

PLANNET'S  
EXHIBIT

# CSR 73



Annual Report for the year ended March 31 1973

C 4635

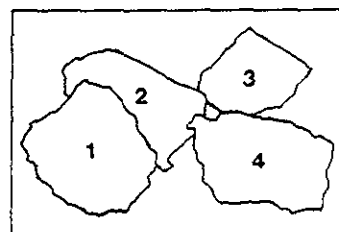
# Annual Report 1973

**The Colonial Sugar Refining Company Limited**  
Incorporated in New South Wales

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Key to minerals on front cover

- 1 Iron ore
- 2 Gypsum
- 3 Copper ore
- 4 Bauxite

## **The Colonial Sugar Refining Company Limited**

Incorporated in New South Wales

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### **Directors**

Sir John Dunlop *Chairman*  
G B Kater  
Sir James Vernon  
J M Dixon *(to 28/6/73)*  
B B Riley  
T J N Foley  
K O Brown *(to 28/6/73)*  
R G Jackson

### **General Management**

R G Jackson *General Manager*  
D D Brown *Deputy General Manager*  
A J Campbell *Deputy General Manager*  
B N Kelman *Deputy General Manager*  
M G King *Deputy General Manager*

### **Senior Executive Officers**

J F Blaxland  
J G Campbell  
N L Carter  
C W Davis  
R W Harvey  
A W McAuley  
R N Selman  
A V Shaw

### **Secretary**

J H Tuckfield

### **Registered Office**

1-7 O'Connell Street, Sydney

### **Share Registers**

Sydney *(principal register)*  
Adelaide, Brisbane, Canberra,  
Hobart, Melbourne, Perth  
and Auckland

## Results in brief

### The Colonial Sugar Refining Company Limited and its Subsidiaries

|                                     | 1973<br>\$ million | 1972<br>\$ million |
|-------------------------------------|--------------------|--------------------|
| <b>For the year</b>                 |                    |                    |
| Gross sales                         | 676.2              | 565.8              |
| Group sales                         | 375.6              | 349.2              |
| Profit before tax                   | 42.7               | 39.5               |
| Tax provided                        | 16.1               | 15.7               |
| Profit after tax                    | 26.6               | 23.8               |
| Minority interest in profit         | 3.3                | 3.2                |
| Net profit for the year             | 23.3               | 20.6               |
| <b>Earnings per share</b>           |                    |                    |
| —on issue at start of year          | 31.3c              | 27.6c              |
| —on issue at end of year            | 27.9c              | 27.6c              |
| <b>Dividend per share</b>           | 14.5c              | 14.0c              |
| Return on gross sales               | 3.45%              | 3.64%              |
|                                     | <b>\$ million</b>  | <b>\$ million</b>  |
| <b>At year end</b>                  |                    |                    |
| Issued capital                      | 83.8               | 74.5               |
| Reserves and unappropriated profits | 185.9              | 183.5              |
| Shareholders' funds                 | 269.7              | 258.0              |
| Return on shareholders' funds       | 8.65%              | 7.96%              |

Gross sales includes sugar sales made as agent; group sales includes sugar sales only to the extent of group equity therein. Total sales by subsidiaries are included; but sales of associated companies, none of which are consolidated, are not included.

#### Consolidated Funds Statement

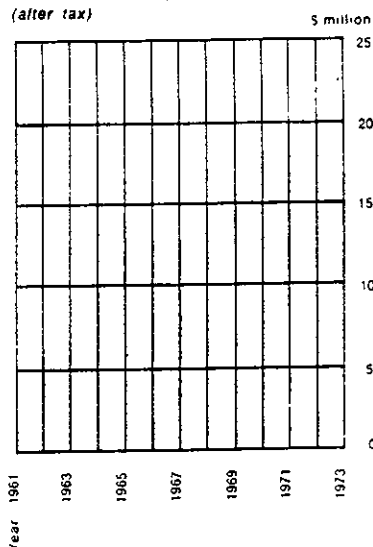
|                                                 | 1973<br>\$000  |
|-------------------------------------------------|----------------|
| <b>Source of funds</b>                          |                |
| Consolidated net profit                         | 23,340         |
| Provision for replacement                       | 24,116         |
| Income tax provided                             | 16,075         |
| Other non-cash items (net)                      | 10,916         |
| Minority interests (net)                        | 10,969         |
| Long-term borrowings                            | 22,785         |
| Assets sold                                     | 3,762          |
|                                                 | <b>111,963</b> |
| <b>Application of funds</b>                     |                |
| Loan repayments                                 | 6,833          |
| Expenditure on fixed assets                     | 18,834         |
| Investments in joint ventures etc.              | 23,978         |
| Mineral exploration and development expenditure | 2,664          |
| Dividends paid                                  | 10,425         |
| Income taxes paid                               | 10,517         |
| Increase in working capital                     | 38,712         |
|                                                 | <b>111,963</b> |

#### 118 years of growth

CSR has a record of 118 years of growth. Formed in 1855, as a partnership with unlimited liability, CSR's business was initially sugar refining in Sydney. In 1887, CSR was incorporated as a limited liability company, and since then has paid a dividend to its shareholders every year.

Today, CSR is one of the large industrial and commercial organisations in Australia with widespread activities in sugar, materials for building and construction, mining and various other interests.

#### Consolidated net profits (after tax)



C 4638

## Directors' report

*The Directors submit herewith the statements of profit and loss and of assets and liabilities of the parent company and the consolidation of the parent company and subsidiaries for the year ended 31st March 1973, together with the notes attached to and forming part of the accounts.*

### Dividends

An interim dividend of 7c per share was paid by the parent company on 18th December 1972. The Board proposes to pay a final dividend of 7½c per share.

The bonus shares issued on 31st January 1973 qualify for the final dividend.

Subject to the adoption of this report the final dividend of 7½c per share will be payable on 25th July 1973, in respect of shareholdings registered at the close of business on 20th June 1973.

### Profits and appropriations

The profits and appropriations are set out in the profit and loss statements. Consolidated net profit of the group for the year was \$23,339,596, or 13.6% higher than for last year.

Sugar activities contributed about \$7.2 million towards this group net profit; materials for building and construction about \$7.4 million; and mining about \$7.9 million. Our other interests accounted for the balance.

### Operations

Information and comment on our more important activities, including some not mentioned in this section, are provided in the review of operations, which forms part of this report.

The Australian raw sugar industry achieved record production in the 1972 season, but in our mill areas both in Australia and Fiji weather conditions were adverse. Our Australian mills made 500,000 tons of raw sugar compared with 566,000 tons in 1971; in Fiji production fell from 317,000 to 300,000 tons. The lower production reduced milling profits. Although the world free market price of raw sugar remained

Sir John Dunlop  
Chairman



high, and average prices received by our mills were better, the contribution to group profits of the Fiji mills was only slightly higher than last year, and the Australian mills' was somewhat lower.

Profits from our other sugar activities were much the same as last year.

On 1st April 1973 our shareholding in South Pacific Sugar Mills Ltd. and our Fiji lands were transferred to the Fiji Government, in accordance with the sales agreements previously reported.

Our business in materials for building and construction achieved significant growth and higher profit. Activity in the Australian building industry is estimated to have been 7% higher than in the previous year. This growth resulted in strong demand for most of our building materials, and sales were 12% higher than last year.

A large new factory is being built to expand production capacity for Gyprock plasterboard, one of our best-selling materials. A modern clay tile tunnel kiln began producing in December. A plant, half-owned by CSR, for extruding aluminium sections for windows, started up in May 1973. Pyneboard Pty. Ltd. (50% CSR) has ordered a plant, to be in production next year, to manufacture a thin particle board by a new process.

The Mt Newman iron ore venture shipped 23.2 million tons of iron ore this year compared with 19.3 million last year. There has been a strong recovery of world demand for iron ore, particularly in Japan, where cut-backs in contract tonnages previously reported were less than expected. To cover commitments under contracts and in the light of the recovery in demand, the joint venturers have authorised the expansion of Mt Newman's annual capacity to 35 million tons by the end of 1974. CSR's participation in Mt Newman is through its 68%-owned subsidiary, Pilbara Iron Ltd., which has a 30% interest.

Directors' report continued

Prices in Pilbara Iron's export contracts have been expressed in United States dollars. In the main the contracts are long term contracts negotiated up to eight years ago. Obtaining those contracts was of course a matter for commercial negotiation and of reconciling in an internationally competitive environment the interests of buyers as well as sellers. During the year under review the US dollar was again devalued and the Australian dollar upvalued; but the consequential reduction in our group revenues for the year was not great. The foreign currency proceeds of established contracts for iron ore (as well as sugar and some other products) due in the short term had been sold forward, at some cost. By this means a breathing space was obtained in which to work to protect our revenues for the longer term.

Pilbara Iron Ltd. has since negotiated with its Japanese customers increases in iron ore prices with effect from 1st April 1973. These increases will give substantial relief from the effects of the currency changes, although falling well short of restoring the Australian dollar revenues to those which would have been received at the exchange rates operating prior to December 1971.

In the case of sugar, the 'supply commitment price' (explained elsewhere) in the International Sugar Agreement has been varied to take account of changes in currency parities. Other modifications of the ISA to alleviate the effect of currency changes are being sought in the renegotiation of the agreement which is taking place this year.

Gove Alumina Ltd. (51% CSR) is the Australian joint venturer in the Gove project. Alumina shipments commenced in August 1972. For the year, Gove Alumina Ltd. exported on its own account 80,000 tons of alumina and 1,073,000 tons of bauxite.

Construction of the Gove alumina plant second stage, to take annual capacity from 500,000 to one million tons, is virtually complete.

In March 1973 Gove Alumina Ltd. acquired a 10% shareholding in the Mitsui Alumina Co. Ltd. which has recently begun to produce alumina in Japan using bauxite from Gove.

Mineral exploration continues through the Pacminex group of subsidiary companies. Recent exploration for copper in previously untested areas near Mt Gunson in South Australia is encouraging.

CSR Chemicals Ltd. (50.3% CSR) had a difficult year, ending with a loss.

Results from CSR distilleries improved. Australian National Power Alcohol Co. Pty. Ltd., acquired in April 1972, made a useful contribution to profits.

The Carba group of companies reported improved results.

Protection of the environment receives the continuing attention of management and requires substantial capital expenditure. Greater capital outlays and higher operating costs are anticipated in line with higher community expectations and standards.

#### Accounts

The presentation of the accounts has been changed considerably. As explained in Note 1 to the accounts, this has been done both to comply with the changed requirements of the law and in the interests of clarity.

The increase in non-current liabilities and provisions is due mainly to further debenture issues by Gove Alumina Ltd., to an unsecured bank loan raised by the parent company, and to a substantial increase in provision for deferred tax.

Stocks, debtors and creditors relating to the company's contractual arrangements with the Queensland Government, in connection with the marketing, handling and financing of the Australian sugar pool, which were previously included under their respective headings in the accounts, are not so included this year. Only the net balance with the Queensland Government is included. This rearrangement is

the major cause of the substantial changes shown for current assets and liabilities. Note 22 gives information to enable a comparison to be made with the corresponding figures for last year.

The accounts of South Pacific Sugar Mills Ltd. have been consolidated notwithstanding that procedures for confirmation of the final audit thereof laid down in the agreement scheduled to the Sugar Industry (South Pacific Sugar Mills Limited Shareholding) Act 1971 of Fiji have not been completed, as referred to in Note 2. No material change in the group results is anticipated on completion of those procedures.

The provisions previously made for the loss on sale of Fiji assets have been reduced, as set out in Note 11, due to currency devaluation by Fiji. The reduction is incorporated in the detail of overall losses due to currency devaluation shown in Note 8.

#### **Change of name**

The present name of the company has standing and a proud tradition. Under it our company has been able to carry on with success a diversity of business, despite being in name a sugar refining company.

Nevertheless the name falls short of being evocative of the business carried on, and it has other limitations. A search for a more appropriate name has not indicated a new name which would be better than CSR, by which the company increasingly has become known. Shareholders will be asked to approve at the annual meeting that the name of the company be changed from The Colonial Sugar Refining Company Limited to CSR Limited.

#### **Board**

Before the annual meeting Mr. J. M. Dixon and Mr. K. O. Brown will have retired as directors under the provisions of Article 88.

The directors have given much thought to the most desirable future composition of the board, in the light of the company's increasing

diversification and planned growth. It has been decided to recommend to shareholders that Article 88 should be amended so that the board will have power to appoint as directors under that Article from among the officers of the company a maximum of five (including the general manager) instead of three as at present. The board recommends that Article 87 should also be amended so that the number of directors, other than those who may be appointed under Article 88, should become seven instead of five.

Further, as will be seen from the agenda for the annual meeting, it is being recommended that the fees payable to non-executive directors should be increased by an amount which will enable each individual director's fee to be raised, and also provide for two additional non-executive directors.

The board also considers that it is proper and desirable that retiring allowances should be payable to non-executive directors on retirement or death after appropriate length of service.

Shareholders' approval, in the form of an alteration to the Articles, will be sought at the annual meeting. A letter giving details of the proposal accompanies the notice of that meeting. If approval is given, consideration will be given to making corresponding arrangements where appropriate for some non-executive directors of subsidiaries.

#### **Statutory requirements**

This report is continued commencing at page 17.

The Colonial Sugar Refining Company Limited

## Profit and loss statements

for the year ended 31st March 1973

|                                             | See<br>Note | Consolidated<br>1973<br>\$000 | 1972<br>\$000 | Parent<br>1973<br>\$000 | 1972<br>\$000 |
|---------------------------------------------|-------------|-------------------------------|---------------|-------------------------|---------------|
| Profit from trading                         | 4           | 37,933                        | 35,278        | 12,898                  | 11,321        |
| Add dividends from<br>Subsidiaries          | 23          | —                             | —             | 6,830                   | 7,013         |
| Other corporations                          |             | 4,768                         | 4,222         | 4,630                   | 4,111         |
|                                             |             | 42,701                        | 39,500        | 24,358                  | 22,445        |
| Less: Provision for income tax              | 6           | 16,075                        | 15,729        | 3,922                   | 4,130         |
| Proportion applicable to minority interests |             | 3,286                         | 3,228         | —                       | —             |
| <b>Net profit for the year</b>              |             | <b>23,340</b>                 | <b>20,543</b> | <b>20,436</b>           | <b>18,315</b> |
| Add: Unappropriated profits brought forward |             | 23,667                        | 19,657        | 7,101                   | 5,627         |
| Adjustments to unappropriated profits       | 7           | 799                           | 1,892         | 1,032                   | 1,584         |
|                                             |             | 47,806                        | 42,092        | 28,569                  | 25,522        |
| Less Appropriations:                        |             |                               |               |                         |               |
| Transferred to revenue reserves             | 8           | 8,255                         | 8,000         | 8,000                   | 8,000         |
| Dividends to shareholders of CSR            |             |                               |               |                         |               |
| Interim dividend paid                       |             | 5,213                         | 5,213         | 5,213                   | 5,213         |
| Final dividend proposed                     |             | 6,283                         | 5,212         | 6,283                   | 5,212         |
| Unappropriated profits carried forward      |             | 28,055                        | 23,667        | 9,073                   | 7,101         |

Profits and losses on the sale or revaluation of non-current assets have not been dealt with in the profit and loss statements above. These profits and losses on non-current assets arise largely from revaluations due to currency changes. (See Note 8.)

Profit from trading as shown above in the profit and loss statements is after making the provisions referred to in Note 4.

Notes on and forming part of the accounts for 1973 are annexed

## Statements of assets and liabilities

as at 31st March 1973

|                                                                       | See<br>Note | Consolidated<br>1973<br>\$000 | 1972<br>\$000  | Parent<br>1973<br>\$000 | 1972<br>\$000  |
|-----------------------------------------------------------------------|-------------|-------------------------------|----------------|-------------------------|----------------|
| Authorised capital, 125,000,000 shares of \$1 each                    |             | <u>125,000</u>                | 125,000        | <u>125,000</u>          | 125,000        |
| Capital issued, 83,775,917 fully paid \$1 shares<br>(1972 74,467,482) |             | 83,776                        | 74,468         | 83,776                  | 74,468         |
| Reserves and unappropriated profits                                   | 8           | 185,931                       | 183,494        | 164,697                 | 165,674        |
| Equity of outside shareholders                                        |             | 50,269                        | 39,299         | —                       | —              |
| Exchange fluctuation account                                          | 9           | 1,695                         | 156            | —                       | —              |
| Provision for replacement of fixed assets                             | 10          | 160,461                       | 143,000        | 85,883                  | 79,315         |
| Provisions for loss on sale of Fiji assets                            | 11          | 6,841                         | 9,414          | 117                     | 709            |
| Bank overdraft: N.Z. sugar price stabilisation account                | 12          | 2,844                         | —              | —                       | —              |
| Non-current liabilities and provisions                                | 13          | 171,860                       | 144,670        | 32,087                  | 23,803         |
| Current liabilities and provisions                                    | 14, 22      | 83,369                        | 141,935        | 67,782                  | 109,680        |
| Contingent liabilities                                                | 15          |                               |                |                         |                |
| <b>TOTAL FUNDS AND LIABILITIES</b>                                    |             | <b>747,046</b>                | <b>736,436</b> | <b>434,342</b>          | <b>453,649</b> |
| Fixed assets                                                          | 16          | 313,430                       | 307,371        | 189,840                 | 185,435        |
| Interests in joint ventures and partnerships                          | 17          | 220,743                       | 199,025        | 682                     | 751            |
| Investments                                                           | 18          | 61,428                        | 58,300         | 148,963                 | 136,629        |
| Term debtors                                                          | 19          | 12,371                        | 13,470         | —                       | —              |
| N.Z. sugar price stabilisation account (see contra)                   | 12          | 2,844                         | —              | —                       | —              |
| Mineral exploration                                                   | 20          | —                             | —              | —                       | —              |
| Current assets                                                        | 21, 22      | 136,230                       | 158,270        | 94,857                  | 130,834        |
| <b>TOTAL ASSETS</b>                                                   |             | <b>747,046</b>                | <b>736,436</b> | <b>434,342</b>          | <b>453,649</b> |

Notes on and forming part of the accounts for 1973 are annexed

## Notes to the accounts

### Note 1 Changes in treatment and presentation

Changes have been made this year in the treatment and presentation of the accounts in order to make them easier to read and to comply with the 1971 amendments to the N.S.W. Companies Act.

There is a material change in the treatment of stocks, debtors and creditors items in the statements of assets and liabilities, relating to the company's contractual arrangements with the Queensland Government. This is referred to in Note 22 where information is given to enable this year's figures to be compared with those of last year.

In certain other cases to permit comparability, figures in respect of 1972 have been restated. This applies particularly to current and non-current liabilities and provisions and to current assets.

The parent company is a company of the kind specified in the order dated 20th December 1972, made by the Commissioner for Corporate Affairs permitting the rounding off to the nearest \$000 of amounts in accounts and directors' report.

### Note 2 Consolidation of SPSM

The accounts of South Pacific Sugar Mills Ltd. have been consolidated notwithstanding that the procedures for confirmation thereof laid down in the agreement scheduled to the Sugar Industry (South Pacific Sugar Mills Limited Shareholding) Act, 1971, of Fiji has not been completed and consequently

the accounts have not been signed by the SPSM directors or formally reported on by the SPSM auditors. No material change in the group results is anticipated on completion of such procedures and the accounts are acceptable to the auditors for consolidation.

### Note 3 Currency conversion

The value of all overseas assets and liabilities has been converted to Australian currency at the rates ruling at balancing dates, except for investments in non-related companies which have been shown in SA as at the date of acquisition or valuation. The resulting deficiency in respect of non-current

assets has been charged to reserves (see Note 8). Surpluses from the conversion of non-current liabilities have been taken to Exchange Fluctuation Account. All overseas items in the profit and loss statements have been converted to Australian currency at exchange rates ruling at balancing dates.

### Note 4 Profit from trading

includes

Interest received from subsidiaries

and is arrived at after charging

Provision for the replacement of fixed assets

Other provisions

Mineral exploration

Losses in subsidiary mining companies

Long service leave

Accrued annual leave

Doubtful debts: Trade

Other

Pensions

Sundry costs

Directors' emoluments received or due and receivable by—

Directors engaged in the full-time employment of the company or its subsidiaries (other than fixed salaries)

Non-executive directors of parent

Other directors

Interest paid: to subsidiaries

to others

| Consolidated |        | Parent |       |
|--------------|--------|--------|-------|
| 1973         | 1972   | 1973   | 1972  |
| \$000        | \$000  | \$000  | \$000 |
| —            | —      | 123    | 100   |
| 24,116       | 21,221 | 9,506  | 9,083 |
| 1,004        | 2,433  | 1,004  | 2,439 |
| —            | —      | 261    | 819   |
| 1,522        | 1,408  | 1,085  | 1,258 |
| 768          | 702    | 764    | 847   |
| 456          | 267    | 97     | 121   |
| 137          | —      | 137    | —     |
| 1,695        | —      | 1,500  | —     |
| 401          | 1,049  | 119    | 588   |
| 1            | 1      | —      | —     |
| 35           | 35     | 35     | 35    |
| 28           | 28     | —      | —     |
| —            | —      | 346    | 296   |
| 10,943       | 9,658  | 3,270  | 3,719 |

Notes to the accounts *continued*

| <b>Note 5 Auditors' remuneration</b>                            | Consolidated |       | Parent |       |
|-----------------------------------------------------------------|--------------|-------|--------|-------|
|                                                                 | 1973         | 1972  | 1973   | 1972  |
| Amounts received or due and receivable by auditors:             | \$000        | \$000 | \$000  | \$000 |
| For auditing the accounts                                       | 110          | 98    | 24     | 16    |
| Other services                                                  | 30           | 9     | 7      | 4     |
| The auditors received no benefits other than the amounts shown. |              |       |        |       |

#### **Note 6 Provision for income tax**

|                                       |               |               |              |              |
|---------------------------------------|---------------|---------------|--------------|--------------|
| Provision for income tax for the year | 6,780         | 7,747         | 3,922        | 4,130        |
| Provision for deferred income tax     | 9,295         | 7,982         | —            | —            |
|                                       | <u>16,075</u> | <u>15,729</u> | <u>3,922</u> | <u>4,130</u> |

The amounts set aside for taxation in the attached accounts differ by more than 15% from the income tax which would be payable if the taxable income of the company was equal to the profits shown in the accounts. This note explains the major items responsible for the difference.

|                                                                                                                                        |               |              |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| Tax payable if taxable income equal to profits in accounts                                                                             | 20,283        | 11,570       |
| Amounts set aside for payment of tax                                                                                                   | <u>16,075</u> | <u>3,922</u> |
| Difference                                                                                                                             | <u>4,208</u>  | <u>7,648</u> |
| Difference due to:                                                                                                                     |               |              |
| Rebates on dividends received and included in profits                                                                                  | 2,265         | 5,443        |
| Deductions allowable for share moneys subscribed to mining companies                                                                   | 4,607         | 4,607        |
| Investment allowance for expenditure on plant and machinery                                                                            | 837           | 427          |
| Overseas tax rates                                                                                                                     | 309           | 9            |
| Losses in subsidiaries                                                                                                                 | 304           | —            |
| Other items                                                                                                                            | 204           | 128          |
| Less:                                                                                                                                  |               |              |
| Increases in provisions for future costs and losses—not allowable as tax deductions this year                                          | (1,643)       | (1,444)      |
| Amount provided for replacement being in excess of depreciation allowable for tax purposes                                             | (1,920)       | (1,368)      |
| Additional provision for deferred tax resulting from Section 77D declarations made by mining companies in favour of their shareholders | (601)         | —            |
| Dividend withholding tax in respect of dividends from overseas subsidiaries                                                            | (154)         | (154)        |
|                                                                                                                                        | <u>4,208</u>  | <u>7,648</u> |

#### **Note 7 Adjustments to unappropriated profit (after allowing for the amount applicable to minority interests)**

|                                                                                                       |              |              |              |              |
|-------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Overprovision of income tax for previous year                                                         | 905          | 1,587        | 836          | 1,584        |
| Provision surplus to requirements for diminution in value of stocks                                   | 1,204        | —            | 963          | —            |
| Provision no longer required for replacement of port facilities                                       | —            | 247          | —            | —            |
| Sundry                                                                                                | 98           | 58           | 98           | —            |
|                                                                                                       | <u>2,207</u> | <u>1,892</u> | <u>1,902</u> | <u>1,584</u> |
| Less:                                                                                                 |              |              |              |              |
| Reduction in balance of unappropriated profits brought forward due to currency changes                | 337          | —            | —            | —            |
| Increase in provision for long service leave—award change for prior years service                     | 901          | —            | 870          | —            |
| Provision created for compassionate allowances to former employees in Fiji in respect of past service | 170          | —            | —            | —            |
| Adjustments to unappropriated profit                                                                  | <u>799</u>   | <u>1,892</u> | <u>1,032</u> | <u>1,584</u> |

|                                                                                   | Consolidated   |                | Parent         |                |
|-----------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                   | 1973           | 1972           | 1973           | 1972           |
|                                                                                   | \$000          | \$000          | \$000          | \$000          |
| <b>Note 8 Reserves and unappropriated profits</b>                                 |                |                |                |                |
| <b>Reserves:</b>                                                                  |                |                |                |                |
| Share premium                                                                     | 39,686         | 48,994         | 39,686         | 48,994         |
| Capital                                                                           | 26,719         | 27,661         | 26,798         | 29,439         |
| Revenue                                                                           | 91,471         | 83,172         | 89,140         | 81,140         |
|                                                                                   | <u>157,876</u> | <u>159,827</u> | <u>155,624</u> | <u>158,573</u> |
| Unappropriated profits                                                            | 28,055         | 23,667         | 9,073          | 7,101          |
|                                                                                   | <u>185,931</u> | <u>183,494</u> | <u>164,697</u> | <u>165,674</u> |
|                                                                                   | Consolidated   |                | Parent         |                |
|                                                                                   | 1973           |                | 1973           |                |
|                                                                                   | \$000          |                | \$000          |                |
| <b>Movements in Reserves:</b>                                                     |                |                |                |                |
| <b>Share premium:</b>                                                             |                |                |                |                |
| The issue to shareholders of bonus shares at the rate of one for every eight held |                | (9,308)        |                | (9,308)        |
| <b>Capital:</b>                                                                   |                |                |                |                |
| Surplus on sale of non-current assets:                                            |                |                |                |                |
| Sale of freehold land                                                             |                | 1,048          |                | 39             |
| Sale of investment                                                                | 203            |                |                |                |
| Less dividend paid to parent                                                      | <u>203</u>     |                |                |                |
| Loss on sale of non-current assets (being loss on sale of investments)            |                | (81)           |                | (71)           |
| Surplus on revaluation of non-current assets:                                     |                |                |                |                |
| Reduction in provisions for loss on Fiji assets (see Note 11)                     | 2,573          |                | 2,573          |                |
| Excess of net tangible assets over purchase price of a subsidiary                 | <u>301</u>     |                | <u>301</u>     |                |
|                                                                                   |                | 2,874          |                | 2,874          |
| Loss on revaluation of non-current assets:                                        |                |                |                |                |
| Loss on New Zealand and Fiji assets due to currency devaluation                   | (4,558)        |                | (4,258)        |                |
| Loss on revaluation of investments                                                | <u>(225)</u>   |                | <u>(225)</u>   |                |
|                                                                                   |                | (4,783)        |                | (4,483)        |
|                                                                                   |                | (942)          |                | (1,641)        |
| <b>Revenue:</b>                                                                   |                |                |                |                |
| Transfer from profit and loss account                                             |                | 8,255          |                | 8,000          |
| Other transfers                                                                   |                | <u>44</u>      |                | <u>—</u>       |
|                                                                                   |                | <u>8,299</u>   |                | <u>8,000</u>   |

**Note 9 Exchange fluctuation account**

This item represents unrealised gains arising from loans to subsidiaries raised in United States dollars.

In the 1972 accounts the amount was included in reserves and is now restated.

**Note 10 Provision for replacement of fixed assets**

The method by which the replacement of fixed assets is dealt with is:

Provision for replacement of all fixed assets, other than freehold land, is calculated by applying appropriate rates to the book values of the assets, or by applying appropriate rates per unit of throughput. The total amount so calculated is a charge against revenue and is credited to the Provision for replacement.

The cost of renewal or replacement of fixed assets is

charged against the provision to the extent of the book value of the assets renewed or replaced after deducting therefrom any sales proceeds of such assets.

Other than for land, and in exceptional circumstances for other assets, no surplus or deficiency is recorded on the sale or disposal of fixed assets.

This provision includes provision for replacement of the fixed assets included in joint ventures in the consolidated accounts.

**Note 11 Provisions for loss on sale of Fiji assets**

Provision for loss on sale of shares in SPSM Ltd.  
Provision for loss on sale of Fiji land

| Consolidated and Parent |              |
|-------------------------|--------------|
| 1973                    | 1972         |
| \$000                   | \$000        |
| 6,724                   | 8,705        |
| 117                     | 709          |
| <u>6,841</u>            | <u>9,414</u> |

Notes to the accounts continued

#### Note 12 N.Z. Sugar price stabilisation account

The items New Zealand Sugar Price Stabilisation Account and contra (consolidated) relate to an agreement between the New Zealand Sugar Company Ltd. and the New Zealand Government, made under the provisions of the Finance Act 1972, whereby the company agreed to maintain for a limited period the domestic selling prices of sugar and sugar products in New Zealand at the prices for those products existing on 31st March 1972.

The difference between the actual purchase price of raw sugar and the notional price for domestic pricing purposes is the figure appearing in the New Zealand Sugar Price Stabilisation Account, and represents a deferred cost.

The recovery of this cost is met from a special bank overdraft, the repayment of which is protected by the agreement. The profit of New Zealand Sugar Company Ltd. for the year has been arrived at in accordance with the terms of the agreement with the New Zealand Government.

#### Note 13 Non-current liabilities and non-current provisions

|                                                                                                                                                | Consolidated   |                | Parent        |               |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------|---------------|
|                                                                                                                                                | 1973           | 1972           | 1973          | 1972          |
| Term liabilities:                                                                                                                              | \$000          | \$000          | \$000         | \$000         |
| Debentures held by other persons issued by:                                                                                                    |                |                |               |               |
| CSR (1974-1980)                                                                                                                                | 17,382         | 17,439         | 17,382        | 17,439        |
| Pilbara Iron Ltd. (1974-1983)                                                                                                                  | 52,907         | 60,574         | —             | —             |
| Gove Alumina Ltd. (1975-1986)                                                                                                                  | 53,593         | 37,900         | —             | —             |
| Carba Australia Ltd. (1974-1984)                                                                                                               | 795            | 836            | —             | —             |
| Secured loans repayable later than twelve months (1973 bank \$1 114 000, other \$2 353 000)                                                    | 3,467          | 3,503          | —             | —             |
| Unsecured loans repayable later than twelve months (1973 consolidated bank \$5 300 000, other \$2 061 000, parent bank \$5 000 000, other nil) | 7,361          | 1,316          | 5,000         | —             |
| Provisions:                                                                                                                                    |                |                |               |               |
| Provision for non-current long service leave                                                                                                   | 9,135          | 7,131          | 7,069         | 5,357         |
| Provision for non-current accrued annual leave                                                                                                 | 1,690          | 1,031          | 1,686         | 1,007         |
| Provision for non-current pensions                                                                                                             | 1,118          | —              | 950           | —             |
| Provision for deferred income tax                                                                                                              | 24,235         | 14,940         | —             | —             |
| Sundry                                                                                                                                         | 177            | —              | —             | —             |
|                                                                                                                                                | <b>171,860</b> | <b>144,670</b> | <b>32,087</b> | <b>23,803</b> |

#### Note 14 Current liabilities and provisions

|                                                                            |               |                |               |                |
|----------------------------------------------------------------------------|---------------|----------------|---------------|----------------|
| Bank overdrafts (secured 1973 consolidated \$1,375,000, parent \$24,000)   | 2,279         | 4,572          | 24            | 78             |
| Loans repayable within twelve months (see below)                           | 23,479        | 38,654         | 11,921        | 18,303         |
| Trade creditors                                                            | 35,876        | 69,308         | 21,992        | 59,270         |
| Other creditors                                                            | 4,889         | 6,954          | 1,627         | 4,248          |
| Amounts owing to subsidiary companies                                      | —             | —              | 20,310        | 11,729         |
| Provision for current income tax*                                          | 7,416         | 12,201         | 4,008         | 7,796          |
| Provision for final dividend                                               | 6,283         | 5,213          | 6,283         | 5,213          |
| Other provisions (see below)                                               | 3,147         | 5,033          | 1,617         | 3,043          |
|                                                                            | <b>83,369</b> | <b>141,935</b> | <b>67,782</b> | <b>109,680</b> |
| Loans repayable within twelve months:                                      |               |                |               |                |
| Bank loans—secured                                                         | 983           | —              | —             | —              |
| Bank loans—unsecured                                                       | 116           | —              | —             | —              |
| Other loans—secured                                                        | 99            | 2,970          | —             | —              |
| Other loans—unsecured                                                      | 15,444        | 31,919         | 11,921        | 18,303         |
| Debentures—(Pilbara Iron Ltd. \$6,680,000, Carba Australia Ltd. \$157,000) | 6,837         | 3,765          | —             | —              |
|                                                                            | <b>23,479</b> | <b>38,654</b>  | <b>11,921</b> | <b>18,303</b>  |
| Other provisions:                                                          |               |                |               |                |
| Provision for uninsured losses and future claims                           | 673           | 769            | 630           | 560            |
| Provision for overhauls, renewals and repairs                              | 1,079         | 2,349          | 52            | 1,255          |
| Provision for current long service leave                                   | 528           | 1,184          | 300           | 856            |
| Provision for current annual leave                                         | 149           | 372            | 85            | 372            |
| Provision for current pensions                                             | 550           | —              | 550           | —              |
| Provisions sundry                                                          | 168           | 359            | —             | —              |
|                                                                            | <b>3,147</b>  | <b>5,033</b>   | <b>1,617</b>  | <b>3,043</b>   |

\*Provision for income tax includes the liability for dividend withholding tax on unappropriated profits of overseas subsidiaries.

Notes to the accounts continued

**Note 15 Contingent liabilities and capital expenditure contracted for**

|                                  | Consolidated |       | Parent |       |
|----------------------------------|--------------|-------|--------|-------|
|                                  | 1973         | 1972  | 1973   | 1972  |
|                                  | \$000        | \$000 | \$000  | \$000 |
| <b>Contingent liabilities:</b>   |              |       |        |       |
| Sundry liabilities—all unsecured | 2,934        | 3,157 | 3,490  | 5,023 |

Liability as self-insurer—the parent company is authorised to act as a self-insurer in New South Wales and South Australia in respect of Workers' Compensation Insurance against which it is considered adequate provision has been made.

Liability under a covenant by the parent company in respect of Gove Alumina Ltd. to pay to Gove Alumina Ltd. the amount of the deficiency in the event of its being unable to meet its agreed share of construction costs of the Gove bauxite-alumina project. It is considered unlikely that any such deficiency will arise.

**Contracts for Capital Expenditure**

Sundry contracts in respect of buildings, plant and equipment for which no provision has been made in the accounts for the year

|                                                                                        |       |        |       |        |
|----------------------------------------------------------------------------------------|-------|--------|-------|--------|
|                                                                                        | 8,319 | 14,943 | 1,867 | 1,618  |
| <b>Liability for capital uncalled on shares held in subsidiary and other companies</b> | 6     | 408    | 6,029 | 13,697 |

**Note 16 Fixed assets**

*Freehold land, office and residential property as under:*

|                            |               |               |               |               |
|----------------------------|---------------|---------------|---------------|---------------|
| 1955—Officers' valuation   | 284           |               |               |               |
| 1956—Officers' valuation   | 104           |               |               |               |
| 1959—Officers' valuation   | 63            | 11,481        |               | 10,451        |
| 1962—Officers' valuation   | 10,846        |               | 9,709         |               |
| 1964—Officers' valuation   | 612           |               |               |               |
| 1965—Officers' valuation   | 1,051         |               |               |               |
| 1966—Officers' valuation   | 65            |               | 65            |               |
| 1967—Officers' valuation   | 23            |               | 23            | 495           |
| 1967—Independent valuation | 375           | 3,627         | 375           |               |
| 1969—Officers' valuation   | 70            |               |               |               |
| 1971—Officers' valuation   | 581           |               |               |               |
| 1971—Independent valuation | 72            |               |               |               |
| 1973—Officers' valuation   | 18            |               |               |               |
| <b>At cost</b>             | <b>14,788</b> | <b>13,971</b> | <b>10,732</b> | <b>10,200</b> |
|                            | <b>28,912</b> | <b>29,079</b> | <b>20,904</b> | <b>21,146</b> |

*Machinery, plant, equipment and factory buildings as under:*

|                            |                |                |                |                |
|----------------------------|----------------|----------------|----------------|----------------|
| 1955—Officers' valuation   | 803            |                |                |                |
| 1956—Officers' valuation   | 1,633          |                |                |                |
| 1959—Officers' valuation   | 950            | 74,876         |                |                |
| 1962—Officers' valuation   | 69,613         |                | 64,864         | 66,531         |
| 1963—Officers' valuation   | 963            |                |                |                |
| 1964—Officers' valuation   | 5              |                |                |                |
| 1965—Officers' valuation   | 25             |                |                |                |
| 1967—Officers' valuation   | 5              | 12,324         | 5              |                |
| 1970—Independent valuation | 8,860          |                | 8,860          | 9,461          |
| 1971—Officers' valuation   | 2,565          |                |                |                |
| 1971—Independent valuation | 5              |                | 5              |                |
| <b>At cost</b>             | <b>199,091</b> | <b>191,092</b> | <b>95,202</b>  | <b>88,297</b>  |
|                            | <b>284,518</b> | <b>278,292</b> | <b>168,936</b> | <b>164,289</b> |
|                            | <b>313,430</b> | <b>307,371</b> | <b>189,840</b> | <b>185,435</b> |

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Notes to the accounts continued

|                                                                                                                                                | Consolidated   |                | Parent         |                |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                                                                                | 1973           | 1972           | 1973           | 1972           |
|                                                                                                                                                | \$000          | \$000          | \$000          | \$000          |
| <b>Note 17 Interests in joint ventures and partnerships</b>                                                                                    |                |                |                |                |
| Interests in joint ventures:                                                                                                                   |                |                |                |                |
| Investment by Pilbara Iron Ltd. in the Mt Newman iron ore project                                                                              |                |                |                |                |
| Investment by Gove Alumina Ltd. in the Gove bauxite-alumina project                                                                            |                |                |                |                |
| Investment by Pacminex (Operations) Pty. Ltd. and Mt Gunson Mines Pty. Ltd. in the Mt Gunson copper project                                    |                |                |                |                |
| The above investments comprise:                                                                                                                |                |                |                |                |
| Cost of plant and equipment, leasehold improvements and construction in progress (including exploration, development and administration costs) | 214,634        | 196,128        |                |                |
| Plus excess of current assets \$11,030,000 (1972 \$14,093,000) over current liabilities \$5,637,000 (1972 \$11,947,000)                        | 5,393          | 2,146          |                |                |
|                                                                                                                                                | <u>220,027</u> | <u>198,274</u> |                |                |
| Administration costs of the year in respect of that part of the Gove joint venture project, which has not yet commenced production, include:   |                |                |                |                |
| Interest paid on debentures \$2,423,000, less received on short-term deposits \$35,000                                                         |                |                |                |                |
| Debenture and share issue expenses \$127,000                                                                                                   |                |                |                |                |
| Interests in partnerships:                                                                                                                     |                |                |                |                |
| Hardie-B.I., Australian Chemship Line, and Shipven                                                                                             | 716            | 751            | 682            | 751            |
|                                                                                                                                                | <u>220,743</u> | <u>199,025</u> | <u>682</u>     | <u>751</u>     |
| <b>Note 18 Investments</b>                                                                                                                     |                |                |                |                |
| Shares in—                                                                                                                                     |                |                |                |                |
| Corporations quoted on prescribed Stock Exchanges                                                                                              | 25,572         | 22,738         | 24,384         | 21,549         |
| Quoted market value                                                                                                                            |                |                |                |                |
| Parent \$29,928,000 (1972, \$25,300,000)                                                                                                       |                |                |                |                |
| Consolidated \$31,603,000 (1972, \$26,733,000)                                                                                                 |                |                |                |                |
|                                                                                                                                                | <u>25,572</u>  | <u>22,738</u>  | <u>24,384</u>  | <u>21,549</u>  |
| Corporations not quoted on prescribed Stock Exchanges                                                                                          |                |                |                |                |
| 1965—Officers' valuation                                                                                                                       | 25,110         | 25,111         | 25,091         | 25,091         |
| 1973—Officers' valuation                                                                                                                       | 14             | —              | 14             | —              |
| At cost                                                                                                                                        | 10,732         | 10,451         | 9,270          | 9,080          |
|                                                                                                                                                | <u>35,856</u>  | <u>35,562</u>  | <u>34,375</u>  | <u>34,171</u>  |
| Shares in subsidiary companies as under:                                                                                                       |                |                |                |                |
| 1967—Officers' valuation                                                                                                                       |                |                | 40,415         | 43,594         |
| 1970—Officers' valuation                                                                                                                       |                |                | 11,335         | 11,335         |
| 1971—Officers' valuation                                                                                                                       |                |                | 3,093          | 3,093          |
| 1972—Officers' valuation                                                                                                                       |                |                | 662            | 662            |
| 1973—Officers' valuation                                                                                                                       |                |                | 1,842          | —              |
|                                                                                                                                                |                |                | <u>57,347</u>  | <u>58,684</u>  |
| Less: Provision for loss on sale of shares in South Pacific Sugar Mills Ltd.                                                                   |                |                | 6,724          | 8,705          |
|                                                                                                                                                |                |                | <u>50,623</u>  | <u>49,979</u>  |
| At cost                                                                                                                                        |                |                | 48,725         | 38,809         |
|                                                                                                                                                |                |                | <u>99,348</u>  | <u>88,788</u>  |
| Less: Provision for mineral exploration                                                                                                        |                |                | 7,867          | 6,863          |
| Less: Provision for losses in mining subsidiaries                                                                                              |                |                | 1,417          | 1,156          |
|                                                                                                                                                |                |                | <u>90,064</u>  | <u>80,769</u>  |
| Debentures of a subsidiary company, at cost                                                                                                    |                |                | 140            | 140            |
|                                                                                                                                                | <u>61,428</u>  | <u>58,300</u>  | <u>148,963</u> | <u>136,629</u> |
| <b>Note 19 Term debtors</b>                                                                                                                    |                |                |                |                |
| This amount refers to Pilbara Iron Ltd. and consists principally of a debt payable by the Port Hedland Port Authority over a period of years.  |                |                |                |                |

Notes to the accounts *continued***Note 20 Mineral exploration**

Cumulative balance to date on current projects  
 Less: Provision by parent company

| Consolidated |       |
|--------------|-------|
| 1973         | 1972  |
| \$000        | \$000 |
| 7,867        | 6,863 |
| 7,867        | 6,863 |

**Note 21 Current assets**

Stocks on hand (see below)  
 Work in progress at lower of cost or net realisable value  
 Debtors (see below)  
 Amounts owing by subsidiary companies  
 Short term deposits  
 Cash at banks and on hand

| Consolidated |         | Parent |         |
|--------------|---------|--------|---------|
| 1973         | 1972    | 1973   | 1972    |
| \$000        | \$000   | \$000  | \$000   |
| 30,467       | 47,989  | 11,099 | 29,000  |
| 2,260        | 218     | 218    | 218     |
| 53,453       | 79,000  | 31,587 | 59,780  |
| —            | —       | 15,928 | 10,599  |
| 46,615       | 31,281  | 35,469 | 31,456  |
| 3,435        | —       | 556    | —       |
| 136,230      | 158,270 | 94,857 | 130,834 |

Stocks on hand  
 Finished goods—at lower of cost or net realisable value  
 Raw and process materials—at cost\*  
 Spares, maintenance stores and supplies—at cost, less provision for  
 diminution in value

| 1973   | 1972   | 1973   | 1972   |
|--------|--------|--------|--------|
| \$000  | \$000  | \$000  | \$000  |
| 12,501 | 4,506  | 4,506  | 4,506  |
| 11,732 | 3,353  | 3,353  | 3,353  |
| 6,234  | 3,240  | 3,240  | 3,240  |
| 30,467 | 11,099 | 11,099 | 11,099 |

The amount for stock on hand has been arrived at after making deductions for possible  
 diminution in value

|     |       |     |       |
|-----|-------|-----|-------|
| 230 | 1,654 | 134 | 1,171 |
|-----|-------|-----|-------|

\*Raw sugar stocks of \$4,545,000 have been valued in accordance with the  
 conditions of the New Zealand Sugar Price Stabilisation Agreement (See Note 12).

**Debtors**

Trade debtors  
 Less: Provision for doubtful debts

|        |        |        |        |
|--------|--------|--------|--------|
| 38,784 | 44,216 | 18,434 | 26,031 |
| 1,476  | 1,542  | 812    | 812    |
| 37,308 | 42,674 | 17,622 | 25,219 |

Other debtors and prepayments  
 Less: Provision for doubtful debts

|        |        |        |        |
|--------|--------|--------|--------|
| 16,002 | 36,110 | 13,976 | 34,437 |
| 203    | 86     | 203    | 66     |

Loans to directors of the company and to directors of its subsidiaries (all such loans  
 are to directors in the full time employment of the company or of a subsidiary)

|        |        |        |        |
|--------|--------|--------|--------|
| 15,799 | 36,024 | 13,773 | 34,371 |
| 346    | 302    | 192    | 190    |

|        |        |        |        |
|--------|--------|--------|--------|
| 16,145 | 36,326 | 13,965 | 34,561 |
| 53,453 | 79,000 | 31,587 | 59,780 |

Bad debts written off to provisions

|     |     |    |    |
|-----|-----|----|----|
| 503 | 414 | 97 | 54 |
|-----|-----|----|----|

**Note 22 Sugar contracts (consolidated and parent)**

Stocks, debtors and creditors relating to the company's contractual arrangements with the Queensland Government, previously included under their respective headings in the accounts, are not so included this year. Only the net balance

with the Queensland Government is included as a debtor. The totals appearing last year included the following for the Queensland Government contract:

|                | \$000  |
|----------------|--------|
| Stocks         | 17,389 |
| Debtors        | 21,198 |
|                | 38,587 |
| Less Creditors | 42,642 |
|                | 4,055  |

Notes to the accounts continued

**Note 23 Particulars relating to subsidiary companies:**

| Name                                            | Place of incorporation | Contribution to Group* Profit (loss)<br>\$ | Dividends to CSR*<br>\$ | Class of share            | Owned by CSR % | Investment of parent<br>\$ |
|-------------------------------------------------|------------------------|--------------------------------------------|-------------------------|---------------------------|----------------|----------------------------|
| Asbestos Products (Sales) Pty. Ltd.             | N.S.W.                 | —                                          | —                       | A & B ordinary \$2        | 100            | 1,989                      |
| Australian National Power Alcohol Co. Pty. Ltd. | Qld.                   | 128,365                                    | 128,000                 | Ord. \$2                  | 100            | 1,842,200                  |
| Australian Quarries Pty. Ltd.                   | N.S.W.                 | 30,799                                     | —                       | A & B ordinary \$1        | 100            | 1,119,300                  |
| Gravel and Sand Suppliers Pty. Ltd.             | N.S.W.                 | 49,587                                     | 93,000                  | Ord. \$1                  | —              | —                          |
| Independent Concrete Pty. Ltd.                  | N.S.W.                 | 14,919                                     | —                       | Ord. \$1                  | —              | —                          |
| Independent Concrete (Pendle Hill) Pty. Ltd.    | N.S.W.                 | 757                                        | —                       | Ord. \$2                  | —              | —                          |
| B.I. Holdings Pty. Ltd.                         | N.S.W.                 | 25,516                                     | —                       | Ord. \$2                  | 100            | 1,228,359                  |
| B.I. (Australia) Pty. Ltd.                      | N.S.W.                 | 1,077                                      | —                       | A & B ordinary \$2        | —              | —                          |
| Bradford Insulation Industries Pty. Ltd.        | N.S.W.                 | 436,078                                    | 385,000                 | Ord. \$2                  | —              | —                          |
| Bradford Insulation (Qld.) Pty. Ltd.            | Qld.                   | 53,219                                     | —                       | A ordinary & ordinary \$2 | —              | —                          |
| Bradford Insulation (Vic.) Pty. Ltd.            | Vic.                   | 129,285                                    | —                       | Ord. \$2                  | —              | —                          |
| Building Finance Ltd.                           | 2 Fiji                 | —                                          | —                       | Ord. \$F2                 | 100            | 4                          |
| Carba Industries Ltd.                           | Vic.                   | 2,948                                      | —                       | Ord. \$1                  | 100            | 3,407,775                  |
| Carba Australia Ltd.                            | Vic.                   | 447,738                                    | 477,000                 | Ord. \$1                  | —              | —                          |
| Waldown Pty. Ltd.                               | Vic.                   | 32,776                                     | —                       | Ord. \$1                  | —              | —                          |
| Commonwealth Distilleries Pty. Ltd.             | Qld.                   | 8,971                                      | 9,000                   | Ord. \$1                  | 100            | 20,000                     |
| CSR Chemicals Ltd.                              | 4 N.S.W.               | (192,774)                                  | 402,169                 | Ord. \$1                  | 50.3           | 6,779,260                  |
| Robert Corbett Pty. Ltd.                        | N.S.W.                 | (8,375)                                    | —                       | Ord. \$2                  | —              | —                          |
| The Newcastle Chemical Co. Pty. Ltd.            | N.S.W.                 | (77,283)                                   | —                       | Ord. \$2                  | —              | —                          |
| CSR Flooring Sales Pty. Ltd.                    | Vic.                   | 881                                        | 500                     | Ord. \$2                  | 100            | 106,305                    |
| CSR Provident Fund Nominees Pty. Ltd.           | N.S.W.                 | —                                          | —                       | Ord. \$2                  | 100            | 198                        |
| CSR Research Pty. Ltd.                          | N.S.W.                 | 55,033                                     | 55,000                  | Ord. \$1                  | 100            | 2                          |
| Dia Plastics Pty. Ltd.                          | N.S.W.                 | 8,709                                      | 9,000                   | Ord. \$2                  | 100            | 120,000                    |
| Frome CO2 Pty. Ltd.                             | N.S.W.                 | 4,552                                      | 4,500                   | Ord. \$1                  | 100            | 12,000                     |
| Gove Alumina Ltd.                               | N.S.W.                 | 420,758                                    | —                       | Ord. \$1                  | 51             | 15,664,595                 |
| " " "                                           | N.S.W.                 | —                                          | —                       | Non-red. 7% % pref. \$1   | —              | —                          |
| Independent Concrete (Contractors) Pty. Ltd.    | N.S.W.                 | —                                          | —                       | Ord. \$1                  | 100            | 100                        |
| J. L. Lennard Pty. Ltd.                         | Vic.                   | 5,367                                      | 5,500                   | Ord. \$2                  | 100            | 24,031                     |
| " " " "                                         | Vic.                   | —                                          | —                       | 6% Cum. pref. \$2         | 100            | 15,000                     |
| Macadamia Nuts Pty. Ltd.                        | N.S.W.                 | 120                                        | —                       | A & B ordinary \$2        | 100            | 63,093                     |
| McCaffery Services Pty. Ltd.                    | N.S.W.                 | 74,781                                     | 74,500                  | Ord. \$1                  | 100            | 595,045                    |
| Masonite Corporation (Aust.) Pty. Ltd.          | N.S.W.                 | 525,327                                    | 532,500                 | Ord. stock units \$2      | 100            | 5,351,327                  |
| Mitcham Properties Pty. Ltd.                    | Vic.                   | 5,433                                      | —                       | Ord. \$2                  | —              | —                          |
| Mitalco Pty. Ltd.                               | W.A.                   | 189,561                                    | 189,500                 | Ord. \$2                  | 100            | 4,800,000                  |
| Mineral Engineers Pty. Ltd.                     | A.C.T.                 | —                                          | —                       | Ord. \$1                  | 100            | 10,000                     |
| Mount Gunson Mines Pty. Ltd.                    | S.A.                   | (22,234)                                   | —                       | Ord. \$1                  | 100            | 800,000                    |
| New Zealand Sugar Co. Ltd.                      | 3 N.Z.                 | 310,491                                    | 200,000                 | Ord. \$NZ1                | 100            | 1,875,000                  |
| Pacminex (N.Z.) Ltd.                            | 3 N.Z.                 | —                                          | —                       | Ord. \$NZ1                | —              | —                          |
| Pacminex (N.S.W.) Pty. Ltd.                     | N.S.W.                 | (65,354)                                   | —                       | Ord. \$1                  | 100            | 75,000                     |
| Pacminex (N.T.) Pty. Ltd.                       | N.T.                   | (3,756)                                    | —                       | Ord. \$1                  | 100            | 5,000                      |
| Pacminex (Operations) Pty. Ltd.                 | N.S.W.                 | 28,793                                     | —                       | Ord. \$1                  | 100            | 10,000,000                 |
| Pacminex (Qld.) Pty. Ltd.                       | Qld.                   | (16,807)                                   | —                       | Ord. \$1                  | 100            | 140,000                    |
| Pacminex (S.A.) Pty. Ltd.                       | S.A.                   | (167,884)                                  | —                       | Ord. \$1                  | 100            | 610,000                    |
| Pacminex (Tas.) Pty. Ltd.                       | Tas.                   | (3,715)                                    | —                       | Ord. \$1                  | 100            | 4,000                      |
| Pacminex (Vic.) Pty. Ltd.                       | Vic.                   | (147)                                      | —                       | Ord. \$1                  | 100            | 500                        |
| Pacminex (W.A.) Pty. Ltd.                       | W.A.                   | (76,751)                                   | —                       | Ord. \$1                  | 100            | 1,025,000                  |
| Pacminex Pty. Ltd.                              | N.S.W.                 | —                                          | —                       | Ord. \$1                  | 100            | 500                        |
| Patson Pty. Ltd.                                | N.S.W.                 | —                                          | —                       | Ord. \$1                  | 100            | 2                          |
| Pilbara Iron Ltd.                               | 5 W.A.                 | 5,218,345                                  | 2,548,980               | A ordinary \$1            | 1.7            | 48,214                     |
| " " "                                           | 5 W.A.                 | —                                          | —                       | Ord. \$1                  | 74             | 22,901,786                 |
| Rewa Rice Ltd.                                  | 2 Fiji                 | 25,710                                     | 18,853                  | Ord. \$F2                 | 100            | 158,464                    |
| South Pacific Sugar Mills Ltd.                  | 2 Fiji                 | 1,138,724                                  | 1,154,240               | Ord. F50c                 | 97.8           | 15,934,027                 |
| Torres Exploration Pty. Ltd.                    | Qld.                   | —                                          | —                       | Ord. \$1                  | 100            | 2                          |
| Wunderlich Ltd.                                 | N.S.W.                 | 743,861                                    | 746,000                 | Ord. \$1                  | 100            | 11,335,071                 |
| Wunderlich Staff Nominees Pty. Ltd.             | N.S.W.                 | —                                          | —                       | Ord. \$2                  | —              | —                          |

1 Carries on business in Singapore

2 Carries on business in Fiji

3 Carries on business in New Zealand

4 Of the dividend paid to CSR \$199,357 was paid in respect of trading profits for prior year and \$202,512 was paid out of capital reserves

#### Statement by directors

In the opinion of the Directors of The Colonial Sugar Refining Company Limited, the group accounts and the notes thereto set out on pages 6 to 15 are drawn up so as to give true and fair views of respectively the profit or loss of the company and its subsidiaries for the year ended 31st March 1973, and the state of affairs of the company and its subsidiaries as at that date so far as they concern members of the company.

Signed in accordance with the resolution of Directors

R. G. JACKSON  
General Manager

J. W. DUNLOP, Director

Sydney  
22nd June 1973

G. B. KATER, Director

#### Statement by principal accounting officer

To the best of my knowledge and belief the group accounts with the notes thereto set out on pages 6 to 15 give a true and fair view of the matters required to be dealt with therein by Section 162 of the Companies Act 1961.

Sydney  
22nd June 1973

F. B. LONGLEY  
Principal Accounting Officer

#### Auditors' report to the members of The Colonial Sugar Refining Company Limited

1 In our opinion the attached accounts as set out on pages 6 to 16 of the company and of the group consisting of the company and its subsidiaries give a true and fair view of the state of the company's affairs at 31st March 1973 and of the profit for the year ended on that date.

2 As required by the Companies Act 1961, we report as follows:

In our opinion:

- (a) the attached accounts and the group accounts are properly drawn up
  - (i) so as to give a true and fair view of the matters required by Section 162 to be dealt with in the accounts and in the group accounts; and
  - (ii) in accordance with provisions of that Act.
- (b) the accounting records and other records, and the registers, required by that Act to be kept by the company and by those subsidiaries of which we are the auditors have been properly kept in accordance with the provisions of that Act or in the case of the subsidiaries incorporated in other States or Territories of the Commonwealth and of which we are the auditors in accordance with the provisions of the corresponding law of those States or Territories.

The names of the subsidiaries of which we have not acted as auditors are:

Australian Quarries Pty. Ltd.  
Gravel & Sand Suppliers Pty. Ltd.  
Independent Concrete Pty. Ltd.  
Independent Concrete (Pendle Hill) Pty. Ltd.  
McCaffery Services Pty. Ltd.  
Mount Gunson Mines Pty. Ltd.  
New Zealand Sugar Co. Ltd.  
Pacminex (N.Z.) Ltd.

and we have examined their accounts and the auditors' reports thereon. We are satisfied that the accounts of the subsidiaries that have been consolidated with other accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for that purpose. As shown in Note 2 to the group accounts, the accounts of South Pacific Sugar Mills Limited have been consolidated notwithstanding that the procedures for confirmation thereof laid down in the agreement scheduled to the Sugar Industry (South Pacific Sugar Mills Limited Shareholding) Act, 1971, of Fiji has not been completed and consequently the accounts have not been signed by the SPSM directors or formally reported on by us as the SPSM auditors. The audit reports on the accounts of the other subsidiaries were not subject to any qualification or comment.

YARWOOD VANE & CO.  
F N Summerhayes  
Partner  
CHARTERED ACCOUNTANTS  
Registered under the Public Accountants  
Registration Act 1945, as amended

Sydney  
22nd June 1973

## Directors' report continued—statutory requirements

In compliance with the provisions of Section 162A of the Companies Act, the Directors of The Colonial Sugar Refining Company Limited report as follows:

(a) The Directors in office at the date of this report are Sir John Dunlop, Mr. G. B. Kater, Sir James Vernon, Mr. J. M. Dixon, Mr. B. B. Riley, Mr. T. J. N. Foley, Mr. K. O. Brown and Mr. R. G. Jackson.

(b) The principal activities of the corporations in the group in the course of the year were as follows:

Production and sale of raw and refined sugar together with the provision of services to the Queensland Government for the Australian sugar industry; the production and sale of materials for building and construction; mining and mineral exploration; production and sale of industrial chemicals, alcohols and carbon dioxide.

During the year there was no significant change in the nature of the activities of the group.

(c) The net amount of the consolidated profit of the group for the year, after provision for income tax and after deducting amounts which should properly be attributed to persons other than corporations of the group, was \$23,339,596.

The extent to which each corporation in the group contributed to the above consolidated profit is \$

The Colonial Sugar Refining Company Limited (after adding back provision for loss in subsidiary mining companies \$261,388 and after deducting income from dividends on shares in related corporations) 13,856,195  
Subsidiaries, see Note 23 9,483,401  
23,339,596

(d) Particulars of subsidiaries acquired during the year are:

|                           | Consideration \$ | Net tangible assets \$ |
|---------------------------|------------------|------------------------|
| Australian National Power |                  |                        |
| Alcohol Co. Pty. Ltd.     | 1,541,593        | 1,842,200              |

(e) The amounts and particulars of material transfers to and from reserves or provisions of any corporation in the group are as follows:

| Corporation                         | Particulars                                                        | Reserve or provision       | \$000 |
|-------------------------------------|--------------------------------------------------------------------|----------------------------|-------|
| Parent                              | Share issue—bonus                                                  | From share premium reserve | 9,308 |
|                                     | Transfer from profit and loss                                      | To revenue reserve         | 8,000 |
|                                     | Reduction in value of non-current assets due currency rate changes | From capital reserve       | 4,258 |
|                                     | Reduction in provisions for loss on Fiji assets                    | To capital reserve         | 2,573 |
|                                     | Premium resulting from the acquisition of a subsidiary             | To capital reserve         | 301   |
|                                     | Replacement of fixed assets                                        | To such provision          | 9,506 |
|                                     | Final dividend                                                     | To such provision          | 6,283 |
|                                     | Income taxes                                                       | To such provision          | 3,922 |
|                                     | Doubtful debts                                                     | To such provision          | 234   |
|                                     | Long service leave                                                 | To such provision          | 1,955 |
|                                     | Pensions                                                           | To such provision          | 1,500 |
|                                     | Accrued annual leave                                               | To such provision          | 764   |
|                                     | Mineral exploration                                                | To such provision          | 1,004 |
|                                     | Losses in subsidiary companies                                     | To such provision          | 261   |
|                                     | Diminution in value of stocks                                      | From such provision        | 968   |
| Australian Quarries Pty. Ltd.       | Provision not required                                             | To revenue reserve         | 19    |
|                                     | Replacement of fixed assets                                        | To such provision          | 48    |
| Gravel and Sand Suppliers Pty. Ltd. | Income taxes                                                       | To such provision          | 113   |
|                                     | Replacement of fixed assets                                        | To such provision          | 29    |
| Independent Concrete Pty. Ltd.      | Doubtful debts                                                     | To such provision          | 16    |
|                                     | Income taxes                                                       | To such provision          | 40    |

Directors' report statutory requirements *continued*

| Corporation                                     | Particulars                        | Reserve or provision | \$000 | Corporation                            | Particulars                             | Reserve or provision | \$000 |
|-------------------------------------------------|------------------------------------|----------------------|-------|----------------------------------------|-----------------------------------------|----------------------|-------|
| Australian National Power Alcohol Co. Pty. Ltd. | Replacement of fixed assets        | To such provision    | 113   | Dia Plastics Pty. Ltd.                 | Income taxes                            | To such provision    | 8     |
|                                                 | Income taxes                       | To such provision    | 35    | Frome CO <sub>2</sub> Pty. Ltd.        | Income taxes                            | To such provision    | 1     |
|                                                 | Long service leave                 | To such provision    | 17    | Gove Alumina Ltd.                      | Replacement of fixed assets             | To such provision    | 1,737 |
| Bradford Insulation Industries Pty. Ltd.        | Replacement of fixed assets        | To such provision    | 331   |                                        | Income taxes (deferred)                 | To such provision    | 1,879 |
|                                                 | Income taxes                       | To such provision    | 221   |                                        | Dividends                               | To such provision    | 1,347 |
|                                                 | Doubtful debts                     | To such provision    | 39    | J. L. Lennard Pty. Ltd.                | Replacement of fixed assets             | To such provision    | 1     |
|                                                 | Long service leave                 | To such provision    | 14    |                                        | Income taxes                            | To such provision    | 4     |
| Bradford Insulation (Qld.) Pty. Ltd.            | Replacement of fixed assets        | To such provision    | 17    | Macadamia Nuts Pty. Ltd.               | Replacement of fixed assets             | To such provision    | 3     |
|                                                 | Income taxes                       | To such provision    | 64    | McCaffery Services Pty. Ltd.           | Replacement of fixed assets             | To such provision    | 100   |
|                                                 | Doubtful debts                     | To such provision    | 34    |                                        | Income taxes                            | To such provision    | 85    |
| Bradford Insulation (Vic.) Pty. Ltd.            | Replacement of fixed assets        | To such provision    | 88    |                                        | Long service leave                      | To such provision    | 12    |
|                                                 | Income taxes                       | To such provision    | 195   | Masonite Corporation (Aust.) Pty. Ltd. | Replacement of fixed assets             | To such provision    | 206   |
|                                                 | Doubtful debts                     | To such provision    | 121   |                                        | Income taxes                            | To such provision    | 486   |
| Carba Australia Ltd.                            | Replacement of fixed assets        | To such provision    | 549   | Mitcham Properties Pty. Ltd.           | Income taxes                            | To such provision    | 19    |
|                                                 | Income taxes                       | To such provision    | 449   | Midcalco Pty. Ltd.                     | Income taxes                            | To such provision    | 23    |
| Waldown Pty. Ltd.                               | Replacement of fixed assets        | To such provision    | 8     | New Zealand Sugar Co. Ltd.             | Dividend equalisation                   | To revenue reserve   | 43    |
|                                                 | Income taxes                       | To such provision    | 23    |                                        | Currency rate change                    | From capital reserve | 9     |
| Commonwealth Distilleries Pty. Ltd.             | Income taxes                       | To such provision    | 5     |                                        | Income taxes                            | To such provision    | 248   |
|                                                 | Surplus on sale land               | To capital reserve   | 381   |                                        | Long service leave                      | To such provision    | 11    |
|                                                 | Replacement of fixed assets        | To such provision    | 2,372 |                                        | Mineral exploration                     | To such provision    | 30    |
|                                                 | Catalyst renewal                   | To such provision    | 87    | Pacminex (Operations) Pty. Ltd.        | Loss on post balance date sale of asset | To such provision    | 1,859 |
|                                                 | Long service leave                 | To such provision    | 187   | Pilbara Iron Ltd.                      | Replacement of fixed assets             | To such provision    | 6,369 |
|                                                 | Diminution in value of investments | To such provision    | 170   |                                        | Income taxes (deferred)                 | To such provision    | 7,415 |
| Robert Corbett Pty. Ltd.                        | Replacement of fixed assets        | To such provision    | 26    |                                        | Dividends                               | To such provision    | 3,038 |
|                                                 | Income taxes                       | To such provision    | 18    | Rewa Rice Ltd.                         | Replacement of fixed assets             | To such provision    | 7     |
| Newcastle Chemical Co. Pty. Ltd.                | Replacement of fixed assets        | To such provision    | 201   |                                        | Income taxes                            | To such provision    | 14    |
|                                                 | Income taxes                       | To such provision    | 17    | South Pacific Sugar Mills Ltd.         | Replacement of fixed assets             | To such provision    | 1,303 |
| CSR Research Pty. Ltd.                          | Replacement of fixed assets        | To such provision    | 11    |                                        | Income taxes                            | To such provision    | 619   |
|                                                 | Long service leave                 | To such provision    | 3     |                                        |                                         |                      |       |

| Corporation                           | Particulars                   | Reserve or provision | \$000 | Corporation            | Particulars                 | Reserve or provision | \$000 |
|---------------------------------------|-------------------------------|----------------------|-------|------------------------|-----------------------------|----------------------|-------|
| South Pacific Sugar Mills Ltd. cont'd | Compassionate allowance       | To such provision    | 170   | Wunderlich Ltd. cont'd | Replacement of fixed assets | To such provision    | 1 087 |
|                                       | Currency rate change          | From capital reserve | 290   |                        | Income taxes                | To such provision    | 162   |
|                                       | Post crushing overhaul        | To such provision    | 119   |                        | Doubtful debts              | To such provision    | 143   |
| Wunderlich Ltd.                       | Surplus on sale land          | To capital reserve   | 618   |                        | Long service leave          | To such provision    | 230   |
|                                       | Transfer from profit and loss | To revenue reserve   | 211   |                        |                             |                      |       |

(f) Shares or debentures issued during the year.

**Shares issued**

| Corporation                 | Class    | Number    | Amount   | Terms                                                 | Purpose of issue                     |
|-----------------------------|----------|-----------|----------|-------------------------------------------------------|--------------------------------------|
| Parent                      | Ordinary | 9,308,435 | \$1 each | Fully paid 1 share per every 8 held                   | Capitalisation of share premium      |
| Pacminex Pty. Ltd.          | Ordinary | 498       | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |
| Pacminex (N.S.W.) Pty. Ltd. | Ordinary | 74,998    | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |
| Pacminex (N.T.) Pty. Ltd.   | Ordinary | 4,998     | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |
| Pacminex (Qld.) Pty. Ltd.   | Ordinary | 139,998   | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |
| Pacminex (S.A.) Pty. Ltd.   | Ordinary | 639,998   | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |
| Pacminex (Tas.) Pty. Ltd.   | Ordinary | 3,998     | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |
| Pacminex (Vic.) Pty. Ltd.   | Ordinary | 498       | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |
| Pacminex (W.A.) Pty. Ltd.   | Ordinary | 1,024,998 | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |

| Shares issued                |          |         |          |                                                       |                                      |
|------------------------------|----------|---------|----------|-------------------------------------------------------|--------------------------------------|
| Corporation                  | Class    | Number  | Amount   | Terms                                                 | Purpose of issue                     |
| Mount Gunson Mines Pty. Ltd. | Ordinary | 799,997 | \$1 each | At par, payable one-tenth cent on appln. Bal. on call | For exploration of mineral prospects |

| Debentures issued |                     |                |            |                                                                                         |                                      |
|-------------------|---------------------|----------------|------------|-----------------------------------------------------------------------------------------|--------------------------------------|
| Corporation       | Class               | Amount         | Term       | Interest rate                                                                           | Purpose of issue                     |
| Gove Alumina Ltd. | Second series stock | \$6,825,000    | 1975-1981  | 8¾ %                                                                                    | Finance requirements of Gove project |
|                   | Second series stock | US\$2,548,000  | 1975-1981  | 1½ % above the London inter-bank rates for Euro dollar deposits averaged for six months | Finance requirements of Gove project |
|                   | Second series stock | \$6,000,000    | March 1974 | 7½ %                                                                                    | Finance requirements of Gove project |
|                   | Second series stock | US\$10,000,000 | Sept. 1977 | 8%                                                                                      | Finance requirements of Gove project |

- (g) The amounts paid or declared by way of dividend by the company to its shareholders since the end of the previous financial year:

Final dividend of 7 cents per share in respect of year ended 31st March 1972, was paid 31st July 1972 \$5,212,724

Interim dividend of 7 cents per share in respect of year ended 31st March 1973, was paid 18th December 1972 \$5,212,724

The proposed final dividend of 7½ cents per share in respect of year ended 31st March 1973, would total \$6,283,194.

- (h) Dividends paid to or declared in favour of CSR by subsidiaries in the period since the end of the financial year.

| Company           | Date           | Amount    |
|-------------------|----------------|-----------|
| Gove Alumina Ltd. | 11th June 1973 | \$430,168 |

Dividends paid to or declared in favour of CSR during the financial year are shown in Note 23 of the notes to the accounts.

- (i) The Directors (before the profit and loss account and balance sheet were made out) took reasonable steps to ascertain what action had been taken so far as debts owing to the holding company are concerned in relation to the writing off of bad debts and the making of provisions for doubtful debts and to cause all known bad debts to be written off and adequate provision to be made for doubtful debts.

- (j) At the date of this report the Directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the group of companies inadequate to any substantial extent.

- (k) The Directors (before the profit and loss account and balance sheet were made out) took reasonable steps to ascertain whether any current assets of the holding company (other than current assets to which paragraph (i) applies) were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the company and ascertained that none of such current assets were unlikely to do so, other than certain items in respect of which adequate provision was made.

- (l) At the date of this report the Directors are not aware of any circumstances which would render the values attributed to current assets in the group accounts misleading.
- (m) At the date of this report there does not exist—
- (i) any charge on the assets of any corporation in the group which has arisen since the end of the financial year and secures the liabilities of any other person; and
  - (ii) any contingent liability of any corporation in the group which has arisen since the end of the financial year.
- (n) No contingent or other liability of any corporation in the group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the corporation to meet its obligations as and when they fall due.
- (o) At the date of this report the Directors are not aware of any circumstances, not otherwise dealt with in this report or group accounts, which would render any amount stated in the group accounts misleading.
- (p) The results of the operations of the group or of any corporation in the group during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature apart from setting up a provision for the payment of pensions previously charged to revenue as incurred, see Note 4, and as otherwise referred to in the accounts or this report.
- (q) There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of any corporation in the group for the next succeeding financial year except as referred to in the accounts or this report.

Since the end of the previous financial year no Director of CSR has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the group accounts, in accordance with the Ninth Schedule, or the fixed salary of a full-time employee of the company) by reason of a contract made by the company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Signed in accordance with the resolution of the Directors of The Colonial Sugar Refining Company Limited.

R. G. JACKSON  
General Manager

J. W. DUNLOP, Director

Sydney  
22nd June 1973

G. B. KATER, Director

## Review of operations



R. G. Jackson  
General Manager

### Sugar activities

CSR manufactures raw sugar at four mills in Queensland and at three mills in New South Wales. All Australian raw sugar is acquired for marketing by the Queensland Government.

As contractor to the Government, CSR refines and distributes about 95% of the refined sugar products used in Australia, markets all exports of raw sugar and provides a wide range of services for the Australian sugar industry. The New Zealand Sugar Company Ltd., a CSR subsidiary, refines and distributes all the refined sugar products used in New Zealand. Until 1st April 1973, when ownership of CSR's shareholding passed to the Government of Fiji, the four raw sugar mills in Fiji were owned by South Pacific Sugar Mills Ltd., in which CSR held 97.8% of the shares.

CSR's sugar activities during the year are reviewed below. Comment on matters of more general sugar industry interest appears on page 29.

#### CSR's Australian raw sugar mills

The average price received by mills for 1972 season raw sugar was higher than for 1971 but lower crops in CSR mill areas and higher wages and other costs reduced the earnings of our mills.

Our Queensland mills produced 403,000 tons of sugar, about 10% less than the record 1971 production of 449,000 tons. Cane crops were lighter, due mainly to cyclone damage prior to harvesting. Production in New South Wales, at 97,000 tons, was 17% less than in 1971. Cane crops were extensively impaired by drought and, later, by flood.

Additional crushing capacity was installed at some mills for the 1972 season. High standards of efficiency in milling operations were maintained. Capital expenditure continues to be directed to the control of mill costs in the face of general inflationary pressures. A start has been made in applying computer technology to process control. CSR is working, along with

the Sugar Research Institute, CSIRO and IBM on a programme aimed at improving the design and operation of factory plant.

At our four Queensland mills, conversion to 100% mechanical harvesting of cane will be completed in the 1973 season. In New South Wales, where mechanical harvesting is much more difficult due to the different characteristics of farm structure and cane growing, it is expected that 35% of the crop will be mechanically harvested in 1973 compared with 22% in 1972. For the first time, cane at Harwood mill will be mechanically harvested on a commercial scale.

Crop prospects for the 1973 season are good in most of our mill areas. On current estimates, CSR's production is expected to be higher than in 1972 in both New South Wales and Queensland. For 1973 our seven mills now estimate that they will make about 556,000 tons, compared with 500,000 tons in 1972 and the record 566,000 tons produced in 1971.

#### Fiji raw sugar mills

South Pacific Sugar Mills Ltd. made 300,000 tons of raw sugar from the 1972 Fiji cane crop, which had been damaged by both drought and hurricane. Production in 1972 was 17,000 tons less than in 1971.

CSR's shareholding in South Pacific Sugar Mills Ltd. passed to the Government of Fiji on 1st April 1973. The change of ownership was accomplished smoothly and with goodwill. The Government has renamed the milling enterprise The Fiji Sugar Corporation Ltd. CSR continues to supply staff and services, to market export sugar and to purchase molasses in accordance with agreements which had applied when SPSM was in CSR's ownership and which are continuing with the Fiji Sugar Corporation. As at 31st May 1973, 55 CSR staff officers were on secondment to the Corporation. This number will be progressively reduced as trained Fiji staff become available to take over their positions, in pursuance of the policy of localisation which CSR had followed for many years.

#### **Refined sugar in Australia**

Our five Australian sugar refineries sold 663,000 tons of sugar products, 2.3% more than last year. Sales through retail outlets were slightly down, but a hot summer in all States resulted in record sales of sugar to soft drink manufacturers and some other industrial users. Purchases by some canners of deciduous fruit were higher following better export market prospects for the output of their current season. Sugar improved its position in the brewers' market but competition from cereal-based fermentable materials is still strong. A satisfactory share of the refined sugar trade in Papua New Guinea and in Pacific Islands has been maintained against competition from foreign refiners.

Deliveries of bulk granulated sugar commenced in Perth and Adelaide, and are now available in all mainland capital cities. The conversion of all sugar packages to metric measure, which began in July last year when the traditional 70 lb bag was replaced by a slightly smaller 30 kg bag, is continuing and is to be completed before the end of 1973.

#### **Refined sugar in New Zealand**

In 1972 the New Zealand Sugar Company Ltd. entered into a Sugar Price Stabilisation Agreement with the New Zealand Government as part of that Government's programme directed towards greater stability of internal prices.

Under the Agreement, refined sugar prices remained constant throughout the year, despite higher costs of raw sugar purchases. These higher costs are being met from a special bank overdraft account called the Sugar Price Stabilisation Account. The Agreement provides the necessary safeguards for the New Zealand Sugar Company, including the repayment of the Sugar Price Stabilisation Account by the time the Agreement terminates.

Helped by a hot summer, sales for the year were 161,000 tons, or about 5% higher than last year.

#### **Raw sugar exports**

Australian raw sugar exports made by CSR on behalf of the Queensland Government reached 2,221,000 tons in the 1972 calendar year, substantially exceeding the previous record exports of 2,080,000 tons in 1968. Traditional markets were maintained and some important new markets (referred to on page 29) were developed.

Because of reduced production, Fiji's 1972 calendar year exports fell to 271,000 tons,

compared with 330,000 tons in 1971. However, Fiji's export commitments under the supply commitment provisions of the International Sugar Agreement (ISA), the British Commonwealth Sugar Agreement and the US Sugar Act were fully met.

Buoyant world free market conditions prevailed throughout most of 1972 and have continued into 1973.

At this stage, it seems unlikely that 1973 calendar year exports will be subject to restrictive ISA quotas and no difficulties are expected in finding markets for all 1973 season sugar acquired for marketing by the Queensland Government and for Fiji's production.

#### **Sugar marketing services**

In concert with the Queensland Sugar Board, and in advance of the changes in the exchange rate which occurred during the year, CSR secured the maximum practicable protection of foreign currencies due under forward contracts for export of sugar. In consequence, the Australian dollar value of proceeds from 1972 sugar exports was only slightly reduced by changes in the exchange rate of the Australian dollar against other currencies in which export contracts are written. The impact on 1973 and 1974 season exports will also be reduced to some extent by the action taken but, if present exchange rates are maintained, the Australian dollar value of export prices in the 1973 and subsequent seasons will be adversely affected by the currency adjustments.

#### **Materials for building and construction**

CSR is engaged in the manufacture of materials for building and also the supply of concrete and stone for building and road construction.

We manufacture and market a wide range of building products in all States of Australia. The main operating groups are the gypsum products group, vinyl floor coverings group, mineral fibres group, Wunderlich Ltd. (a wholly owned subsidiary) and the two 50% owned companies, Hardboards Australia Ltd. and Pyneboard Pty. Ltd.

CSR's interests in the concrete and quarrying industry include shareholdings of almost 50% in Ready Mixed Concrete Ltd., more than 40% in Farley & Lewers Ltd., 25% in Hymix Australia Pty. Ltd. and our subsidiaries, Australian Quarries Pty. Ltd. (100% CSR) and

*Review of operations continued*

Gravel and Sand Suppliers Pty. Ltd. (51% CSR). These companies operate quarries, sand and gravel pits, concrete batching plants and a number of other activities.

Based on the value (at constant prices) of work done on all types of new buildings, the Australian building industry grew by an estimated 7% in the year ended March 1973, compared with the year ended March 1972. This compares with a growth of 2% in the industry during the preceding year.

The rate of building of dwellings in the year ended March 1973 was relatively high, partly due to more funds being available from building societies and banks. At constant prices, the value of work done on dwellings increased by an estimated 11% in the year ended March 1973, compared with a rise of 1% in the previous year. On the other hand, the increase in the value (at constant prices) of work done on buildings other than dwellings was similar to that of the previous year.

Industrial disputes and shortages of skilled labour affected the building industry in some areas and adversely affected sales of some of our materials. Nevertheless, total sales value of products of our building materials division was 12% greater than last year and earnings improved notwithstanding cost increases.

The production of ready-mixed concrete in Australia in the year under review is estimated to have increased by about 5% over the previous year.

**Building materials division**

A strong demand continues for gypsum products, which we manufacture in all mainland States.

Construction has begun of a large Gyprock plasterboard factory at Wetherill Park, NSW. This plant will supplement the present plant at Concord.

Gyprock lining attached to timber, steel or aluminium frames, using the dry construction method, continues to gain popularity at the expense of other construction methods because of its speed, convenience and lower cost.

The market for vinyl flooring has improved compared with last year. However, currency changes have increased competition from imports.

Sales of mineral fibre products by the Bradford group were higher than last year. Industrial disputes in the building industry, particularly in NSW, have delayed completion of a number of large projects using our insulation products, with some adverse effects on sales.

Sales by Wunderlich of clay roof tiles, asbestos-cement products and aluminium windows show small increases over the previous year.

The market for aluminium windows is extremely competitive as the prime aluminium metal manufacturers strive for an increased share of the market for fabricated aluminium products.

A new aluminium extrusion plant, jointly-owned by CSR and Comalco and built at Minto, NSW, at a cost of \$1.4 million, began production in May.

The new continuous-tunnel kiln for clay tiles at Rosehill, NSW, is now producing a high-quality tile. Production rates are increasing after some initial settling-in problems.

**Hardboards Australia Ltd. (50% CSR)**

The market for hardboard products in Australia is subject to intense competition but sales were better than last year.

Exports of Australian hardboard were satisfactory and the overseas market has been generally firm. However, revaluation has made our products less competitive in some overseas markets.

**Pyneboard Pty. Ltd. (50% CSR)**

Although the Australian market for particle board has shown good growth during the year, competition has increased. Nevertheless, so did the total value of sales.

A plant costing about \$2.5 million has been ordered by Pyneboard to make thin particle board by a new process. This plant will be at Rosedale, Victoria, and will begin production in 1974.

Increased imports of particle board following revaluation have added to the competition against this product in Australia.

**Concrete and quarrying activities**

Earnings from concrete and quarrying, comprising mainly dividends from investments in ready-mixed concrete and quarrying companies, were significantly better than for last

year. This improvement was achieved in spite of severe competition in the Sydney ready-mixed concrete industry.

The financial year of Ready Mixed Concrete Ltd. (almost 50% CSR) ends on 30th June. Dividends brought to account in CSR's books (on a quarterly basis) relate to the year ended 31st March. *Estimated earnings (after tax)* to the end of March 1973 (i.e. nine months), show a satisfactory increase over the corresponding period in the previous year. *Dividends to CSR* in the year ended 31st March 1973 were up by 15% on the previous year.

The profits for the year so far reflect improved trading in Australia. Results from tin dredging in Malaysia, although higher than in the previous year, are not yet up to expectation. As usual, the full year's operations will be reviewed in the next half-yearly report.

Our subsidiaries, Australian Quarries Pty. Ltd. (100% CSR) and Gravel and Sand Suppliers Pty. Ltd. Group (51% CSR), traded profitably, although not as well as in the previous year.

CSR (40%) and Blue Metal Industries Ltd. (60%) have formed a company, Djakarta Ready Mixed Concrete Pty. Ltd., which owns 75% of PT Jaya Readymix, established in association with Indonesian interests to manufacture and market ready-mixed concrete in Djakarta.

## Mining

Through subsidiaries, CSR is a participant in the Mt Newman iron ore venture in Western Australia and in the Gove bauxite and alumina venture in the Northern Territory. We operate gypsum mines in New South Wales, Victoria, South Australia and Western Australia, and conduct mineral exploration in many places in Australia. During the year, CSR subscribed for a shareholding in Weeks Natural Resources Ltd., an international oil and gas exploration company.

### Mt Newman iron ore

CSR's participation in the Mt Newman joint venture is through our subsidiary, Pilbara Iron Ltd., which has a 30% interest. CSR owns 68% of Pilbara Iron Ltd.

During the year, Mt Newman shipped 23.2 million tons of ore to Japan (19,159,000 tons), Europe (1,636,000 tons) and Australian mills (2,408,000 tons). Shipments were 3.9 million tons higher than in the previous year, due

mainly to increased shipments to Japanese steel mills and BHP.

Shipments during the year were about 2 million tons greater than was forecast at the beginning of the year and in the half-yearly report. Japanese steel production made a strong recovery during the second half of 1972/1973 and as a result the cut-backs in deliveries to the Japanese steel mills reported on previously were less than expected. The tonnage shipped during the year would have been about 2 million tons greater but for stoppages caused by cyclones, industrial disputes and the derailment of an ore train.

It is expected that during the current year the recovery in Japanese steel production will continue and shipments will be about 29 million tons. Present indications are that the Japanese steel mills now do not expect to make any cut-backs below the contractual minimums in their contracts with Mt Newman during the year ending March 1974. As a result the tonnages to be delivered to Japan during the current year will be close to, or slightly in excess of, the base tonnage specified in the contracts. Sales to Europe and BHP are expected to increase this year.

Expenditure on construction by the Mt Newman venturers during the year totalled \$23.4 million, of which the share of Pilbara Iron Ltd. was \$7 million. The Mt Newman venturers have authorised a further expansion of project capacity to provide by the end of 1974 an annual shipment capacity of 35 million tons. This increased capacity will be required to meet commitments under existing sales contracts.

### Gove bauxite and alumina

Gove Alumina Ltd. (51% CSR) owns 30% of the alumina plant and mining assets comprising the venture, is entitled to 30% of the total alumina production of the plant, and in addition has the sole right to export untreated bauxite from Gove. Gove Alumina has sold its share of the alumina produced to Swiss Aluminium Ltd. for 20 years, subject to certain rights of drawback.

Shipment of alumina from the first stage of the alumina plant at Gove (500,000 tons per annum capacity) began in August 1972. Construction of the alumina plant second stage (also 500,000 tons per annum capacity) is virtually complete. This is scheduled to come into production during June 1973 and will bring the alumina plant to its full initially planned capacity of one million tons per annum.

*Review of operations continued*

Total estimated expenditure by Gove Alumina to completion of the one million tons alumina plant is \$106 million.

Gove Alumina Ltd. exported 1,073,000 tons of bauxite and 80,000 tons of alumina during the year. Bauxite sales were lower than expected, largely due to the prevailing world-wide depression of the aluminium industry, which is now showing signs of recovery.

During the year, Gove Alumina issued US\$10 million of debenture stock to Japanese banks to complete its finance requirements.

In March 1973 Gove Alumina became a 10% shareholder in Mitsui Alumina Co. Ltd. of Japan by acquisition for cash of 600,000 shares at par at a cost of approximately A\$790,000. Gove Alumina has contracted to supply 18.5 million tons of bauxite from Gove for the Mitsui alumina plant at Wakamatsu, Kyushu, Japan.

#### **Mt Gunson copper**

At the time of the last report, the Mt Gunson copper venture was owned as to two-thirds by a subsidiary of CSR and as to one-third by United Uranium N.L. As was reported last year, operations at Mt Gunson were suspended in December 1971. In June 1972 we purchased the one-third interest of United Uranium N.L. and the shares held by that company in Mt Gunson Mines Pty. Ltd., the manager of the venture. The joint venture has now been consolidated into Mt Gunson Mines Pty. Ltd., as owner.

Pacminex (our exploration subsidiary) continued exploration in the district after the suspension of operations. The scale of activity has increased following the recent discovery of an interesting deposit of copper mineralisation in previously untested areas about two miles from the concentrator. An evaluation programme, including the sinking of test shafts and pilot plant testing of the material is being undertaken.

#### **Mineral exploration**

Basic exploration and examination of prospects by the Pacminex group have continued with activities extending throughout Australia.

Exploration efforts have been directed towards uranium, coal, iron, nickel, copper and other base metals.

In New Zealand an initial programme of investigation did not reveal any prospects meriting further expenditure and exploration activities have been suspended.

Prolonged negotiations with the Government of Western Australia followed the rejection in March 1972 by the Environmental Protection Authority of the original Upper Swan site proposed for a refinery to produce alumina from bauxite deposits near Perth. The W.A. Government offered to help find an alternative site and some 12,000 acres of Crown land at Muchea was offered to the company by the Government together with some concessions to help offset the economic disadvantages of the more remote Muchea site. A new Act, known as the Alumina Refinery (Muchea) Agreement Act, was finally passed by the Western Australian Parliament in January 1973.

The world aluminium industry remained depressed throughout 1972 and it is only recently that significant and sustained rises in aluminium prices have occurred. The upvaluation of the Australian dollar and the devaluations of the US dollar, have made bringing this project into production more difficult. Efforts directed to this end are continuing.

On-site exploration and evaluation of the Julia Creek oil shale/vanadium project have been discontinued pending a solution being found to technological problems of recovery, on which research work is continuing.

#### **Other interests**

CSR's other interests comprise principally

- industrial chemicals
- alcohol
- carbon dioxide and freezing services
- shipping operations and management
- anticay.

#### **CSR Chemicals Ltd. (50.3% CSR)**

Total tonnage sales of products for both domestic and export markets increased during the year by 9.2%. However, lower tariff protection, announced by the Government in March 1972, adversely affected domestic selling prices, with the result that total revenue from sales was only 4.1% ahead of the previous year. During 1972 world prices of basic chemicals remained very low and some sales of key products were lost to imports.

Lower prices for certain imported chemicals arising from the currency realignments brought further downward pressure on the prices of several of our products.

CSR Chemicals was virtually free of strikes in its own operations throughout the year, but major strikes at suppliers' establishments had

serious effects on the company's sales, profit and stocks in July and August 1972, and again in February and March 1973. In addition to direct loss of sales and of profit, these outside industrial disputes led to acute shortages of key raw materials over protracted periods and adversely affected manufacturing costs. These effects came on top of increases during the year in some key raw material costs and in wages so that, in spite of an overall increase in sales revenue, the company's trading operations for the year resulted in a loss of \$565,000.

During the year capital surpluses totalling \$1,162,864 were obtained from realisation of assets by CSR Chemicals Ltd. and by its wholly owned subsidiary Robert Corbett Pty. Ltd. and were transferred to capital profits reserves.

#### **Distilleries**

Sales volume of industrial alcohol within Australia increased by 5% over the previous year. A number of bulk shipments were made to Japan of alcohol from the distillery in Sarina, North Queensland, of our new subsidiary, Australian National Power Alcohol Co. Pty. Ltd.

A new grade of alcohol of very high quality for use in perfumery, cosmetics and white potable spirits was introduced by Pyrmont Distillery in January 1973. This has been well received and has good expectations of growth.

Sales of rum, both the traditional dark types and the newer white rums, were maintained. 7% of total rum sales were exported.

#### **Carba Australia Ltd.**

Carba's operations resulted in sales of 8% above the preceding year.

The use of CO<sub>2</sub> for food chilling and freezing increased; this expansion is expected to be further stimulated in 1973/74 by sales of Carba-designed food freezing equipment recently introduced to the market. Export sales of CO<sub>2</sub> plant and equipment were made to Hong Kong, Singapore and Indonesia.

In Darwin, the capacity of Carba cold storage facilities was increased by 50% by the purchase of a cold store previously operated by the Government.

#### **Shipping**

CSR is managing agent for Australian Chemical Ship Line (50% CSR) which operates two chartered chemical tankers. Both vessels per-

formed satisfactorily and earnings from our participation in this business improved.

Shipflex Pty. Ltd. (50% CSR) has undertaken the managing agency of two vessels for Australian Territory Liner Services. These vessels are scheduled to begin service during 1973.

#### **Anticay**

Anticay (the registered name for a special calcium sucrose phosphate complex) is a food additive developed by the company which helps to reduce the incidence of tooth decay when added in small quantities to processed carbohydrate foods.

Anticay, which was discovered in 1960, has been subjected to a comprehensive research programme, both in Australia and overseas, to establish its safety and effectiveness. In November 1969 the National Health and Medical Research Council of Australia recommended to the States of the Commonwealth that Anticay be permitted as a food additive. Permitting Regulations have now been gazetted by all State Governments.

A plant with sufficient capacity to meet the projected Australian market requirements for Anticay was completed in December and successfully commissioned early this year.

Anticay is sold to food manufacturers for incorporation in their products as an ingredient. About 30 leading food companies are to incorporate it in many of their food products.

The first food products containing Anticay became available for retail sale during April 1973 in Victoria, South Australia and Tasmania. A wide range of such products is expected to be available throughout Australia shortly.

#### **Research and development**

R & D in CSR is conducted in four laboratories and by specialist development groups attached to particular activities. Product improvement, increased efficiency, effluent control, and automation are typical aspects of current efforts related to sugar and building materials. Laboratory, phytotron and field staff are engaged in plant breeding, disease and insect control. Our biologists have recently introduced a computerised information system which will greatly assist breeding of new sugar-cane varieties.

R & D continues to give support in the fields of ore extraction, automatic sorting of unusual minerals, new exploration techniques, and improved methods of beneficiation of lower grade ores.

*Review of operations continued*

Examination of opportunities for future expansion is an important part of R & D work. Increased attention is at present being given to improving the group's capacity to search for and evaluate new business proposals.

### **The environment**

Much effort is being focused on the planning of investment to ensure that group operations not only comply with current community standards for emissions, effluents, and noise; but will also comply with the more stringent standards likely to be required by the community over the next few years. Capital expenditure for such purposes over the last four years has exceeded \$3.5 million.

The resources of both capital and technology to be applied in the next few years will be much greater.

At Victoria mill, Ingham, extensive investigational work conducted since 1969, in co-operation with outside consultants, has resulted in the development of an efficient and novel treatment system for sugar mill effluents. A full-scale plant based on this system will be operational later this year at a capital cost approaching \$400,000.

At Sarina, Queensland, an extensive spray irrigation system covering several hundred acres has been developed to handle effluent from the Australian National Power Alcohol Co. Pty. Ltd.'s distillery. Many other effluent control measures are being implemented.

The company's factories have achieved an outstanding record for safety. Many of our major plants are 'safety millionaires' and safety is a continuing and vital activity of management.

### **Staff**

The past year has been one of considerable change both in the environment in which CSR works and within CSR itself. It is largely because of the ability of our staff to turn change to advantage and to follow through with perseverance and hard work that the year has been one of achievement and success for the company.

It gives the directors considerable satisfaction to express appreciation of these efforts by the staff and to say that they have complete confidence in the ability of the staff to carry forward the plans being formulated for the company's growth.

## Australian sugar industry matters

There are 34 raw sugar mills in Australia: 12 are owned co-operatively by farmers, 7 by CSR and 15 by other companies. These mills process cane supplied by about 8,500 canegrowers. Harvesting and crushing usually extends from June to December.

### Raw sugar production and exports

International Sugar Agreement (ISA) export quotas were suspended from the beginning of January 1972 (and remain suspended), consequent upon the increase in world free market sugar prices referred to below. This permitted all available cane to be harvested in the 1972 season, and with good seasonal conditions in most but not all districts, a record 2,704,000 tons of raw sugar was made. This was 25,000 tons higher than in 1971. The 1973 season, on present estimates, is expected to produce about the same as in 1972.

The availability of sugar for export was increased by the release in January 1972, of 155,000 tons of mandatory reserve stocks held in accordance with the terms of the ISA, and 1972 calendar year exports reached a record 2,221,000 tons. Commitments to Britain under the British Commonwealth Sugar Agreement and to the United States under the US Sugar Act were fully met, as were the 'supply commitment' obligations under the ISA to long-established customers in Canada, Japan, New Zealand and other countries which are members of the ISA.

Major markets for raw sugar exports in 1972 were Japan (664,000 tons), Britain (442,000), Canada (405,000), United States (196,000), USSR (132,000), New Zealand (97,000), Malaysia (61,000), Finland (48,000), Singapore (37,000), and the People's Republic of China (35,000). Sugar was sold for the first time to Algeria, Belgium, Chile, China, Morocco, Tunisia and the USSR. The first shipment of bulk (not bagged) sugar was made to South Korea. Long-term contractual arrangements were negotiated for the supply of Australian sugar to Singapore and Malaysia. Both arrangements are for the period of five years to 1977, but provide for extension beyond 1977.

### Prices

It is customary to regard the ISA Daily Price as denoting the world free market price for raw sugar. This price quotation is expressed in terms of US cents per lb, basis f.o.b. and stowed Caribbean port. For 1972 calendar year, the ISA Daily Price averaged US 7.27 cents per lb. It reached US 9.68 cents on

29th December 1972, and its low point was US 5.12 cents on 28th July. The 1972 average of US 7.27 cents compares with US 4.50 cents averaged in 1971; US 3.68 cents in 1970; and US 3.20 cents in 1969, the first year of operation of the current ISA. For the period January-May 1973, the ISA Daily Price averaged US 9.10 cents per lb.

The progressive improvement in world free market prices between 1969 and 1971 was due in substantial part to the effective operation of the International Sugar Agreement, the purpose of which is to so regulate supplies coming onto the market as to achieve prices within a defined range. However, the high prices of 1972 reflected a set of circumstances with which the ISA was not designed to cope. They included large reductions in sugar production in the USSR and in some other Eastern European countries, a reduction in expected supplies from Cuba and lower production in some other long-established exporting countries.

These circumstances led to heavy import demand from the free market by the USSR, China and a number of other countries. This in turn pushed prices well above the 'target range' of the ISA. Member importing countries of the ISA such as Japan, Canada and New Zealand were substantially protected from the full impact of higher prices by the ISA 'supply commitment' provisions, which entitle importing members to obtain their traditional imports from member exporting countries at a ceiling 'supply commitment' price. The 'supply commitment' price was US 6.50 cents per lb in the ISA as negotiated in 1968. International currency adjustments have resulted in its being increased to US 6.95 cents per lb in January 1972, and to US 7.60 cents per lb in March 1973. Throughout most of 1972 and to date in 1973, the 'supply commitment' price was lower than the ISA Daily Price.

Raw sugar exports from 1972 season benefited substantially from the price improvement, but not to the full extent of the increase in the ISA Daily Price. Large tonnages were required to be sold at the ISA supply commitment price and the price of sugar shipped to Britain under the British Commonwealth Sugar Agreement (and to some extent sugar exported under quota to the United States) was unaffected by world price movements.

Wholesale prices for refined sugar products sold in Australia are fixed in accordance with the Sugar

Agreement between the Australian and Queensland Governments. Basic prices have not been increased since June 1967, notwithstanding inflationary pressures reflected by an increase in average weekly earnings of about 60% between June 1967 and December 1972. The higher export prices, however, resulted in the average price paid for all raw sugar produced in Australia in 1972 being determined at \$119.95 per ton (basis 94 net titre), compared with \$110.35 per ton for the 1971 season. Both prices were after providing for repayment of instalments of Australian Government loans received in the 1966 and 1967 seasons when export prices were depressed. Total raw sugar industry income from the 1972 season (of which approximately two-thirds is paid to the growers of cane) was \$332 million, some \$29 million higher than for the 1971 season.

#### **Export marketing arrangements**

Britain became a Member of the European Economic Community on 1st January 1973. The British Commonwealth Sugar Agreement, under which Australia sells to Britain each year 335,000 tons and other Commonwealth countries 1,400,000 tons, will remain in force until 31st December 1974. Developments over the last year have done little to clarify the detailed arrangements to be made in respect of sales to Britain of Commonwealth sugar after 1st January 1975. However, there has been recent reaffirmation that British Government policy is to keep taking sugar from developing Commonwealth countries and that, in respect of Australian sugar, Britain will seek to ensure that imports from Australia will not cease abruptly but will be 'phased down' over some years after 1974. The EEC's domestic sugar regulations, which could affect decisions on the access to be provided for Commonwealth sugar hitherto purchased by Britain, are to be renegotiated, though this may not be until mid-1975.

The current United States sugar legislation, under which Australia sells approximately 180,000 tons a year, and which provides import quotas at favourable prices for many other countries, covers the period to end-1974, and is expected to be reviewed by Congress during 1974.

The current International Sugar Agreement, which expires at the end of 1973, is being renegotiated this year, under the auspices of the United Nations Conference on Trade and Development (UNCTAD). There are two sessions: one was held in May and the final substantive negotiations are scheduled for September-October. The EEC and the United States, neither of which are members of the 1968 Agreement, are participating in the 1973 negotiations.

It is, as yet, too early to predict the outcome with confidence. Consideration of some issues is complicated by the position, referred to above, in respect of British and United States imports and EEC domestic policies. However, the 1968 Agreement has been demonstrated to have been effective and beneficial, not only for exporting countries but also for importing countries which have been helped by the supply commitment provisions. Statistically, the situation is much improved. In August 1968, world sugar stocks were estimated at 19.5 million tons, representing about 29% of 1968 total world consumption of around 67 million tons. By August 1973, world stocks are forecast to go down to about 15.8 million tons, or about 20% of 1973 consumption which is forecast to rise to about 78 million tons.

CSR and sugar industry organisations are assisting Australian and Queensland Government representatives in the ISA negotiations.

## Senior management and functional officers

The directors, general management, senior executive officers and secretary of the company are listed on page 1.

Some of the senior managers of our operations and of some subsidiary and 50%-owned companies are listed below, together with some of the senior functional officers.

There are many other senior officers who operate with a considerable degree of autonomy. These include: officers who control large elements of some of the divisions and of some of the general functional areas; the chief executives of subsidiary or associated companies not separately mentioned below; and those who control major functions that are within divisions and subsidiaries.

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### Operations

#### Sugar activities

Australian Mills Division

General Manager: G A GEMMELL-SMITH

Fiji Division

General Manager: A S HERMES

Raw Sugar Marketing Division

General Manager: J W LAURIE

Refined Sugar Division

General Manager: A G STOKES

Deputy General Manager: A M HERTZBERG

Executive Officer, New Zealand Affairs: B H AMES

Managing Director,

New Zealand Sugar Co. Ltd.: W P RALPH

Sugar Marketing Administration

General Manager: W A BENNETT

#### Materials for building and construction

Building Materials Division

General Manager: A V SHAW

Deputy General Manager (and General Manager

Wunderlich Ltd.): J H MATTHEWS

General Manager, Gypsum Products: D I MACPHAIL

General Manager, Vinyl Flooring: P J MATHLIN

General Manager, Mineral Fibres: D J GOODALL

Concrete & Quarrying Division

General Manager: A J OLIVER

Hardboards Australia Ltd. (50% CSR)

General Manager: J A HUGHES

Pyneboard Pty. Ltd. (50% CSR)

General Manager: E V MEAD

Ready Mixed Concrete Ltd. (50% CSR)

General Manager: A L CHAVE

Deputy General Manager: D W SULLIVAN

#### Mining

Pilbara Iron Ltd. (68% CSR)

General Manager: E F HERBERT

Grove Alumina Ltd. (51% CSR)

General Manager: R WILKINSON

Pacminex Group

Managing Director: R N SELMAN

#### Other operations

CSR Chemicals Ltd. (50.3% CSR)

Managing Director: N L CARTER

General Manager: J E G ESSERY

Distillery Division

General Manager: P A HANKS

Carba Group

General Manager: J W ARNOLD

Anticay Project

Manager: J deB NOAKES

### Senior functional officers

#### Staff

Senior Executive Officer and Director of

Staff Administration: J F BLAXLAND

Chief Staff Officers: C W VERNON and

I G BURGESS

#### Finance

Senior Executive Officer—Finance:

R W HARVEY

Controller: F B LONGLEY

Assistant Controllers: J F NEWELL and

R W COX

Treasurer: J G WILLIS

Manager, Corporate Taxation: S J DRODER

#### New Business

Senior Executive Officer: A W MCAULEY

#### Technology

Senior Executive Officer and Chief Chemist:

C W DAVIS

Chief Engineer: J D VICARY

#### Planning

Planning Officer: B I ALDRICH

#### Research

Director of Research: K L SUTHERLAND

#### Legal

Chief Legal Officer: M G CHATE

#### Industrial

Chief Industrial Officer: B L BRENNAN

#### Publicity

Chief Publicity Officer: A C BROWNE

London representative: B DOWLING

#### Australian branch managers

Melbourne: L M SUMMERBELL

Brisbane: A A MARR

Adelaide: J R BRENNAN

Perth: C R LEITH