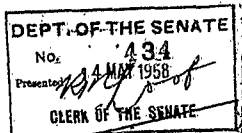


COMMONWEALTH



OF AUSTRALIA



SECOND ANNUAL REPORT
of the
TOBACCO INDUSTRY TRUST ACCOUNT
for year ended
30TH JUNE, 1957.

Department of Primary Industry
Canberra, A.C.T.

TOBACCO INDUSTRY ACT 1955

Statement by the Minister regarding the
Operation of the Act

In conformity with Section 7 of the Tobacco Industry Act 1955, I present to Parliament the Second Annual Report as to the operation of the Act for the period ended 30th June, 1957.

It will be recalled that the Act, No. 57 of 1955, established the Tobacco Industry Trust Account for the purpose of financing an expanded programme of tobacco research, investigation and advisory services throughout Australia.

The first Annual Report presented to this Parliament indicated the establishment, application and operation of the Trust Account, together with the composition and terms of reference of the Central Tobacco Advisory Committee

This report summarises the developments which have taken place during the year under review.

Signed: William McMahon
Minister of State for Primary Industry

Canberra. A.C.T.

8th May, 1958.

COMMONWEALTH OF AUSTRALIATOBACCO INDUSTRY TRUST ACCOUNTSECOND ANNUAL REPORT

The Tobacco Industry Trust Account is a Trust Account under Section 62A of the Audit Act 1901-1955 and was established by the Tobacco Industry Act 1955, No. 57 of 1955.

CENTRAL TOBACCO ADVISORY COMMITTEE

The Central Tobacco Advisory Committee held three meetings during 1956/57. The Fifth and Sixth Meetings were special meetings of this Committee convened to discuss the long-term prospects of the tobacco industry, particularly in relation to the lack of competition at auction and the possible increase in production of tobacco leaf.

The Seventh Meeting, held in Canberra on 11th and 12th April, 1957, was the annual meeting of the Central Tobacco Advisory Committee which considered the reports from the State Tobacco Advisory Committees and the estimated expenditure for 1957/58.

Tobacco Secretariat

At the Fourth Meeting of the Central Tobacco Advisory Committee held in Canberra on 27th and 28th June, 1956, the Victorian Tobacco Growers' Association suggested that a permanent Tobacco Secretariat be established within the Department of Primary Industry to act as a co-ordinating agency for the collection and correlation of information and its dissemination to interested parties. It would keep the industry informed as to what was happening, both in Australia and overseas.

The Association also suggested that approximately £2,000 per annum be made available from the Tobacco Industry Trust Account for the appointment of additional staff.

The Central Tobacco Advisory Committee at its Sixth Meeting, held in Canberra on 21st and 22nd November, 1956, agreed that a permanent Tobacco Secretariat be established in the Department of Primary Industry and that £2,000 per annum be made available for the appointment of an additional officer to expand the activities of this Secretariat.

Methods Sub-Committee

At the Seventh Meeting of the Central Tobacco Advisory Committee a sub-committee was formed, consisting of Mr. L. Chippendale (convenor), Queensland Department of Agriculture and Stock, Dr. D.W. Goodall, C.S.I.R.O., Mr. R.J. Leahy, Philip Morris (Aust.) Ltd., and Mr. Lamb,

British-Australasian Tobacco Co. Pty. Ltd., to examine and collate information relating to methods of chemical analysis and smoking tests, as well as to ascertain any correlation between chemical analysis and the smoking quality of leaf.

Estimated Expenditure 1957/58

After taking into consideration the moneys available from the amalgamation of the Tobacco Leaf Production Grant and the Tobacco Industry Trust Account, the Central Tobacco Advisory Committee, at its Seventh Meeting, recommended the following annual allocation for 1957/58 :-

New South Wales	£ 8,500
Victoria	12,040
Queensland	24,675
Western Australia	11,080
C.S.I.R.O.	34,000
Department of Primary Industry	<u>4,000</u>
<u>TOTAL</u>	<u>£94,295</u>

TOBACCO INDUSTRY TRUST ACCOUNT

During the 1956/57 year, policy was determined in relation to the proceeds from the sale of produce resulting from any work paid for out of moneys standing to the credit of the Trust Account and to commitments which could be carried forward into the next financial year.

It was agreed that, with the amalgamation of the Tobacco Leaf Production Grant and the Tobacco Industry Trust Account, the moneys remaining unexpended at 30th June, 1956, which had been received from the sale of tobacco leaf, etc. produced from allocations under the Grant, could be paid into the Trust Account and added to the allocation for establishment costs of the State concerned.

Maximum Annual Allocation

It was agreed that the maximum amount which may be made available to a State in any one year will be :-

- (a) its former allocation from the Commonwealth Tobacco Leaf Production Grant;
- (b) its State contribution to the Commonwealth Tobacco Leaf Production Grant;
- (c) its approved allocation from the receipts from levies and Commonwealth contributions; and
- (d) its revenue from sale of tobacco leaf, etc. produced from moneys allocated from the Trust Account.

The revenue from the sale of produce, tobacco leaf, seedlings, etc. produced from the moneys allocated from the

Tobacco Industry Trust Account is to be paid into the Trust Account. Similarly, each State's contribution under the former Tobacco Grant is to be paid into the Trust Account. These amounts will be reallocated to the State concerned and with the latter amount there will be a matching contribution from the Trust Account.

Commitments

It is recognised that, when the allocations were made for establishment, they were a fixed amount made available to the States and the C.S.I.R.O. for a definite programme of development. Therefore, this money is available to the Departments and the Organization concerned until the programme has been completed and the money expended.

With the Annual Allocations, the only unexpended moneys that can be carried forward to the next financial year are for firm commitments of expenditure from the programme that has been recommended by the Central Tobacco Advisory Committee and approved by the Minister. An item would be firmly committed when requisitioned by the Departments or the Organization concerned.

REPORT OF PROGRESS

The preliminary investigations into tobacco culture which have been made by the State Departments in recent years, with the assistance of the various tobacco grants, and the Commonwealth Scientific and Industrial Research Organization have enabled a rapid expansion of activity under the newly constituted Tobacco Industry Trust Account.

The introduction of this Trust Account has, because of its permanency, permitted a more long-term planning of research projects and has encouraged the recruitment of staff.

Indicated below are some of the major advances that have been made by the Commonwealth and State Departments concerned in putting into operation the programmes of research and investigation suggested by the Central Tobacco Advisory Committee at its Second Meeting in Canberra on 14th and 15th March, 1955.

Commonwealth Scientific and Industrial

Research Organization

In January, 1957, the C.S.I.R.O. took over control of the farm at Mareeba which was to become their new Tobacco Research Institute and have concentrated on its development.

The Institute is located on 125 acres of land three miles from Mareeba. The main building, consisting of six laboratories, offices, library, storeroom, workshop, photographic dark room and constant temperature room, is nearing completion and it is expected that the Institute will be opened early in October.

Staffing of the Institute has been almost completed. Dr. D.W. Goodall, Director, and other research staff

consisting of an agronomist, plant breeder, plant physiologist and biochemist, have been appointed. The appointment of all necessary ancillary staff will be finalised shortly.

The Institute's research programme will be concerned with physiological, biochemical, agronomic and plant breeding studies of the tobacco plant and will include a general analysis of the factors leading to higher yield and better quality of the cured leaf. The research programmes of the Institute have been formulated and will be fully developed during the coming season.

In addition to this development work at Mareeba, the Organization has continued its plant breeding programme for blue mould resistant varieties which is financed from the Tobacco Industry Trust Account and C.S.I.R.O. Funds. It has also extended its investigations into the control of blue mould and has commenced a study of the relationship between leaf structure and quality.

New South Wales

Arrangements have been made by the New South Wales Department of Agriculture to transfer the tobacco investigations from Bathurst to Glen Innes because of the prospects of expansion of the industry in the North West.

The Department's New England Experiment Farm at Glen Innes is one of the largest of such institutions and is conveniently situated to the present tobacco districts and the areas of possible expansion.

The glasshouse building at Glen Innes Experiment Farm has been completed and arrangements for heating and humidifying equipment to be installed are well in hand. Plans and specifications for a laboratory for cytogenetic investigations have been completed and work is expected to commence shortly. Most of the necessary equipment has been ordered. Field facilities for the cultivation of plant breeder's plots of tobacco have been installed.

The tobacco breeder will be transferred from Bathurst to Glen Innes. A plant pathologist is to be appointed, to be paid from Trust Account funds, to work in association with the plant breeder as well as to investigate plant pathological problems of the tobacco industry.

The principal research project, the breeding of flue-cured tobacco varieties resistant to blue mould, has been continued. Some degree of success has been obtained in the incorporation of the resistance from Nicotiana debneyi into the variety Hicks.

The tobacco breeder is on a six months visit to the United States of America to gain experience in the latest techniques used in tobacco breeding and production in that country.

There has been a general expansion of variety and cultural trials undertaken with the co-operation of commercial growers.

Victoria

The facilities at the Tobacco Research Station at Myrtleford are being expanded.

Approval has been given for laboratory and office accommodation, a glasshouse and staff cottages as well as other ancillary structures. Plans and specifications for most of the additional structures required have been completed and it is anticipated that the laboratory and offices, two cottages and glasshouse should be completed early in 1958.

The field investigations have been conducted mainly at the Tobacco Research Station, Myrtleford. However there have been trial plots on private properties at Gunbower, Markwood and Nathalia.

The range of work covered includes seed bed nutrition and weed control, variety trials, time of planting and spacing trials, nutrition of the tobacco plant and the control of blue mould in the field.

Queensland

The major tobacco investigational work will be undertaken at the Parada and the Inglewood Tobacco Experiment Stations which operate mainly on Trust Account funds. The Millaroo Regional Experiment Station, supported by State funds, will necessarily have tobacco as one of the main crops in land management and other trials. These stations will replace leased areas formerly used by the State at Mareeba and Clare. Their permanence alone will assist in the evaluation of the various trials. The facilities provided will also be a considerable improvement on those previously available to State tobacco officers.

Contracts have been let for the building of a manager's residence and three curing barns at Parada and Inglewood. The new buildings and the reconditioning of older structures at Inglewood are now nearing completion. The construction of two workmen's cottages, mess, stringing shed, bulk shed with grading annex, and a fuel shed has commenced at Parada. Completion of this work is expected early in the new year.

The year was an unsatisfactory one for experimental work other than that directly concerned with blue mould. North Queensland crops were cut to about half the expected yield by this disease while in the Inglewood district - including the Tobacco Experiment Station - a major effort was required to rehabilitate the tobacco lands following the severe floods of early 1956.

The main fields of investigation were variety trials, rotation trials, weed control, mechanization, nutrition and disease and pest control.

Western Australia

Provision has been made for the development of the Tobacco Research Station at Manjimup to support the expanded research programme. The experimental areas are to

be drained, additional water storage and irrigation equipment provided and further buildings and other equipment made available.

Facilities are to be made available to the Research Officer so that research and analytical work can be extended.

It is anticipated that, with the new programme, it will be necessary to expand investigations on to private properties so that a larger range of soil types than those represented on the Research Station can be tested. This will require additional equipment.

The more recent research programme in Western Australia has considered mainly seedbed techniques, the suitability of variety to the soil and climate, nutrition, irrigation and chlorine uptake.

Department of Primary Industry

The Tobacco Secretariat of the Central Tobacco Advisory Committee is within the Division of Agricultural Production, Department of Primary Industry. As this Division is responsible for the administration of the Tobacco Industry Trust Account, the main activities of the Secretariat during this year have been associated with the determination of policy for the application of Trust Account moneys, liaison with the State Departments of Agriculture and the C.S.I.R.O. for the implementation of the agreed programmes and the co-ordination of activities between the State Tobacco Advisory Committees and the Central Committee.

A Case "88" Tobacco Harvester was imported, transferred to Mareeba, North Queensland and assembled for preliminary trials. From these early trials, it was apparent that some modifications were required to make the machine more adaptable to Australian conditions.

The Central Tobacco Advisory Committee agreed that this machine should receive extensive trials in North Queensland before it was moved to other areas.

Arrangements have been made with the Film Division, Department of the Interior, and the Queensland Department of Agriculture and Stock for the production of a short colour film on the control of the tobacco root knot nematode. A rough treatment has been prepared and circulated to the State Departments of Agriculture for comment.

FINANCIAL STATEMENT

At 30th June, 1956, there was a balance in the Tobacco Industry Trust Account of £51,359.

The receipts of the Tobacco Industry Trust Account in 1956/57 totalled £172,911, being £41,267 transferred from the Consolidated Revenue Fund, as equivalent to tobacco charges collected; £52,500 appropriated from the Extension Services Grant for expansion of agricultural advisory services; £35,500 contributed by the tobacco manufacturing industry; £30,000 on £ for £ basis from Commonwealth and State Governments, the former Tobacco Leaf Production Grant; £10,500 from C.S.I.R.O.; and £3,143

from the sale of produce resulting from work paid for out of moneys standing to the credit of the Trust Account.

The payment from the Trust Account during this year was £200,126, leaving a balance of £24,144.

Statement of Receipts and Payments from
the Tobacco Industry Trust Account
for the year ended 30th June, 1957.

Payments			Receipts		
	£.	s. d.		£.	s. d.
New South Wales	15,000.	0. 0	Balance	51,358.	18. 0
Victoria	26,750.	0. 0	Commonwealth Contributions	67,500.	0. 0
Queensland	60,000.	0. 0	C.S.I.R.O.	10,500.	0. 0
Western Australia	21,000.	0. 0	Tobacco Charges	41,267.	8. 1
C.S.I.R.O.	76,000.	0. 0	Industry Contributions	35,500.	0. 0
Primary Industry	1,375.	17. 1	Tobacco Leaf Production Grant from States	15,000.	0. 0
Balance	24,143.	12. 5	Sale of Produce	3,143.	3. 5
	£ 224,269.	9. 6		£ 224,269.	9. 6

Statement of Expenditure and Cash on Hand in
each of the Departments' or Organizations'
Trust Accounts at 30th June, 1957.

	Total Cash		Expenditure						Cash on hand	
	Advanced		Establishment		Annual		Total		30/6/57	
	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
N.S.W.	15,000.	0. 0	Nil.		4,964.	4. 7	4,964.	4. 7	10,035.	15. 5
Vic.	26,750.	0. 0	240.	9. 0	9,145.	4. 10	9,385.	13. 10	17,364.	6. 2
Qld.	60,000.	0. 0	24,950.	8. 11	27,597.	7. 10	52,547.	16. 9	7,452.	3. 3
W.A.	21,000.	0. 0	3,140.	13. 5	8,677.	12. 11	11,818.	6. 4	9,181.	13. 8
CSIRO	76,000.	0. 0	18,585.	8. 7	31,802.	15. 6	50,388.	4. 1	25,611.	15. 11
P.I.	1,375.	17. 1	Nil		1,375.	17. 1	1,375.	17. 1	Nil	
Total	200,125.	17. 1	46,916.	19. 11	83,563.	2. 9	130,480.	2. 8	69,645.	14. 5

Statement of Moneys available for Expenditure by
the Departments or Organization during 1957/58

	Establishment Allocation	Annual Allocation	Annual * Committed C/Forward	Sale of Produce x	Total Available
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
N.S.W.	10,200. 0. 0	8,500. 0. 0	3,510. 3. 9	-	22,210. 3. 9
Vic.	39,134. 3. 1	17,080. 0. 0	102. 0. 4	911. 5. 2	57,227. 8. 7
Qld.	5,699.11. 1	33,850. 0. 0	9,378. 2. 3	458.15.11	49,386. 9. 3
W.A.	9,356.19.11	11,300. 0. 0	1,200.10. 5	-	21,857.10. 4
CSIRO	53,414.11. 5	34,000. 0. 0	5,197. 4. 6	-	92,611.15.11
P.I.	Nil	2,000. 0. 0	2,332.14. 3	-	4,332.14. 3
Total	117,805. 5. 6	106,730. 0. 0	21,720.15. 6	1,370. 1. 1	247,626. 2. 1

(* There will be further amounts available
from the sale of leaf in other States.)