



1916.

PARLIAMENT OF TASMANIA.

PUBLIC ACCOUNTS:

PROGRESS REPORT OF STANDING COMMITTEE AND APPENDIX.

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PROGRESS REPORT.

THE Standing Committee on Public Accounts has the honour to present the following Progress Report:—

Your Committee first considered the question of the interest properly chargeable upon Loans already made to Local Bodies under the provisions of "The Local Public Works Loans Act, 1890," and its amendments. After full discussion the following resolutions were adopted:—

- (1) That where there is any balance available as a loan to any local body under any Act, special or general, now in force, such balance, when drawn, shall bear interest at the rate payable by the Government at the time of the application for the further advance, and in addition shall pay the usual sinking fund and administration expenses.
- (2) That interest on loans issued under the Local Public Works Loans Acts between the 28th November, 1890, and the 11th November, 1904, be continued at 5 per cent., such rate to include sinking fund and administration.
- (3) That the interest payable by the Treasurer upon sinking funds created in respect of loans issued prior to the 11th November, 1904, should not exceed $3\frac{1}{2}$ per cent.
- (4) That interest on loans issued under the Local Public Works Acts from the 11th November, 1904, to the 30th June, 1916, be charged at the rate for the time being payable by the State, together with the contributions to the sinking fund arranged for at the time of the loan, and 10s. per centum for administration.
- (5) That the rate of interest on loans referred to in the last Resolution, not including sinking fund and administration expenses, be 5 per cent. for the current half-year from 1st July, 1916.

Your Committee then proceeded to consider the applications which had been made by various local authorities for loans, and has dealt with some of them in the manner hereinafter set forth.

BURNIE AND TABLE CAPE MARINE BOARD.

The Marine Board of Burnie and Table Cape applied for a further loan of £80,000 to enable it to extend the new breakwater and to effect other harbour improvements. Upon this application the Committee resolved :—

“ That the application made by the Marine Board of Burnie and Table Cape for a loan of £80,000 be recommended to Parliament subject to the insertion in the Bill of a clause similar to Section 5 of 1 Geo. V. No. 68, and that a sinking fund of £1 per cent. per annum is considered sufficient in regard to this loan.”

CIRCULAR HEAD MARINE BOARD.

The Marine Board of Circular Head made application for a loan of £8000 for harbour construction, and in connection with this application the Committee resolved :—

“ That the application made by the Marine Board of Circular Head for a loan of £8000, under ‘ The Local Public Works Loans Act,’ be recommended to Parliament with a £1 per cent. per annum sinking fund, but the Committee is unable to recommend any remission of interest as requested by the Board.”

PORT CYGNET MUNICIPALITY.

The Municipality of Port Cygnet applied for a loan of £2000 for the purpose of covering their costs in connection with the installing a new electric lighting scheme ; and the Committee arrived at the following conclusion in respect to the same :—

Resolved—“ That the application by the Port Cygnet Municipality for a loan of £2000 under ‘ The Local Public Works Loans Act,’ be recommended to Parliament, with a £2 per cent. per annum sinking fund.”

The same Municipality made further application for a loan of £700 for library, billiard-room, bioscope-room, billiard table, hall seats, piano, curtain, and lighting ; and Your Committee resolved to recommend Parliament to authorise a loan of £300 for the purposes of the library, billiard-room, and bioscope-room, but does not advise the grant of a loan for the other purposes.

ZEEHAN MUNICIPALITY.

The application of the Zeehan Municipality for a further loan of £6500 in connection with its electrical undertaking for the purpose of extending and improving the same was considered, and Your Committee resolved that the application be recommended to Parliament subject to provision being made for a sinking fund at the rate of £2 per centum per annum in respect of the new loan ; and also that the net profits of the undertaking, and sums realised from the sale of plant, be paid into the Treasury annually in reduction of the said loan.

NEW TOWN MUNICIPALITY.

The New Town Municipality made an amended application for a loan of £2000 for main-road widening, and £200 for concrete channelling of Jutland Creek ; and also £870 for the taking over of the Suburban Sports Ground, and Your Committee resolved to recommend the application to Parliament subject to a provision being made for a sinking fund of £2 per centum per annum in respect of the £1000 portion of the new loan, and that all profits derived from the sports ground be paid into the Treasury annually in reduction of the loan.

CRESSY WATER TRUST.

The Cressy Water Trust applied for a loan of £200 for the purpose of installing an oil-engine in order to secure an adequate supply of water to the ratepayers, and Your Committee resolved that the application be recommended to Parliament subject to provision being made for a sinking fund at the rate of £2 per centum per annum in respect of the new loan.

APPENDICES.

An Appendix (A) is added containing a table showing for various rates of interest on investments, and for various percentages of capital borrowed, the number of years required and the amount of uniform annual contributions to be placed to the credit of a sinking fund, which, properly invested, would suffice to redeem the principal borrowed at the close of the particular period as specified under the given rate of interest.

Appendix (B) contains the Amendments and new Clauses which Your Committee suggest should be added to several of the Bills which it has had under consideration.

N. E. LEWIS, Chairman.

No. 1 Committee Room,
House of Assembly,
November 14, 1916.

APPENDIX A.

REDEMPTION SINKING FUNDS.

TABLE Showing for various Rates of Interest Investments, and for various Percentages of Capital borrowed, the number of years required and the amount of Uniform Annual Contributions to be placed to the Credit of a Sinking Fund, which, properly invested, would suffice to redeem the Principal borrowed at the close of the particular period as specified under the given Rate of Interest.

NOTE.—The Sinking Fund Contribution does not include the regular annual charge for Interest due on Principal borrowed during the Period of Loan.

| Annual Contributions to Redemption Sinking Fund. | Sinking Fund Investment Rates. | | | | |
|--|--------------------------------|---------------|---------------|---------------|---------------|
| | 3 % | 3½ % | 4 % | 4½ % | 5 % |
| Rate % | Period—Years. | Period—Years. | Period—Years. | Period—Years. | Period—Years. |
| 1 | 46·90 | 43·73 | 41·03 | 38·74 | 36·72 |
| 1½ | 41·40 | 38·81 | 36·59 | 34·68 | 32·99 |
| 1½ | 37·17 | 35·00 | 33·12 | 31·50 | 30·06 |
| 1¾ | 33·78 | 31·94 | 30·33 | 28·93 | 27·67 |
| 2 | 30·99 | 29·42 | 28·01 | 26·78 | 25·68 |
| 2½ | 26·67 | 25·45 | 24·36 | 23·40 | 22·52 |
| 3 | 23·45 | 22·48 | 21·60 | 20·82 | 20·11 |
| 3½ | 20·94 | 20·15 | 19·43 | 18·79 | 18·19 |
| 4 | 18·93 | 18·28 | 17·67 | 17·13 | 16·63 |
| 4½ | 17·28 | 16·73 | 16·22 | 15·75 | 15·32 |
| 5 | 15·90 | 15·43 | 14·99 | 14·59 | 14·21 |

[Table computed by R. M. Johnson, I.S.O., F.S.S., Government Statistician, Tasmania.]