1982
\$	\$

This represents the cumulative value at the Board's valuation of houses and development land vested in the Board by the Victorian Railways Board to the 30th June 1983.

The value of houses vested in the Board by the Victorian Railways Board did not allow for expenditure expected to be incurred by the Board in meeting certain Melbourne and Metropolitan Board of Works requirements. Subsequent to 30th June 1982, the Victorian Railways Board readjusted the value of these houses to allow for such expenditure. The value of assets vested in the Board has been similarly adjusted, and the provision for reinstatement of M.M.B.W. Works shown as a deduction from this item at 30/6/82 is now no longer required.

49,757,935	29,697,715
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4. ACCUMULATED DEFICIT TO DATE

The composition of the accumulated deficit is as follows:—

Accumulated Surplus/(Deficit) Brought Forward	(740,078)	(169,393)
Total Surplus/(Deficit) from Operations before abnormal items	(223,258)	191,935
Abnormal item — Creation of Opening Provisions	—	(762,620)
	<u>(963,336)</u>	<u>(740,078)</u>

5. FIXED ASSETS

The fixed assets of the Board are as follows:—

Motor Vehicles

At Cost	128,171	128,171
less Provision for Depreciation	27,429	14,612
	<u>100,742</u>	<u>113,559</u>

Furniture and Fittings

At Cost	126,300	153,061
At Valuation 30th June 1981	37,600	37,600
	<u>163,900</u>	<u>190,661</u>
less Provision for Depreciation	17,922	11,306
	<u>145,978</u>	<u>179,355</u>

Office Machines and Equipment

At Cost	177,180	80,099
less Provision for Depreciation	23,485	12,908
	<u>153,695</u>	<u>67,191</u>

Leasehold improvements

At Cost	36,960	36,960
less Amortisation	14,784	9,240
	<u>22,176</u>	<u>27,720</u>

TOTAL

	<u>422,591</u>	<u>387,825</u>
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6. DEVELOPMENT LAND

The composition of Development land at balance date was as follows:—

Non Current - held for future development/sale

Land and housing — Eastern Railway — at cost	121,100	6,380,743
Other Development Land — at valuation	2,470,191	4,753,360
	<u>2,591,291</u>	<u>11,134,103</u>

Current — expected to be realised within twelve months

Land and Housing — Eastern Railway — at cost	1,597,371	—
Other Development land — at valuation	6,177,701	1,862,000
	<u>7,775,072</u>	<u>1,862,000</u>
	<u>10,366,363</u>	<u>12,996,103</u>

7. HOUSING

This balance relates to housing held for rental purposes for VicRail employees. The composition at balance date was as follows:—

Non Current - held for rental or future sale		
Land and Housing at cost	116,294	39,093
Land and Housing at Valuation	22,644,477	12,283,126
	<u>22,760,771</u>	<u>12,322,219</u>
Current - expected to be sold within twelve months		
Land and Housing at cost	155,435	338,827
Land and Housing at valuation	4,308,000	4,663,673
	<u>4,463,435</u>	<u>5,002,500</u>
	<u>27,224,206</u>	<u>17,324,719</u>

As explained in Note 3 to the accounts the “provision for reinstatement of M.M.B.W. works” shown as a deduction from this item at 30 June 1982 is no longer required.

8. TRADE DEBTORS

The composition of Trade Debtors at balance date was as follows:—

Non current		
Housing Term Debtors	9,224,792	3,826,953
Development Land Debtors	339,205	440,000
	<u>9,563,997</u>	<u>4,266,953</u>
Current		
Housing Debtors	212,512	88,138
Development Land Debtors	3,114,055	520,650
	<u>3,326,567</u>	<u>608,788</u>
	<u>12,890,564</u>	<u>4,875,741</u>

It is board policy that houses not required for operating grade employees of VicRail be offered for sale to employees of VicRail on either a cash or terms basis. In the case of terms sales, the houses are sold at valuation plus the cost of renovations to a maximum limit of \$5,000. The cost of any renovations in excess of \$5,000 is paid by the purchaser at the time of the sale. No provision for bad or doubtful debts was considered necessary for the year under review.

9. CASH

Cash is comprised of:—

Housing - Bank Current Account	52,314	90,464
Development - Bank Current Account	2,584,401	—
Development - Cash on Hand	260	220
	<u>2,636,975</u>	<u>90,684</u>

Of Development Funds received on 30th June 1983, \$2,600,000 was placed on deposit with the Victorian Cash Management Account on the 1st July 1983.

10. SHORT TERM DEPOSITS

Funds held temporarily pending expenditure on housing and development works were invested in the Victorian Cash Management Account

750,000	450,000
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11. OTHER DEBTORS

The details of other debtors are as follows:—

Interest Receivable	33,080	9,954
Rent Receivable	21,055	34,659
Maintenance Receivable	18,847	16,619
Insurance Refund Due	15,522	50,496
Other	18,159	12,242
	<u>106,663</u>	<u>123,970</u>

12. PREPAYMENTS

The details of prepayments are as follows:—

Prepaid VicRail Charges	—	425,454
Prepaid Council Rates	82,735	44,953
Other	17,544	21,134
	<u>100,279</u>	<u>491,541</u>

13. WORK IN PROGRESS AT COST

The composition of Work in Progress at balance date was as follows:—

Box Hill Transport Centre	18,888,763	13,149,986
Werribee Station Underpass	6,106,415	2,383,780
Frankston Transport Centre	1,746,978	1,155,634
Jolimont Railway Redevelopment	514,193	391,731
Other Projects	1,298,388	803,246
	<u>28,554,737</u>	<u>17,884,377</u>

14. LOANS SECURED

The composition of Loans at balance date was as follows:—

Non Current - repayable after twelve months	2,831,290	1,996,626
Current - repayable within twelve months		
Principal	6,068,700	1,911,287
Accrued Interest	—	18,758
	<u>6,068,700</u>	<u>1,930,045</u>
	<u>8,899,990</u>	<u>3,926,671</u>

Included in loans secured - current in 1982 was an amount of \$1,526,671 which the Ministry of Transport had undertaken to provide the funds to repay.

15. PROVISION FOR LONG SERVICE LEAVE AND RETIRING GRATUITIES

The statutory liability in respect of staff comprises the following:—

Long Service Leave	207,937	172,111
Retiring Gratuities	12,506	9,880
	<u>220,443</u>	<u>181,991</u>

16. PROVISION FOR SUPERANNUATION

Provision has been made for the employer's liability for superannuation under the State Superannuation Fund. The employers' contributions are made only when benefits are paid to retired employees.

	<u>1,278,954</u>	<u>962,833</u>
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17. BANK OVERDRAFT

The Bank Overdraft is in respect of development and other activities

	<u>—</u>	<u>81,293</u>
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18. CREDITORS AND ACCRUALS

The dissection of creditors and accruals is as follows:—

Trade Creditors	297,696	254,501
Accrued Interest - Secured	354,173	113,208
Accruals	547,819	166,268
Deposits on sales	1,051,382	—
Other	74,439	133,847
	<u>2,325,509</u>	<u>667,824</u>

19. NET SURPLUS/(DEFICIT) ON SALES OF HOUSES

The net deficit on sales of houses was determined as follows:—

Sales value	7,038,457	3,760,152
Less Cost of Sales		
Value of Houses at Time of vesting	6,127,818	3,313,811
Renovations, Maintenance and Selling Costs	826,914	475,918
	<u>83,725</u>	<u>(29,577)</u>
less Administration Expenses		
Salaries	735,470	334,008
Overheads	287,208	352,168
Fees Recovered on Valuations and Surveys	(274,157)	(125,564)
Net Deficit on Sale of Houses	<u>(664,796)</u>	<u>(590,189)</u>

20. NET SURPLUS/(DEFICIT) ON HOUSING RENTALS

The net surplus/(deficit) on Housing Rentals is calculated as follows:—

Rent Received	1,341,622	673,524
less Maintenance Charges	741,992	178,826
Rates and Commissions	496,980	154,310
	<u>102,650</u>	<u>340,388</u>
less Administration Expenses		
Salaries	209,333	91,071
Overheads	147,164	54,276
Fees Recovered in respect of Renovations	(113,911)	(29,680)
Net Surplus/(Deficit) on Housing Rentals	<u>(139,936)</u>	<u>224,721</u>

21. NET SURPLUS/(DEFICIT) ON SALE OF DEVELOPMENT PROPERTIES

The net surplus was calculated as follows:—

Sales Value	7,900,800	1,374,730
less Valuation/Acquisition Cost	6,576,410	1,349,529
Labour and Related Costs	300,635	21,781
Net Surplus on Sale of Development Properties	<u>1,023,755</u>	<u>3,420</u>

22. NET SURPLUS ON RENTALS

The net surplus was calculated as follows:—

Rent Received	218,447	146,873
less Maintenance Charges	21,808	3,469
Rates and Commissions	59,628	19,120
Net Surplus on Rentals	<u>137,011</u>	<u>124,284</u>

23. SUNDRY INCOME

Forfeited Deposits	—	91,500
Other	255	692
	<u>255</u>	<u>92,192</u>

24. NET SURPLUS/(DEFICIT) ON RECOVERY OF INTERNAL COSTS AGAINST PROJECTS

Fees Recovered from Projects	2,496,638	2,529,046
less Expenses		
Salaries and Contract Labour	2,204,267	1,866,833
Superannuation	316,122	303,124
Long Service Leave and Retiring Gratuity	47,619	49,407
Annual Leave	45,070	41,884
Depreciation	38,214	24,831
Occupancy Expenses	205,897	193,645
Plant and Equipment Expenses	182,563	143,313
Consultants and Professional Fees	58,965	125,417
Other Expenses	333,997	396,479
Recovery of Above Expenses from Housing	(477,722)	(347,630)
Net Surplus/(Deficit) on Recovery of Internal Costs Against Projects	(458,354)	(268,257)

25. PROJECT COSTS WRITTEN OFF

For purposes of ongoing management control, each development and construction project is costed. Where a decision is made not to proceed with a particular project, the associated costs are charged against income at the time that decision is made.

678,169 85,588

26. WORKING CAPITAL MOVEMENTS

Increase in Trade and Other Debtors	7,997,516	3,897,126
Increase/(decrease) in Prepayments	(391,262)	385,190
Increase in Creditors and Accruals	(1,657,685)	(96,664)
	5,948,569	4,185,652

The Transport Act 1983 (Number 9921) was proclaimed to become effective as from the 1st July, 1983. Under the provisions of the Transport Act, the Railway Construction and Property Board ceased to exist. The successor Authority is the State Transport Authority.

The Act provides for the Managing Director and Principal Accounting Officer of the successor authority to certify the correctness of the statement of accounts for the year ended 30 June, 1983.

In accordance with Section 234 (1) of the Transport Act 1983 we hereby certify that the attached accounts show a true and fair view of the financial transactions for the year and the state of affairs of the former Railway Construction and Property Board at 30 June, 1983.

K. M. Fitzmaurice
Managing Director
State Transport Authority

G. Glinski
Chief General Manager
Finance and Accounting
State Transport Authority

AUDITOR-GENERAL'S REPORT

The books and accounts of the Railway Construction and Property Board have been audited as required under Section 234 of the Transport Act 1983. In my opinion, the attached balance sheet, operating statement and statement of changes in financial position are properly drawn up so as to present a true and fair view of the state of the affairs of the board as at 30 June 1983, and of the results for the year ended on that date.

B. J. WALDRON
Auditor-General
1/12/83

MELBOURNE UNDERGROUND RAIL LOOP AUTHORITY REPORT FOR THE YEAR ENDED 30 JUNE, 1983

While the loop will not be completed until the latter half of 1984, three tunnels, two underground stations, an overpass and upgraded signalling facilities have been commissioned during 1982/83. These will provide more convenient services for many of the people who regularly commute to and from the central business district or visit the city from time to time for business or other reasons.

The South booking hall of Parliament Station was opened on 22nd January, 1983, and three of the station's four platforms were brought into use. Work on Flagstaff Station continued below and above ground with the main entrance taking shape at the corner of William and Latrobe Streets.

Property Development

In August 1982, the Authority obtained a planning permit for redevelopment of 1.78 hectares of land south of Museum Station with frontages to Latrobe, Elizabeth, Lonsdale, Little Lonsdale and Swanston Streets.

Marketing of the Museum Station Redevelopment Area on an international basis will commence during the latter half of 1983.

Finance

A shortfall of \$14.5 million occurred in the Authority's anticipated total expenditure of \$38.7 million on the loop project for 1982/83. Delays in construction have resulted in a number of contracts not being completed and consequential contractual payments not becoming due until the next financial year.

MELBOURNE UNDERGROUND RAIL LOOP AUTHORITY

STATEMENT OF FINANCIAL TRANSACTIONS FOR THE YEAR ENDED 30TH JUNE, 1983

1982		1983
\$		\$
	FUNDS AVAILABLE TO THE AUTHORITY —	
	CONTRIBUTIONS — See Note 5	
1,900,000	Victorian Railways Board	2,050,000
4,218,700	City of Melbourne	4,911,400
6,328,050	Melbourne & Metropolitan Board of Works	7,367,100
30,653,506	Consolidated Fund	36,597,500
43,100,256		50,926,000
63,544,850	Borrowings — Inscribed Stock	67,739,149
462,288	Earnings on Sinking Fund and Staff Retirement Investments	788,895
\$107,107,394		\$119,454,044
	THESE FUNDS WERE APPLIED AS FOLLOWS —	
	CAPITAL EXPENDITURE	
38,654,804	Works	19,376,817
5,939,195	Consultancy	4,865,366
3,804,719	Insurance	2,258,456
127,794	Property Expenditure	6,140,883
22,968	Other	39
48,549,480		32,641,561
632,499	Public Loan Expenses	642,493
846,042	Administrative Expenses	700,083
	LOANS	
42,310,468	Interest — net	51,556,494
9,736,281	Repayments — Inscribed Stock and Works and Services Account	27,750,720
487,447		79,307,214
	DECREASE IN CURRENT LIABILITIES	2,693,498
	INCREASE IN INVESTMENTS AND INTEREST	
1,833,755	(including contribution of \$1,681,491 to Sinking Fund)	2,456,714
2,510,751	INCREASE IN CURRENT ASSETS	987,359
200,671	INCREASE IN ADVANCES TO CONTRACTORS	
—	INCREASE IN OFFICE FURNITURE, FITTINGS & EQUIPMENT	25,122
\$107,107,394		\$119,454,044

MELBOURNE UNDERGROUND RAIL LOOP AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 1983

1982		1983	
\$		\$	\$
399,276,204	FIXED ASSETS — See Note 2 Loop Development Account — See Note 3	427,119,419	
135,038	Plant	135,038	
97,515	Office Furniture, Fittings and Equipment	122,637	
6,969	Motor Vehicle	6,969	
6,787,188	Land Acquisitions and Expenses — Section 30A/30B	12,928,071	
14,440,134	— Other	14,440,173	27,368,244
420,743,048			454,752,307
	INVESTMENTS — Inscribed Stock Fixed Deposits and Bonds		
5,806,963	Sinking Fund — See Note 6	8,277,349	
13,672	Staff Retirement Fund	—	
5,820,635			8,277,349
	CURRENT ASSETS		
—	Bank and Cash on Hand	1,286,154	
3,112,000	Investments — Short Term	3,011,800	
75,043	Accrued Interest Receivable	30,824	
155,620	Debtors and Prepayments	1,244	
3,342,663			4,330,022
	OTHER ASSETS		
9,190,043	Recoverable Charges — Interest Payable — See Note 4		11,513,599
439,096,389			478,873,277
	Less		
	CURRENT LIABILITIES		
626,326	Bank Overdraft less Cash at Bank and on Hand	—	
6,000,000	Short Term Advances	—	
252,400	Inscribed Stock Applications	2,500,000	
1,090,670	Sundry Creditors	842,627	
9,954,362	Accrued Interest Payable	11,903,387	
5,000	Contractors' Deposits	—	
13,672	Provision for Staff Retirement Fund	2,918	
17,942,430			15,248,932
\$421,153,959			\$463,624,345
	SOURCES OF FUNDS		
	CONTRIBUTIONS — See Note 5		
17,170,991	Victorian Railways Board	19,220,991	
17,221,823	City of Melbourne	22,133,223	
24,592,174	Melbourne & Metropolitan Board of Works	31,959,274	
104,746,684	Consolidated Fund	141,344,184	
163,731,672			214,657,672
151,316,679	Less Applied to Net Interest Paid	200,549,616	
12,414,993	Contributions Applied for Capital, Sinking Fund and Loan Reduction Purposes		14,108,056
1,167,454	INTEREST ON SINKING FUND		1,956,349
	INVESTMENTS — See Note 6		
	LOANS		
405,635,325	Secured by Inscribed Stock	445,635,324	
1,936,187	Works and Services Account	1,924,616	
407,571,512			447,559,940
\$421,153,959			\$463,624,345

MELBOURNE UNDERGROUND RAIL LOOP AUTHORITY

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR YEAR ENDED 30TH JUNE, 1983

These accounts are prepared in accordance with Section 234 of the Transport Act 1983 No. 9921.

1982 \$ 1983 \$

Note 1 ACCOUNTING POLICIES

The accounting policies adopted by the Authority, except where otherwise stated, include applicable accounting standards issued by the Australian accounting bodies.

Note 2
FIXED ASSETS are shown at cost. No provision is made for Depreciation.

Note 3
LOOP DEVELOPMENT ACCOUNT includes the contract amounts (as certified by the Authority's Principal Consultants) paid for those portions of the Loop now vested in the Victorian Railways Board pursuant to Section 41(1), viz .. \$146,988,506, administrative expenses of \$7.39 million and public loan expenses of \$3.77 million.

	The administrative expenses for the year were as follows-	
423,645	Salaries and Allowances	326,232
422,397	Other Administrative Expenses	373,851
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\$846,042		\$700,083

No provision has been made for the value of work by contractors but not certified by the Authority's Consultants (as Engineer under the contracts) as at 30th June, 1983.

	Note 4 RECOVERABLE CHARGES — Net Interest Payable	
	The contributions required to be paid to the Authority in respect of "loan redemption payments" are based on an estimate of the amount required to be set aside in the year for the redemption of loans and the interest to be paid in the year — not in respect of the amounts payable for the year. The amount of net interest recoverable is the amount of the accrual at the end of the year increased or reduced (as the case may be) by the deficit or excess contributions for the year.. viz-	
9,954,362	Accrued Interest Payable	11,903,387
75,042	Less Accrued Interest Receivable	30,824
<hr/>		<hr/>
9,879,320		11,872,563
689,277	Less Excess Contributions received for the year	358,964
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9,190,043	Recoverable Charges — Net Interest Payable	11,513,599

	Note 5 CONTRIBUTIONS	
	The contributions received for the year were applied as follows—	
40,547,857	To Interest Paid	49,232,937
1,371,467	To Sinking Fund	1,681,491
1,180,932	To Loan Reductions	11,572
<hr/>		<hr/>
\$43,100,256		\$50,926,000

	Note 6 SINKING FUND	
	The contributions to Sinking Fund and the interest received on its investments during the year were as follows—	
1,371,467	Contribution	1,681,491
461,007	Interest Received	788,895
<hr/>		<hr/>
\$1,832,474		\$2,470,386

The Transport Act 1983 (Number 9921) was proclaimed to become effective as from the 1st July, 1983. Under the provisions of the Transport Act, the Melbourne Underground Rail Loop Authority ceased to exist. The successor Authority is the Metropolitan Transit Authority.

The Act provides for the Managing Director and Principal Accounting Officer of the successor authority to certify the correctness of the statement of accounts for the year ended 30 June, 1983.

In accordance with Section 234 (1) of the Transport Act 1983 we hereby certify that the attached accounts show a true and fair view of the financial transactions for the year and the state of affairs of the former Melbourne Underground Rail Loop Authority at 30 June, 1983.

L. A. Strouse
Managing Director
Metropolitan Transit Authority

P. R. Riboni
Chief General Manager
Finance and Corporate Services
Metropolitan Transit Authority

AUDITOR-GENERAL'S REPORT

Pursuant to the provisions of the Transport Act 1983 the Melbourne Underground Rail Loop Authority ceased to exist on 1 July 1983. The books and accounts of the Authority for the year ended 30 June 1983 have been audited as required by sub-section (2) of section 234 of the said Act.

As stated in note 3 to the accounts, the Loop Development Account includes an amount of \$146,988,506 being the cost (as certified by the Authority's Principal Consultants) of that part of the loop which has been transferred to and is vested in the Victorian Railways Board, now the State Transport Authority. The Loop Development Account also includes administration costs of \$7.39 million and public loan expenses of \$3.77 million which have been identified in note 3 and insurance of \$16.95 million and consultancy costs of \$57.47 million which are not identified in the note. In my opinion a proportion of these costs which total \$85.58 million relate to that part of the loop which has been transferred to the Victorian Railways Board. However, the Melbourne Underground Rail Loop Authority has not determined such proportionate costs.

As a result of the abovementioned transfer, in my opinion, the fixed asset item, Loop Development Account, in the statement of financial position, is overstated by an amount in excess of \$146,988,506.

Except for the matters referred to above, in my opinion, the financial statements of the Melbourne Underground Rail Loop Authority are properly drawn up so as to present a true and fair view of the financial position of the Authority as at 30 June 1983 and the financial transaction for the year ended on that date.

B. J. WALDRON
Auditor-General
1/12/1983

**DECLARATIONS OF PECUNIARY INTEREST
HELD AT 30 JUNE, 1983**

Country Roads Board

Chairman	T. H. Russell
Deputy Chairman	W. S. Brake
Member	N. L. Allanson

Melbourne and Metropolitan Tramways Board

Chairman	F. D. Snell
Member	C. W. F. Faure

Melbourne Underground Rail Loop Authority

Chairman	I. F. Beaurepaire CMG
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Railway Construction and Property Board

Chairman	J. M. Bayley
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Road Safety and Traffic Authority

Chairman	A. P. Vulcan
Deputy Chairman	A. T. Fry

Transport Regulation Board

Chairman	G. J. Meech
Member	P. R. Hocking
Member	K. P. Shea
Secretary	C. J. V. Smith

Victorian Railways Board

Chairman	A. S. Reiher
General Manager	R. J. Gallacher

Part time Board Members	L. M. Perrott
	R. W. Ellis
	N. G. Wilson
	R. H. Hodges