

Part 9

FINANCE

Public Finance

Economic Importance of Government Financial Activity

Financial Transactions

During the last 30 or so years, governments have come to accept new and wider responsibilities for economic stability and growth and for the social welfare of their peoples. They are now in a position where a large proportion of their actions is undertaken to achieve economic and social ends. This applies not only to their regulatory activities but also to their financial transactions. These transactions may be classified in the following ways:—

Purchases of Goods and Services

Governments are important purchasers of goods and services which they require to provide current services, e.g., defence services, health and educational facilities; and capital assets such as office buildings, power installations, and railway track and rolling stock. Expenditure of this kind generates income and, consequently, rises or falls in its level affect the purchasing power of the community. In addition, governmental requirements determine the allocation of national resources and the composition of national capital assets.

Transfers of Income between Sections of the Community

Governments are also agents for the redistribution of incomes throughout the community. Their role of tax-gatherers permits them to do this by compulsorily withdrawing purchasing power from one section of the community and transferring it to another in the form, for example, of social service benefits or subsidies to producers. The receipt and payment of interest are other ways in which governments redistribute income.

Production and Trading

As well as providing a considerable volume of services free (or at nominal charges), governments also engage in trading activities in which they produce and sell goods and services at prices designed substantially to cover costs. These services are usually of the public utility type, e.g., the supply of gas and electricity, transport services, and water supply and sewerage, of which governments are usually the sole providers. Their distinguishing characteristic is that they are, to a certain extent, subject to market forces.

Borrowing and Lending

Governments acquire funds for their own purposes and for lending to others by borrowing the savings of those with surplus funds. They are also in a position to influence the amount of saving in the community by varying rates of taxation and their own expenditures.

Victorian Governmental Activity

Victorian governmental activity is carried out by :—

- (1) The legislative, executive, and judicial organs of the State ;
- (2) semi-governmental bodies being statutory authorities created to carry out specific activities, e.g., the provision of gas, electricity, water supply, and sewerage facilities on behalf of the State Government or bodies in which the State Government has a controlling interest ; and
- (3) local government bodies set up under the Local Government Act to carry out the functions of local government in defined areas (known as municipalities), and which are elected by the residents or property owners or both in the area. This category also includes authorities created or acquired by local government authorities.

Particulars of the activities of semi-governmental and local government authorities are to be found in Part 5 and other appropriate Parts of this Year Book. It is informative, however, in this Part to summarize the public authority activity in the State.

Particulars of Commonwealth and State transactions classified so as to facilitate economic analysis are included in the estimates of "National Income and Expenditure" presented annually to the Commonwealth Parliament by the Treasurer. The following summaries of the transactions of Victorian Public Authorities represent the Victorian component of Tables 11, 12, and 13 included in the 1962-63 issue of that document. It is a consolidation (necessarily approximate) of the activities of the major public funds and authorities in the State.

Particulars in the table were compiled from financial statements published by the authorities concerned which, in some instances, did not contain all the information desired. For this reason, the figures shown in the table must be regarded as estimates only and subject to revision as further investigation proceeds. A large proportion of governmental financial transactions is in the nature of transfers between funds, e.g., transfers from the Consolidated Revenue Fund to the Hospitals and Charities Trust Fund, and between authorities, such as transfers from the Loan Fund to the State Electricity Commission. Where they could be identified, such transfers have been cancelled out. In some cases, different bases of classification from those used in succeeding sections of this Part were adopted for national income purposes.

VICTORIA—PUBLIC AUTHORITIES' CURRENT ACCOUNT
(£ Mill.)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
RECEIPTS					
Taxation	60·9	65·6	76·6	82·9	87·2
Interest, &c., Received	6·7	6·9	4·2	4·5	4·3
Public Enterprises' Income	20·1	30·6	34·2	37·3	38·3
Grants from Commonwealth Government Authorities	55·2	58·4	64·4	71·2	79·1
Total Receipts	142·9	161·5	179·4	195·9	208·9
OUTLAY					
Net Current Expenditure on Goods and Services	78·1	84·6	91·2	102·9	112·4
Subsidies	0·5	0·6	0·5	0·5	0·2
Interest, &c., Paid	36·0	40·0	44·7	48·4	54·1
Oversea Grants	0·2	0·2	0·2	0·3	0·3
Cash Benefits to Persons	1·0	1·1	1·3	0·8	1·0
Surplus on Current Account	27·1	35·0	41·5	43·0	40·9
Total Outlay	142·9	161·5	179·4	195·9	208·9

VICTORIA—PUBLIC AUTHORITIES' CAPITAL ACCOUNT
(£ Mill.)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
SOURCES OF FUNDS					
Depreciation Allowances	7·1	8·4	10·4	13·2	13·1
Net Sale of Securities—					
Commonwealth Securities—					
Securities other than Treasury Bills—					
Australia	31·4	30·6	32·6	32·6	32·5
Overseas	2·0	5·6	1·9	5·2	2·5
Local and Semi-Governmental Securities	30·4	27·1	29·6	21·2	32·0
Increase in Private Trust Funds	0·8	0·8	0·9	1·0	1·0
Advances from Commonwealth Government Authorities	11·9	11·1	11·7	11·0	14·1
Grants from Commonwealth Government Authorities	8·1	10·1	13·3	15·7	16·5
Surplus on State and Local Government Authorities Current Account	27·1	35·0	41·5	43·0	40·9
Other Funds Available (Including Errors and Omissions)	3·1	-2·7	1·6	2·9	-0·9
Increase in Cash and Bank Balances	-4·3	-4·6	-11·5	-6·3	0·9
Total Sources of Funds	117·6	121·4	132·0	139·5	152·6

VICTORIA—PUBLIC AUTHORITIES' CAPITAL ACCOUNT—*continued*
(£ Mill.)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
USES OF FUNDS					
Fixed Capital Expenditure on New Assets	113·8	115·6	128·2	131·8	143·2
Expenditure on Existing Assets ..	-0·2	-2·8	-5·3	-5·2	-1·2
Increase in Value of Stocks ..	-1·9	-1·9	-0·6	0·8	-0·3
Advances to Public Financial Enterprises	6·0	10·6	9·9	12·4	11·4
Net Increase in Financial Assets of Public Financial Enterprises ..	-0·1	-0·1	-0·2	-0·3	-0·5
Total Uses of Funds ..	117·6	121·4	132·0	139·5	152·6

Financial Relations with the Commonwealth

General

The Federal Constitution enumerates the matters regarding which the Commonwealth Parliament has power to legislate. They include defence, external affairs, trade and commerce with other countries and between the States, customs and excise, posts and telegraphs, navigation, lighthouses, quarantine, census and statistics, currency and banking, insurance, copyright and trade marks, naturalization, immigration, invalid and old age pensions, social services, industrial relations where disputes extend beyond the boundaries of a State, taxation that does not discriminate between States or parts of States, the taking over by the Commonwealth of the public debts of the States, and the borrowing of money by the Commonwealth for the States. Some of these powers are given exclusively to the Commonwealth, e.g., defence, and customs and excise, but, in the majority of matters, the Commonwealth and State Governments have concurrent powers, Commonwealth law prevailing where there is conflict. Matters other than those enumerated in the Constitution, remain the concern of the States. Governmental activity at the State level embraces education, health and welfare services, the development of internal resources, e.g., irrigation and water supply, land settlement, soil conservation, maintenance of law and order, and the provision of public utility services, e.g., roads, electricity and gas, public transport, water supply and sewerage. These activities are carried out by State Departments and by statutory and local governing bodies created by the State Governments. The States have direct access to a small proportion only of moneys required for revenue and capital purposes. This has come about in three ways :—

- (1) Through the surrender, under the Constitution, of the right to levy customs and excise duties ;

- (2) through the Financial Agreement of 1927, between the Commonwealth and State Governments, under which the Commonwealth became the borrowing agent for the States ; and
- (3) through the Commonwealth exercising its right to impose taxation in the field of personal and company income.

The lack of balance between the spending functions and the sources of revenue available to the Commonwealth and the States respectively has given rise to a system of grants from the Federal Government to the States. These grants may be unconditional or may be earmarked for specific purposes such as roads and universities. Important examples of the former are the financial assistance grants payable under the uniform tax system and special grants payable under section 96 of the Constitution, which provide assistance to those States experiencing difficulty in raising revenue or providing services on a comparable level with the other States.

Commonwealth fiscal superiority is supported by present-day acceptance of the role of governments as agents of economic control and providers of social services on a large scale. In order to carry out these functions, the central government must have a substantial measure of control over taxation revenue and the level of public investment.

Financial Agreement between the Commonwealth and the States

The Financial Agreement of 12th December, 1927, between the Commonwealth and the States came into being because it was thought desirable to adopt a co-ordinated approach to the loan market instead of independent approaches by the several governments, and because of the necessity of establishing sound sinking fund arrangements. It also provided for the sharing of State debt charges by the Commonwealth. The following is a summary of the main provisions :—

(1) Consolidation of Public Debt

On 1st July, 1929, the Commonwealth took over the existing public debts of the States and assumed responsibility for the payment of related interest. This interest is reimbursed by the States, less the sum of £7,584,912 per annum which the Commonwealth agreed to contribute for a period of 58 years. Of this amount, Victoria receives £2,127,159 annually. This payment is in compensation to the States for relinquishing, after Federation, the right to levy customs and excise duties.

(2) Regulation of Government Borrowing

The Australian Loan Council was set up to co-ordinate the public borrowings of the Commonwealth and the States. It consists of the Prime Minister (or his nominee) as Chairman, and the State Premiers (or their nominees). Each financial year, the Commonwealth and the several States submit to the Loan Council programmes setting out the

amounts they desire to raise by loan during the ensuing year. Revenue deficits to be funded are included in the borrowing programmes, but borrowings for "temporary purposes" need not be included. Borrowing by the Commonwealth for defence purposes is outside the Agreement.

If the Loan Council considers that the total amount of the programmes cannot be borrowed at reasonable rates and conditions, it determines what amount shall be borrowed and may, by unanimous decision, allocate such amount between the Commonwealth and the States. In default of a unanimous decision, the allocation is determined by means of a formula written into the Agreement. Subject to the decisions of the Loan Council, the Commonwealth arranges all borrowings including those for conversions, renewals, and redemptions. However, the Commonwealth or a State may borrow for "temporary purposes" by way of overdraft or fixed deposit, subject to limits fixed by the Loan Council. In addition, the Commonwealth may borrow within the Commonwealth, or a State within its territory, from authorities, bodies, or institutions, or from the public by counter sales of securities, subject to Loan Council approval. Commonwealth securities are issued for moneys borrowed in this way, and amounts so borrowed are treated as part of the borrowing programme for the year.

(3) *Sinking Fund Provisions*

The Financial Agreement also provided for the creation of sinking funds for debt existing at 30th June, 1927, or incurred subsequently. Contributions to these are made jointly by the Commonwealth and the States on bases laid down. The sinking funds established under the Agreement are under the control of the National Debt Commission, an Authority constituted under Commonwealth legislation and consisting of the Treasurer of the Commonwealth, the Chief Justice of the High Court, the Secretary to the Commonwealth Treasury, the Governor of the Reserve Bank, the Solicitor-General for the Commonwealth, and a representative of the States.

Sinking fund moneys are used to redeem unconverted securities at maturity, and to re-purchase securities on the stock market.

(4) *Borrowing by Semi-Governmental Authorities*

Although they are not legally bound by the Agreement, it was realized at the outset that, in the interests of co-ordinated borrowing, the Loan Council should have some control over the loan raising activities of semi-governmental bodies. In May, 1936, all resolutions passed by the Loan Council in connexion with semi-governmental borrowings were consolidated into one set of rules. This "gentlemen's agreement" provided for the submission of annual loan programmes of semi-governmental (including local government) authorities proposing to raise £100,000 or more in a year; for the consideration of such programmes in conjunction with the loan programme of the Government concerned; and for the fixing of the terms of individual semi-governmental loans coming within the scope of the annual programme.

(5) *Commonwealth Influence on Supply of Loan Moneys*

The Commonwealth is in a position to control the supply of local loan moneys through the influence of Commonwealth policy on the banking system, indirectly through alterations in rates of taxation (which affect personal savings), and through the money it is prepared to make available from its own trust funds. This last factor has assumed considerable importance in recent years because of the inability of the loan market to meet governmental capital expenditure programmes and the consequent need for Commonwealth support. From 1st July, 1951, to 30th June, 1962, the Commonwealth has provided this support from the Australian currency proceeds of oversea loans and from budget surpluses to the extent of £882.1 mill. out of loan programmes amounting to £2,368.7 mill.

Grants to the States(1) *General*

The following table shows particulars of amounts paid during each of the years 1957-58 to 1961-62 to Victoria as grants for the several purposes referred to in subsequent paragraphs :—

**VICTORIA—COMMONWEALTH PAYMENTS TO OR
FOR THE STATE***
(£'000)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
Financial Agreement—					
Interest on State Debt	2,127	2,127	2,127	2,127	2,127
Sinking Fund on State Debt† ..	1,155	1,230	1,367	1,447	1,566
Financial Assistance Grant ‡ ..	43,996	46,475	60,625	67,371	73,015
Special Financial Assistance ..	6,405	8,104	..	..	..
Additional Financial Assistance ..	1,061	..	..	..	1,800
Commonwealth Aid Roads ..	6,264	6,543	8,660	9,183	10,079
Tuberculosis Act 1948—Reimbursement of Capital Expenditure ..	76	45	26	48	58
Mental Institutions — Contribution to Capital Expenditure ..	545	620	518	84	..
Coal Mining Industry Long Service Leave	1	1	§	§	§
Grants to Universities	664	1,313	1,422	3,023	3,705
Tobacco Industry Assistance ..	3	3	..	..	..
Dairy Industry Extension Grant ..	60	80	60	72	65
Expansion of Agricultural Advisory Services	69	60	50	60	60
Total	62,426	66,601	74,855	83,415	92,475

* Excludes subsidies and bounties to primary producers and payments for medical research, social services, natural disasters, &c., also payments under the provisions of the *Rail Standardization (New South Wales and Victoria) Agreement Act, 1958*.

† Paid to National Debt Sinking Fund.

‡ As from 1st July, 1959, the Financial Assistance Grant replaced the Tax Reimbursement Grant and the Special Financial Assistance Grant.

§ Under £500.

(2) *Financial Agreement*

Commonwealth contributions to interest and sinking fund charges on State debt have been described above.

(3) *Financial Assistance Grant*

The States were supplanted by the Commonwealth as income taxing authorities during the Second World War when the Commonwealth needed to exploit this field of taxation to the full to meet its wartime obligations. Under the uniform taxation scheme, the Commonwealth became the sole authority levying taxes upon income. In return for vacating that field of taxation, the States received an annual payment from the Commonwealth as reimbursement for the loss of income tax revenue. A similar arrangement was made for entertainments tax, but this tax is no longer levied by the Commonwealth Government. Although challenged by the States, the system was continued after the war and is still in existence. In 1957, the High Court ruled that while the Commonwealth could not prejudice the rights of the States to levy taxes on incomes, it could make grants to the States conditional on the non-levy of income taxes.

Full particulars of the *States Grants (Income Tax Reimbursement) Act 1942* and the *States Grants (Tax Reimbursement) Act 1946-48* may be found in the Official Year Book of the Commonwealth of Australia No. 37, pages 635 to 637, and No. 40, page 696. The allocation of moneys under the original Act was based on the State's own income tax collections prior to the introduction of uniform taxation. From 1946-47, grants under this Act were replaced by grants under the *States Grants (Tax Reimbursement) Act 1946-48*. This Act provided for reimbursement grants of certain specified amounts to be paid to the States during 1946-47 and 1947-48. For 1948-49 and subsequent years, the grants were assessed in accordance with a formula based on increase in population and average wages. Within a few years, heavy additions to the financial needs of the States made necessary the supplementing of the grant calculated on the basis of the formula by a series of special or additional assistance grants, the size of which was largely arbitrary.

The whole question of Commonwealth-State financial relations was reviewed in 1959 and this resulted in the enactment of the *State Grants Act 1959* (operative until 1964-65). The amount of financial assistance payable to each State during 1959-60 was specified and a formula prescribed for calculating the grant payable in the subsequent years. Under the formula, the amount payable to each State is calculated by expressing the amount of the grant payable to that State in the preceding year on a per capita basis, varying it in a prescribed manner by the increase in average wages for Australia as a whole, and multiplying it by the population of the State in the year of review. To allow for some further improvement in the standard and range of services provided by the States, the formula was adjusted to incorporate a "betterment factor," the effect of which is to increase by 10 per cent. the average wages component of the formula. Victoria's share for 1962-63 was £76,133,355. It was envisaged that Western Australia and Tasmania would, as a result of this legislation, be the only continuing claimant States under

section 96 of the Constitution, although Queensland and South Australia could also, in special circumstances, become claimants under this section.

(4) *Additional Assistance Grants*

In February, 1962, the Commonwealth provided the States with an additional assistance grant of £10,000,000 (Victoria's share £1,800,000), on a non-repayable basis, for expenditure on employment-giving activities in the remaining months of 1961-62. A grant of £17,500,000 (Victoria's share £3,727,000) was made in 1962-63 for similar purposes.

(5) *Grants for Road Construction*

The Commonwealth has made grants to the States for roads purposes for some considerable time. Particulars of Acts (commencing with the *Main Roads Development Act 1923-25*), under which these payments were made, are given in the annual Commonwealth Finance Bulletin—Part 1, Public and Private Finance (issued by the Commonwealth Statistician).

The *Commonwealth Aid Roads Act 1954* provided for payment to the States, for five years from 1st July, 1954, of an amount equivalent to 7d. a gallon on all petrol (except aviation spirit) entered for home consumption and which was subject to customs or excise duties as specified in certain Customs Tariff Items. Out of this amount, the following allocations were made to the States for construction and maintenance of roads and the purchase of roadmaking plant :—

- (a) 60 per cent. of the amount, less £900,000 per annum, for expenditure on roads, and
- (b) 40 per cent. of the amount for expenditure on roads in rural areas other than highways, trunk, or main roads.

The States were entitled to spend from the Commonwealth road grants up to £1 mill. per annum on works connected with transport by road or water. Five per cent. of the grants was payable to Tasmania and the remainder was divided among the other five States, three-fifths according to population and two-fifths according to area. In addition, the Commonwealth could spend each year £800,000 on strategic roads and £100,000 on the promotion of road safety practices. An amendment to the Act increased the allocation for road safety purposes to £150,000 a year from 1st July, 1955, and the allocation to the States from 7d. to 8d. a gallon from 1st July, 1956. The grant was further supplemented by the *Commonwealth Aid Roads (Special Assistance) Act 1957* under which an extra £3 mill. was appropriated for each of the years 1957-58 and 1958-59. Of this amount, £2,950,000 was made available to the States and £50,000 to the Commonwealth.

The *Commonwealth Aid Roads Act 1959* established a new scheme of Commonwealth assistance which superseded the Acts mentioned above. Under the new scheme which is to operate for a period of

five years, the Commonwealth will make available to the States a total amount of up to £250 mill. for the construction, reconstruction, maintenance, and repair of roads. Of this amount, £220 mill. will be payable as basic grants, which will increase from £40 mill. in 1959–60 to £48 mill. in 1963–64, and which will be distributed each year among the States on the basis that Tasmania will receive 5 per cent. and that, of the remainder, one-third will be shared by the other States in proportion to their respective populations at the date of the last preceding census, one-third in proportion to their respective areas, and one-third in proportion to the number of motor vehicles registered in those States at 31st December preceding the year of payment.

The balance of £30 mill. takes the form of matching assistance. The amount available for this purpose will increase from £2 mill. in 1959–60 to £10 mill. in 1963–64. Each State may participate in the matching assistance for each year, up to the share of the assistance for which it is eligible. Its share is determined by allocating the amount of matching assistance available each year in the same proportions in which the basic grant for that year is distributed. Up to this limit, each State qualifies for £1 of matching assistance for every £1 by which the amount it allocates in that year from its own resources for roads is greater than the amount so allocated in 1958–59. In 1962–63, Victoria received £10,877,000 by way of basic grant and matching assistance.

(6) *Tuberculosis Hospitals — Reimbursement of Capital Expenditure*

Under the *Tuberculosis Act* 1948 the Commonwealth undertook to reimburse the States for capital expenditure on buildings, furnishings, equipment, and plant for the diagnosis, treatment, and control of tuberculosis. In addition to recouping capital expenditure, the Commonwealth also contributes from the National Welfare Fund to maintenance expenditure incurred by the States (the amount paid to Victoria for 1961–62 was £1,110,420), and reimburses administration expenses.

(7) *Mental Institutions—Contribution to Capital Expenditure*

The *States Grants (Mental Institutions) Act* 1955 provides for financial assistance to the States for capital expenditure on mental institutions to a maximum amount of £10 mill. Each State is entitled to recover one-third of its expenditure on buildings and equipment incurred on or after 1st July, 1955.

(8) *Coal Mining Industry—Long Service Leave*

In the States in which coal miners have been awarded long service leave by industrial tribunals, the State Governments concerned have agreed to reimburse employers for the costs they incur in granting this leave. The Commonwealth, in turn, has agreed to reimburse the States

for the amounts paid and related administrative costs. In order to provide the funds required for these purposes, the Commonwealth imposed an excise duty on coal.

(9) *Grants to Universities*

Payments to the States for universities were first introduced in 1951–52 under the *States Grants (Universities) Act 1951* and were continued under similar legislation passed in 1953, 1955, 1956, and 1957. Following on the Commonwealth's acceptance of the main recommendations of the Committee on Australian Universities, the provisions of the 1957 Act relating to financial assistance for 1958 were superseded by the *States Grants (Universities) Act 1958*, which operated from 1st January, 1958.

This legislation authorized the Commonwealth to make payments of up to £21·4 mill. to the States for universities over the three calendar years 1958 to 1960, inclusive, where certain conditions are satisfied. These payments include increased contributions towards the current expenses of universities, new grants for capital works and equipment, and emergency grants.

As recommended by a Committee on Australian Universities, an Australian Universities Commission was appointed, under the authority of the *Australian Universities Commission Act 1959*, to inquire into, and make recommendations on, the subject of Commonwealth financial assistance to the States for universities in 1961 and subsequent years.

Arising out of the Commission's recommendations, legislation was passed in 1960 and 1962 which provided for payments to the States for universities of up to £44 mill. over the three calendar years 1961, 1962, and 1963. The 1962 legislation also introduced the principle of capital assistance for teaching hospital projects of universities.

(10) *Tobacco Industry Assistance*

The Commonwealth makes a grant for tobacco research of up to £15,000 per annum, paid to the tobacco producing States on a £1 for £1 basis.

(11) *Dairy Industry Extension Grant*

The Commonwealth provides financial assistance to promote improved farm practices in the dairy industry.

(12) *Expansion of Agricultural Advisory Services*

These payments were introduced in 1952–53 to encourage the expansion of agricultural advisory services by the State Departments of Agriculture and to promote increased farm efficiency.

In addition to the grants mentioned above, Victoria also benefited under the *Railway Standardization (New South Wales and Victoria) Agreement Act 1958*. Under this Act, the Commonwealth financed

the construction of a standard gauge rail link between Albury and Melbourne. Each of the two States is to repay 15 per cent. of the total cost, by instalments, over a period of 50 years. Expenditure by the Commonwealth to 30th June, 1962, amounted to £14,485,274.

Revenue and Expenditure

General

The financial transactions of the State of Victoria are concerned with (a) Consolidated Revenue, (b) Trust Funds, and (c) Loan Fund. Payments from Consolidated Revenue are made either under the authority of an annual Appropriation Act or by a permanent appropriation under a special Act.

In the following tables, details of Consolidated Revenue and Expenditure are shown for each of the years 1957-58 to 1961-62. The figures are not comparable, in all cases, with those shown in issues of the Year Book prior to 1961 (No. 75), in which the Public Revenue and Expenditure of certain special funds were added to Consolidated Revenue and Expenditure, while recoups by the Treasury to the Victorian Railways for specified purposes were excluded from the figures.

Consolidated Revenue Fund

The following table shows, for each of the years 1957-58 to 1961-62, the Consolidated Revenue and Expenditure of Victoria, the surplus or deficit, and the accumulated deficit at the end of each year :—

VICTORIA—CONSOLIDATED REVENUE FUND : REVENUE, EXPENDITURE, SURPLUS OR DEFICIT, ETC.

(£'000)

Year Ended 30th June—	Revenue	Expenditure	Surplus (+) or Deficit (—)	Accumulated Deficit at End of Each Year (i.e., 30th June)
1958	142,336	145,549	— 3,213	24,015
1959	151,248	153,796	— 2,548	26,563
1960	168,310	167,997	+ 313*	26,563
1961	185,101	184,931	+ 170†	26,563
1962	196,309	196,298	+ 11†	26,393‡

* Transferred to Surplus Revenue Account.

† Applied towards the reduction of the Consolidated Revenue Accumulated Deficit.

‡ Of this amount, £24,685,985 was provided from Loan Fund and £1,707,342 from the Public Account.

Consolidated Revenue :—Details of the principal sources of revenue are shown in the following table for each of the years 1957–58 to 1961–62 :—

VICTORIA—CONSOLIDATED REVENUE FUND : REVENUE (£'000)

Source of Revenue	Year Ended 30th June—				
	1958	1959	1960	1961	1962
Taxation*	28,387	30,332	37,829	41,940	43,383
Business Undertakings—					
Railways	35,948	38,142	39,032	42,624	42,983
Harbours, Rivers, and Lights ..	543	575	613	708	692
Water Supply, Sewerage, Irrigation, and Drainage	3,893	4,001	4,115	4,453	4,989
Electricity Supply (Interest and Recoups of Sinking Funds, &c.)	2,431	2,654	2,941	3,411	3,931
State Coal Mine	476	414	367	366	252
Other	484	472	450	433	378
Total	43,775	46,258	47,518	51,995	53,225
Lands—					
Sales	111	167	247	174	328
Rents	393	422	520	558	571
Forestry	2,227	2,033	2,342	2,309	2,195
Other	122	179	170	222	175
Total	2,853	2,801	3,279	3,263	3,269
Interest <i>n.e.i.</i>	5,075	5,585	6,236	6,662	7,195
Commonwealth Grants—					
Financial Agreement Act ..	2,127	2,127	2,127	2,127	2,127
Financial Assistance† ..	43,996	46,475	60,625	67,371	73,015
Special Financial Assistance‡	7,467	8,104	..	..	1,800
Total	53,590	56,706	62,752	69,498	76,942
Commonwealth National Welfare Fund Payments—					
Tuberculosis—					
Maintenance Expenditure ..	1,295	1,060	1,114	1,112	1,147
Pharmaceutical Benefits—					
Mental Institutions	19	32	29	31	85
Total	1,314	1,092	1,143	1,143	1,232
Fees and Fines	1,764	1,895	2,043	2,351	2,373
All Other §	5,578	6,579	7,510	8,249	8,690
Grand Total	142,336	151,248	168,310	185,101	196,309

* For details of total taxation collections see page 693.

† As from 1st July, 1959, the Financial Assistance Grant replaced the Tax Reimbursement Grant and the Special Financial Assistance Grant.

‡ Includes additional financial assistance—£1,061,169 in 1957–58 and £1,800,000 in 1961–62.

§ Includes repayments of advances by Housing Commission under the Commonwealth-State Housing Agreements.

Expenditure from Consolidated Revenue :—The principal items of expenditure during each of the years 1957–58 to 1961–62 are shown in the following table. Public debt charges, pensions and gratuities, and pay-roll tax have not been allotted to the respective heads of expenditure, but are shown as separate items.

**VICTORIA—CONSOLIDATED REVENUE FUND :
EXPENDITURE
(£'000)**

Particulars	Year Ended 30th June—				
	1958	1959	1960	1961	1962
Public Debt Charges—					
Interest	19,157	20,844	23,469	25,290	27,897
Exchange	492	597	715	809	960
Debt Redemption	4,169	4,689	5,301	5,749	6,226
Other	100	86	161	144	183
Total	23,918	26,216	29,646	31,992	35,266
Business Undertakings—					
Railways	35,932	35,908	37,098	39,899	40,482
Harbours, Rivers, and Lights ..	568	464	510	647	633
Water Supply, Sewerage, Irriga- tion, and Drainage	3,305	3,433	3,703	3,837	4,089
State Coal Mine	724	607	560	572	552
Other	262	255	259	264	256
Total	40,791	40,667	42,130	45,219	46,012
Social Expenditure—					
Education—					
State Schools	24,822	27,242	31,013	34,951	34,175
Technical Schools	1,708*	1,778*	1,998*	2,237*	6,881†
Universities	939	1,037	1,185	1,653	1,965
Libraries, Art Galleries, &c. ..	608	651	679	760	907
Agricultural Education, Re- search, &c.	547	580	637	742	796
Other	55	57	57	68	70
Public Health and Recreation ..	1,879	2,056	2,204	2,263	2,589
Charitable—					
Hospitals—					
General	12,619	13,155	14,900	15,758	16,510
Mental	5,474	6,114	6,665	7,073	7,627
Child Welfare	970	1,123	1,309	1,443	1,721
Other	185	404	411	472	517
Law, Order, and Public Safety—					
Justice	1,745	1,901	2,135	2,361	2,533
Police	6,426	6,742	7,232	7,844	8,255
Penal Establishments	907	917	1,000	1,143	1,293
Public Safety	8	7	8	14	22
Total	58,892	63,764	71,433	78,782	85,861
All Other Expenditure—					
Public Works <i>n.e.i.</i>	1,555	1,572	1,856	1,894	2,446
Lands and Survey	1,250	1,363	1,519	1,621	1,746
Agriculture	2,240	2,382	1,966	2,064	2,250
Forestry	1,969	1,822	2,060	2,120	2,133
Legislature and General Adminis- tration	4,591	4,794	5,005	6,247§	5,768
Pensions and Superannuation ..	3,823	4,116	4,463	4,830	5,126
Pay-roll Tax	1,633	1,713	1,847	2,067	2,167
Interest and Sinking Fund Reserve Account				1,300	
Miscellaneous†	4,887	5,387	6,072	6,795	7,523
Total	21,948	23,149	24,788	28,938	29,159
Grand Total	145,549	153,796	167,997	184,931	196,298

* Maintenance grants only.

† Total expenditure from Consolidated Revenue on Technical Schools.

‡ Includes interest and repayments of advances under the Commonwealth-State Housing Agreements. In the 1961 issue of the Year Book these amounts were included with "Social Expenditure—Other Charitable".

§ Includes £600,000 advanced to State Superannuation Board.

Taxation

General

In this section, some particulars are given of the principal taxes collected in Victoria by the State Government and the Commonwealth Government.

As mentioned on pages 682–683, the Commonwealth Government alone exercises the right to impose customs and excise duties, and taxation on personal and company incomes. Sales and pay-roll taxes are other important sources of taxation revenue exploited by the Commonwealth exclusively. For the most part, the field now left to the States comprises motor taxation, stamp duties, liquor, land, lottery, racing, and entertainments taxes. Estate duties are shared between the two Governments.

In Victoria, taxation collections by the State Government are allocated by Statute either to Consolidated Revenue or to special funds. The principal item of Victorian taxation which finds its way to special funds is motor taxation which is credited to a number of funds as set out on page 694.

In the following table, particulars of taxation collected in Victoria by the State Government and the total amounts paid to Consolidated Revenue, and to special funds are shown for each of the years 1957–58 to 1961–62 :—

VICTORIA—TAXATION COLLECTIONS
(£'000)

Particulars	Year Ended 30th June—				
	1958	1959	1960	1961	1962
Motor—					
Registration Fees and Taxes	7,953	8,192	8,839	9,170	9,530
Drivers' Licences	439	570	904	514	520
Other	3,041	3,363	4,213	4,800	4,882
Total Motor	11,433	12,125	13,956	14,484	14,932
Probate and Succession Duties	8,065	7,839	9,413	11,531	12,540
Stamp Duties <i>n.e.i.</i>	6,253	8,485	12,471	12,557	11,998
Land	4,607	4,661	5,854	6,706	7,406
Income (Arrears)	4	3	*	3	*
Liquor	2,817	2,908	2,994	3,218	3,363
Tattersall Duty	2,835	2,849	2,966	3,257	3,175
Racing	2,405	2,320	2,630	2,841	3,203
Entertainments (Excl. Racing Admission Tax)	1,505	1,370	1,142	1,057	846
Licences <i>n.e.i.</i>	253	285	287	292	356
Grand Total	40,177	42,845	51,713	55,946	57,819
Paid to Consolidated Revenue	28,387	30,332	37,829	41,940	43,383
Paid to Special Funds	11,790	12,513	13,884	14,006	14,436
Per Head of Population	£14/19/0	£15/11/7	£18/6/10	£19/6/9	£19/10/9

* Under £500.

Motor Taxation

The principal source of motor taxation is the amount collected by the Motor Registration Branch of the Police Department by way of fees for the registration of motor vehicles and for the issue of drivers' licences and owners' certificates. In addition, the Transport Regulation Board's charges for the issue of licences, &c., and the amount collected under the provisions of the Commercial Goods Vehicles Act, are included in motor taxation.

A further item of taxation, introduced as from 16th November, 1959, is the amount collected under the authority of the *Motor Car (Insurance Surcharge) Act 1959*, from a surcharge of £1 imposed on each third-party insurance premium. The tax collected is paid to Consolidated Revenue.

With the exception of amounts collected under the Motor Car (Insurance Surcharge) Act, fees collected by the Motor Registration Branch are not paid to Consolidated Revenue, but are credited to various funds as directed by the Motor Car Act and other Acts. Costs of collection are apportioned between the participating funds (other than Consolidated Revenue) with the exception that, in respect of amounts credited to the Level Crossings Fund, the relevant costs of collection are borne by the Country Roads Board Fund.

The amounts of motor taxation credited to the several accounts during the year 1961-62 were as follows :—

	£'000
Consolidated Revenue—	
Motor Car Third Party Insurance Tax ..	924
Country Roads Board Fund—	
Motor Registration Fees	9,531
Drivers' Licence Fees (half)	260
Drivers' Test Fees	77
Owners' Certificates (two-thirds) ..	583
Road Charges—Commercial Goods Vehicles Act	2,262
	12,713
Level Crossings Fund—	
Owners' Certificates (one-third) ..	291
Municipalities Assistance Fund—	
Drivers' Licence Fees (half)	260
Transport Regulation Fund—	
Motor Omnibus Registration Fees ..	6
Licences, &c.	308
Permits	349
	663
Motor Car (Hospital Payments) Fund—	
Deductions from Third Party Insurance Premiums	81
	81
Total Motor Taxation, 1961-62 ..	14,932

Probate Duties

The *Probate Duty Act* 1962, (a completely revised Act) fixed the rates of duty payable on the estates of deceased persons leaving property, whether real or personal, in the State of Victoria, and personal property wherever situate if the deceased was domiciled in Victoria at the date of death. The Act provides for discriminatory rates of duty in favour of estates passing to close relatives. Categories of beneficiaries are :—

- A. Widow, widower, children under 21 years of age, wholly dependent adult children, or wholly dependent widowed mother.
- B. Children over the age of 21 years not being wholly dependent, or grandchildren.
- C. Brothers, sisters, parents.
- D. Other beneficiaries.

Further amending legislation is contained in the *Probate Duty (Reduction) Act* 1962. Under the provisions of this Act, estates passing to widow, widower, children under 21 years of age, wholly dependent adult children, or wholly dependent widowed mother, are exempted from duty if the final balance of such estates does not exceed £6,000, while certain reductions were made to the rates of duty payable on estates exceeding £6,000.

A brief summary of the rates of duty payable, as from the 17th December, 1962, according to the various types of beneficiaries, is shown in the following table. Rates payable prior to that date are shown in previous issues of the Victorian Year Book.

On that part of the final balance which—				The rate of duty per £1 shall be where the final balance passes to—			
				A	B	C	D
	£			pence in £			
Exceeds	600	Does not exceed but does not exceed	600	Nil	Nil	Nil	Nil
"	1,500	" " " "	1,500	Nil	Nil	12	18
"	5,000	" " " "	5,000	Nil	Nil	24	24
"	6,000	" " " "	6,000	Nil	24	36	42
"	6,500	" " " "	6,500	24	24	36	42
"	10,000	" " " "	10,000	24	36	36	48
"	15,000	" " " "	15,000	24	24	30	42
"	24,000	" " " "	24,000	24	30	42	48
"	25,000	" " " "	25,000	30	30	42	48
"	30,000	" " " "	30,000	30	36	48	48
"	35,000	" " " "	35,000	42	48	48	48
"	45,000	" " " "	45,000	48	54	60	60
"	55,000	" " " "	55,000	54	66	72	90
"	60,000	" " " "	60,000	60	72	72	90
"	65,000	" " " "	65,000	72	72	78	90
"	75,000	" " " "	75,000	84	84	90	90
"	85,000	" " " "	85,000	90	90	96	102
"	85,000	" " " "	94,667 (a)	90	..	..	..
"	85,000	" " " "	97,166 (b)	..	96	..	..
"	85,000	" " " "	113,840 (c)	..	..	102	..
"	85,000	" " " "	116,625 (d)	..	..	..	108
When the final balance exceeds (a), (b), (c), or (d), then the whole of the final balance is subject to a duty of				£22 10s. per £100	£25 per £100	£30 per £100	£33 per £100

The amount of probate duty assessed in Victoria during each of the five years to 1961–62 was as follows :—1957–58, £8,143,299 ; 1958–59, £7,911,320 ; 1959–60, £9,872,406 ; 1960–61, £11,794,274 ; 1961–62, £12,507,739.

Commonwealth Estate Duty

The Commonwealth Government also levies probate and succession duties. The amount of duty collected throughout Australia during each of the five years to 1961–62 was :—1957–58, £13,773,826 ; 1958–59, £13,308,744 ; 1959–60, £13,752,610 ; 1960–61, £14,806,953 ; 1961–62, £17,028,961.

Land Tax

The *State Land Tax Act* 1928 provided for a tax on the unimproved value of land. For the purpose of this Act, unimproved value is the estimated selling value of the land assuming that improvements, if any, had not been made. Thus tax is levied on land even if built on or otherwise improved, at a rate, for every £1 of unimproved value, declared for each year by Act of Parliament.

The *Land Tax (Exemptions and Rates) Act* 1953, provided for a rate of tax of one penny in the pound on the unimproved value of land not exceeding £8,750, and for a graduated increase in the rate to reach 7d. in the pound at an unimproved value of £85,000.

The *Land Tax (Exemptions and Rates) Act* 1961, reduced the rates of tax payable, for the assessment year 1962, on land used chiefly for primary production. Under the new scale, the tax will be one penny in the pound on the unimproved value of land up to £15,000. On the excess over £15,000, a progressive rate applies commencing at 1½d. in the pound and reaching a maximum of 4½d. in the pound at an unimproved value of £70,000.

Land used chiefly for primary production is exempted from land tax if the unimproved value of such land is not more than £3,000. A partial exemption is allowed up to £6,000.

Under the provisions of the *Land Tax (Exemptions and Rates) Act* 1962, the exemption in respect of land not used chiefly for primary production is £1,750, with a partial exemption to £2,000.

The following table shows particulars, in specified groups of unimproved values of holdings, of Land Tax assessments for 1961 :—

VICTORIA—ANALYSIS OF STATE LAND TAX ASSESSMENTS, 1961

(Based on Unimproved Values at 31st December, 1960)

Unimproved Values of Holdings—				Number of Taxpayers	Total Unimproved Values*	Tax Payable
£					£'000	
1,251	to	1,500	.. ..	29,991	39,646	145
1,501	”	2,000	.. ..	33,209	52,766	254
2,001	”	3,000	.. ..	26,369	60,683	312
3,001	”	4,000	.. ..	17,943	60,033	224
4,001	”	5,000	.. ..	11,876	51,882	196
5,001	”	6,000	.. ..	6,171	32,538	138
6,001	”	7,000	.. ..	5,159	33,644	139
7,001	”	8,000	.. ..	3,524	26,663	108
8,001	”	8,750	.. ..	1,127	9,355	39
8,751	”	10,000	.. ..	2,899	26,344	125
10,001	”	15,000	.. ..	5,237	61,527	314
15,001	”	20,000	.. ..	2,045	35,585	216
20,001	”	25,000	.. ..	1,100	23,508	195
25,001	”	30,000	.. ..	391	10,557	91
30,001	”	35,000	.. ..	698	21,294	202
35,001	”	40,000	.. ..	352	13,024	127
40,001	”	50,000	.. ..	370	15,280	152
50,001	”	75,000	.. ..	737	40,424	493
75,001	”	85,000	.. ..	61	5,063	82
85,001	”	100,000	.. ..	104	9,627	165
100,001	”	150,000	.. ..	133	13,718	248
150,001	”	200,000	.. ..	120	19,769	434
200,001	and over		.. ..	154	97,862	2,683
Total				149,770	760,792	7,082

* Of land not exempted from land tax.

In the following table, details are shown of the assessments made during each of the years 1957 to 1961 :—

VICTORIA—STATE LAND TAX ASSESSMENTS

Year				Number of Taxpayers	Total Tax Payable	Average Tax Payable per Taxpayer	Total Unimproved Values*
					£'000	£ s. d.	£'000
1957	..	..	..	98,808	3,944	39 18 3	478,797
1958	..	..	..	115,317	4,630	40 3 1	543,793
1959	..	..	..	105,606	5,443	51 10 9	615,229
1960	..	..	..	127,674	6,375	49 18 8	696,982
1961	..	..	..	149,770	7,082	47 5 9	760,792

* Of land not exempted from land tax.

Stamp Duties

The *Stamps Act* 1958 imposes a stamp duty on a considerable number of legal and commercial documents. The rates of duty vary with the nature of the document or the type of transaction which such a document records. In certain instances, a document of a particular kind must be brought into existence for the purpose of stamping. Various exemptions are provided according to the nature of the individual document.

The rates of duty payable in 1963 on the principal dutiable classes were as follows :—

<i>Document</i>	<i>Duty Payable</i>
RECEIPTS	3d.
BILLS OF EXCHANGE—	
Payable on demand (cheque, &c.)	3d.
Others (including promissory notes)	not above £25 6d. to £50 1s. to £75 1s. 6d. to £100 2s. for extra £50 or part 1s.
SHARE TRANSFERS—On sale for full value—Based on consideration }	to £10 9d. above £10 $\frac{3}{8}\%$
TRANSFER OF REAL PROPERTY—Based on consideration }	to £3,500—12s. 6d. for £50 above £3,500—15s. for £50
LEASES AND ASSIGNMENTS OF LEASES	Variable scale according to nature
GIFTS AND SETTLEMENTS	% up to £1,000 2 over £1,000 to £5,000 3 " £5,000 " £10,000 4 " £10,000 " £25,000 5 " £25,000 " £50,000 6 " £50,000 " £100,000 8 " £100,000 10
INSURANCE—Based on premium income	5
INSTALMENT PURCHASE (Including hire purchase)	Scale based on 2

In addition, stamp duty is also appropriated to funds for cattle and swine compensation (see Victorian Year Book 1928–29, page 80).

The Act also provides for the collection, by way of stamp duty, of certain imposts on betting, principally through a turnover tax on bookmakers' holdings and a tax on betting tickets. The duty collected in connexion with these taxes is included under the heading "Racing Taxation" in the tables shown on pages 693 and 701 of this Year Book.

Liquor Tax

The Licensing Court controls the issue of liquor licences in Victoria. The principal sources of taxation are the fees received for liquor licences and club certificates. All receipts of the Licensing Court are paid into the Licensing Fund. After payments have been made to municipalities and the Police Superannuation Fund, and costs for compensation, administration, &c., have been met, the excess of receipts is transferred each year from the Licensing Fund to Consolidated Revenue.

The following table shows the amount of liquor tax paid into the Licensing Fund during each of the years 1957–58 to 1961–62 :—

VICTORIA—LIQUOR TAX (£'000)

Particulars	Year Ended 30th June—				
	1958	1959	1960	1961	1962
Licences—					
Victuallers	2,295	2,340	2,378	2,510	2,595
Spirit Merchants and Grocers ..	353	381	425	493	544
Australian Wine	15	16	16	13	12
Others	8	7	7	15	15
Club Certificates	111	127	129	146	155
Permits—Extended Hours, &c. ..	35	37	39	41	42
Total	2,817	2,908	2,994	3,218	3,363

Lottery (Tattersall) Duty

With the object of providing additional finance for hospitals and other charitable institutions, the trustees of the will and estate of the late George Adams, founder of Tattersall's Consultations, were granted a licence to promote and conduct sweepstakes in Victoria in accordance with the provisions of the *Tattersall Consultations Act* 1953.

The Act provides that, within seven days after the drawing of each consultation, duty equivalent to 31 per cent. of the total amount of subscriptions to the consultation shall be paid to Consolidated Revenue. Each year, an equivalent amount is paid out of Consolidated Revenue, in such proportions as the Treasurer determines, into the Hospitals and Charities Fund, and the Mental Hospitals Fund.

In the following table, the amounts subscribed to consultations, the duty paid to Consolidated Revenue, and the allocations of this revenue between the Hospitals and Charities Fund and the Mental Hospitals Fund are shown for each of the years 1957-58 to 1961-62 :—

**VICTORIA—TATTERSALL LOTTERIES :
SUBSCRIPTIONS, ETC.
(£'000)**

Year Ended 30th June—	Subscriptions to Consultations	Duty Paid to Consolidated Revenue	Allocated to—	
			Hospitals and Charities Fund	Mental Hospitals Fund
1958	8,950	2,835	2,461	374
1959	8,750	2,849	2,400	449
1960	9,300	2,966	2,539	427
1961	10,400	3,257	3,134	123
1962	9,700	3,175	3,028	147

Racing Taxation

The principal sources of revenue from racing taxation are turnover tax on bookmakers' holdings, the percentage received from investments on the totalizator, stamp duty on betting tickets, and tax on admissions to race meetings.

In Victoria, a deduction of 12 per cent. is made from all on-course investments on the totalizator at horse races (including trotting), and at dog races. In the case of city racing clubs, the percentage derived from doubles and quinella investments is divided—4 per cent. being paid to revenue and 8 per cent. to the club, while from win and place investments, 7 per cent. is paid to revenue and 5 per cent. to the club. In respect of country race meetings, 2 per cent. of the total investments is paid to revenue and 10 per cent. to the club.

Under the provisions of the *Racing (Totalizators Extension) Act* 1960, off-course betting was allowed on race-course totalizators. The Totalizator Agency Board, appointed under the Act, conducts the off-course betting scheme which came into operation on 11th March, 1961.

From off-course investments on the totalizator, 12 per cent. is deducted and allocated as follows :— $3\frac{3}{4}$ per cent. to Consolidated Revenue ; $\frac{1}{4}$ per cent. to the Totalizator Agency Board Trust Account (held at the State Treasury) ; and 8 per cent. to the Totalizator Agency Board, to be expended in terms of the Act.

The abovementioned allocations applied as from 1st April, 1963, when the *Racing (Totalizator Percentages) Act 1963* came into force. This Act provided for an increase of $\frac{1}{4}$ per cent. in the allocation to Consolidated Revenue with a corresponding decrease in the percentage payable to the Totalizator Agency Board Trust Account.

Government receipts from the totalizator, including fractions and unclaimed dividends, are specially appropriated to the Hospitals and Charities Fund.

The following table shows particulars of investments on the totalizator, investments with licensed bookmakers and the amount of tax collected from racing for each of the years 1957–58 to 1961–62 :—

VICTORIA—TOTALIZATOR INVESTMENTS, INVESTMENTS WITH LICENSED BOOKMAKERS, AND TOTAL RACING TAXATION
(£'000)

Year Ended 30th June—	Totalizator Investments		Invest- ments with Licensed Book- makers†	Racing Taxation			
	On- course	Off- course *		Totaliz- ator	Book- makers' Turnover	Other‡	Total
1958	11,740	..	64,250	830	1,187	388	2,405
1959	11,532	..	62,150	767	1,154	399	2,320
1960	13,198	..	71,600	884	1,321	425	2,630
1961	13,855	1,443	78,585	957	1,453	431	2,841
1962	13,919	13,209	75,824	1,387	1,401	415	3,203

* The off-course totalizator commenced operations on 11th March, 1961.

† Estimated.

‡ Includes admission tax, stamp duty on betting tickets, and club and bookmakers' licences, &c.

Entertainments Tax

A tax payable on admissions to entertainments was levied by the Victorian Government up to 31st August, 1943, when legislation was passed making the Commonwealth Government the sole authority for

levying the tax. In 1953, the Commonwealth vacated this field of taxation and the Victorian Government re-imposed a tax on entertainments as from 8th October, 1953, under the provisions of the *Entertainments Tax Act 1953*.

Under the provisions of the *Entertainments Tax (Amendment) Act 1961*, which came into operation as from 1st January, 1962, the tax on live artist entertainments and on amateur sport was abolished, and a separate reduced scale of rates was applied to cinematograph films and dancing.

The *Entertainments (Partial Abolition) Act 1962*, abolished tax on all classes of entertainments, except horse racing and trotting, as from 29th December, 1962.

In the following table, the number of taxable admissions and the amount of tax payable, are shown for each of the years 1959-60 to 1961-62, according to the various classes of entertainments :—

VICTORIA—ENTERTAINMENTS TAX : NUMBER OF TAXABLE ADMISSIONS AND TAX PAYABLE

Class of Entertainment	1959-60		1960-61		1961-62	
	Number of Taxable Admissions	Tax Payable	Number of Taxable Admissions	Tax Payable	Number of Taxable Admissions	Tax Payable
	'000	£'000	'000	£'000	'000	£'000
Admissions Taxable at Reduced Rates—						
Theatres	1,500	108	1,198	65	657	23
Sport	513	23	798	32	541	26
Miscellaneous	335	21	336	22	62	4
Periodical or Season Ticket	3	*	2	*	1	*
Admissions Taxable at Full Rates—						
Motion Pictures	16,672	845	15,057	798	14,361	632
Racing (Horse, Trotting, Dog)	2,407	249	2,386	246	2,348	244
Dancing and Skating	1,687	105	1,717	103	1,700	95
Miscellaneous	368	34	216	23	425	40
Periodical or Season Ticket	156	22	214	30	158	21
Total	23,641	1,407	21,924	1,319	20,253	1,085

* Under £500.

Commonwealth Income Tax and Social Services Contribution

Uniform taxation on incomes throughout Australia was adopted in 1942 when the Commonwealth Government became the sole authority levying this tax.

With the introduction of Social Services Contribution from 1st January, 1946, the levy of taxation on the incomes of individuals was divided into two separate taxes (a) Income Tax and (b) Social Services

Contribution. Both taxes were based upon the same definitions of assessable income and both were assessed and collected concurrently. Company income was not subject to Social Services Contribution except with regard to the undistributed income of private companies. The two taxes have since been merged into a single levy known as "Income Tax and Social Services Contribution", and this title now refers to the tax imposed on the incomes of both individuals and companies. It first applied to the tax imposed on incomes derived by individuals during the year ended 30th June, 1951, and by companies during the year ended 30th June, 1950.

Certain types of income are exempt from tax in Australia. These include income from gold mining and uranium mining; war, invalid, age, and widows' pensions; child endowment; and unemployment and sickness benefits.

Expenses incurred in earning income and losses incurred in previous years are allowable deductions.

For the income year 1962-63, Income Tax and Social Services Contribution is payable on the incomes of individuals commencing at a taxable income of £105. However, certain limitations apply to the tax payable by aged persons, over 65 years of age in the case of a male and over 60 years in the case of a female. Concessional deductions are allowed to taxpayers on account of dependants, certain medical and dental expenses, life insurance premiums, superannuation contributions, medical or hospital benefits fund payments, education expenses, &c., and are deductible from income to calculate taxable income. Dependants include spouse, parents, parents-in-law, children under sixteen years of age, student children under 21 years of age, invalid child, brother or sister over sixteen years of age, or daughter-housekeeper for widow or widower. A concessional deduction may be allowed for a housekeeper having the care of children under sixteen years of age or of an invalid relative where the taxpayer did not contribute to the maintenance of a spouse or daughter-housekeeper. The amount of concessional deduction allowable in respect of each type of dependant and housekeeper is:—

	£	
Spouse	143	
Parent or parent-in-law	143	
Child under sixteen years of age—		
One child	91	
Other children	65	each dependant
Student child 16 to 21 years of age ..	91	each dependant
Invalid relative not less than sixteen years of age	91	each dependant
Housekeeper or daughter-housekeeper	143	

The following table shows the rates of Income Tax and Social Services Contribution for individuals for the income year 1962-63 :—

AUSTRALIA—RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION FOR INDIVIDUALS, 1962-63*

Total Taxable Income—		Tax and Contribution on Amount in Column 1	Tax and Contribution on Each £1 of Balance of Income
Column 1 Exceeding—	Column 2 Not Exceeding—		
£	£	£ s. d.	d.
Nil	100	Nil	1
100	150	0 8 4	3
150	200	1 0 10	7
200	250	2 10 0	11
250	300	4 15 10	15
300	400	7 18 4	20
400	500	16 5 0	26
500	600	27 1 8	30
600	700	39 11 8	34
700	800	53 15 0	38
800	900	69 11 8	42
900	1,000	87 1 8	46
1,000	1,200	106 5 0	52
1,200	1,400	149 11 8	59
1,400	1,600	198 15 0	65
1,600	1,800	252 18 4	71
1,800	2,000	312 1 8	77
2,000	2,400	376 5 0	85
2,400	2,800	517 18 4	92
2,800	3,200	671 5 0	99
3,200	3,600	836 5 0	105
3,600	4,000	1,011 5 0	111
4,000	4,400	1,196 5 0	117
4,400	5,000	1,391 5 0	124
5,000	6,000	1,701 5 0	132
6,000	8,000	2,251 5 0	139
8,000	10,000	3,409 11 8	145
10,000	16,000	4,617 18 4	152
16,000	—	8,417 18 4	160

* A rebate of 5 per cent. is deductible from the amount of tax and contribution calculated by reference to the table.

Income Tax and Social Services Contribution is payable on the whole of a person's taxable income if that income exceeds £104.

A deduction is available to individuals who reside in certain remote areas of the Commonwealth or its Territories. The areas are divided into two Zones—A and B. A resident of Zone A is allowed a deduction of £270 plus one-half of the deductions allowable for dependants. A resident of Zone B is allowed a deduction of £45 plus one-twelfth of the deductions allowable for dependants. "Resident" for this purpose means a person who resides, whether continuously or not, in the relevant area for more than one-half of the year of income.

A deduction of £270 plus one-half of the deductions allowable for dependants, is allowable to members of the Defence Forces who serve in certain specified overseas localities for a period of more than one-half of the year of income. A proportionate deduction is allowed if the service is of less duration than one-half of the year.

A system is in operation to assist the majority of taxpayers in the payment of their taxes by means of regular deductions from salaries or wages. The amounts deducted are regulated so that the employee will have paid the approximate amount of his taxation by the end of the income year.

The following table shows the number of taxpayers, taxable income, and Income Tax and Social Services Contribution assessed during the year 1960-61 (based on incomes received during the year 1959-60). The particulars are classified according to grades of actual income and relate only to individuals resident in Victoria.

**VICTORIA—INCOME TAX AND SOCIAL SERVICES
CONTRIBUTION: INDIVIDUALS, 1960-61***

Grade of Actual Income †	Taxpayers	Taxable Income			Net Income Tax and Social Services Contribution Assessed
		Salaries and Wages	Other	Total	
£	No.	£'000			
105- 199 ..	46,497	5,757	1,160	6,917	55
200- 299 ..	52,421	9,751	2,385	12,136	211
300- 399 ..	61,977	16,226	3,624	19,850	589
400- 499 ..	69,628	22,514	5,543	28,057	1,133
500- 599 ..	75,931	29,927	7,240	37,167	1,917
600- 699 ..	86,716	41,202	8,553	49,755	3,050
700- 799 ..	81,546	42,861	9,818	52,679	3,645
800- 899 ..	87,821	50,929	10,654	61,583	4,619
900- 999 ..	100,153	64,174	11,192	75,366	6,078
1,000-1,099 ..	103,463	72,478	11,589	84,067	7,314
1,100-1,199 ..	92,494	70,206	11,163	81,369	7,575
1,200-1,299 ..	75,748	61,351	10,639	71,990	7,154
1,300-1,399 ..	58,588	49,432	10,389	59,821	6,298
1,400-1,499 ..	44,612	39,706	9,519	49,225	5,503
1,500-1,999 ..	110,786	105,052	38,757	143,809	18,307
2,000-2,999 ..	51,886	52,062	45,772	97,834	16,476
3,000-3,999 ..	14,588	15,692	26,078	41,770	9,349
4,000-4,999 ..	6,479	7,954	16,846	24,800	6,705
5,000-9,999 ..	7,585	11,801	32,549	44,350	15,576
10,000-14,999 ..	1,091	2,818	9,142	11,960	5,398
15,000-19,999 ..	301	1,248	3,404	4,652	2,310
20,000-29,999 ..	176	822	3,022	3,844	2,045
30,000-49,999 ..	63	331	1,899	2,230	1,271
50,000 and over ..	32	121	2,509	2,630	1,570
Total ..	1,230,582	774,415	293,446	1,067,861	134,148

* Includes 6,709 taxpayers, resident in Victoria, who derived income from more than one State.

† Actual Income is defined briefly as "Gross income, including exempt income, less expenses incurred in gaining that income".

Australia—Dividend Withholding Tax

The Income Tax and Social Services Contribution legislation was amended in 1959 to provide for the levying of a flat rate of tax on income derived by non-residents of Australia from dividends paid by Australian companies to non-residents on and after 1st July, 1960.

The tax is met by deductions made by Australian companies (at the time of payment) from dividends paid to an address outside Australia and from dividends paid to persons in or out of Australia on shares or stock registered in the names of persons whose address is shown in the company's register of members as being outside Australia.

The rate of withholding tax is 30 per cent. (6s. in the £), except in respect of dividends paid to residents of countries with which an agreement for the relief of double taxation has been completed, i.e., the United Kingdom, Canada, New Zealand, and the United States of America, in which case the rate is 15 per cent. (3s. in the £).

Company Tax

The following table shows the rates of Income Tax and Social Services Contribution payable by companies for the financial year 1962-63 (income year 1961-62) :—

AUSTRALIA—RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION PAYABLE BY COMPANIES, 1962-63

Type of Company	Rate per £1 of Taxable Income—	
	Up to £5,000	Balance
	s. d.	s. d.
Private	5 0*	7 0*
Non-private—		
Co-operative	6 0	8 0
Life Assurance—		
Mutual	5 0	7 0
Other Life Assurance—		
Resident—		
Mutual Income	5 0	7 0
Other Income	7 0†	8 0
Non-resident—		
Mutual Income	5 0	7 0
Dividend Income	6 0†	8 0
Other Income	7 0‡	8 0
Non-profit§—		
Friendly Society Dispensary	6 0	6 0
Other	6 0	8 0
Other—		
Resident	7 0	8 0
Non-resident—		
Dividend Income	6 0	8 0
Other Income	7 0¶	8 0
All Companies—		
Interest|| (Section 125) Rate per £		8s. 0d.

* Further tax at 10s. in the £ payable on undistributed amount.

† Maximum income subject to this rate is £5,000 less mutual income.

‡ Maximum income subject to this rate is £5,000 less the sum of mutual income and dividend income.

§ Incomes not exceeding £104 are exempt from tax. Where the taxable income does not exceed £260, the tax may not exceed one-half of the amount by which the taxable income exceeds £104.

¶ Maximum income subject to this rate is £5,000 less dividend income.

|| Interest paid to non-residents. If the non-resident is not a company, tax is paid only on interest in excess of £104.

Pensions and Gratuities

The following table shows details of State Government expenditure on pensions, gratuities, &c., during each of the years 1957-58 to 1961-62 :—

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS, GRATUITIES, ETC. (£'000)

Particulars	Year Ended 30th June—				
	1958	1959	1960	1961	1962
Superannuation Fund—					
Railways	1,709	1,843	1,968	2,126	2,258
Other	1,223	1,366	1,521	1,703	1,897
Total Superannuation Fund ..	2,932	3,209	3,489	3,829	4,155
Police Pensions Fund	782	786	852	870	870
Police Superannuation Fund	86	96	92	77	68
Coal Mine Workers Pensions Fund ..	67	70	71	80	81
Parliamentary Contributory Retirement Fund	19	29	27	29	35
Married Women Teachers' Pensions Fund	10	12	15	15	19
Other Pensions, Gratuities, &c. ..	11	8	7	5	5
Grand Total	3,907	4,210	4,553	4,905	5,233

Superannuation Fund

On 24th November, 1925, legislation was enacted by the Victorian Parliament making provision, on a contributory basis, for superannuation benefits for public servants, teachers, railway employees, and employees of certain statutory bodies.

An Act, consolidating the Superannuation Acts, was passed in September, 1958, and amending Acts were passed in 1958, 1959, 1960, 1961, and 1962. The principal provisions of these Acts are as follows :—

- (1) The maximum age for retirement is 65 years for males, while female officers may contribute on the basis of retirement at age 60 or age 65.
- (2) The amount (units) of pension for which an officer may contribute is regulated by salary and varies from two units (£104 pension) to 36 units (£1,638 pension).
- (3) Officers are required to pay fortnightly contributions to the Fund according to the age next birthday at which they become entitled to contribute for each unit of superannuation.
- (4) A pension, according to the number of units for which contributions were paid, is payable to a "normal" contributor who attains the maximum age for retirement, or who retires on account of ill health.
- (5) The widow of a deceased contributor or pensioner is entitled to five-eighths of the rate of pension for which the officer was contributing, or five-eighths of the pension being drawn (as the case may be) at date of death, subject to a minimum of £65 per annum.

- (6) A pension of £78 per annum is payable in respect of each child of a deceased contributor or pensioner until the age of eighteen years, provided that, if both parents are deceased, this amount is increased to £156.

Further amending Acts—*The Superannuation (Additions to Pensions) Act 1960* and *The Superannuation (Pensions) Act 1962*—increased pensions to certain pensioners to whom pensions became payable prior to 1st January, 1956, to the widows of such pensioners, and to the widows of certain contributors or pensioners who died before that date.

The following table shows particulars of the Superannuation Fund for each of the years 1957–58 to 1961–62 :—

VICTORIA—STATE SUPERANNUATION FUND

Particulars	Year Ended 30th June—				
	1958	1959	1960	1961	1962
	£'000				
Income—					
Contributions—					
Officers	2,600	2,615	2,845	3,005	2,900
Consolidated Revenue*	2,918	3,191	3,598	3,818	4,142
Interest	1,123	1,286	1,464	1,641	1,815
Other	11	6	7	610†	18
Total	6,652	7,098	7,914	9,074	8,875
Expenditure—					
Pension Payments	3,729	4,101	4,650	4,936	5,364
Lump Sum Payments	3	5	2	6	2
Contributions Refunded	161	207	273	710	824
Other	‡	1	1	‡	19
Total	3,893	4,314	4,926	5,652	6,209
Balance in Fund at 30th June	26,777	29,561	32,549	35,971	38,637
Contributors at 30th June—			No.		
Males	36,013	37,021	37,173	36,051	37,810
Females	5,889	6,020	6,182	6,610	7,167
Total	41,902	43,041	43,355	42,661	44,977
Pensioners at 30th June—					
Ex-employees—					
Males	7,533	7,713	7,939	8,087	8,224
Females	1,145	1,176	1,226	1,274	1,299
Widows	5,648	5,825	6,064	6,220	6,321
Children	526	523	547	585	561
Total	14,852	15,237	15,776	16,166	16,405

* These figures do not agree with those shown on page 707, as the latter include Consolidated Revenue's share of pensions accrued at the end of each year.

† Includes £600,000 advance from State Treasury (to be repaid).

‡ Under £500.

Police Pensions Fund

This Fund was established by the *Police Pensions Act* 1923 which came into operation on 1st January, 1924, and applied to all members who joined the police force on or after 25th November, 1902. This legislation was embodied in the *Police Regulation Act* 1958, consolidating the law dealing with the police force in Victoria. A further amending Act was passed in December, 1958.

Under the provisions of these Acts, the Fund provides pensions on retirement, either at maximum ages, which vary according to rank, or on account of ill health. Widows are entitled to proportionate pensions, and allowances are paid for children up to sixteen years of age.

Each year the Government Actuary is required to certify what amount should be appropriated from Consolidated Revenue to ensure the solvency of the Fund.

The number of contributors to the Fund at 30th June, 1962, was 4,159 males and 60 females.

The receipts of the Police Pensions Fund during 1961–62 amounted to £1,598,959, comprising deductions from pay, £229,257; special appropriation from Consolidated Revenue, £869,650; interest on investments, £498,892; and other receipts, £1,160. During the year, £661,450 was paid in pensions, £14,877 in gratuities, and £19,460 represented deductions from pay returned. The balance in the Fund at 30th June, 1962 was £11,879,400. Of this amount, £11,570,745 was invested in government and semi-government securities.

Police Superannuation Fund

Pensions are payable out of this Fund to those who joined the police force prior to 25th November, 1902.

The Fund is maintained by an annual subsidy of £2,000 from Consolidated Revenue; by a moiety of the fines inflicted by the Court of Petty Sessions; by transfers from the Licensing Fund under the provisions of the Licensing Act; and, should the foregoing sources prove insufficient, by a further grant in aid from Consolidated Revenue. Police contributions to the Fund ceased in 1940–41.

During the year 1961–62, the total receipts of the Fund from all sources amounted to £83,526, while pension payments totalled £24,338. The balance in the Fund at 30th June, 1962 was £415,390 of which £306,125 was invested in Commonwealth Government securities.

Coal Mine Workers Pensions Fund

This Fund was established under the *Coal Mine Workers Pensions Act* 1942. The *Coal Mines Act* 1958 consolidated the law relating to coal mines and coal mine workers, and, together with the amending

Acts of December, 1958, November, 1959, and December, 1960, defined contributions and benefits in connexion with the Coal Mine Workers Pensions Fund. The annual contribution to the Fund is fixed by the Government Actuary after an actuarial valuation once in every three years. The Treasurer of Victoria is required to make a payment of three-sevenths of this amount. The mine workers and the mine owners pay one-seventh and three-sevenths respectively. A pension is payable to a mine worker on attaining the maximum age for retirement (in most cases, 60 years), provided certain conditions as to length of service in the mining industry are satisfied. A pension is also payable to those qualified mine workers who are totally or partially incapacitated by an injury arising out of, and in the course of, their employment as mine workers. A widow of a pensioner, or a widow of a mine worker whose death was due to an injury as a mine worker, is entitled to pension until death or remarriage. Allowances for children under the age of sixteen are also provided under the Act.

During 1961-62, the Government contributed £40,664 to the Fund, and the State Coal Mine (as owners) £40,523.

Parliamentary Contributory Retirement Fund

This Fund was established under authority of the *Parliamentary Contributory Retirement Fund Act* 1946 to provide pensions for ex-members of the Victorian Parliament. The legislation affecting this Fund was subsequently embodied in the *Constitution Act Amendment Act* 1958 which was amended by the *Parliamentary Contributory Superannuation Act* 1962.

This amendment restricted the application of the Fund to those ex-members of the Victorian Parliament who were entitled to benefits from the Fund on 5th January, 1963, to their widows, and to the widows of ex-members who had an entitlement to a widow's pension on that date. In each case the pension payable is at the rate of the basic wage payable in Melbourne.

Parliamentary Superannuation Fund

This Fund was established under the authority of the *Parliamentary Contributory Superannuation Act* 1962 which came into operation on 6th January, 1963. Under the Act, the future liability for superannuation benefits of members of the Victorian Parliament at that date was transferred to this Fund from the Parliamentary Contributory Retirement Fund. The latter Fund continues to be liable for benefits to which ex-members were entitled on 5th January, 1963.

Members contribute to the Fund at the rate of £10 per fortnight. Any further sums required to pay pensions, &c., are paid from Consolidated Revenue.

Every person who has ceased to be a member and has served as a member for at least fifteen years, is entitled to be paid out of the Fund a pension at the rate of one and two-third times the basic wage payable in Melbourne. However, in certain circumstances, a person who has ceased to be a member and has served at least eight years may also receive a pension of the same amount.

Provision is also made for payments of certain sums to ex-members who do not fulfil the conditions necessary for a pension, and the payment of a pension to the widow of a deceased member or ex-member at the same rate as that paid to ex-members.

During the year ended 30th June, 1962, receipts of the Fund amounted to £50,027, made up of contributions from members, £14,568, and Special Appropriations from Consolidated Revenue, £35,459. Pensions and lump sum payments from the Fund amounted to £50,027.

Married Women Teachers' Pensions Fund

This Fund was established under the provisions of the *Teaching Service (Married Women) Act* 1956 and came into operation on 1st July, 1957. This Act was repealed in 1958 and included in the *Teaching Service Act* 1958 which consolidated all laws relating to the teaching service in the Education Department.

The Act provides, *inter alia*, for retirement benefits for married women who are permanently employed in the teaching service and not eligible to contribute to the Superannuation Fund. A deduction of 5 per cent. is made from the salary of each contributor and paid into the Fund together with a similar amount from Consolidated Revenue. On reaching the retiring age (60 or 65 at her option), a pension is payable according to the amount accumulated to her credit (including interest).

Receipts for 1961–62 amounted to £44,140, consisting of teachers' contributions, £19,394; contribution from Consolidated Revenue, £19,325; and interest on investments, £5,421. Payments from the Fund during the year totalled £4,457, made up of lump sum payments, £2,540, and refunds of contributions, &c., £1,917. The balance in the Fund at 30th June, 1962, was £145,790 of which £145,769 was invested in government and semi-government securities.

Trust Funds and Special Accounts

Under the provisions of the Constitution Act, revenues of the State are payable to Consolidated Revenue with the exception of certain revenues which have been set aside by various Acts of Parliament for specific purposes and are payable into special funds or accounts kept at the State Treasury. Numerous funds or accounts consisting of moneys collected for, or held for expenditure on behalf of, the Commonwealth Government, moneys provided for specified purposes by outside bodies, and amounts held in trust for government departments and for other accounts are also included in trust funds. The balances of all funds or accounts are held by way of investment or on general account and the operations of many are regulated by statute.

The transactions recorded annually are numerous and of considerable magnitude. During 1961–62, the debits of all trust funds or accounts amounted to £174,742,551, while credits totalled £177,300,178.

At 30th June, 1962, the liability of the State on account of all trust funds or accounts amounted to £52,842,082. Of this total, £23,671,010 was invested in Commonwealth Stock or other securities, and cash advanced totalled £4,228,108. The balance—£24,942,964—was at the credit of the Public Account.

Expenditure from Loan Fund

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from the Loan Fund and on account of loan. The figures in the following table represent all such expenditure whether the loans have been repaid or are still in existence. The table shows the details for each of the years 1958-59 to 1961-62 and the total to 30th June, 1962.

VICTORIA—EXPENDITURE FROM LOAN FUND AND ON ACCOUNT OF LOAN (£'000)

Expenditure on—	Year Ended 30th June—				Total to 30th June, 1962
	1959	1960	1961	1962	
Public Works—					
Railways	7,432	7,814	7,564	7,664	179,577*
Country Roads	116	234	375	790	22,796
Bridges	1,265	1,092	1,067	390	5,263
Harbours and Rivers	397	450	471	417	5,642
Water Supply—					
Country	7,903	7,194	8,095	7,956	133,689†
Metropolitan .. .. .	..	..	..	..	3,143
Sewerage	482	636	523	412	4,752
Electricity Supply	3,500	6,500	6,750	7,000	74,439‡
Gas and Fuel Corporation	110	90	80	70	12,389
Public Buildings—					
Schools	9,040	11,305	12,750	14,160	100,234
Hospitals	6,090	5,752	5,980	6,497	64,341
Other	1,643	1,611	2,206	1,982	18,150
Immigration .. .. .	..	..	35	..	275
Municipal Endowment .. .. .	..	..	..	..	698
Municipalities, Loans, Grants, &c.	369	490	510	665	4,819
Housing	517	610	536	710	13,089
Unemployment Relief .. .. .	..	..	..	..	13,147
Other Public Works	259	212	277	194	4,615
Primary Production—					
Land Settlement .. .. .	..	2,817	1,136	1,525	47,049
Soldier Settlement	3,646	634	702	296	59,509
Wire Netting Advances	§	2	3	1	1,051

* Includes expenditure of £1,804,420 transferred to State Electricity Commission.

† Includes expenditure of £176,870 transferred to State Electricity Commission.

‡ Excludes expenditure mentioned in the two preceding notes.

§ Under £500 (credit).

VICTORIA—EXPENDITURE FROM LOAN FUND AND ON ACCOUNT OF
LOAN—*continued*

(£'000)

Expenditure on—	Year Ended 30th June—				Total to 30th June, 1962
	1959	1960	1961	1962	
Primary Production (<i>continued</i>)—					
Other Advances to Settlers (Including Drought, Flood, &c., Relief)	113	30	50	39	4,168
Bulk Handling of Wheat .. .. .	..	..	..	..	1,404
Forestry	637	662	764	915	19,125
Mining <i>n.e.i.</i>	75	67	106	79	1,003
Mining—State Coal Mine .. .. .	..	..	..	..	353
Primary Products—Advances to Companies .. .. .	..	..	..	..	331
Cool Stores—Advances to Com- panies .. .. .	..	..	..	..	658
Destruction of Vermin and Nox- ious Weeds	57	610	640	677	2,731
Other Primary Production	77	127	131	184	692
Other Purposes	693	552	954	794	15,273
Total Works Expenditure	44,421	49,491	51,705	53,417	814,405
In Aid of Revenue	3,000	2,546	..	..	28,562
Grand Total	47,421	52,037	51,705	53,417	842,967

The figures in the table above do not include discounts and flotation expenses, nor have they been adjusted on account of premiums received. The net aggregate outlay on these items to 30th June, 1962, was £5,914,845.

Public Debt

General

The public debt chiefly comprises moneys raised and expended with the object of assisting the development of the resources of the State and is, to a large extent, represented by tangible assets.

Loan moneys have been used in Victoria principally for the construction of railways, roads, water supply and sewerage works, schools, hospitals, and other public buildings, improvements to harbours and rivers, electricity supply, and land settlement.

A notable feature of the public debt of the State is that approximately 90 per cent. of indebtedness is now domiciled in Australia. There has been a gradual change from the situation which existed a century ago when nearly all loans were financed in London. Even at the turn of the century, only 10 per cent. of State indebtedness was domiciled in Australia.

In the tables in this section relating to the public debt of Victoria, loans domiciled in overseas countries have been converted to Australian currency at rates of exchange ruling at 30th June in each year.

The figures are not directly comparable with those shown in previous issues of the Year Book in which overseas debt was converted to Australian currency at rates of exchange ruling on 1st July, 1927.

Advances made by the Commonwealth Government to Victoria, under the Commonwealth-State agreements relating to housing and soldier settlement, are not included in the public debt statements in this Year Book. The total of such advances owing at 30th June, 1962, was £148,406,265, of which £141,411,208 was for housing, and £6,995,057 for soldier settlement. These liabilities should be taken into account when considering the total debt position of Victoria.

Public Debt Transactions

The following table shows particulars of the loans raised and redeemed during, and the amount outstanding at the end of, each of the years 1957-58 to 1961-62. The variations from year to year in the Australian currency equivalent of overseas loans, resulting from application of the rates of exchange ruling at 30th June in each year, are shown separately. Particulars are shown for loans raised in Australia and London, while loans raised in New York, Canada, Switzerland, and the Netherlands are grouped under one heading.

VICTORIA—STATE PUBLIC DEBT: SUMMARY OF TRANSACTIONS

(£'000)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
DEBT MATURING IN AUSTRALIA					
Debt Outstanding at 1st July	439,555	475,104	508,186	546,438	583,055
New Debt Incurred—					
Commonwealth Government Loan Flotations	107,911	64,485	67,899	97,070	79,747
Domestic Raisings	700	745	1,099	660	1,358
Less Conversion and Redemption Loans ..	67,804	27,106	24,574	54,202	34,060
Total New Debt Incurred	40,807	38,124	44,424	43,528	47,045
Repurchases and Redemptions from National Debt Sinking Fund	5,258*	5,042	6,172	6,911	6,897
Net Increase in Debt	35,549	33,082	38,252	36,617	40,148
Debt Outstanding at 30th June	475,104	508,186	546,438	583,055	623,203

Footnotes on next page.

VICTORIA—STATE PUBLIC DEBT : SUMMARY OF TRANSACTIONS—
continued
 (£'000)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
DEBT MATURING IN LONDON					
Debt Outstanding at 1st July	48,449	48,215	51,566	51,528	51,462
New Debt Incurred—					
Commonwealth Government Loan Flotations ..	..	20,053	..	775	..
Less Conversion and Redemption Loans ..	..	15,941	..	756	..
Total New Debt Incurred .. ..	..	4,112	..	19	..
Repurchases and Redemptions from National Debt Sinking Fund	234	761†	38	85‡	81
Net Increase in Debt	- 234	3,351	- 38	- 66	- 81
Debt Outstanding at 30th June	48,215	51,566	51,528	51,462	51,381
DEBT MATURING IN NEW YORK, CANADA, SWITZERLAND, AND THE NETHERLANDS					
Debt Outstanding at 1st July	7,613	9,856	12,107	14,037	19,239
New Debt Incurred—					
Commonwealth Government Loan Flotations	2,367	2,349	2,354	5,515	4,462
Less Conversion and Redemption Loans ..	..	..	..	..	1,085
Total New Debt Incurred	2,367	2,349	2,354	5,515	3,378§
Repurchases and Redemptions from National Debt Sinking Fund	124	98	424	313	835||
Adjustment due to Variation in Rate of Exchange	..	..	..	..	- 95
Net Increase in Debt	2,243	2,251	1,930	5,202	2,447
Debt Outstanding at 30th June	9,856	12,107	14,037	19,239	21,686¶
TOTAL					
Debt Outstanding at 1st July	495,617	533,175	571,859	612,003	653,756
New Debt Incurred—					
Commonwealth Government Loan Flotations	110,278	86,887	70,253	103,360	84,209
Domestic Raisings	700	745	1,099	660	1,358
Less Conversion and Redemption Loans ..	67,804	43,047	24,574	54,958	35,145
Total New Debt Incurred	43,174	44,585	46,778	49,062	50,422
Repurchases and Redemptions from National Debt Sinking Fund	5,616	5,901	6,634	7,309	7,813
Adjustment due to Variation in Rate of Exchange	..	..	..	..	- 95
Net Increase in Debt	37,558	38,684	40,144	41,753	42,514
Debt Outstanding at 30th June	533,175	571,859	612,003	653,756	696,270

* Includes £330,870 discount expenses on conversion loans met from National Debt Sinking Fund.

† Includes £161,508 discount expenses on conversion loans met from National Debt Sinking Fund.

‡ Includes £19,433 discount expenses on conversion loans met from National Debt Sinking Fund.

§ Includes New York, £2,347,884, and The Netherlands £1,029,252.

|| Includes £19,312 discount expenses on conversion loans met from National Debt Sinking Fund.

¶ Includes New York, £17,604,464, Canada, £1,752,560, Switzerland, £1,299,831, and The Netherlands, £1,029,252.

Particulars concerning the due dates of loans outstanding at 30th June, 1962, are given in the following table. Where the Government has the option of redemption during a specified period, the loans have been classified according to the latest date of maturity.

VICTORIA—DUE DATES OF LOANS AT 30TH JUNE, 1962
(£'000)

Due Date (Financial Year)	Amount Maturing—				Total
	In Australia	In London	In New York	Elsewhere Overseas	
1962-63	102,837	..	..	..	102,837
1963-64	49,923	..	..	..	49,923
1964-65	74,124	..	..	..	74,124
1965-66	44,862	2,324	..	..	47,186
1966-67	39,757	7,102	1,809	..	48,668
1967-68	46,217	10,429	..	..	56,646
1968-69	60,151	..	..	..	60,151
1969-70	17,200	10,799	1,119	..	29,118
1970-71	24,679	..	506	..	25,185
1971-72	9,932	..	1,938	..	11,870
1972-73	19,547	8,051	2,133	..	29,731
1973-74	143	..	..	..	143
1974-75	13,125	..	..	..	13,125
1975-76	20,715	387	..	1,300*	22,402
1976-77	163	..	..	..	163
1977-78	171	..	..	..	171
1978-79	178	11,914	2,007	..	14,099
1979-80	25,694	..	2,291	..	27,985
1980-81	20,907	..	2,368	1,753†	25,028
1981-82	27,992	..	3,433	1,029‡	32,454
1982-83	9,073	..	..	..	9,073
1983-84 .. ..	..	375	..	..	375
1984-85	12,751	..	..	..	12,751
Not Yet Fixed	3,062	..	..	..	3,062
Total	623,203	51,381	17,604	4,082	696,270

* Maturing in Switzerland.

† Maturing in Canada.

‡ Maturing in The Netherlands.

The following table shows details of the amounts of loans outstanding in Australia, London, New York, Canada, Switzerland, and The Netherlands, and the amount of debt per head of population at the end of each of the years 1957-58 to 1961-62 :—

VICTORIA—PUBLIC DEBT : LOANS OUTSTANDING IN
AUSTRALIA, LONDON, NEW YORK, CANADA,
SWITZERLAND, AND THE NETHERLANDS

At 30th June—	Amount of Loans Maturing in—						Total Debt	
	Australia	London	New York	Canada	Switzer-land	The Nether-lands	Amount	Per Head of Population
				£'000				£ s. d.
1958	475,104	48,215	9,856	..	..	..	533,175	196 2 7
1959	508,186	51,566	12,107	..	..	..	571,859	205 5 5
1960	546,438	51,528	14,037	..	..	..	612,003	214 3 8
1961	583,055	51,462	16,092	1,847	1,300	..	653,756	223 2 4
1962	623,203	51,381	17,604	1,753	1,300	1,029	696,270	232 15 0

The following table shows the rates of interest which were payable on the public debt at 30th June, 1962, and the portions of the debt at each rate in Australia, London, New York, and elsewhere overseas respectively :—

**VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1962
(£'000)**

Rate of Interest	Amount Maturing—				Total
	In Australia	In London	In New York	Elsewhere Overseas	
per cent.					
6.0 .. ..	..	763	..	..	763
5.75 .. ..	..	..	..	1,753*	1,753
5.5 .. ..	..	19,965	3,433	..	23,398
5.375	33,653	..	..	..	33,653
5.25	57,950	..	4,659	..	62,609
5.0	152,555	..	3,946	1,029†	157,530
4.75	56,843	..	2,132	..	58,975
4.5	165,590	..	506	1,300‡	167,396
4.25	27,739	..	..	..	27,739
4.0	16,073	..	..	..	16,073
3.875	702	..	..	..	702
3.75	16,001	..	1,119	..	17,120
3.625	107	..	..	..	107
3.5	5	7,101	1,809	..	8,915
3.4875 .. ..	§	..	..	..	§
3.25 .. ..	..	10,799	..	..	10,799
3.125	90,951	..	..	..	90,951
3.1	277	..	..	..	277
3.0	1,084	12,753	..	..	13,837
2.7125	123	..	..	..	123
2.5	1	..	..	..	1
2.325	627	..	..	..	627
1.0	2,922	..	..	..	2,922
Total	623,203	51,381	17,604	4,082	696,270
Average Rate of Interest per cent.	4.50	4.14	4.89	5.16	4.48

* Maturing in Canada.

† Maturing in The Netherlands.

‡ Maturing in Switzerland.

§ £500.

In the next table, the annual interest liability of the State has been calculated on the basis of the debt outstanding at the end of each of the years 1957–58 to 1961–62. The liability therefore represents the amount of interest payable in the ensuing year without regard to new loan raisings and redemptions during that year.

The table shows particulars of the annual interest payable in Australia and in oversea countries respectively, the total liability per head of population, and the average rate of interest liability :—

VICTORIA—ANNUAL INTEREST LIABILITY

At 30th June—	Annual Interest Payable in—		Interest Liability		
	Australia	Oversea Countries	Total	Per Head of Population	Average Rate
		£'000		£ s. d.	%
1958 ..	19,267	2,010	21,277	7 16 6	3·99
1959 ..	20,938	2,643	23,581	8 9 3	4·12
1960 ..	23,055	2,744	25,799	9 0 7	4·22
1961 ..	25,774	3,032	28,806	9 16 7	4·41
1962 ..	28,014	3,197	31,211	10 8 8	4·48

The interest and expenses associated with the public debt of Victoria, for each of the years 1957–58 to 1961–62, are shown in the following table :—

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT (£'000)

Year Ended 30th June—	Interest Paid on Loans Maturing—				Total Interest	Exchange on Payment of Interest Overseas	Commission on Payment of Interest Overseas, Expenses of Conversion Loans, &c.	Grand Total*
	In Australia	In London	In New York	Elsewhere Overseas				
1958 ..	17,733	1,282	142	..	19,157	492	79	19,728
1959 ..	19,257	1,369	218	..	20,844	597	73	21,514
1960 ..	21,533	1,691	245	..	23,469	715	150	24,334
1961 ..	23,283	1,689	318	..	25,290	809	122	26,221
1962 ..	25,746	1,705	373	73†	27,897	960	156	29,013

* Includes £2,127,159 contributed each year by the Commonwealth Government in accordance with the provisions of the "Financial Agreement" (see page 683), but excludes interest paid on advances received from the Commonwealth Government for housing and soldier settlement.

† Includes Canada, £50,145, and Switzerland £22,700.

National Debt Sinking Fund

Under the Financial Agreement of 1927 between the Commonwealth and the States, it was arranged that the Commonwealth assume responsibility for the public debt of the States. The securities covering these debts would be redeemed or repurchased by payments from the National Debt Sinking Fund (which had been in existence from

1923) and the Commonwealth and States were to make annual contributions to the Fund for this purpose. The intention was to extinguish, within a period of 58 or 53 years, debt incurred by the States for normal works and services. The longer period applies to the debt existing at 30th June, 1927, and to this the State contributes 5s. per £100 and the Commonwealth 2s. 6d. per £100 per annum, whilst the shorter period applies to loans raised after 30th June, 1927, the State and the Commonwealth each contributing 5s. per £100 per annum.

The first of the following tables gives a summary of Victorian transactions in the National Debt Sinking Fund for each of the years 1957–58 to 1961–62, and the remaining tables show details of receipts and expenditure together with particulars of face value of securities repurchased and redeemed during the same period :—

VICTORIA—NATIONAL DEBT SINKING FUND : SUMMARY OF TRANSACTIONS

(£'000)

Particulars	1957–58	1958–59	1959–60	1960–61	1961–62
Balance at 1st July	255	60	128	186	214
Receipts	5,333	5,933	6,669	7,209	7,793
Expenditure	5,528	5,865	6,611	7,181	7,795
Balance at 30th June	60	128	186	214	212

VICTORIA—NATIONAL DEBT SINKING FUND : RECEIPTS

(£'000)

Particulars	1957–58	1958–59	1959–60	1960–61	1961–62
Contributed under Financial Agreement—					
Victoria	4,164	4,647	5,247	5,696	6,172
Commonwealth	1,155	1,230	1,367	1,447	1,565
Interest from Victoria on Cancelled Securities	3	1	3	7	3
Total Contributions under Financial Agreement	5,322	5,878	6,617	7,150	7,740
Interest on Investments	6	13	1	6	1
Special Contributions by Victoria	5	42	53	53	54
Total	5,333	5,933	6,669	7,209	7,793
Total to Date	59,884	65,817	72,486	79,695	87,488

**VICTORIA—NATIONAL DEBT SINKING FUND : SECURITIES
REPURCHASED AND REDEEMED**

(£'000)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
Australia—					
Face Value	4,928	5,042	6,172	6,911	6,897
Net Cost	5,221*	5,020	6,162	6,801	6,894
London—					
Face Value	234	600	37	66	81
Net Cost	189	752†	35	77‡	74
New York—					
Face Value	124	98	425	313	816
Net Cost	118	93	414	303	827§
Total—					
Face Value	5,286	5,740	6,634	7,290	7,794
Net Cost	5,528	5,865	6,611	7,181	7,795
Total to Date—					
Net Cost	59,824	65,689	72,300	79,481	87,276

* Includes £330,870 discount on conversion loans in Australia.

† Includes £161,508 discount on conversion loans in London.

‡ Includes £19,433 discount on conversion loans in London.

§ Includes £19,312 discount on conversion loans in New York.

Private Finance

Commonwealth Banking Legislation

General

Under section 51 of the Commonwealth Constitution, the Commonwealth Parliament has power to legislate with respect to "banking, other than State banking; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money". The principal Commonwealth Acts at present in force relating to banking are :—

- (a) The *Banking Act* 1959, which provides for the regulation of banking and for the protection of the currency and the public credit of the Commonwealth;
- (b) the *Reserve Bank Act* 1959, which provides for the constitution and management of the Reserve Bank of Australia, and the management of the Australian note issue; and

- (c) the *Commonwealth Banks Act* 1959, which provides for the constitution and management of the Commonwealth Banking Corporation, Commonwealth Trading Bank of Australia, Commonwealth Savings Bank of Australia, and Commonwealth Development Bank of Australia.

The *Banking Act* 1959, which replaced the *Banking Act* 1945–1953, was assented to on 23rd April, 1959, and came into operation on 14th January, 1960. It applies to all banks (except State banks trading in their own State) operating in Australia or the Territories of the Commonwealth. Apart from the replacement of the Special Accounts provisions of the previous Act with a system of Statutory Reserve Deposits and a recasting of the relevant parts of the Act to make provision for the regulation of savings bank business, the provisions of the Act, which are summarized below, are essentially the same as those contained in the previous Act. The main provisions of the Act are as follows :—

- (1) *Authority to Carry on Banking Business.* Banking business can only be carried on by a body corporate in possession of an authority in writing granted by the Governor-General. A company which is not a bank, but which conducts some banking business, may be granted an exemption from some or all of the provisions of the Act.
- (2) *Protection of Depositors.* Provision is made for the banks to supply to the Reserve Bank such information relating to their financial position as required. If it appears that a bank may be unable to meet its obligations or is about to suspend payments, the Reserve Bank may assume control of and carry on the business of that bank.
- (3) *Statutory Reserve Deposits.* Each trading bank is required to maintain a Statutory Reserve Deposit Account with the Reserve Bank and to have on deposit in that account such percentage of its Australian deposits (known as the Statutory Reserve Deposit Ratio) as is determined from time to time by the Reserve Bank. On giving one day's notice, the Reserve Bank may vary this ratio provided it is not increased above 25 per cent. and, on giving 45 days' notice, the Reserve Bank may increase the ratio above 25 per cent. A ratio remains in force until it is replaced by another ratio, provided that any ratio above 25 per cent. cannot remain in force for longer than a period of six months and for succeeding periods of three months unless the Reserve Bank gives notice of an extension at least 45 days before the end of each period. The same ratio is to apply to all banks except certain prescribed banks. Interest is to be paid on Statutory Reserve Deposit

Accounts at a rate determined from time to time by the Reserve Bank with the approval of the Treasurer. The Reserve Bank is required to inform the trading banks at least once in every quarter of its expected policy with respect to Statutory Reserve Deposit Ratios.

- (4) *Mobilization of Foreign Currency.* All banks may be required to transfer to the Reserve Bank a proportion (determined by the Reserve Bank) of their excess receipts of foreign currency in respect of their Australian business during any period.
- (5) *Advances.* The Reserve Bank may determine a general policy to be followed by banks in making advances.
- (6) *Special Provisions with respect to Savings Banks.* A savings bank shall at all times maintain in prescribed investments an amount that, together with cash on hand in Australia, is not less than the amount on deposit in Australia with the savings bank. The prescribed investments are: deposits with the Reserve Bank, deposits with or loans to other banks, Commonwealth or State securities, securities issued or guaranteed by a Commonwealth or State authority, loans guaranteed by the Commonwealth or a State, loans for housing or other purposes on the security of land, and loans to authorized dealers in the short-term money market on the security of securities issued by the Commonwealth. A savings bank must hold at least 70 per cent. of its depositors' funds in cash, deposits with the Reserve Bank, Commonwealth or State securities and securities issued by or guaranteed by a Commonwealth or State authority, and must hold at least 10 per cent. in deposits with the Reserve Bank, in Treasury Bills and Seasonal Securities. A savings bank may not accept deposits from a profit-making body unless that body is acting in a trustee capacity for a non-profit-making beneficiary, nor allow cheques to be drawn on savings bank accounts other than by local government authorities, friendly societies, &c., and companies acting in the above capacity.
- (7) *Foreign Exchange.* The Governor-General may make regulations for the control of foreign exchange including the fixing of rates of exchange.
- (8) *Gold.* Provision is made for the mobilization and control of gold if it is necessary for the protection of the currency or the public credit of the Commonwealth.
- (9) *Interest Rates.* The Reserve Bank may, with the approval of the Treasurer, make regulations for the control of rates of interest payable to or by the banks or other persons in the course of banking business carried on by them.

- (10) *Other.* Other provisions of the Act relate to the supply of statistics and other information by banks, the settlement of clearing balances between banks, investigations of the accounts of banks by the Commonwealth Auditor-General, and restrictions on the use of the words "bank" or "savings bank" in relation to a business. Although a bank may be required to supply information relating to its financial stability and information needed for the determination of banking policy, it cannot be required to disclose details relating to the account of an individual customer.

Banking in 1962

Introduction

The main feature of 1962 was that available bank credit was not fully utilized. However, structural changes (see below) made the banking system more flexible and effective.

Late in 1961, deposits were rising quite rapidly, and rose a further £92 mill. in 1962, with seasonal fluctuations during the year. By contrast, advances were falling late in 1961, and in January, 1962, were about £80 mill. lower than a year earlier. Therefore, the advance/deposit ratio was unusually low at the beginning of 1962. It failed to rise, except fractionally, during the year, although aggregate overdraft limit authorities granted by the banks to their customers rose materially.

At some stages of the year, a rapid expansion of credit seemed possible, if resurgent business confidence had resulted in the full use of available overdraft limits. In mid-year, advances rose by more than the usual seasonal amount—by nearly £30 mill. in July. But this rise proved only temporary.

Early in 1962, deposits were augmented by the strong flows of export proceeds and oversea investment into the nation's oversea reserves. Although these favourable factors continued for most of the year, a strong revival of imports, reflecting internal recovery, absorbed oversea funds, and checked the rise in deposits.

Government Policy

Early in the year, the Federal Government implemented some expansionary measures, including income tax cuts and larger public works expenditure, designed to encourage spending and restore confidence. The Federal Budget of August promised a large deficit for 1962-63 as a further stimulus, but in the following months income of the Consolidated Revenue and Loan Funds was unusually high. This applied especially to the latter, where heavy over-subscriptions to loans absorbed public liquidity.

New Term Loan Fund

A Term Loan Fund was set up in April by transferring the equivalent of 3 per cent. of each trading bank's deposits to an account at the Reserve Bank, thus providing a revolving fund of about £55 mill. from which the trading banks could lend for development or export purposes. A need for such long-term loans had been recognized for some time. Outright loans for three to eight years were considered more appropriate for these purposes than normal overdrafts. Interest charged was usually about 7 per cent., which is slightly higher than the overdraft rate. The response was significant, and a large proportion of the fund was committed by the end of 1962. Funds standing in the Term Loan Fund Account at the Reserve Bank, pending use, earn $3\frac{1}{2}$ per cent. a year for the trading banks.

Statutory Reserve Deposits and Liquid Assets/Government Securities

When Term Loans were introduced, there was a 2 per cent. reduction (to 10·5 per cent. of bank deposits) in the Statutory Reserve Deposits required to be held at the Reserve Bank by the trading banks, balanced by a 2 per cent. rise to 18 per cent. in the ratio to deposits of L.G.S. assets (cash and Government securities) which trading banks agree to hold.

The S.R.D. ratio was raised to 11·5 per cent. at the end of October, when it was considered that the liquidity of the system (especially of some member banks) was excessive, and a sharp rise in advances could have brought embarrassing pressures in the economy.

Interest Rates

Interest rates were slightly altered in April when the upper limit on the average rate a bank could charge on overdrafts was removed, but the limit on any particular overdraft was retained at 7 per cent. The former limit had been difficult for banks to manage, and inhibited their use of interest rates to control credit. Another slight change was reduction in the maximum rate for term deposits (twelve months) to 4 per cent. This rate had been raised during 1961, with the apparent effect of increasing the proportion of interest-bearing bank deposits.

Bank Deposits

Victoria's share of total Australian bank deposits remained virtually unchanged during 1962 at about 32 per cent. The proportions of the individual Victorian trading bank deposits did not alter materially during 1962. Some small changes were probably related to the formation of savings banks by the trading banks which caused a switch from current to savings accounts. Because the savings banks were established at different dates, differential effects were recorded on parent bank deposits.

Savings bank deposits rose strongly in 1962. In accordance with official requirements, most of their funds were invested in government or semi-government loans, already well supported, the greater part of the remainder being available for housing.

In October, the basis for charging customers for maintaining trading bank accounts was altered. Inland exchange was abolished, and the charge for each account was calculated on volume of work and cost of servicing, with due allowance for credit balances.

Further Reference

An outline of the history of banking in Victoria and a description of the currency will be found on pages 625 to 628 of the Victorian Year Book 1961.

Trading Banks

The following table shows the number of branches and agencies, in Victoria, conducted by individual trading banks at 30th June, 1960 to 1962 :—

VICTORIA—TRADING BANKS : NUMBER OF BRANCHES AND AGENCIES

Bank	At 30th June—					
	1960	1961	1962	1960	1961	1962
	Branches			Agencies		
Commonwealth Trading Bank of Australia	82	85	90	35	53	64
Private Trading Banks—						
Australia and New Zealand Bank Ltd.	173	178	180	75	81	85
Bank of Adelaide	1	1	1	..	..	..
Bank of New South Wales	131	139	145	16	13	18
Commercial Bank of Australia Ltd.	151	153	155	71	70	69
Commercial Banking Co. of Sydney Ltd.	103	107	111	33	35	39
English, Scottish, and Australian Bank Ltd.	134	135	141	49	47	41
National Bank of Australasia Ltd.	211	214	213	97	100	101
Total Private Trading Banks	904	927	946	341	346	353
Total Trading Banks	986	1,012	1,036	376	399	417
Metropolitan Area	493	515	540	137	160	176
Remainder of State	493	497	496	239	239	241

The following tables show particulars of the averages of deposits with, and advances by, trading banks in Victoria during the month of June, 1962, and for the months of June of the preceding four years. The monthly averages are obtained by recording the amounts of deposits and advances at the close of business on Wednesday of each week.

**VICTORIA—TRADING BANKS : AVERAGES OF DEPOSITS
AND ADVANCES, MONTH OF JUNE, 1962**
(£'000)

Bank	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
Commonwealth Trading Bank of Australia	42,989	18,843	61,832	36,263
Private Trading Banks—				
Australia and New Zealand Bank Ltd.	72,357	34,996	107,353	55,994
Bank of Adelaide	1,524	841	2,365	1,749
Bank of New South Wales	46,987	22,021	69,008	39,831
Commercial Bank of Australia Ltd.	52,633	34,735	87,368	44,785
Commercial Banking Co. of Syd- ney Ltd.	28,435	20,004	48,439	24,938
English, Scottish, and Australian Bank Ltd.	50,913	21,991	72,904	40,147
National Bank of Australasia Ltd.	74,771	62,469	137,240	57,179
Total ..	370,609	215,900	586,509	300,886

**VICTORIA—TRADING BANKS : AVERAGES OF DEPOSITS
AND ADVANCES**
(£'000)

Month of June	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
1958	364,318	136,527	500,845	268,814
1959	369,429	146,970	516,399	254,767
1960	403,840	156,329	560,169	290,960
1961	363,330	185,911	549,241	300,420
1962	370,609	215,900	586,509	300,886

A classification of persons and authorities in receipt of trading bank advances for each of the years 1957–58 to 1961–62 is given in the following table. Business advances are classified according to the main industry of the borrower.

Reserve Bank of Australia*General*

The Reserve Bank is the central bank of Australia and acts as banker and financial agent of the Commonwealth. *The Reserve Bank Act 1959* which came into operation on 14th January, 1960, preserved and continued in existence the original body corporate known as the Commonwealth Bank of Australia under the new name Reserve Bank of Australia and also preserved within it the special departments of Note Issue and Rural Credits.

Section 10 of the *Reserve Bank Act 1959*, referring to the general functions of the Reserve Bank Board states:—"It is the duty of the Board, within the limits of its powers, to ensure that the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia and that the powers of the Bank under this Act, the *Banking Act 1959* and the regulations under that Act, are exercised in such a manner as, in the opinion of the Board, will best contribute to—

- (a) the stability of the currency of Australia ;
- (b) the maintenance of full employment in Australia ; and
- (c) the economic prosperity and welfare of the people of Australia."

The *Banking Act 1959*, which came into operation at the same time as the *Reserve Bank Act 1959*, provides the statutory basis for the conduct and regulation of trading and savings banking generally, including provisions concerning the relationships of trading and savings banks with the Reserve Bank.

Provisions are made for the protection of depositors and for the regulation of bank credit. Statutory Reserve Deposit Accounts are maintained by each trading bank with the Reserve Bank which determines the statutory deposit ratio applicable. This is expressed as a percentage of each bank's current level of Australian deposits. The Bank is also empowered to direct advance policies of both trading and savings banks, and, with the approval of the Commonwealth Treasurer, to exercise control over bank interest rates. Other functions include the administration of exchange control and the mobilization of foreign currency.

Under the provisions of the *Reserve Bank Act 1959*, the policy of the Reserve Bank is determined by a Board consisting of the Governor (Chairman), the Deputy Governor (Deputy Chairman), the Secretary to the Treasury, and seven other members who are appointed by the Governor-General. The Board is required to inform the Government, from time to time, of its monetary and banking policy. Subject to determined policy, the Bank is managed by the Governor. In addition, the Governor and the Secretary to the Department of the Treasury keep each other fully informed on all matters which jointly concern the Bank and the Department of the Treasury.

Net profits in each year arising from central banking business are distributed as follows :—

- (1) Such amount as the Commonwealth Treasurer, after consultation with the Board, determines shall be placed to the credit of the Reserve Bank Reserve Fund ; and
- (2) the remainder shall be paid to the Commonwealth.

Note Issue Department

In the Note Issue Department of the Bank—established in 1920—is vested the exclusive right to issue, re-issue, and cancel Australian notes. Australian notes are printed by, or under the authority of, the Bank. Under the provisions of the Reserve Bank Act, net profits of the Note Issue Department in each year are paid to the Commonwealth.

Rural Credits Department

Through this Department, which was established in 1925, the Bank has authority to make advances to certain bodies for the purpose of assisting orderly marketing of primary produce. The period of the advance shall not exceed one year. The net profits of the Rural Credits Department in each year are dealt with as follows :—

- (1) One-half shall be placed to the credit of the Rural Credits Department Reserve Fund ; and
- (2) one-half shall be placed to the credit of the Rural Credits Development Fund.

Financial Statements

The Bank's assets and liabilities, for each of the years 1957–58 to 1961–62, are shown in the following tables, together with net profits and their distribution :—

AUSTRALIA—RESERVE BANK OF AUSTRALIA :
CENTRAL BANKING BUSINESS (INCLUDING NOTE ISSUE
DEPARTMENT) : AVERAGE LIABILITIES AND ASSETS
(£'000)

Particulars	1957–58	1958–59	1959–60	1960–61	1961–62
Liabilities—					
Capital and Reserve Funds	21,618	26,437	25,029	22,790	26,000
Australian Notes on Issue	389,544	396,019	413,592	427,710	427,503
Statutory Reserve Deposit Accounts of Trading Banks ..	328,337	259,865	280,786	294,409	217,733
Other Deposits of Trading Banks ..	25,602	24,189	19,580	18,478	31,454
Other Liabilities ..	218,393	232,866	246,368	268,417	332,986
Total ..	983,494	939,376	985,355	1,031,804	1,035,676

AUSTRALIA—RESERVE BANK OF AUSTRALIA :
CENTRAL BANKING BUSINESS (INCLUDING NOTE ISSUE DEPARTMENT) :
AVERAGE LIABILITIES AND ASSETS—*continued*
(£'000)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
Assets—					
Gold and Balances					
Held Abroad ..	461,721	411,509	442,164	365,696	492,083
Australian Notes and Coin ..	2,026	2,182	3,566	6,280	7,985
Cheques and Bills of Other Banks ..	4,177	4,094	3,084	1,956	1,790
Government and Other Securities (Including Commonwealth Treasury Bills) ..	478,603	469,064	475,189	571,279	465,687
Bills Receivable and Remittances in Transit ..	4,488	4,707	4,014	5,749	6,270
Loans, Advances, and all Other Assets ..	32,479	47,820	57,338	80,844	61,861
Total ..	983,494	939,376	985,355	1,031,804	1,035,676

AUSTRALIA—RESERVE BANK OF AUSTRALIA : RURAL CREDITS DEPARTMENT : AVERAGE LIABILITIES AND ASSETS
(£'000)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
Total Liabilities (Excluding Capital and Contingencies) ..	27,563	40,272	54,542	62,332	57,606
Assets—					
Loans, Advances, &c.	33,664	46,732	62,605	72,356	68,480
Other Assets ..	278	282	217	54	45
Total Assets ..	33,942	47,014	62,822	72,410	68,525

AUSTRALIA—RESERVE BANK OF AUSTRALIA :
NET PROFITS
(£'000)

Department	1957-58	1958-59	1959-60	1960-61	1961-62
Central Banking ..	10,103	4,200	5,381	6,705	6,673
Note Issue ..	12,593	10,935	10,516	12,930	15,751
Rural Credits ..	184	227	322	434	469
Total ..	22,880*	15,362*	16,219	20,069	22,893

* Excluding net profits of Mortgage Bank Department and Industrial Finance Department. From 14th January, 1960, the functions of these departments were assumed by the Commonwealth Development Bank of Australia.

AUSTRALIA—RESERVE BANK OF AUSTRALIA :
DISTRIBUTION OF PROFITS
(£'000)

Particulars—	1957-58	1958-59	1959-60	1960-61	1961-62
National Debt Sinking Fund	5,052	2,100	..	..	..
Commonwealth of Australia	12,593	10,935	13,206	16,283	20,237
Reserve Bank Reserve Fund	5,051	2,100	2,691	3,352	2,186
Rural Credits Department—					
Reserve Fund	92	114	161	217	235
Development Fund	92	113	161	217	235
Total	22,880	15,362	16,219	20,069	22,893

Commonwealth Banking Corporation

General

The Commonwealth Banking Corporation was established under the *Commonwealth Banks Act* 1959, and came into being on 14th January, 1960. The Corporation is the controlling body for the Commonwealth Trading Bank of Australia, Commonwealth Savings Bank of Australia, and Commonwealth Development Bank of Australia. Each of the constituent banks has its own statutory functions and responsibilities and its separate identity within the framework of the Corporation. Apart from controlling the operations of its three constituent banks, the Corporation also engages staff and makes them available as required by those banks.

The Commonwealth Banking Corporation Board consists of three *ex officio* members, viz., the Managing Director and Deputy Managing Director of the Corporation and the Secretary to the Commonwealth Treasury, plus eight members (who include the Chairman and Deputy Chairman) appointed from private enterprise other than the private banking industry.

It is the duty of the Board, within the limits of its powers, to ensure that the policy of the Corporation and the banking policy of the Trading Bank, of the Savings Bank, and of the Development Bank are directed to the greatest advantage of the people of Australia and have due regard to the stability and balanced development of the Australian economy.

In Victoria, the control of the Corporation and its three constituent banks is exercised through a Chief Manager and a State Manager for each bank. This arrangement also applies in other States.

Commonwealth Trading Bank of Australia

The Commonwealth Trading Bank was established in 1953 when it took over the general banking division of the Commonwealth Bank of Australia. (The Commonwealth Bank of Australia commenced general banking activities in July, 1913.)

The Commonwealth Trading Bank carries out all types of general banking business. At June, 1962, it had 856 branches and agencies throughout Australia, customers' accounts numbered 760,000 and total assets were approximately £400 mill. Including amounts lodged on interest bearing deposits, at June, 1962 total deposits within Australia were £302.7 mill., representing 16.6 per cent. of deposits of all major Australian trading banks. Advances to customers totalled £162 mill. at June, 1962, and are made against such security as the Trading Bank decides is appropriate.

The Bank makes loans for a great variety of purposes—business (including rural), public authorities, personal (including housing), and non-profit organizations. In April, 1962, a new form of lending was introduced by way of term loans for capital expenditure for production in rural, industrial, and export areas.

The Trading Bank has agents and correspondents throughout the world. It has always helped the promotion of Australia's international trade, and finances a large volume of export and import business. It is also anxious to assist with the development of Australia's export business and its officers have been members of Commonwealth Government trade missions. They also gather information overseas on economic conditions and market prospects for use by the Bank's Trade Service.

The Bank's Stock and Share Department provides facilities for the conduct of share, stock, note and debenture registers, on behalf of public companies and local and semi-governmental authorities.

Commonwealth Savings Bank of Australia

The Commonwealth Savings Bank of Australia was established in July, 1912. It is the largest savings bank in Australia, having total assets of nearly £1,000 mill.

At the end of June, 1962, amounts on deposit with the Savings Bank within Australia totalled £873 mill. and it was conducting 5,560,000 active accounts. The Savings Bank's depositors' balances are widely invested in the development of Australia; apart from advances (mainly for housing) of £164 mill. outstanding in June, 1962, investments in Commonwealth and State Government securities totalled approximately £505 mill. and in local and semi-government securities amounted to approximately £103 mill.

Since 1946, £240 mill. has been provided for housing purposes, assistance having been provided for almost 130,000 homes, of which 116,000 were new dwellings.

The Savings Bank, in conjunction with the Commonwealth Trading Bank, provides special services to facilitate the assimilation of newcomers to Australia. The Australian Financial and Migrant Information Service is conducted at Australia House, London, and agencies are conducted on migrant vessels. To cater for migrants' needs after arrival, agencies are conducted at hostels, and special Migrant Information Centres,

staffed by experienced linguists, have been established in all capital cities and other major centres. The Migrant Information Centres have dealt with many thousands of inquiries on a wide range of subjects, such as housing, education, and employment.

Commonwealth Development Bank of Australia

The Commonwealth Development Bank of Australia commenced operations on 14th January, 1960, taking over the assets and liabilities of the Industrial Finance and Mortgage Bank Departments of the former Commonwealth Bank of Australia.

The Development Bank is a source of development finance supplementary to the trading banks and other recognized sources of finance. It provides assistance for primary production and for the establishment or development of industrial undertakings, particularly small undertakings, where the funds sought are not otherwise available on reasonable and suitable terms and conditions, and, in the opinion of the Bank, the provision of finance is desirable.

Loans are made over all fields of primary production for such purposes as clearing, fencing, irrigation and water conservation, and the erection of essential farm buildings. Financial assistance is also given for the acquisition of additional and better livestock and plant where they are required to improve production.

In its industrial activities, the Bank provides finance for such purposes as the erection of factory buildings, purchase of plant and machinery, and for working capital requirements in conjunction with a development programme.

The Development Bank does not provide funds for the acquisition of goods other than for use in the borrower's own business. Equipment finance on hire purchase terms is available but only for the purchase of producer goods such as agricultural tractors and machinery, commercial motor vehicles, earth-moving equipment, machine tools, and factory equipment.

In terms of its charter, the Development Bank provides advice and assistance to promote the efficient organization and conduct of primary production or of industrial undertakings. To this end, the Bank maintains a specialist staff of rural and industrial advisers who tender technical advice and assistance to customers. Further indirect assistance to industry is in the provision of scholarships for management study and training and for post-apprenticeship courses in various trades ; financial aid to assist in research and the study of problems relating to both primary and secondary industry ; and the sponsorship of conferences on rural and industrial topics. Among the rural research programmes assisted financially are the study of nutrient status of soils in the central region of Victoria and research into the myxoma virus.

All the major private trading banks, the Rural Bank of New South Wales, the Rural and Industries Bank of Western Australia, the State Bank of South Australia, and the State Savings Bank of Victoria are agents of the Commonwealth Development Bank for the receipt and transmission of loan applications.

The following tables illustrate various activities of the Commonwealth Banking Corporation :—

**AUSTRALIA—COMMONWEALTH TRADING BANK :
DEPOSITS, ADVANCES, AND NUMBER OF ACCOUNTS**

At 30th June—	Deposits Repayable in Australia (Average for Month of June)			Advances	Number of Accounts
	Bearing Interest	Not Bearing Interest	Total		
	£ mill.				'000
1958	63	152	215	118	591
1959	73	160	233	129	641
1960	80	191	271	147	680
1961	104	178	282	148	719
1962	116	186	302	162	760

**AUSTRALIA—COMMONWEALTH SAVINGS BANK : NUMBER
OF ACTIVE ACCOUNTS, AMOUNT AT CREDIT OF
DEPOSITORS, LOANS AND ADVANCES OUTSTANDING,
ETC.**

At 30th June—	Number of Active Accounts	Amount at Credit of Depositors	Loans and Advances Outstanding	Commonwealth and Other Securities Held
	'000	£ mill.		
1958	5,141	734	119	551
1959	5,265	765	127	555
1960	5,370	807	136	586
1961	5,450	822	148	589
1962	5,560	873	164	610

Details of financial assistance approved by the Commonwealth Development Bank during the period 14th January, 1960, to 17th April, 1963, are set out in the following tables :—

**AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOP-
MENT BANK : LOANS APPROVED, 14TH JANUARY, 1960,
TO 17TH APRIL, 1963**

Particulars	Rural Loans		Industrial Loans		Total	
	No.	Amount	No.	Amount	No.	Amount
		£'000		£'000		£'000
Australia ..	5,867	24,981	612	10,251	6,479	35,232
Victoria ..	869	3,498	119	2,680	988	6,178

AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOPMENT BANK: EQUIPMENT FINANCE ON HIRE PURCHASE TERMS, 14TH JANUARY, 1960, TO 17TH APRIL, 1963

Particulars	Number of Advances	Amount Advanced
		£'000
Australia	44,035	54,671
Victoria	9,170	13,236

Advances by the Commonwealth Development Bank to primary and secondary industries, outstanding in Australia at 30th June, 1962, were as follows :—

AUSTRALIA—COMMONWEALTH DEVELOPMENT BANK OF AUSTRALIA: ADVANCES TO PRIMARY AND SECONDARY INDUSTRIES OUTSTANDING AT 30TH JUNE, 1962

Primary Industries		Secondary Industries	
Type of Industry	Advances Outstanding	Type of Industry	Advances Outstanding
	£'000		£'000
Sheep	8,836	Chemical Products ..	1,616
Cattle	1,939	Electrical Manufacturing ..	549
Dairying	2,962	Food Processing ..	788
Wheat and Other Grain		Engineering	1,768
Crops	1,739	Other Manufacturing ..	2,558
Fruit	756	Transport	1,320
Miscellaneous	1,203	Miscellaneous	1,666
Total	17,435	Total	10,265

State Savings Bank of Victoria

General

The Bank, an autonomous body constituted under Victorian statutes, operates within Victoria under direction of Commissioners (appointed by the Government), who exercise control through a general manager. It has a Savings Bank Department which accepts interest bearing savings deposits, invests those moneys in trustee securities and in short-term mortgage loans, and provides some general banking services, e.g., separate non-interest bearing cheque accounts, fixed deposit, and safe deposit facilities. It also conducts a Credit Foncier Department which, by issuing debentures, obtains funds to make long-term mortgage loans to finance the erection or purchase of homes and farms.

Bank Buildings

Fashions in banking architecture have changed remarkably in the years since the Second World War. In all its new buildings and in the renovation of old premises, the State Savings Bank now favours the "open look". Windows of a modern branch are large, giving passers-by a full view of the interior, and the façades have a pleasant appearance in contrast to the old, forbidding style. In the banking chamber, high partitions no longer screen the workings of the branch from the public. Counters and fittings are at waist level to establish a closer and friendlier relationship between staff and public.

The State Savings Bank has its own architects' department, but the rapid expansion of recent years (183 new branches were opened between 1955 and 1962) has required assistance of outside architects who have designed many new branches under the direction of the Bank's Chief Architect.

School Banking

The State Savings Bank established its school bank department in 1912. After 50 years of school banking, the balances to the credit of 494,376 children at 30th June, 1962, were £3·2 mill. The total number of school banks was 2,517.

An interesting development has occurred in school banking since 1957. In that year, the State Savings Bank established Victoria's first student-operated bank at Macleod High School. As the name implies, these banks are conducted by the pupils themselves who are trained to act as managers, accountants, tellers, or clerks. The experience the pupils gain in the performance of these duties is of considerable value when they leave school for the commercial world. Following the success of the Macleod experiment, the Bank had established to 30th June, 1962, 154 student-operated banks at secondary schools throughout Victoria.

Mechanization

For well over a hundred years, methods of savings bank accounting remained unchanged except for minor innovations such as loose-leaf ledgers. It was believed by many people that the nature of savings bank business did not lend itself to mechanized bookkeeping. Unlike cheque accounts, many of which have a large number of transactions daily, the average savings account is operated only between twelve and fifteen times a year.

In 1957, after intensive study of overseas developments, the State Savings Bank of Victoria experimented with a pilot installation of mechanized equipment at its Ryrie-street (Geelong) branch. The results were most satisfactory, and in the following five years, the Bank converted over 100 of its larger branches to mechanized methods.

The process was taken considerably further in 1960 with the opening of a Data Processing Centre at the Bank's head office. The electronic equipment at this Centre processes all ledger work for a number of large branches in Melbourne and suburbs. In October, 1962, the Bank installed a computer in its head office ; this was the only computer in any bank in Australia.

Congregation of accounts makes it possible to use advanced equipment economically, and the removal of ledgers from banking chambers enables better use to be made of premises in high rental areas.

Investment of Funds

The Bank follows three main avenues in the investment of its funds : Commonwealth Government inscribed stock, securities of municipal and other public authorities, and first mortgages over freehold or leasehold land in Victoria.

The sum invested in mortgage loans represents 28 per cent. of depositors' balances, and was made up of £68·6 mill. advanced to 38,526 borrowers by the Credit Foncier Department ; £15 mill. lent to 4,759 borrowers by the Savings Bank Department ; and £10·7 mill. advanced to Victorian Co-operative Housing Societies in the form of overdrafts.

From 1896, when its Credit Foncier Department was established by Act of Parliament, until 1962, the Bank assisted an estimated 155,000 Victorian families to purchase their own homes.

Bursaries

Since 1939, the Bank has granted bursaries to selected student depositors who have qualified for the Intermediate Certificate or its equivalent. The bursaries are for one year, but may be extended for a further year. In 1962, the Bank awarded 100 new bursaries, valued at £40 each, and extended 60 existing bursaries.

Industrial Savings Facilities

The original form of banking-at-work, introduced to Australia in 1927 by The State Savings Bank of Victoria, is still popular ; employees lodge envelopes containing their deposits in strong boxes, which are cleared by the bank staff.

There are now three other forms of banking-at-work :—

- (1) *National Savings Groups*, the members of which authorize their employer to deduct a fixed amount from their wages. These deductions are held in a trust fund pending quarterly distribution to the members' individual accounts.
- (2) *Pay-Roll Savings Plan*, similar in operation to National Savings Groups, with the important difference that deductions from wages are transmitted to individual accounts each pay day.

- (3) *Employees' Savings Groups*, formed by employees usually without assistance from employers. The members appoint a committee to collect and bank their savings.

In 1961–62, the State Savings Bank received £5·4 mill. in deposits from these four types of banking-at-work schemes, which were established at 2,578 places of business. An estimated 60,000 employees contributed to this total.

Other Activities

The functions of a savings bank have expanded beyond recognition since the first such institutions were established at the beginning of the 19th Century for the sole purpose of guarding and investing small savings.

It is common practice now for many savings bank depositors to have dividends on industrial shares, interest on stock and Australian Wheat Board Certificates, and other special credits made direct to their accounts. Depositors may also arrange with the Government departments concerned for Child Endowment, Military Pay Allotments, and War Pensions to be credited direct to their accounts.

The State Savings Bank accepts payments due to the State Electricity Commission of Victoria, the Gas and Fuel Corporation of Victoria, the Friendly Societies Central Agency of Victoria Contributory Groups, the City of Heidelberg Electric Energy Department, and the City of Melbourne Electric Supply Department. During 1961–62, the Bank accepted 2,598,012 payments amounting to £11·5 mill.

At 30th June, 1962, the Bank's 423 branches, 15 sub-branches and 631 agencies throughout the State held balances totalling £332 mill.

Full facilities are provided at all branches for the acceptance of cash or conversion applications for Commonwealth Government loans and for public loans floated by semi-governmental authorities within Victoria. Through its Safe Custody Department the Bank holds, free of charge, on behalf of its customers, bonds and debentures issued or guaranteed by the Commonwealth and Victorian Governments, or those in which the bank may itself invest.

The total assets of the Bank at 30th June, 1962, were as follows :—

		£
Savings Bank Department	.. ..	355,879,642
Credit Foncier Department	.. ..	69,649,409
		<hr/>
Total	.. ..	425,529,051
		<hr/>

Profits accruing from the activities of the Savings Bank Department were :—1957–58, £160,094 ; 1958–59, £389,304 ; 1959–60, £343,696 ; 1960–61, £580,300 ; and 1961–62, £223,871. Reserve Funds totalled £10,700,000 at 30th June, 1962.

The following table shows the number of accounts open and the amount remaining on deposit in specified years from 1900 :—

VICTORIA—STATE SAVINGS BANK : ACCOUNTS OPEN AND DEPOSITS

At 30th June—	Number of Accounts Open—			Amount at Credit of Depositors—			
	Passbook and Cheque Accounts	School Bank Accounts*	Total	Passbook and Cheque Accounts	Deposit Stock Accounts	School Bank Accounts*	Total
		'000			£'000		
1900 ..	375	..	375	9,111	..	..	9,111
1905 ..	447	..	447	10,897	..	..	10,897
1910 ..	561	..	561	15,418	..	..	15,418
1915 ..	722	14	736	24,875	159	10	25,044
1920 ..	886	12	898	37,232	505	8	37,745
1925 ..	1,095	89	1,184	53,145	743	101	53,989
1930 ..	1,257	165	1,422	60,845	1,809	289	62,943
1935 ..	1,325	188	1,513	61,094	1,738	276	63,108
1940 ..	1,477	208	1,685	64,417	2,657	287	67,361
1945 ..	1,762	218	1,980	140,855	1,923	439	143,217
1950 ..	1,961	260	2,221	196,768	1,089	823	198,680
1955 ..	2,126	363	2,489	257,655	792	1,703	260,150
1956 ..	2,149	385	2,534	261,254	1,156	1,907	264,317
1957 ..	2,166	402	2,568	262,842	1,329	2,105	266,276
1958 ..	2,216	426	2,642	268,469	2,010	2,328	272,807
1959 ..	2,286	445	2,731	274,595	4,165	2,536	281,296
1960 ..	2,350	462	2,812	286,209	9,160	2,767	298,136
1961 ..	2,409	479	2,888	290,396	14,953	2,957	308,306
1962 ..	2,450	494	2,944	307,216	21,457	3,162	331,835

* School Banks were established in November, 1912

The following table shows the transactions in connexion with all accounts for each year from 1957–58 to 1961–62 :—

VICTORIA—STATE SAVINGS BANK TRANSACTIONS

Year Ended 30th June—	Number of Accounts—			Deposits	Withdrawals	Interest Added	Amount at Credit of Depositors
	Opened	Closed	Remaining Open at End of Period				
		'000			£'000		
1958 ..	335	261	2,642	258,487	258,509	6,554	272,807
1959 ..	360	271	2,731	320,433	319,128	7,184	281,296
1960 ..	359	278	2,812	389,301	380,241	7,780	298,136
1961 ..	374	298	2,888	418,241	416,383	8,312	308,306
1962 ..	366	310	2,944	382,891	369,028	9,666	331,835

Details of transactions in the Credit Foncier Department are shown below :—

**VICTORIA—STATE SAVINGS BANK : CREDIT FONCIER
TRANSACTIONS**

Particulars	Year Ended 30th June—				Total to 30th June, 1962
	1959	1960	1961	1962	
Stock and Debentures—					
Issued £'000	22,200	26,250	29,250	33,750	416,845*
Redeemed £'000	15,000	16,000	23,000	31,000	350,595
Outstanding at 30th June £'000	47,000	57,250	63,500	66,250	66,250
Pastoral or Agricultural Property—					
Advanced £'000	60	78	49	62	12,971
Repaid £'000	64	69	58	65	12,511
Outstanding at 30th June £'000	463	472	463	460	460
Loans Current, 30th June No.	515	481	447	413	413
Dwelling or Shop Property—					
Advanced £'000	11,456	15,280	11,727	7,301	133,760
Repaid £'000	4,276	4,865	4,851	4,842	65,676
Outstanding at 30th June £'000	48,334	58,749	65,625	68,084	68,084
Loans Current, 30th June No.	30,632	34,258	36,740	37,683	37,683
Housing Advances—					
Advanced £'000	..	..	..	..	9,840
Repaid £'000	59	48	37	31	9,739
Outstanding at 30th June £'000	217	169	132	101	101
Loans Current, 30th June No.	781	643	538	429	429
Country Industries—					
Advanced £'000	..	..	..	..	195
Repaid £'000	1	..	..	1	194
Outstanding at 30th June £'000	2	2	2	1	1
Loans Current, 30th June No.	2	1	1	1	1
Total Transactions—					
Advanced £'000	11,516	15,358	11,776	7,363	156,766
Repaid £'000	4,400	4,982	4,946	4,939	88,120
Outstanding at 30th June £'000	49,016	59,392	66,222	68,646	68,646
Loans Current, 30th June No.	31,930	35,383	37,726	38,526	38,526

* Including conversion loans, and £2,637,300 stock inscribed in exchange for debentures.

The net profit of the Credit Foncier Department for the year ended 30th June, 1962, after making provision for bad and doubtful debts, was £68,991. This sum was added to General Reserve, which amounted to £2,089,681 at 30th June, 1962. There are provisions for depreciation and long service leave amounting to £265,000.

Further Reference

An outline of the history of The State Savings Bank of Victoria will be found on pages 630 to 632 of the Victorian Year Book 1961.

Total Deposits, &c., in Savings Banks

The next table shows, for each of the years 1957–58 to 1961–62, the aggregate amount on deposit in Victoria in the State Savings Bank, the Commonwealth Savings Bank, and the private savings banks. Also shown is the amount of deposits per head of population.

VICTORIA—SAVINGS BANKS : DEPOSITS

At 30th June—	Amount at Credit of Depositors—				Deposits per Head of Population
	State Savings Bank*	Commonwealth Savings Bank	Private Savings Banks	Total	
	£'000				£
1958	272,807	117,805	43,019	433,631	159·5
1959	281,296	122,577	54,581	458,454	164·6
1960	298,136	131,243	70,242	499,621	174·9
1961	308,306	133,672	75,552	517,530	176·6
1962	331,835	142,562	96,506	570,903	190·8

* Including School Bank and Deposit Stock Accounts.

Royal Mint, Melbourne Branch*Present Functions*

For many years, the major activity of the Melbourne Mint has been the production of coin for the Commonwealth Government. All the silver coin and a large part of the bronze is produced in Melbourne—Perth Mint supplying the balance of the bronze. The present silver alloy consists of 500 silver, 400 copper, 50 nickel, and 50 zinc parts per 1,000. The bronze consists of copper, tin, and zinc.

To meet the demands of a rising population and an expanding economy, an average of 69,822,000 pieces were minted in each of the five years to 31st December, 1962. The Melbourne Mint was originally designed for a production of 5 million sovereigns per annum.

The original functions of purchase and refining have continued, though their importance has been relatively reduced by the decrease in gold production. However, in 1962, 223,008 ounces of rough gold containing 114,840 ounces of fine gold were treated. Deposits are usually the product of Victoria, New South Wales, Queensland, South Australia, and Northern Territory, with a large and increasing number of small parcels from New Guinea.

Gold and silver, in various forms and alloys, are prepared and supplied to manufacturers and others. Medals of gold, silver, or bronze are struck for various bodies.

The following table shows, for each of the years 1958 to 1962, the quantity of gold received at the Mint ; where the gold was produced ; its mint coinage value ; and the gold bullion issued during the same periods :—

VICTORIA—ROYAL MINT : GOLD RECEIVED AND ISSUED

Particulars	1958	1959	1960	1961	1962
GOLD RECEIVED (Gross Weight)					
Produced in Victoria oz.	50,691	43,882	32,465	31,542	32,355
" " New South Wales "	12,438	5,906	5,844	5,090	4,804
" " Queensland "	38,188	44,340	36,579	39,117	35,644
" " South Australia and Northern Territory "	62,572	59,386	59,939	59,733	56,558
" " Western Australia "	609	119	1	26	..
" " Tasmania "	211	119	316	494	442
" " New Zealand "	2,644	3,438	2,108	6,995	7,436
Produced Elsewhere "	53,138	75,172	84,554	109,319	85,769
Total "	220,491	232,243	221,806	252,316	223,008
Mint Coinage Value £	612,070	541,726	490,573	502,577	487,802
GOLD ISSUED					
Bullion—Quantity oz. std.	156,589	137,412	129,416	127,743	125,503
—Mint Value £	609,719	535,050	503,912	497,398	488,678

The number of deposits received during 1962 was 1,638. The average composition of these deposits was gold 515, silver 398, and base 87 in every 1,000 parts.

The value of gold shown in the above table is calculated on the normal mint value of £3 17s. 10½d. per ounce standard (22 carat), which is equivalent to approximately £4 4s. 11½d. per ounce fine (24 carat). By arrangement with the Commonwealth Bank, the Mint also pays a premium on all gold lodged at the Mint for sale to the Bank. During 1962, depositors were paid a premium of 267·84377 per cent., thereby making the actual price of gold £15 12s. 6d. per ounce fine.

In the following table, particulars of the coinages and the issue of silver and bronze pieces for the requirements of the Commonwealth Treasury are given for each of the years 1958 to 1962 :—

VICTORIA—ROYAL MINT : SILVER AND BRONZE COINS
ISSUED
(‘000)

Denomination of Coins	1958	1959	1960	1961	1962
Silver Pieces—					
2s.	8,972	3,500	15,760	9,452	13,748
1s.	7,412	10,876	14,512	32,000	6,592
6d.	17,944	11,728	18,592	9,152	44,816
3d.	11,248	19,888	19,600	34,000	15,968
Total Silver Pieces	45,576	45,992	68,464	84,604	81,124
Bronze Pieces—					
1d.	10,013	1,618	507	..	..
½d. .. ..	..	10,166	1,027	..	..
Total Bronze Pieces	10,013	11,784	1,534	..	..

Further Reference

An historical outline of the Royal Mint is given on page 635 of the Victorian Year Book 1961.

Life Insurance

Introduction

Section 51 (xiv) of the Commonwealth of Australia Constitution Act empowers the Commonwealth Parliament to legislate on insurance extending beyond any one State. Control of insurance activities in the life insurance field is vested in the Commonwealth Insurance Commissioner under the provisions of *The Life Insurance Act 1945-1961*.

Life insurance may be regarded as being in two main categories—Industrial and Ordinary. The Life Insurance Act describes an industrial policy as “a policy upon which the premiums are by the terms of the policy made payable at intervals of less than two months, and are contracted to be received or are usually received by means of collectors”. The Act refers to other life insurance policies as all those life insurance policies which are not industrial policies.

A survey of the life insurance industry of Victoria, covering the period from December, 1946 to December, 1961, reveals a significant growth in life insurance business. At the end of December, 1946, there were 481,765 ordinary and superannuation policies in force for a sum insured of £189·6 mill., and, by the end of 1961, these had increased to 1,100,318 policies for a total sum insured of £1,350 mill. During this period, there was a change in the distribution of the type of insurance cover undertaken. Of the total sums assured in force in 1946, the broad divisions by type of policy were : Whole of life 25 per cent.; Endowment 67 per cent.; and the balance Miscellaneous types of policies, including short term policies. Comparable figures for 1961 were : Whole of life, 28 per cent. ; Endowment, 70 per cent. ; Miscellaneous, 2 per cent.

The growth of ordinary and superannuation business has not been matched by that of industrial business. Comparative figures for the period 1946 to 1961 show that there were 1,119,476 industrial policies for a total sum insured of £58·7 mill. in force at the end of December, 1946, and 981,034 policies for a total sum insured of £107·9 mill. at the end of December, 1961.

In recent years a trend has developed for both general and life insurance companies to transact both types of business. The result has been that the number of insurance companies transacting life business in Victoria rose from twenty in 1946 to 33 in 1961. Many of these companies are branches of oversea insurance companies but they are all bound to comply with the same standards as are laid down for Australian companies.

There are no figures available relating to assets held by insurance companies in Victoria, but some indication of the increase may be obtained by looking at figures for the whole of Australia. Assets held by insurance companies rose from approximately £333 mill. in 1946 to £1,500 mill. at the end of December, 1962. The investment of funds by companies had also changed during this period, company securities and loans being favoured.

Superannuation Business

Superannuation business conducted by insurance companies has been regarded separately since 1959, under the amending legislation of that year. This type of business has grown considerably and now exceeds industrial business in importance. An illustration of the special problems which superannuation business may have to face can be seen where employees are participating in group schemes and employers are subsidising contributions. When an employee in such a scheme transfers to another employer, a considerable amount of money may be lost because in so leaving he forfeits his rights to the employer's subsidy. This could have an inhibiting effect on the mobility of labour, which, in turn, may have long term ill effects on the community interest.

Industrial Insurance

This form of insurance is declining in popularity relative to other forms of insurance business. Group insurance and superannuation schemes in particular are supplanting industrial insurance. One reason for this is that better insurance cover is available through the medium of group insurance schemes providing regular deduction of premiums from wages and salaries. The high cost of collection of premiums by door to door agents raises a major difficulty and insurance companies are not conducting this business with as much vigour as they did before the Second World War. Some indication of the fall in industrial business is shown in the following table :—

VICTORIA—LIFE INSURANCE : NUMBER OF NEW INDUSTRIAL POLICIES ISSUED

Year	No. of Policies Issued	Year	No. of Policies Issued	Year	No. of Policies Issued
1946 ..	114,936	1952 ..	80,386	1957 ..	58,682
1947 ..	95,603	1953 ..	78,036	1958 ..	53,457
1948 ..	96,441	1954 ..	68,135	1959 ..	52,804
1949 ..	93,661	1955 ..	61,200	1960 ..	51,275
1950 ..	88,769	1956 ..	56,911	1961 ..	48,295
1951 ..	79,814				

Present Situation

With the continuing development of the Australian economy there is no lack of opportunity for the expansion of business and the favourable investment of funds, and the insurance industry is now in the position where its own size is causing changes in management and investment practices. An instance of new management practice is the extensive use of electronic data processing methods by the major insurance companies.

Of prime importance at the present time, however, is the role of the life insurance companies as investors. The Australian life insurance industry controlled assets in its life insurance funds of more than £1,500 mill. as at 31st December, 1962, and has become one of the great collectors of savings in Australia. These savings must be invested

to obtain the best available security and interest without overlooking the responsibility of the industry to the community in general. When capital is in short supply, the life insurance companies are placed in a role of arbitrating between the various contenders for finance and, because in aggregate their investment decisions involve such large amounts of money, the public is vitally concerned with their investment policy. A practical example of the problems which can arise occurred in the legislation relating to the minimum levels of investment by life companies in Government securities.

The following table gives some indication of the growth and volume of insurance business conducted in Victoria during the period 1957 to 1961 :—

VICTORIA—LIFE INSURANCE : PREMIUM RECEIPTS AND POLICY PAYMENTS (INCLUDING ANNUITIES)
(£'000)

Year	Premiums Received (Incl. Single Premiums)	Payments—			
		Claims	Surrenders	Annuities and Cash Bonuses	Total
1957	31,319	10,907	3,501	261	14,669
1958	34,155	10,906	3,662	303	14,871
1959	37,237	11,773	4,135	510	16,418
1960	41,411	13,282	7,956	459	21,697
1961	49,587	15,603	8,653	758	25,014

The following table shows, for each of the years 1957 to 1961, particulars of life insurance business in existence in both the ordinary and industrial departments of the companies :—

VICTORIA—LIFE INSURANCE : BUSINESS IN EXISTENCE (EXCLUDING ANNUITIES)

Particulars	1957	1958	1959	1960	1961
Ordinary and Superannuation Business—					
Number of Policies ..	943,549	976,227	1,098,001	1,110,085	1,100,318
Sum Insured £'000	749,252	857,569	993,079	1,188,652	1,349,965
Annual Premiums ..	24,471	27,203	30,012	33,686	36,879
Industrial Business—					
Number of Policies ..	1,131,825	1,102,774	1,069,764	1,032,245	981,034
Sum Insured £'000	98,744	100,390	101,424	104,505	107,851
Annual Premiums ..	4,727	4,759	4,757	4,830	4,886

In 1961, the average amount of policy held in the Ordinary and Superannuation Departments and in the Industrial Departments was £1,216 and £110 respectively.

The succeeding table contains summarized information in relation to the new business written by all life insurance companies during each of the five years 1957 to 1961 :—

**VICTORIA—LIFE INSURANCE : NEW POLICIES ISSUED
(EXCLUDING ANNUITIES)**

Particulars	1957	1958	1959	1960	1961
Ordinary and Superannuation Business—					
Number of Policies ..	83,711	84,686	90,939	123,850	118,692
Sum Insured £'000	145,541	156,501	193,872	273,734	276,781
Annual Premiums ..	4,101	4,351	4,715	5,845	6,359
Industrial Business—					
Number of Policies ..	58,682	53,457	52,804	51,275	48,295
Sum Insured £'000	9,357	8,978	9,343	11,532	13,340
Annual Premiums ..	437	418	435	512	556

Sums assured under new policies issued during 1961 averaged £2,332 in the Ordinary and Superannuation Departments and £276 in the Industrial Department.

The following table gives particulars of the policies which were discontinued during each of the years 1959 to 1961 :—

**VICTORIA—LIFE INSURANCE : POLICIES DISCONTINUED
(EXCLUDING ANNUITIES)**

Cause of Discontinuance	1959		1960		1961	
	Number of Policies	Sum Insured	Number of Policies	Sum Insured	Number of Policies	Sum Insured
ORDINARY AND SUPERANNUATION BUSINESS						
		£'000		£'000		£'000
Death	4,989	3,483	5,653	4,000	5,471	4,590
Maturity or Expiry ..	13,799	8,743	16,070	10,640	16,993	15,639
Surrender	25,906	24,337	43,786	33,082	59,983	52,830
Forfeiture	10,536	15,020	14,811	20,891	17,076	28,229
Other *	1,965	6,779	31,457	9,560	28,937	14,180
Total	57,195	58,362	111,777	78,173	128,460	115,468
INDUSTRIAL BUSINESS						
		£'000		£'000		£'000
Death	4,515	280	4,583	307	4,237	280
Maturity or Expiry ..	45,472	2,369	51,358	2,622	61,010	3,334
Surrender	21,367	2,980	20,358	2,976	22,070	3,343
Forfeiture	14,085	2,661	12,105	2,540	11,690	2,989
Other *	375	19	390	6	499	48
Total	85,814	8,309	88,794	8,451	99,506	9,994

* Includes net loss or gain resulting from transfers, cancellations of, and alterations to, policies, &c.

Further Reference

Trends in life insurance are described on pages 667–668 of the Victorian Year Book 1962.

Fire, Marine, and General Insurance

Organization

The insurance industry in Victoria, as in the whole of Australia, follows basic English underwriting principles and procedures which have been adapted over a century to meet local problems and conditions.

Today, in Victoria, over 200 companies, many with oversea affiliations, provide a range of policies and services comparable with those available in other countries. Organization of the market can be summarized as follows :—

- (1) Tariff companies
- (2) Non-tariff companies
- (3) Representatives of brokers at Lloyds
- (4) State Government insurance offices
- (5) Brokers operating in their own right in Australia
- (6) Local representatives of oversea re-insurance companies.

Most of the companies are members of the Fire, Accident, and Marine Underwriters' Associations in each State, and these "Tariff" companies, as they are known, issue uniformly based policies but compete amongst themselves for business. Additional competition is provided by other components of the market which, as a whole, is strong and resilient.

Fire Protection Encouraged

The Fire and Accident Underwriters' Association in each State employs a staff of surveyors who are primarily engaged in advising the public, through member companies, on fire protection principles and practices. The Survey Departments maintain close contact with similar bodies in Britain, U.S.A., and Canada to ensure that the latest information is available.

Fire protection devices, such as automatic sprinkler installations, must be installed in accordance with the rules and regulations of the Underwriters' Associations to qualify for the premium reductions the companies allow for the improvement of risks in this way.

Types of Insurance Cover Provided

The types of insurance cover issued by underwriters in Victoria are many and varied, including amongst others :—

All Risks	Motor Vehicle (Physical Damage)
Baggage	Motor Vehicle—Third Party
Boiler Explosion	(Compulsory)
Burglary	Personal Accident
Cash in Transit	Plate Glass
Crop (Fire and Hail)	Pluvius
Fidelity Guarantee	Public Liability
Fire and Loss of Profits	Tourists and Travellers Personal
Houseowners and House-	Accident
holders	Wool ("Sheep's Back to Store")
Live Stock	Workers Compensation (Compul-
Marine	sory)

Compulsory Covers

The Victorian Government, as is the case with other State Governments, legislates as to Workers Compensation and Motor

Vehicle (Third Party) insurances. All employers are compelled to insure their employees against physical injury or death during employment and under certain other circumstances. Every owner of a motor vehicle is compelled to insure against any liability for death or injury to others caused by, or arising out of, the use of such vehicle.

Marine Insurance

A substantial amount of the Marine insurance business transacted in the Commonwealth of Australia is underwritten by insurers licensed by the Victorian Government to carry on Marine insurance business in Victoria.

The majority of these insurers are members of the Marine Underwriters and Salvage Association of Victoria Ltd. which was established in 1869, some of its main objects being to "obtain information with respect to the state of vessels owned in, trading to, or otherwise connected with Australian ports, their condition when loading, the quantity and nature of cargo taken on board, the mode of stowing cargo and the state in which cargo is discharged, and the investigating by all lawful means of the cause of loss or damage or injury to vessels and cargoes".

The Association also maintains a well-equipped salvage depot in the charge of a Salvage Officer. His services and the salvage gear are available to non-member as well as member companies.

Although the term "marine" connotes the insurance of vessels and cargoes engaged in a marine venture, the changing pattern of the transport of goods within the Commonwealth now brings transit by road, rail, and air, as well as by sea, within the operations of the marine insurer.

Statistics

Selected statistics relating to all classes of Fire, Marine, and General Insurance are collected annually from insurers licensed to operate in Victoria. They refer to all policies issued in this State on Australian risks wherever situated, but do not include data for policies issued in other States to cover Victorian risks.

Returns are for the year ended 30th June, or for the immediately preceding accounting periods of the insurers concerned. Since the accounting years of many insurers end on dates other than 30th June, the figures are not for a uniform time period.

The statistics have been compiled on the following basis :—

- (1) Premiums are the total amounts received and receivable during the year for policies issued and renewed, after deduction of returns of premium and rebates and bonuses paid or credited to policy holders.
- (2) Claims consist of payments during the year plus the estimated amount of claims unsettled at the end of the year, less the estimated amount of claims unsettled at the beginning of the year.
- (3) Contributions to fire brigades, commission and agents' charges, and expenses of management are charges paid during the year.
- (4) Taxation consists of payments during the year for all forms of taxation including stamp duty, licence-fees, and pay-roll tax as well as income tax.

It should be noted that the figures shown for premiums are different from the premium income earned by insurers during the year, as no adjustment is made for premiums unearned at the beginning and end of the year. When, as in recent years, the premium volume is increasing, the figures in the tables are greater than the premiums earned by insurers and the amount of the difference is often substantial. For this reason, the relationship of claims and other charges to premiums should be used only as a basis of comparison with ratios calculated under similar headings in previous years.

The following tables show details of fire, marine, and general insurance business transacted in Victoria during each of the years 1957-58 to 1961-62 :—

VICTORIA—FIRE, MARINE, AND GENERAL INSURANCE :
TOTAL REVENUE : CLASS OF BUSINESS
(£'000)

Class of Business	Year Ended 30th June—				
	1958	1959	1960	1961	1962
PREMIUMS (LESS RETURNS, REBATES AND BONUSES)					
Fire	9,432	9,284	9,628	10,051	10,999
Householders' Comprehensive ..	2,564	2,935	3,315	3,709	4,041
Sprinkler Leakage	23	28	26	28	33
Loss of Profits	992	1,151	1,266	1,272	1,290
Hailstone	177	301	254	392	332
Marine	2,410	2,664	2,572	3,044	2,873
Motor Vehicles (Other than Motor Cycles)	12,849	12,764	14,377	15,484	17,337
Motor Cycles	40	52	59	29	23
Compulsory Third Party (Motor Vehicles)	5,361	5,703	6,009	6,482	6,813
Employers' Liability and Workmen's Compensation *	12,312	13,110	14,081	15,315	14,167
Personal Accident	1,521	1,786	1,838	2,089	2,067
Public Risk, Third Party	573	650	755	899	1,085
General Property	102	120	113	147	154
Plate Glass	207	218	232	249	275
Boiler	22	22	36	31	32
Live Stock	92	73	80	77	84
Burglary	808	860	892	967	1,074
Guarantee	78	96	143	141	153
Pluvius	30	24	25	29	25
Aviation	111	196	60	75	46
All Risks	397	461	497	509	524
Television	†	867	1,153	758	556
Others	663	595	707	647	868
Total Premiums	50,764	53,960	58,118	62,424	64,851
INTEREST, DIVIDENDS, RENTS, &C. (NET OF EXPENSES)					
Investments	1,399	1,725	2,420	2,871	3,865
TOTAL REVENUE					
Grand Total	52,163	55,685	60,538	65,295	68,716

* See references pages 483 to 485.

† Included with "Others". This class of business was first transacted in 1956-57.

VICTORIA—FIRE, MARINE, AND GENERAL INSURANCE :
TOTAL EXPENDITURE : CLASS OF BUSINESS
(£'000)

Class of Business	Year Ended 30th June—				
	1958	1959	1960	1961	1962
GROSS CLAIMS (LESS AMOUNTS RECOVERABLE)					
Fire	2,668	2,584	2,902	4,005	3,900
Householders' Comprehensive ..	470	539	669	782	1,099
Sprinkler Leakage	17	3	17	14	8
Loss of Profits	135	132	224	301	284
Hailstone	155	291	139	253	150
Marine	1,267	1,003	1,087	1,534	1,539
Motor Vehicles (Other than Motor Cycles)	8,473	8,725	9,948	12,036	11,081
Motor Cycles	21	22	28	21	14
Compulsory Third Party (Motor Vehicles)	4,705	5,618	5,356	5,715	6,771
Employers' Liability and Workmen's Compensation	8,676	9,366	9,639	10,340	10,512
Personal Accident	538	623	787	923	985
Public Risk, Third Party	343	308	368	406	526
General Property	122	24	125	73	99
Plate Glass	109	122	148	174	197
Boiler	6	1	2	16	13
Live Stock	41	39	35	39	42
Burglary	383	432	524	550	588
Guarantee	9	24	25	37	77
Pluvius	12	3	16	43	4
Aviation	31	72	31	122	23
All Risks	188	231	299	343	334
Television	*	431	694	614	376
Others	234	257	354	339	473
Total	28,603	30,855	33,417	38,680	39,095
OTHER EXPENDITURE					
Contributions to Fire Brigades ..	1,069	1,169	1,291	1,416	1,546
Commission and Agents' Charges ..	5,373	5,549	5,937	6,154	6,567
Expenses of Management	7,210	7,928	8,794	9,831	10,633
Taxation	1,751	2,426	3,036	2,693	2,246
Total	15,403	17,072	19,058	20,094	20,992
TOTAL EXPENDITURE					
Grand Total	44,006	47,927	52,475	58,774	60,087

* Included with "Others". This class of business was first transacted in 1956-57.

The percentage of claims to premium income for each of the years 1957-58 to 1961-62 in respect of the various classes of insurance was as follows :—

VICTORIA—FIRE, MARINE, AND GENERAL INSURANCE :
PERCENTAGE OF CLAIMS TO PREMIUM INCOME

Class of Business	Year Ended 30th June—				
	1958	1959	1960	1961	1962
Fire	28·28	27·84	30·14	39·84	35·46
Householders' Comprehensive ..	18·35	18·38	20·19	21·08	27·18
Sprinkler Leakage	70·67	9·42	63·39	50·31	23·73
Loss of Profits	13·60	11·45	17·67	23·64	22·04
Hailstone	87·45	96·45	54·74	64·47	45·27
Marine	52·55	37·63	42·25	50·39	53·55
Motor Vehicles (Excl. Motor Cycles)	65·94	68·36	69·20	77·73	63·92
Motor Cycles	53·71	41·60	47·65	73·40	57·94
Compulsory Third Party (Motor Vehicles)	87·76	98·50	89·14	88·17	99·36
Employers' Liability and Workmen's Compensation	70·47	71·44	68·45	67·52	74·20
Personal Accident	35·36	34·86	42·80	44·17	47·66
Public Risk, Third Party	59·88	47·40	48·78	45·17	48·48
General Property	119·69	19·74	111·16	49·89	64·50
Plate Glass	52·69	55·84	63·71	69·73	71·62
Boiler	26·53	6·37	6·59	52·49	40·68
Live Stock	45·06	53·74	43·73	50·27	49·72
Burglary	47·13	50·29	58·79	56·88	54·71
Guarantee	11·06	25·02	17·42	26·24	50·76
Pluvius	39·67	34·97	63·74	148·28	17·11
Aviation	28·33	36·77	51·59	162·78	50·18
All Risks	47·42	50·04	60·01	67·37	63·67
Television	*	49·72	60·19	81·04	67·74
Others	35·25	43·15	50·03	52·37	54·42
All Classes	56·34	57·18	57·50	61·96	60·28

* Included with "Others". This class of business was first transacted in 1956-57.

Motor Vehicle Insurance (Compulsory Third Party)

The *Motor Car (Third Party Insurance) Act* 1939 which came into force on 22nd January, 1941, made it compulsory for the owner of a motor vehicle to insure against any liability which may be incurred by him, or any person who drives such motor vehicle, in respect of the death of, or bodily injury to any person caused by, or arising out of, the use of such motor vehicle.

The number of vehicles insured during each of the years 1957-58 to 1961-62 is shown in the following table :—

VICTORIA—MOTOR VEHICLE INSURANCE (COMPULSORY THIRD PARTY) : NUMBER OF MOTOR VEHICLES INSURED

Class of Motor Vehicle	Year Ended 30th June—				
	1958	1959	1960	1961	1962
MOTOR VEHICLES USUALLY GARAGED WITHIN A RADIUS OF 20 MILES OF THE POST OFFICE, ELIZABETH-STREET, MELBOURNE					
Private	285,887	302,145	336,684	362,032	390,125
Business	36,723	37,753	43,298	46,746	48,753
Light Goods	39,751	40,068	42,112	42,192	41,878
Heavy Goods	19,507	18,522	20,298	20,993	20,376
Miscellaneous	8,365	8,812	9,633	10,255	10,460
Motor Cycles	12,914	12,701	12,145	10,704	9,696
Visiting Motor Cars	887	931	1,815	2,268	2,272
Total	404,034	420,932	465,985	495,190	523,560

MOTOR VEHICLES USUALLY GARAGED OUTSIDE A RADIUS OF 20 MILES OF THE POST OFFICE, ELIZABETH-STREET, MELBOURNE

Private	216,679	222,154	239,699	250,147	263,285
Business	8,507	9,190	10,318	11,125	11,649
Light Goods	51,504	50,368	52,589	51,752	53,112
Heavy Goods	32,497	31,926	33,639	34,656	34,589
Miscellaneous	33,208	34,728	37,729	39,784	41,316
Motor Cycles	10,218	8,924	8,134	6,744	5,480
Visiting Motor Cars	60	81	151	100	98
Total	352,673	357,371	382,259	394,308	409,529
Grand Total.. .. .	756,707	778,303	848,244	889,498	933,089

State Motor Car Insurance Office

The State Motor Car Insurance Office was established under the *Motor Car (Third Party Insurance) Act 1939* (now embodied in the *Motor Car Act 1958*) for the purpose of enabling owners of motor cars to obtain from the State policies of third party insurance required under that Act, and policies generally in relation to insurance of motor cars. Business commenced on 24th January, 1941. The Office is managed and controlled by the Insurance Commissioner, and the policies issued are guaranteed by the Government of Victoria.

The proportion of total Victorian motor insurance business underwritten by the Office for the year 1961-62 represented 5·6 per cent. of comprehensive and 28·5 per cent. of third party premiums received in Victoria.

The following table shows the trading results for each of the five years 1957-58 to 1961-62 :—

VICTORIA—STATE MOTOR CAR INSURANCE OFFICE :
PREMIUMS RECEIVED, CLAIMS PAID, ETC.
(£'000)

Year Ended 30th June—	Premiums Received Less Reinsurances, Rebates, &c.	Additional Unearned Premium Provision	Claims Paid and Outstanding	Expenses	Underwriting Profit
1958 ..	1,812	135	1,365	122	190
1959 ..	1,967	54	1,751	134	28
1960 ..	2,153	102	2,018	145	112*
1961 ..	2,568	219	2,250	164	65*
1962 ..	2,915	158	2,692	189	124*

* Loss

State Accident Insurance Office

The State Accident Insurance Office was constituted under the *Workers Compensation Act* 1914 for the purpose of enabling employers to obtain from the State policies of insurance indemnifying them against their liability under the *Workers Compensation Act*, or at common law, or otherwise. The Office is managed and controlled by the Insurance Commissioner, and the policies issued are guaranteed by the Government of Victoria.

The Office is conducted on a mutual basis so that all profits, after providing for the necessary reserves, are refunded as bonuses to policy holders.

The Office has made steady progress during 48 years of operation and for the year ended 30th June, 1962, its premium income represented 20·5 per cent. of the total premiums received by all insurance companies on account of Employers' Liability and Workmen's Compensation Insurance.

The following table shows the trading results for each of the five years 1957-58 to 1961-62 :—

VICTORIA—STATE ACCIDENT INSURANCE OFFICE :
PREMIUMS RECEIVED, CLAIMS PAID, ETC.
(£'000)

Year Ended 30th June—	Premiums Received Less Reinsurances, Rebates, &c.	Additional Unearned Premium Provision	Claims Paid and Outstanding	Expenses	Underwriting Profit
1958 ..	2,462	72	1,918	155	317
1959 ..	2,656	62	2,005	167	422
1960 ..	2,606	— 172	2,251	242	285
1961 ..	2,950	187	2,129	188	446
1962 ..	2,905	146	2,217	192	350

NOTE.—Minus sign (—) denotes a reduction in unearned premium provision.

The accumulated funds at 30th June, 1962, were :—General Reserve, £1,800,000 ; Building and Other Reserves, £32,896 ; and Bonus Equalization Reserve, £715,002.

Building Societies

The provisions of the *Building Societies Act 1874* made it compulsory for building societies to effect registration. Subsequent legislation is contained in the *Building Societies Act 1958*, which consolidated the law in relation to building societies up to that year, and in the *Building Societies Act 1960*.

Up to 31st December, 1962, the number of societies that had been registered was 199 and of these 34 societies were still operating in 1962.

VICTORIA—BUILDING SOCIETIES, 1962

Particulars	Permanent Societies	Starr-Bowkett Societies	Total All Societies
Number of Societies	33	2	34*
„ „ Shareholders	6,859	3,653	10,512
„ „ Borrowers	14,963	1,030	15,993
Transactions during the Year—	£'000		
Income—			
Interest on Mortgage Loans	1,318	45	1,363
Other	160	5	165
Total	1,478	50	1,528
Expenses—			
Interest Payable to Lending Bodies	889	14	903
Administration, &c.	228	21	249
Total	1,117	35	1,152
Loans and Advances—			
Paid	3,647	194	3,841
Repaid	3,093†	187	3,280†
Deposits—			
Received	5,353	50	5,403
Repaid	4,364	39	4,403
Liabilities—			
Investing Members' Funds—			
Paid-up Capital	3,937	535	4,472
Reserves, &c.	1,390	62	1,452
Borrowing Members' Funds—			
Share Subscriptions	84	..	84
Other	9	..	9
Deposits	6,081	293	6,374
Loans (Including Bank Overdraft)	10,065	49	10,114
Other	314	42	356
Total	21,880	981	22,861
Assets—			
Loans on Mortgage	20,286	964	21,250
Land and House Property	842	..	842
Other Investments	447	12	459
Cash and Deposits	200	‡	200
Other	105	5	110
Total	21,880	981	22,861

* One society has both a Permanent and a Starr-Bowkett branch.

† Includes payments made and interest accrued on borrowers' shares during the year.

‡ Under £500.

Co-operative Organizations

Co-operative organizations operating in Victoria are registered under the provisions of the Companies Act, the Industrial and Provident Societies Act, and the Co-operation Act. They are mainly engaged in the production, marketing, and distribution of goods. A number of co-operative credit societies has been registered in recent years under the Co-operation Act but, because of the nature of their business, they have been excluded from the summary of co-operative organizations given below. Community Advancement Societies, registered under the Co-operation Act, have also been excluded from the particulars shown for the year 1961-62. In previous issues of the Victorian Year Book a number of these societies was included with Consumers' Societies. References to societies registered under the Co-operation Act are to be found on pages 328 to 330.

For statistical purposes, co-operative organizations have been defined as those producing, manufacturing, marketing, or distributing societies which substantially fulfil the following conditions :—

- (1) Dividend on share capital does not exceed 8 per cent.;
- (2) the greater portion of the business of the society is transacted with its own shareholders ;
- (3) any distribution of surplus, after payment of dividend on share capital, is amongst suppliers and customers, in proportion to the business done with the society ; and
- (4) voting powers are limited.

Societies have been divided into three classes, viz.: (1) Producers', (2) Consumers', and (3) Producers' and Consumers'.

Particulars of co-operative organizations for the year 1961-62 are given in the following table :—

VICTORIA—CO-OPERATIVE ORGANIZATIONS, 1961-62

Particulars	Societies—			Total All Societies
	Producers'	Consumers**	Producers' and Consumers'	
Number of Societies	75	27	12	114
Membership	54,899	23,375	7,637	85,911
	£'000			
Purchases	22,047	3,754	6,382	32,183
Working Expenses, &c.	6,407	636	1,019	8,062
Interest on—				
Loan Capital	159	32	20	211
Bank Overdraft				
Rebates and Bonuses	167	87	39	293
Total Expenditure	28,780	4,509	7,460	40,749
Sales	27,673	4,482	7,474	39,629
Other Income	1,676	89	82	1,847
Total Income	29,349	4,571	7,556	41,476
Dividend on Share Capital	265	23	44	332

* Excluding Community Advancement Societies registered under the Co-operation Act.

VICTORIA—CO-OPERATIVE ORGANIZATIONS, 1961-62—continued

Particulars	Societies—			Total All Societies
	Producers'	Consumers'*	Producers' and Consumers'	
	£'000			
Liabilities—				
Share Capital—Paid-up	4,410	600	589	5,599
Loan Capital	706	316	178	1,200
Bank Overdraft	2,841	204	233	3,278
Accumulated Profits	574	249	192	1,015
Reserve Funds	4,145	174	719	5,038
Sundry Creditors	2,854	305	516	3,675
Other	1,132	104	71	1,307
Total	16,662	1,952	2,498	21,112
Assets—				
Land and Buildings	9,169	810	1,541	11,520
Fittings, Plant, and Machinery }				
Stock	2,055	640	365	3,060
Sundry Debtors	4,245	366	434	5,045
Cash in Bank, in Hand, or on De- posit	266	39	67	372
Profit and Loss Account	41	28	6	75
Other	886	69	85	1,040
Total	16,662	1,952	2,498	21,112

* Excluding Community Advancement Societies registered under the Co-operation Act.

Public Trustee

The Public Trustee was constituted and incorporated by the *Public Trustee Act 1939* (which came into operation in 1940) and became the successor in law of the Curator of the Estates of Deceased Persons, and of the Master-in-Equity with respect to the administration of mental patients' property.

He is empowered by the Public Trustee Acts, under the guarantee of the State of Victoria, to act as a trustee, executor, administrator, and attorney, and in certain other capacities, and is required to undertake the protection and management of the property of certified patients in mental hospitals and of Infirm Persons. Infirm Persons are persons certified by the Public Trustee to be incapable of managing their affairs on account of age or infirmity. Certificates in prescribed form (obtainable from the Public Trustee's Office) must be given by two medical practitioners acting independently of each other, before the Public Trustee may certify.

Any persons may name the Public Trustee as their executor in their wills, and may deposit such wills with him for recording and safe custody. If the original will is not deposited with the Public Trustee, it is highly desirable that a copy of the will be sent to him with the name and address of the person holding the original will. Persons may also obtain advice about their wills at the Public Trustee's Office if they intend to appoint him their executor.

The Public Trustee Acts enable the persons appointed executors of wills to authorize the Public Trustee to act as executor in their place, and the next of kin of any one dying intestate, or any other person entitled to a grant of administration, may also authorize the Public Trustee to act as administrator in his place. In cases where there is no one else entitled and ready to apply for a grant of administration, the Public Trustee is authorized to apply for a grant of administration himself.

There are no limits to the size of estates which the Public Trustee may administer, but a great number of small estates are administered by him. If the persons interested in a small estate refer the estate to the office of the Public Trustee, his officers advise them if the estate can be dealt with without obtaining a grant of administration.

The Public Trustee may be appointed a custodian trustee, in which case the trust assets are placed in his custody, but the administration of the trust is carried on by the general trustees. In these cases, the Public Trustee deals with the trust assets as directed by the general trustees, provided the directions are lawful and do not involve a breach of trust.

A provision of the Public Trustee Acts, which has proved very useful, enables the Supreme Court to vest the Public Trustee with various powers to deal with property when the owner cannot be found.

The remuneration of the Public Trustee, mainly a percentage commission on the amount or value of the assets administered, is fixed by regulations made by the Governor in Council.

Consequent on the passing of the *Public Trustee Act* 1948, the Public Trustee Fund at the State Treasury was abolished and the proceeds of all estates, as from 1st October, 1948, were invested in a Common Fund under the control of the Public Trustee. In the following table, particulars of the Common Fund are shown for each of the years 1957-58 to 1961-62 :—

VICTORIA—PUBLIC TRUSTEE : COMMON FUND
(£'000)

Particulars	1957-58	1958-59	1959-60	1960-61	1961-62
Proceeds of Realizations, Rents, Interest, &c.	2,948	3,362	3,261	3,597	3,920
Investments, Distributions, Claims, &c.	2,505	2,815	3,093	3,138	3,333
Cash Variation	443	547	168	459	587
Balance at 1st July	3,695	4,138	4,685	4,853	5,312
Balance at 30th June	4,138	4,685	4,853	5,312	5,899

The numbers of applications for probate and letters of administration (including election to administer), &c., made by the Public Trustee for each of the years 1952-53 to 1961-62 are shown in the following table :—

**VICTORIA—APPLICATIONS BY PUBLIC TRUSTEE FOR
PROBATE, LETTERS OF ADMINISTRATION, ETC.**

Year	No.	Year	No.
1952-53	1,182	1957-58	1,130
1953-54	1,187	1958-59	1,066
1954-55	1,126	1959-60	919
1955-56	1,089	1960-61	1,084
1956-57	1,135	1961-62	994

The number of wills (under which the Public Trustee was appointed executor) lodged for safe custody during each of the years 1957-58 to 1961-62 was as follows :—1957-58, 2,878 ; 1958-59, 2,936 ; 1959-60, 2,938 ; 1960-61, 2,626 ; 1961-62, 2,662.

Trustee Companies

Statutory Authority and Safeguards

A special Act of Parliament specifically authorizes the seven Victorian Trustee Companies to act, amongst other things, as executor ; it also entitles them to apply for and to obtain probate of the will of a testator or, in appropriate circumstances, to obtain letters of administration, and to act as administrator of the estate of a deceased person.

When Trustee Companies first commenced business in Victoria over 80 years ago, it was necessary for each such company to obtain this statutory authority by means of a separate Enabling Act.

In 1928, these separate Acts were consolidated into a single Act and later, after a number of amendments had been passed in succeeding years, the Victorian Parliament brought together all relevant provisions in the consolidated *Trustee Companies Act* 1958 which is now current.

In these fiduciary matters, the Victorian Legislature has always been careful to safeguard the interests of the public and, for this reason, the Trustee Companies Act states that the words "Trustee Company" shall apply only to those companies specifically mentioned in the Second Schedule to the Act. The Act provides that the assets of a Trustee Company shall be liable for the proper administration of estates, and also specifies a statutory amount which is invested in trust for each company in the name of the Treasurer of the State of Victoria. This special legislation restricts the number of shares any one person may hold in a Trustee Company, and also nominates amounts of unpaid share capital which may be called up only in the event of and for the purpose of winding up the company. These statutory safeguards are designed to ensure that a Victorian Trustee Company is able to discharge its responsibilities properly.

Business Activities

During the five years ended 30th June, 1961, the value of assets in estates committed to the care of the Victorian Trustee Companies increased by £50 mill. to £190 mill. as shown in the following table :—

VICTORIA—TRUSTEE COMPANIES
(£ Mill.)

Particulars	Value at 30th June, 1956	Value at 30th June, 1961
Stock and Debentures	51·0	52·0
Advances on Mortgages	5·4	14·7
Property and Livestock	27·0	37·7
Shares	44·4	67·8
Fixed and Other Deposits	1·6	5·0
Cash at Bank	3·2	3·7
Other	7·4	9·1
	140·0	190·0

The values shown above are probate values or values of assets at the time of their being committed to the care of the Trustee Companies. The figures do not include the very substantial value of debentures and notes where the companies have been appointed to act as trustee for the holders.

There has been a marked diversification of trust activities in the post-war years so that, in addition to their traditional role which includes the functions of executor, administrator, trustee of estates, settlements and charitable trusts, and agent or attorney for the general or partial management of clients' affairs, the Trustee Companies have accepted many appointments as trustee for debenture and note holders and they also act as trustee for pension plans and unit trusts. A separate company is jointly owned by some twenty Australian trustee companies and, since 1958, has provided on their behalf comprehensive share registry services to public companies throughout Australia.

In the post-war years, there has also been increasing emphasis on investment in other than fixed-interest securities. The table above illustrates this and shows that the value of shares under administration increased by £23 mill. during the five years under review. This trend has been met by development within the Trustee Companies of investment management services which are also available to clients.

In the normal course of business, Trustee Companies are called upon from time to time to manage almost every conceivable type of business enterprise. These have included retail stores, engineering works, milk bars, hotels, blocks of flats, farms, and properties of every description. Some of the companies have intra-State and/or interstate branch networks.

The following table shows some financial details of trustee companies. Particulars have been abstracted from the published statements of accounts of companies which transacted business in Victoria during each of the years, 1959-60 to 1961-62 :—

VICTORIA—TRUSTEE COMPANIES

Particulars	1959-60	1960-61	1961-62
Number of Companies	8	7	7
	£'000		
Income—			
Commissions, Fees	1,087	1,153	1,245
Income from Investments, Rents, &c.	160	172	189
Total Income	1,247	1,325	1,434
Expenditure—			
Working Expenses	1,074	1,135	1,214
Income Tax	70	74	86
Depreciation	17	21	24
Total Expenditure	1,161	1,230	1,324
Dividend on Share Capital	58	66	71
Liabilities—			
Paid-up Capital	531	538	537
Reserve Funds	641	654	861
Sundry Creditors	70	58	60
Accumulated Profits	100	109	134
Other	812	912	952
Total	2,154	2,271	2,544
Assets—			
Land and Buildings	993	1,039	1,290
Loans on Mortgage	109	170	186
Government Loans	273	268	249
Guarantee Funds	142	132	132
Sundry Debtors	90	60	51
Other	547	602	636
Total	2,154	2,271	2,544

Probate

Under the general words of Section 17 of the *Supreme Court Act* 1958, the Court has power to do everything which is necessary or desirable in connexion with the grant of probate or administration.

The *Administration and Probate Act* 1958, Section 6, confers jurisdiction on the Court to grant Probate of the Will or Letters of Administration of the estate of a deceased person leaving property, whether real or personal, within the State of Victoria. Grants are made to the executor of a will, the next of kin of an intestate, or the

creditor of an intestate. A person receiving such a grant becomes the legal personal representative of the deceased, and is thus empowered to deal with all his assets and generally administer the estate.

Previously, before the issue of Probates or Letters of Administration, the documents were required to be endorsed by the Commissioner of Probate Duties to the effect that probate duty had been paid. In accordance with the *Probate Duties Act 1962*, which came into operation on 1st July, 1962, this procedure has been revoked. Probates or Letters of Administration are now issued without the endorsement.

Provision is made in Part III. of the *Administration and Probate Act 1958*, for the sealing, by the Supreme Court, of Probates or Letters of Administration which have been granted in Great Britain, Australia (other than Victoria), New Zealand, or certain British possessions, when the deceased has left real or personal estate in Victoria. The object of this provision is simply to put the executor or administrator under it in the same position as if he were an original executor or administrator.

The *Administration and Probate Act 1958* also gives the Court jurisdiction to grant Probate or Administration of the estate of a person who is presumed to have died, but, in such a case, it prohibits the distribution of the estate without the leave of the Court.

The accompanying table shows the number and value of estates of deceased persons of each sex in connexion with which probates or letters of administration, &c., were finally completed during each of the years 1958 to 1962. Particulars of estates administered by the Public Trustee are included.

VICTORIA—PROBATES, LETTERS OF ADMINISTRATION, ETC.

Year	Number of Estates	Gross Value of Estates—		Liabilities	Net Value of Estates	Average Net Value per Estate	
		Real	Personal				
£'000							
MALES							
1958	..	8,659	22,599	38,091	2,894	57,796	6,675
1959	..	8,657	22,824	33,582	2,124	54,282	6,270
1960	..	8,860	23,428	42,024	3,108	62,344	7,037
1961	..	8,818	23,275	46,086	3,214	66,147	7,501
1962	..	9,817	25,986	46,657	4,732	67,911	6,918
FEMALES							
1958	..	6,359	11,194	17,641	1,201	27,634	4,346
1959	..	6,510	12,319	18,759	1,292	29,786	4,575
1960	..	6,277	11,844	21,772	1,064	32,552	5,186
1961	..	6,415	12,401	23,493	1,251	34,643	5,400
1962	..	7,207	13,703	24,554	1,528	36,729	5,096
TOTAL							
1958	..	15,018	33,793	55,732	4,095	85,430	5,688
1959	..	15,167	35,143	52,341	3,416	84,068	5,543
1960	..	15,137	35,272	63,796	4,172	94,896	6,269
1961	..	15,233	35,676	69,579	4,465	100,790	6,617
1962	..	17,024	39,689	71,211	6,260	104,640	6,147

The number and value of estates dealt with in each of the years 1960 to 1962 grouped according to net value, and distinguishing the estates of males from those of females, were as follows :—

VICTORIA—NUMBER AND NET VALUE OF ESTATES OF DECEASED PERSONS

Group	1960		1961		1962	
	Number	Net Value	Number	Net Value	Number	Net Value
		£'000		£'000		£'000
MALES						
£						
Under 100 ..	431	18	461	21	449	22
100 – 299 ..	762	139	721	134	825	155
300 – 499 ..	480	187	530	210	580	228
500 – 999 ..	995	729	957	708	1,063	788
1,000 – 1,999 ..	1,264	1,823	1,225	1,893	1,379	2,019
2,000 – 2,999 ..	907	2,235	892	2,205	1,058	2,633
3,000 – 3,999 ..	810	2,796	751	2,706	922	3,213
4,000 – 4,999 ..	590	2,621	570	2,548	695	3,105
5,000 – 9,999 ..	1,152	8,215	1,129	8,150	1,223	8,584
10,000 – 14,999 ..	475	5,816	517	6,275	517	6,328
15,000 – 24,999 ..	454	8,627	474	9,403	525	10,126
25,000 – 49,999 ..	383	12,735	400	13,849	399	13,422
50,000 – 99,999 ..	112	7,938	154	10,196	135	9,051
100,000 and over ..	45	8,465	37	7,849	47	8,237
Total Males ..	8,860	62,344	8,818	66,147	9,817	67,911
FEMALES						
£						
Under 100 ..	243	12	251	13	276	14
100 – 299 ..	628	116	557	106	644	123
300 – 499 ..	408	159	344	135	399	161
500 – 999 ..	690	502	707	524	824	607
1,000 – 1,999 ..	954	1,392	1,000	1,464	1,088	1,620
2,000 – 2,999 ..	797	1,968	764	1,887	865	2,140
3,000 – 3,999 ..	624	2,159	685	2,378	847	2,945
4,000 – 4,999 ..	426	1,889	438	1,948	532	2,371
5,000 – 9,999 ..	791	5,578	900	6,285	905	6,374
10,000 – 14,999 ..	275	3,363	327	3,923	338	4,138
15,000 – 24,999 ..	228	4,348	231	4,434	269	5,133
25,000 – 49,999 ..	150	5,022	141	4,775	151	5,087
50,000 – 99,999 ..	45	2,981	50	3,390	52	3,497
100,000 and over ..	18	3,063	20	3,381	17	2,519
Total Females ..	6,277	32,552	6,415	34,643	7,207	36,729
Grand Total ..	15,137	94,896	15,233	100,790	17,024	104,640

Transfer of Land

Torrens System

The Torrens System of land dealings is embodied in the Transfer of Land Act. This system was conceived in South Australia by Robert Richard Torrens who, as Collector of Customs, was concerned with the complexity of even a simple land dealing of small value compared with the simplicity of transferring the ownership of a valuable ship. He was impressed by the method of recording in shipping registers, ownership of ships and shares.

In 1858, the South Australian Real Property Act was passed and, in the year 1862, Victoria adopted the Torrens System in its Real Property Act. All other States in Australia and various other countries have since copied this system.

Prior to 1862, Victoria had only one system of conveying land, known as general law conveyancing. This system is, in effect, a private arrangement between parties and no registration of any deeds is essential. About 1·8 mill. acres of land in Victoria remain subject to this somewhat complex and uncertain general law system.

The Torrens System aims at five principles—simplicity, certainty, indefeasibility, flexibility, and cheapness—none of which characterizes general law conveyancing. The fundamental principle of the Torrens System is that the title to land and to interests in land (such as interest of mortgagees, transferees, &c.) depends upon registration of written instruments signed by the parties to the respective transactions, not upon the written deeds themselves.

The document of title to land under the Transfer of Land Act (Torrens System) consists of a Certificate of Title setting out a description identifying the land and a statement certifying who is the registered proprietor. This statement is conclusive evidence and is guaranteed by the Government. Every time the land is transferred and the transfer is registered, the like guarantee and certification operates for the entry of the name of the new proprietor.

Whenever a mortgage is registered, the land is charged with payment of moneys secured. Certain statutory powers, such as sale or foreclosure, are conferred on the mortgagee in the event of default under the mortgage.

Any Certificate of Title can be searched at the Titles Office for a small fee, and any person intending to deal with the registered proprietor of the land is not concerned to investigate any of the entries on the title such as the name of the registered proprietor and the encumbrances affecting, such as easements or mortgages. The certainty of these particulars can be assumed, as, in terms of the Act, they are conclusive.

Separate Certificates of Title to Flats

Individual ownership of flats was first introduced into Victoria shortly after the Second World War when the expression "own your own flat" appeared in real estate advertising.

In the first type of flat ownership, a person became the "owner" of a flat by acquiring shares in a proprietary company which became the registered proprietor on the title to the site of the block of flats, and was formed to control the management of the flats. Each flat "owner", as holder of a group of shares, became entitled to the exclusive occupation of a particular flat under an agreement with the company.

In 1953, a form of real ownership of a flat was introduced when the Office of Titles accepted a subdivision of a block of flats. This was an entirely new form of subdivision embodying a horizontal as well as a vertical division of a building. A separate certificate of title was issued for each lot on the subdivision representing a separate flat and these "stratum titles" show the heights from floor to ceiling level of each flat by reference to the datum for levels adopted by the Melbourne and Metropolitan Board of Works (the high water mark on Port Phillip Bay).

Under this form of ownership evidenced by the issue of a Certificate of Title to each flat, the title for the residual land in the subdivision generally issues in the name of a service company. This comprises the grounds, garden, common stairways, land under the building and above the building, fences, foundations, and outbuildings.

Under stratum title flat ownership, a purchaser of a flat becomes the registered proprietor and the absolute owner in fee-simple of his flat. He can borrow money on the security of mortgage on the title to his flat; he can sell or lease his flat whenever he wishes without any restrictions, or he can dispose of his flat by his will. The flat may be sold on extended terms. (Under the shares in a proprietary company scheme, money cannot be borrowed upon the security of a group of shares.)

The service company is responsible for the general maintenance of the block of flats and for the provision of common services. Its shareholders comprise flat owners exclusively.

Each flat owner pays to the service company a service charge and maintenance contribution to cover the services provided by it.

The form of Certificate of Title is simple, and section 98 of the Transfer of Land Act confers a statutory right for each flat to enjoy all necessary easements such as support, supply of water, gas, &c., over other parts of the building.

Land Transfers, Mortgages, Liens, &c.

A summary of dealings lodged in the Titles Office under the Transfer of Land Acts is given in the following tables for each of the years 1958 to 1962 :—

**VICTORIA—DEALINGS LODGED AT THE TITLES OFFICE
UNDER THE TRANSFER OF LAND ACTS**

Year	Number of Transfers	Mortgages*		Number of—			
		Number	Amount	Entries of Executor, Administrator, or Survivor	Plans of Sub-division	Other Dealings	Total Dealings
			£'000				
1958	91,939	39,149	96,715	10,256	2,910	55,460	199,714
1959	91,519	38,674	108,361	10,392	3,091	62,064	205,740
1960	105,327	46,455	157,132	10,554	3,154	68,587	234,077
1961	84,207	39,655	125,581	11,923	2,472	66,333	204,590
1962	89,870	43,757	136,704	11,643	2,319	73,080	220,669

* Excluding certain mortgages, principally to trading banks to secure overdrafts on current accounts.

The following table shows the number of titles issued during each of the years 1958 to 1962. In February, 1961, the Titles Office introduced a new system for the issue of certificates of title in the case of land approved for subdivision. Individual certificates are now issued for each lot in the estate at the time the plan of subdivision is approved. Prior to February, 1961, a separate certificate of title for each lot was not issued until a transfer of ownership in respect of such lot was recorded in the Titles Office. The introduction of this new method is mainly responsible for the large increase in the number of titles issued during 1961 and 1962, as compared with previous years.

VICTORIA—TITLES OF LAND ISSUED

Year	Number of—			
	Certificates of Title	Crown Grants	Crown Leases	Total Titles
1958	35,796	849	532	37,177
1959	34,015	1,137	417	35,569
1960	37,441	1,303	503	39,247
1961	58,428	1,116	413	59,957
1962	54,819	1,068	469	56,356

Mortgages, reconveyances, and conveyances registered under the *Property Law Act 1928* are shown for each of the years 1958 to 1962 in the following table. The *Property Law Act 1958* consolidated the 1928 Act and subsequent amending Acts.

VICTORIA—DEALINGS UNDER THE PROPERTY LAW ACT

Year	Mortgages*		Reconveyances		Conveyances	
	No.	Amount	No.	Amount†	No.	Amount
		£ '000		£ '000		£ '000
1958	858	2,454	979	649	3,088	10,783
1959	886	2,600	996	576	3,074	9,446
1960	966	3,254	1,127	624	3,381	11,752
1961	939	3,523	1,045	851	2,914	10,810
1962	942	3,786	1,163	966	3,204	11,389

* Excluding certain mortgages, principally to trading banks to secure overdrafts on current accounts.

† Excluding repayments designated "Principal and Interest".

The number and amount of stock mortgages, liens on wool, and liens on crops registered during each of the years 1958 to 1962 are shown in the following table. Releases of liens are not required to be registered as, after the expiration of twelve months, the registration of all liens is automatically cancelled. Very few mortgagors of stock secure themselves by a registered release.

VICTORIA—STOCK MORTGAGES AND LIENS ON WOOL AND CROPS

Security	1958	1959	1960	1961	1962
Stock Mortgages—					
Number	332	368	373	399	478
Amount £'000	422	371	350	404	499
Liens on Wool—					
Number	338	366	321	302	209
Amount £'000	692	785	697	577	477
Liens on Crops—					
Number	99	131	135	131	83
Amount £'000	47	49	46	112	47
Total—					
Number	769	865	829	832	770
Amount £'000	1,161	1,205	1,093	1,093	1,023

The following are the numbers and amounts of bills of sale which have been filed in each of the years 1958 to 1962 :—

VICTORIA—BILLS OF SALE

Security	1958	1959	1960	1961	1962
Bills of Sale—					
Number	5,096	5,388	4,959	4,401	5,462
Amount £'000	7,303	8,440	9,717	7,714	8,751

Companies

General

Registration and operation of companies in Victoria are controlled by the *Companies Act* 1961, which came into operation on 1st July, 1962.

Types of Companies

Companies may be incorporated either as limited companies, unlimited companies, or no liability companies. The most numerous are limited companies, namely, companies in which the liability of the members is limited (in the case of companies limited by shares) to the amount (if any) unpaid on their shares, or (in the case of companies limited by guarantee), to a specified amount which the members undertake to pay in the event of the company being wound up. Unlimited companies are companies in which the liability of the members is unlimited. No liability companies, which may be formed only for mining purposes, are companies in which members take no liability for calls on their shares.

Limited companies are divided into public and proprietary companies, the latter being required to have the word "Proprietary" or the abbreviation "Pty." as part of their name. Public companies may be regarded as companies in which the public at large may hold shares; proprietary companies are companies whose membership is limited to 50. The transfer of shares in proprietary companies is restricted, and such companies may not invite the public to subscribe for shares or debentures or to deposit money with the company. Public companies and some proprietary companies are obliged to publish audited accounts, but a class of companies, defined in the Act as "exempt proprietary companies" is excused from this obligation.

Foreign Companies

Companies incorporated outside Victoria which have an established place of business, or are carrying on business in Victoria, are required to register as "foreign companies".

Registration Fees

The following is a summary of the fees for registration payable as from 1st July, 1962 :—

(1) Companies limited by shares and no liability companies—

Where the nominal capital does not exceed £5,000	£	s.	d.
	20	0	0
Where the nominal capital exceeds £5,000—			
For first £5,000	20	0	0
For every £1,000 of the excess over £5,000 but not exceeding £100,000	1	0	0
For every £1,000 of the excess over £100,000 but not exceeding £500,000	0	10	0
For every £1,000 of the excess over £500,000	0	5	0

(2) Companies limited by guarantee—

Where the number of members does not exceed twenty	5	0	0
Where the number of members exceeds twenty but does not exceed 100 ..	10	0	0
Where the number of members exceeds 100, the above fee of £10 plus 10s. for every 50 members beyond the first 100—maximum fee	100	0	0

(3) Foreign companies—

- (a) Subject to paragraphs (b) and (c) one-half of the appropriate fee shown in paragraph (1) or paragraph (2) above.
- (b) Subject to paragraph (c) where the fee prescribed in paragraph (a) is not applicable 100 0 0
- (c) In the case of a corporation authorized by the law of any State or Territory to take in its own name a grant of probate or letters of administration of the estate of a deceased person 50 0 0

The following table shows details of companies registered during each of the years 1958 to 1962 :—

VICTORIA—COMPANIES REGISTERED, ETC.

Particulars	1958	1959	1960	1961	1962
	No.				
New Companies Registered—					
Victorian	2,885	3,648	4,412	3,158	2,821
Other	183	238	272	233	249
Total	3,068	3,886	4,684	3,391	3,070
	£'000				
Nominal Capital of New Companies—					
Victorian	135,874	160,202	261,614	149,081	120,457
Other	120,912	129,264	148,064	78,893	212,843
Total	256,786	289,466	409,678	227,974	333,300
	No.				
Existing Companies*—					
Victorian	22,976	26,381	30,579	33,682	36,082
Other	1,814	2,006	2,245	2,417	2,620
Total	24,790	28,387	32,824	36,099	38,702
	£'000				
Increase in Nominal Capital of Victorian Companies during Year	114,437	138,333	193,662	236,778	193,983

* At end of year.

Stock Exchange of Melbourne

Introduction

The Stock Exchange of Melbourne was established in 1859. Over the years, there has been continuous growth in share ownership and large amounts of capital have been raised for public works and for the expansion of industry. In these ways the Stock Exchange has played an important role in the economic development of the Commonwealth as well as the State.

Functions

The basic function of the Stock Exchange is to provide the means by which investment securities, stocks, bonds, shares, &c., may be conveniently bought and sold, in what are really auction sales, conducted at regular times and places. The Stock Exchange of Melbourne is actually an association of 162 member sharebrokers,

governed by a chairman and committee (12 including the chairman), elected by the members. In its rules, its objects are described in one sentence :

“The objects and purposes of the Association are the exchange of quotations, the facilitating of purchases and sales, and the maintenance of honourable dealings amongst its Members.”

The Exchange has become a major centre of influence in the commercial community. It is based on three vital principles in so far as it provides a security market which is organized, centralized, and open to all.

During the year ended 30th September, 1962, the most notable features included the introduction of the post-trading system of operating ; the record turnover of share securities ; the largest official list of both the number of securities quoted and their nominal and market value ; and the increase in membership to 162.

Official List

There are now 2,729 separate securities (including options) quoted on the Exchange, the number having doubled in the last nine years. Their nominal value at 30th September, 1962, was £5,115 mill. and their market value £7,233 mill.

In the following table, the number of issues (excluding options) and their nominal value are classified according to type of security. Particulars are shown as at 30th September for each of the years 1959 to 1962.

MELBOURNE STOCK EXCHANGE—ISSUES LISTED* AND NOMINAL VALUE

Class of Security	Listed at 30th September—							
	1959		1960		1961		1962	
	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value
	£ mill.		£ mill.		£ mill.		£ mill.	
Commonwealth Loans ..	28	2,956	31	2,964	35	3,076	34	2,950
Semi-Government Loans ..	539	334	603	339	625	370	683	380
Foreign Government Loans ..	9	5	9	5	9	5	10	6
Industrial Company Securities—								
Debentures	154	103	231	141	365	191	478	229
Unsecured Notes	187	76	247	112	292	133	313	134
Preference Shares	358	84	330	87	316	77	307	74
Ordinary Shares	764	872	792	966	791	1,139	759	1,240
Mining Company Securities ..	139	47	131	74	128	80	128	102
Total	2,178	4,477	2,374	4,688	2,561	5,071	2,712	5,115

* Excludes options.

In the post-war years, Commonwealth loan borrowings have shown a marked increase and, at £2,950 mill. in 1962, are double the figure for the year 1945, while semi-government loans have increased by more than eight times in the same period.

Debenture capital has often been used to finance company expansion in recent years, the total of these loans at 30th September, 1962, being £229 mill. compared with only £17 mill. at the close of the Second World War.

Unsecured notes were first introduced in 1953 as an additional means of raising funds and at once proved popular with investors; in that year there were fourteen issues with a nominal value of £2 mill., but at 30th September, 1962, there were 313 issues with a nominal value of £134 mill.

Nominal value of ordinary share capital listed on the Stock Exchange at 30th September, 1962, was £1,240 mill.—six times that of 1945.

Fifty companies were added to the official list during 1962 and their combined nominal capital was £59 mill.—an increase of £14 mill. over 1961. In addition, new capital issues made by companies already listed amounted to £127 mill. At the close of the year, the official list comprised 881 companies—774 commercial and industrial and 107 mining companies.

Thirty-eight companies were removed from the official list during the year, 23 of them because of take-overs.

Turnover

The following table shows the growth in turnover during recent years. Trading in mining shares rose sharply in 1962 following the discovery of oil in Queensland and the subsequent flotation of seven new oil companies. Record daily sales of ordinary shares occurred in February, 1962, when 996,000 shares changed hands. Turnover in Commonwealth loans has decreased sharply due to the introduction of the Official Short-Term Money Market, many of the authorized dealer companies being sponsored by Member Firms of the Stock Exchange. Total loans outstanding in the Short-Term Market throughout Australia rose by £8 mill. to £111.5 mill. during the year ended 30th September, 1962.

MELBOURNE STOCK EXCHANGE—TURNOVER OF STOCKS AND SHARES (Mill. Units)

Class of Security	Year Ended 30th September—				
	1958	1959	1960	1961	1962
Commonwealth Loans	98.4	181.6	86.5	33.1	31.3
Semi-Government Loans	3.0	4.4	3.1	2.8	1.9
Company Debentures, Unsecured Notes	1.4	1.7	1.7	2.2	5.4
Total Loan Securities ..	102.8	187.7	91.3	38.1	38.6
Preference Shares	1.5	1.8	1.7	1.1	1.1
Ordinary Shares, Rights, and Options	43.1	71.0	86.6	87.5	109.3
Mining	8.5	12.4	12.8	12.8	33.6
Total Share Securities ..	53.1	85.2	101.1	101.4	144.0

Probate Noting Service

The probate noting service continued to win support and an average of 150 applications for probate noting are received each week. The service commenced in July, 1961, and up to 30th September, 1962, a total of 9,400 separate applications for notation of probate have been received.

Underwriting

Underwriting of semi-government loans and new capital issues has been a feature of Stock Exchange activities for many years. During the year ended 30th September, 1962, there were 33 semi-government loans floated throughout Australia seeking £73 mill. and of these 22 were underwritten by Member Firms of the Exchange. A total of £60 mill. was raised by 36 debenture stock issues during the year and of these 21 were underwritten by Member Firms.

New Share Transfer System

Recommendations were made during 1962 by the Australian Associated Stock Exchanges for a new system for the transfer of securities ; interim measures have already been implemented and a new style transfer form introduced. Professional bodies are now examining the recommendations with a view to their adoption.

Instalment Credit for Retail Sales

All types of Instalment Credit Schemes in which repayments are made by regular, predetermined instalments are included in the collection. These include Hire Purchase, Time Payment, Budget Accounts, and Personal Loan Schemes which relate primarily to the financing of retail sales of goods. The statistics do not cover lay-bys, credit accounts not involving regular predetermined instalments, financing of sales of land and buildings, property improvements, services such as repair work and travel facilities, or rental and leasing schemes.

In addition to businesses which finance the sale of goods by retail but do not retail goods themselves (called Non-Retail Finance Businesses), information is also collected from retailers who provide their own finance and from retailers' subsidiary companies (called Retail Businesses). Retailers' subsidiary companies are businesses which have been set up by retailers, or by groups mainly engaged in retailing, primarily for the purpose of financing their retail sales.

Figures for retail subsidiary companies are included with Retail Businesses in order to permit compilation of figures on a comparable basis over a period of time even when the retailer sets up a subsidiary

company to conduct the financing which was previously done by the retail business itself.

The statistics are classified by type of business according to the nature of the business on whose paper the agreement was written, even if the agreement was subsequently assigned, discounted, or mortgaged with another type of business.

Particulars of total instalment credit transactions of Non-Retail Finance Businesses are collected regularly from all such businesses. However, particulars from Retail Businesses are derived from a sample of these businesses based on the Census of Retail Establishments for 1956-57. Because of this, the figures shown below for Retail Businesses are subject to revision. Revision to data for Non-Retail Finance Businesses also may be necessary from time to time as problems are encountered about coverage and classification. All types of goods sold to final purchasers are included, whether producer goods (such as plant and machinery) or consumer goods.

The following table shows the amounts financed by all businesses during the year ended 30th June, 1962, in Australia classified by States and by groups of commodities financed. It also shows the balances outstanding at 30th June, 1962, for each State and Australia.

AUSTRALIA—INSTALMENT CREDIT FOR RETAIL SALES (Retail businesses plus non-retail finance businesses)

(£'000)

State	Amount Financed* for Year Ended 30th June, 1962				Balances Outstanding at 30th June, 1962||
	Motor Vehicles, Tractors, &c.†	Plant and Machinery‡	Household and Personal Goods§	Total All Goods	
New South Wales¶	72,408	8,931	74,948	156,287	235,278
Victoria ..	47,431	5,306	46,219	98,956	152,652
Queensland ..	23,821	2,653	24,545	51,019	75,367
South Australia° ..	16,072	1,676	14,752	32,500	55,551
Western Australia ..	16,442	2,691	12,903	32,036	46,542
Tasmania ..	6,508	663	4,841	12,012	17,893
Australia ..	182,682	21,920	178,208	382,810	583,283

* Includes amounts financed on both Hire Purchase and Other Instalment Credit Schemes valued at net cash or list price (excluding hiring charges and insurance).

† Includes new and used motor cars, motor cycles, commercial vehicles, tractors, caravans, motor parts and accessories.

‡ Includes farm machinery and implements, earth-moving equipment, aircraft, industrial plant and machinery, business machines and equipment (including commercial refrigeration equipment), &c.

§ Includes furniture and furnishings, domestic refrigerators, electrical goods, television and accessories, radios, musical instruments, bicycles, and other household and personal goods.

|| Includes hiring charges, interest and insurance.

¶ Includes Australian Capital Territory.

° Includes Northern Territory.

Instalment Credit for Retail Sales in Victoria

The following table shows the amounts financed during recent years in Victoria classified according to type of business and groups of commodities financed :—

**VICTORIA—INSTALMENT CREDIT FOR RETAIL SALES :
AMOUNTS FINANCED BY COMMODITY GROUPS*
(£'000)**

Year Ended 30th June—	Motor Vehicles, Tractors, &c.†	Plant and Machinery‡	Household and Personal Goods§	Total All Goods
RETAIL BUSINESSES				
1959	3,054	683	37,939	41,676
1960	4,227	702	41,647	46,576
1961	3,362	548	41,604	45,514
1962	2,190	421	38,632	41,243
NON-RETAIL FINANCE BUSINESSES				
1959	47,951	3,728	13,789	65,468
1960	63,999	4,683	11,342	80,024
1961	50,788	5,548	9,883	66,219
1962	45,241	4,885	7,561	57,687
ALL BUSINESSES				
1959	51,005	4,411	51,728	107,144
1960	68,226	5,385	52,989	126,600
1961	54,150	6,096	51,487	111,733
1962	47,431	5,306	46,193	98,930

* Includes amounts financed on both Hire Purchase and Other Instalment Credit Schemes valued at net cash or list price (excluding hiring charges and insurance).

† Includes new and used motor cars, motor cycles, commercial vehicles, tractors, caravans, motor parts and accessories.

‡ Includes farm machinery and implements, earth-moving equipment, aircraft, industrial plant and machinery, business machines and equipment (including commercial refrigeration equipment), &c.

§ Includes furniture and furnishings, domestic refrigerators, electrical goods, television and accessories, radios, musical instruments, bicycles, and other household and personal goods.

The following table shows the balances outstanding in Victoria at the 30th June, 1959 to 1962, and the relationship between Retail and Non-Retail Finance Businesses in this respect :—

**VICTORIA—INSTALMENT CREDIT FOR RETAIL SALES :
BALANCES OUTSTANDING*
(£'000)**

At 30th June—	Retail Businesses	Non-Retail Finance Businesses	Total All Businesses
1959	42,436	90,000	132,436
1960	53,710	108,147	161,857
1961	60,156	102,490	162,646
1962	59,741	92,911	152,652

* Includes amounts owing on both Hire Purchase and Other Instalment Credit combined.

At 30th June, 1959, of the total balances outstanding in Victoria for all instalment credit (£132,436,000), Hire Purchase comprised 90·6 per cent. and Other Instalment Credit 9·4 per cent. The latter has grown since then and at 30th June, 1962, totalled £29,222,000 or 19·1 per cent. of the total instalment credit outstanding balances of £152,652,000. This increase has continued.

Cross-classifications of the statistics by type of instalment credit (i.e., Hire Purchase or Other Instalment Credit) and type of business (i.e., Retail Businesses or Non-Retail Finance Businesses) are not available for publication, but much the greater part of Other Instalment Credit is financed by Retail Businesses.

Retail Hire Purchase Operations in Victoria

The following table shows the main features of hire purchase operations in Victoria for the years ended 30th June, 1959 to 1962.

It should be noted particularly that these statistics cover hire purchase operations by all businesses.

VICTORIA—RETAIL HIRE PURCHASE OPERATIONS

Class of Goods	Year Ended 30th June—			
	1959	1960	1961	1962
NUMBER OF AGREEMENTS MADE				
Motor Vehicles, Tractors, &c.* ..	107,775	128,625	93,015	84,208
Plant and Machinery† ..	12,078	11,666	10,917	11,340
Household and Personal‡ ..	494,879	494,748	453,675	422,208
Total Agreements ..	614,732	635,039	557,607	517,756
VALUE OF GOODS PURCHASED§				
£'000				
Motor Vehicles, Tractors, &c.* ..	79,826	99,287	76,400	64,741
Plant and Machinery† ..	6,587	7,725	8,669	7,651
Household and Personal‡ ..	42,332	41,144	36,124	31,602
Total Value ..	128,745	148,156	121,193	103,994
AMOUNT FINANCED UNDER AGREEMENTS||				
£'000				
Motor Vehicles, Tractors, &c.* ..	50,428	65,509	49,921	42,122
Plant and Machinery† ..	4,302	5,250	6,000	5,185
Household and Personal‡ ..	35,832	34,845	30,678	26,612
Total Amount Financed ..	90,562	105,604	86,599	73,919

For footnotes see following page.

VICTORIA—RETAIL HIRE PURCHASE OPERATIONS—*continued*

Class of Goods	Year Ended 30th June—			
	1959	1960	1961	1962
BALANCES OUTSTANDING AT END OF YEAR¶				
£'000				
All Classes of Goods	119,923	143,226	136,900	123,430

* Includes new and used motor cars, motor cycles, commercial vehicles, tractors, caravans, motor parts, and accessories.

† Includes farm machinery and implements, earth-moving equipment, aircraft, industrial plant and machinery, business machines and equipment (including commercial refrigeration equipment), &c.

‡ Includes furniture and furnishings, domestic refrigerators, electrical goods, television and accessories, radios, musical instruments, bicycles, and other household and personal goods.

§ Value at net cash or list price (excluding hiring charges and insurance).

|| Excludes hiring charges and insurance.

¶ Includes hiring charges and insurance.