

# Part 9

## FINANCE

### *Public Finance*

#### **Economic Importance of Government Financial Activity**

##### *Financial Transactions*

During the last 35 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.

*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 "Australian National Accounts, National Income and Expenditure", published by the Commonwealth Statistician, Canberra. The following summaries of the transactions of Victorian Public Authorities are on the same basis as to scope and classification as tables of the Current and Capital Accounts of State and Local Government Authorities published in the "Australian National Accounts, National Income and Expenditure", and in the annual budget paper "National Income and Expenditure". They are a consolidation (necessarily approximate) of the activities of the major funds and authorities in the State.

Particulars in the summaries 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 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 of Victoria. 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	1958-59	1959-60	1960-61	1961-62	1962-63
RECEIPTS					
Taxation .. .. .	65.4	76.6	83.2	87.5	92.6
Interest, &c., Received .. .. .	6.9	4.2	4.4	4.4	4.8
Public Enterprises' Income .. .. .	30.6	34.2	37.3	38.2	44.5
Grants from Commonwealth Government Authorities .. .. .	59.2	65.4	72.6	80.8	86.3
<b>Total Receipts .. .. .</b>	<b>162.1</b>	<b>180.4</b>	<b>197.5</b>	<b>210.9</b>	<b>228.2</b>
OUTLAY					
Net Current Expenditure on Goods and Services .. .. .	84.1	90.9	103.9	112.3	124.1
Subsidies .. .. .	0.5	0.5	0.5	0.2	0.3
Interest, &c., Paid .. .. .	40.0	44.7	48.6	54.1	60.1
Oversea Grants .. .. .	0.2	0.2	0.3	0.3	0.2
Cash Benefits to Persons .. .. .	1.1	1.3	0.8	1.0	1.1
Grants towards Private Capital Expenditure .. .. .	0.4	0.3	0.3	0.2	0.2
Surplus on Current Account .. .. .	35.8	42.5	43.1	42.8	42.2
<b>Total Outlay .. .. .</b>	<b>162.1</b>	<b>180.4</b>	<b>197.5</b>	<b>210.9</b>	<b>228.2</b>

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

Particulars	1958-59	1959-60	1960-61	1961-62	1962-63
SOURCES OF FUNDS					
Depreciation Allowances .. .. .	8.4	10.4	13.2	11.6	13.6
Net Sale of Securities—					
Commonwealth Securities—					
Securities other than Treasury Bills—					
Australia .. .. .	30.6	32.6	32.3	32.3	27.8
Overseas .. .. .	5.6	1.9	5.2	2.5	7.6
Local and Semi-Governmental Securities .. .. .	27.1	29.6	21.3	31.5	32.3
Increase in Private Trust Funds .. .. .	0.8	0.9	1.0	1.0	0.4
Advances from Commonwealth Government Authorities .. .. .	11.1	11.7	11.0	14.0	12.2
Grants from Commonwealth Government Authorities .. .. .	9.3	12.3	14.3	14.8	14.5
Surplus on State and Local Government Authorities Current Account .. .. .	35.8	42.5	43.1	42.8	42.2
Other Funds Available (Including Errors and Omissions) .. .. .	-2.7	1.6	0.3	1.7	3.5
Increase in Cash and Bank Balances .. .. .	-4.6	-11.5	-2.0	0.1	-10.2
<b>Total Sources of Funds .. .. .</b>	<b>121.4</b>	<b>132.0</b>	<b>139.7</b>	<b>152.3</b>	<b>143.9</b>

VICTORIA—PUBLIC AUTHORITIES' CAPITAL ACCOUNT—*continued*

(£ Mill.)

Particulars	1958-59	1959-60	1960-61	1961-62	1962-63
USES OF FUNDS					
Fixed Capital Expenditure on New Assets .. .. .	115·6	128·2	132·0	145·0	137·0
Expenditure on Existing Assets ..	-2·8	-5·3	-5·2	-3·4	-2·8
Increase in Value of Stocks ..	-1·9	-0·6	0·8	-0·3	-0·1
Advances to Public Financial Enterprises .. .. .	10·6	9·9	12·3	11·4	9·3
Net Increase in Financial Assets of Public Financial Enterprises ..	-0·1	-0·2	-0·2	-0·4	0·5
Total Uses of Funds ..	121·4	132·0	139·7	152·3	143·9

**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*

Under a "Gentlemen's Agreement" entered into by members of the Loan Council in 1936, the borrowings of semi-governmental and local authorities proposing to raise £100,000 or more in a year are subject to Loan Council approval. By a further arrangement, the Loan Council has, in recent years, approved overall borrowing programmes for semi-governmental and local authorities in each State proposing to borrow less than £100,000 in a year.

For 1962-63 and 1963-64, the Loan Council decided that no overall limit would be imposed on borrowings by authorities for which the State Governments approve programmes of not more than £100,000.

The terms and conditions on which the Loan Council from time to time approves loan raisings are the same for both the large and small authorities.

## (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. Although loan raisings for the year 1962-63 were adequate to complete governmental expenditure programmes, Commonwealth support was needed in previous years. From 1st July, 1951, to 30th June, 1963, out of loan programmes amounting to £2,632·3 mill., the Commonwealth has provided £882·1 mill. from the Australian currency proceeds of overseas loans and from budget surpluses.

## Grants to the States

## (1) General

The following table shows particulars of amounts paid during each of the years 1958-59 to 1962-63 to Victoria as grants for the several purposes referred to in subsequent paragraphs:—

## VICTORIA—COMMONWEALTH PAYMENTS TO OR FOR THE STATE\*

(£'000)

Particulars	1958-59	1959-60	1960-61	1961-62	1962-63
Financial Agreement—					
Interest on State Debt .. .. .	2,127	2,127	2,127	2,127	2,127
Sinking Fund on State Debt† ..	1,230	1,367	1,447	1,566	1,695
Financial Assistance Grants ‡ ..	46,475	60,625	67,371	73,015	76,134
Special Financial Assistance .. ..	8,104	..	..	..	..
Additional Assistance Grants .. ..	..	..	..	1,800	3,727
Commonwealth Aid Roads .. .. .	6,543	8,660	9,183	10,079	10,877
Tuberculosis Act 1948—Reimbursement of Capital Expenditure ..	45	26	48	58	55
Mental Institutions—Contribution to Capital Expenditure .. .. .	620	518	84	..	..
Coal Mining Industry—Long Service Leave .. .. .	1	§	§	§	§
Grants to Universities .. .. .	1,313	1,422	3,023	3,705	4,655
Tobacco Industry Extension Services	3	..	..	..	8
Dairy Industry Extension Services	80	60	72	65	65
Expansion of Agricultural Advisory Services .. .. .	60	50	60	60	60
Total .. .. .	66,601	74,855	83,415	92,475	99,403

\* 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 Grants*

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.

Details of the *States Grants (Income Tax Reimbursement) Act 1942*, the *States Grants (Entertainments Tax Reimbursement) Act 1942* and the *States Grants (Tax Reimbursement) Act 1946-48*, are given in the Official Year Book of the Commonwealth of Australia, No. 37, pages 635 to 637 and No. 46, pages 837 and 838. Grants under the provisions of the 1946-48 Act ceased after 1958-59.

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 1963-64 was £79,741,000. 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*

From 1961-62 the Commonwealth has provided the States with additional assistance grants for expenditure on employment-giving activities. Victoria's share of the 1963-64 grant was £5,140,000.

### (5) *Grants for Road Construction*

The Commonwealth has made grants to the States for road 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 (issued by the Commonwealth Statistician).



Under the provisions of the *Commonwealth Aid Roads Act* 1964, which is to operate for a period of five years as from 1st July, 1964, the Commonwealth will make available to the States a total amount of up to £375 mill. for the construction, reconstruction, maintenance, and repair of roads. Of this amount, £330 mill. will be payable as basic grants, which will increase from £62 mill. in 1964–65 to £70 mill. in 1968–69, 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 £45 mill. takes the form of matching assistance. The amount available for this purpose will increase from £3 mill. in 1964–65 to £15 mill. in 1968–69. 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. In 1963–64, Victoria received £11,412,000 by way of basic grant and matching assistance.

(6) *Tuberculosis Hospitals — Reimbursement of Capital Expenditure, Etc.*

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 1963–64 was £1,386,000), 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.

Victoria has not received any such reimbursements since 1960–61 when the limit of the financial assistance (£2,740,000) allocated to this State under the provisions of the Act was reached.

(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*

Commonwealth 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.

The *States Grants (Universities) Act* 1958, which operated from 1st January, 1958 (superseding the 1957 Act) and the *States Grants (Universities) Act* 1960, authorized the Commonwealth to make payments for universities of £21,950,000 over the three calendar years 1958 to 1960.

Under the authority of the *Australian Universities Commission Act* 1959, an Australian Universities Commission was appointed to enquire into and make recommendations on the subject of Commonwealth financial assistance to the States for universities in 1961 and subsequent years.

The main financial recommendations in the Commission's first report were incorporated in legislation passed in 1960, 1962, and 1963, which provided for payments to the States of £44·8 mill. over the three calendar years 1961 to 1963.

In its second report the Commission recommended that the Commonwealth make payments of £60·4 mill. to the States for universities over the three calendar years 1964 to 1966. Recommendations regarding additional payments for teaching costs of medical hospitals had not been determined when the report was issued. The *Universities (Financial Assistance) Act* 1963, authorized payments by the Commonwealth of the main financial recommendations of the Commission.

(10) *Tobacco Industry Extension Services*

In 1962, the Commonwealth decided to make a grant of £24,000 per annum to the tobacco growing States for additional extension services for tobacco growers. Victoria's share of this amount for 1963–64 was £8,000.

(11) *Dairy Industry Extension Services*

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 to the extent of £15,973,000. Each of the two States is to repay 15 per cent. of this amount, by instalments over a period of 50 years, plus interest on outstanding balances.

### 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 1958–59 to 1962–63. 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 1958–59 to 1962–63, 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)
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
1963 .. .. .	207,075	207,074	+ 1†	26,382‡

\* 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 £1,696,806 from the Public Account.

*Consolidated Revenue* :—Details of the principal sources of revenue are shown in the following table for each of the years 1958–59 to 1962–63 :—

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

Source of Revenue	Year Ended 30th June—				
	1959	1960	1961	1962	1963
Taxation* .. .. .	30,332	37,829	41,940	43,383	45,386
Business Undertakings—					
Railways .. .. .	38,142	39,032	42,624	42,983	43,564
Harbours, Rivers, and Lights ..	575	613	708	692	678
Water Supply, Sewerage, Irriga- tion, and Drainage .. .. .	4,001	4,115	4,453	4,989	5,079
Electricity Supply (Interest and Recoups of Sinking Funds, &c.)	2,654	2,941	3,411	3,931	4,294
State Coal Mine .. .. .	414	367	366	252	258
Other .. .. .	472	450	433	378	328
Total .. .. .	46,258	47,518	51,995	53,225	54,201
Lands—					
Sales .. .. .	167	247	174	328	336
Rents .. .. .	422	520	558	571	600
Forestry .. .. .	2,033	2,342	2,309	2,195	2,260
Other .. .. .	179	170	222	175	173
Total .. .. .	2,801	3,279	3,263	3,269	3,369
Interest <i>n.e.i.</i>	5,585	6,236	6,662	7,195	7,992
Commonwealth Grants—					
Financial Agreement Act ..	2,127	2,127	2,127	2,127	2,127
Financial Assistance .. .. .	46,475	60,625	67,371	73,015	76,133
Additional Financial Assistance ..	8,104	..	..	1,800	3,727
Total .. .. .	56,706	62,752	69,498	76,942	81,987
Commonwealth National Welfare Fund Payments—					
Tuberculosis—					
Maintenance Expenditure ..	1,060	1,114	1,112	1,147	1,333
Pharmaceutical Benefits—					
Mental Institutions .. .. .	32	29	31	85	157
Total .. .. .	1,092	1,143	1,143	1,232	1,490
Fees and Fines .. .. .	1,895	2,043	2,351	2,373	2,420
All Other† .. .. .	6,579	7,510	8,249	8,690	10,230
Grand Total .. .. .	151,248	168,310	185,101	196,309	207,075

\* For details of total taxation collections see page 644.

† 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 1958–59 to 1962–63 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—				
	1959	1960	1961	1962	1963
<b>Public Debt Charges—</b>					
Interest .. .. .	20,844	23,469	25,291	27,897	30,846
Exchange .. .. .	597	715	809	960	1,083
Debt Redemption .. .. .	4,689	5,301	5,749	6,226	6,738
Other .. .. .	86	161	144	183	158
<b>Total .. .. .</b>	<b>26,216</b>	<b>29,646</b>	<b>31,993</b>	<b>35,266</b>	<b>38,825</b>
<b>Business Undertakings—</b>					
Railways .. .. .	35,908	37,098	39,899	40,482	40,815
Harbours, Rivers, and Lights ..	464	510	647	633	545
Water Supply, Sewerage, Irriga- tion, and Drainage .. .. .	3,433	3,703	3,837	4,089	4,137
State Coal Mine .. .. .	607	560	572	511	462
Other .. .. .	255	259	264	256	226
<b>Total .. .. .</b>	<b>40,667</b>	<b>42,130</b>	<b>45,219</b>	<b>45,971</b>	<b>46,185</b>
<b>Social Expenditure—</b>					
<b>Education—</b>					
State Schools .. .. .	27,270	30,981	34,893	34,131	37,961
Technical Schools .. .. .	1,750*	1,998*	2,237*	6,925†	8,193‡
Universities .. .. .	1,040	1,185	1,653	1,965	2,133
Libraries, Art Galleries, &c. ..	682	712	820	907	1,007
Agricultural Education, Re- search, &c. .. .. .	580	638	741	796	834
Other .. .. .	55	57	68	70	181
Public Health and Recreation ..	2,004	2,152	2,213	2,526	2,744
<b>Charitable—</b>					
<b>Hospitals—</b>					
General .. .. .	13,107	14,901	15,758	16,510	16,802
Mental .. .. .	6,114	6,665	7,073	7,627	7,660
Child Welfare .. .. .	1,128	1,314	1,448	1,726	1,854
Other .. .. .	405	413	483	526	526
<b>Law, Order, and Public Safety—</b>					
Justice .. .. .	1,901	2,134	2,363	1,973	2,060
Police .. .. .	6,742	7,232	7,844	8,255	8,685
Penal Establishments .. .. .	916	1,000	1,141	1,289	1,368
Public Safety .. .. .	7	8	14	22	28
<b>Total .. .. .</b>	<b>63,701</b>	<b>71,390</b>	<b>78,749</b>	<b>85,248</b>	<b>92,036</b>
<b>All Other Expenditure—</b>					
Public Works <i>n.e.i.</i> .. .. .	1,572	1,856	1,789	2,447	1,972
Lands and Survey .. .. .	1,366	1,519	1,621	1,746	1,658
Agriculture .. .. .	2,451	2,012	2,109	2,308	2,419
Forestry .. .. .	1,822	2,060	2,120	2,133	2,272
Legislature and General Adminis- tration .. .. .	4,762	5,003	6,243‡	6,331	6,375
Pensions and Superannuation ..	4,116	4,463	4,830	5,167	4,743
Pay-roll Tax .. .. .	1,713	1,847	2,067	2,167	2,253
Interest and Sinking Fund Reserve Account .. .. .	..	..	1,300	..	..
Miscellaneous§ .. .. .	5,410	6,071	6,892	7,514	8,337
<b>Total .. .. .</b>	<b>23,212</b>	<b>24,831</b>	<b>28,971</b>	<b>29,813</b>	<b>30,029</b>
<b>Grand Total .. .. .</b>	<b>153,796</b>	<b>167,997</b>	<b>184,932</b>	<b>196,298</b>	<b>207,075</b>

\* Maintenance grants only. Other expenditure from Consolidated Revenue on Technical Schools is shown under the heading "State Schools."

† Total expenditure from Consolidated Revenue on Technical Schools.

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

§ Includes interest and repayments of advances under the Commonwealth-State Housing Agreements.

## 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 634–635, 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 645.

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 1958–59 to 1962–63 :—

VICTORIA—TAXATION COLLECTIONS  
(£'000)

Particulars	Year Ended 30th June—				
	1959	1960	1961	1962	1963
Motor—					
Registration Fees and Taxes .. ..	8,192	8,839	9,170	9,530	10,083
Drivers' Licences .. ..	570	904	514	520	637
Other .. ..	3,363	4,213	4,800	4,882	5,365
Total Motor ..	12,125	13,956	14,484	14,932	16,085
Probate and Succession Duties .. ..	7,839	9,413	11,531	12,540	12,322
Stamp Duties <i>n.e.i.</i> .. ..	8,485	12,471	12,557	11,998	12,839
Land .. ..	4,661	5,854	6,706	7,406	8,545
Income (Arrears) .. ..	3	*	3	*	1
Liquor .. ..	2,908	2,994	3,218	3,363	3,475
Tattersall Duty .. ..	2,849	2,966	3,257	3,175	3,202
Racing .. ..	2,320	2,630	2,841	3,203	3,735
Entertainments (Excl. Racing Admission Tax)	1,370	1,142	1,057	846	366
Licences <i>n.e.i.</i> .. ..	285	287	292	356	412
Grand Total ..	42,845	51,713	55,946	57,819	60,982
Paid to Consolidated Revenue .. ..	30,332	37,829	41,940	43,383	45,386
Paid to Special Funds .. ..	12,513	13,884	14,006	14,436	15,596
Per Head of Population	£15/11/7	£18/6/10	£19/6/9	£19/10/9	£20/3/7

\* 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, the issue of drivers' licences, &c. 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.

The amounts of motor taxation credited to the several accounts during the year 1962-63 were as follows :—

	£'000
Consolidated Revenue—	
Motor Car Third Party Insurance Tax	971
Country Roads Board Fund—	
Motor Registration Fees .. ..	10,082
Drivers' Licence Fees (half) .. ..	319
Drivers' Test Fees .. ..	75
Owners' Certificates (two-thirds) .. ..	708
Road Charges—Commercial Goods Vehicles Act .. .. .	2,459
	13,643
Level Crossings Fund—	
Owners' Certificates (one-third) .. ..	354
Municipalities Assistance Fund—	
Drivers' Licence Fees (half) .. ..	319
Transport Regulation Fund—	
Motor Omnibus Registration Fees .. ..	6
Licences, &c. .. ..	328
Permits .. .. .	379
	713
Motor Car (Hospital Payments) Fund—	
Deductions from Third Party Insurance Premiums .. .. .	85
	85
Total Motor Taxation, 1962-63 .. ..	16,085

*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 £			
	Does not exceed		600		Nil	Nil	Nil	Nil
Exceeds	600	but does not exceed	1,500	..	Nil	Nil	12	18
"	1,500	" " " "	5,000	..	Nil	Nil	24	24
"	5,000	" " " "	6,000	..	Nil	24	36	42
"	6,000	" " " "	6,500	..	24	24	36	42
"	6,500	" " " "	10,000	..	24	36	36	48
"	10,000	" " " "	15,000	..	24	24	30	42
"	15,000	" " " "	24,000	..	24	30	42	48
"	24,000	" " " "	25,000	..	30	30	42	48
"	25,000	" " " "	30,000	..	30	36	48	48
"	30,000	" " " "	35,000	..	42	48	48	48
"	35,000	" " " "	45,000	..	48	54	60	60
"	45,000	" " " "	55,000	..	54	66	72	90
"	55,000	" " " "	60,000	..	60	72	72	90
"	60,000	" " " "	65,000	..	72	72	78	90
"	65,000	" " " "	75,000	..	84	84	90	90
"	75,000	" " " "	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 1962–63 was as follows :—1958–59, £7,911,320 ; 1959–60, £9,872,406 ; 1960–61, £11,794,274 ; 1961–62, £12,507,739 ; 1962–63, £13,727,621.

### *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 1962–63 was :—1958–59, £13,308,744 ; 1959–60, £13,752,610 ; 1960–61, £14,806,953 ; 1961–62, £17,028,961 ; 1962–63, £17,849,543.

### *Land Tax*

The *Land Tax Act* 1928 provided for a tax on the unimproved value of land in Victoria. 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 following is a summary of the rates of land tax payable in Victoria for the year 1964, under the provisions of the *Land Tax (Rates and Appeals) Act* 1963 :—

(a) Land used for primary production purposes—

A tax of 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 4½d. in the pound on the unimproved value exceeding £70,000.

(b) Land used for other purposes—

A tax of one penny in the pound on the unimproved value of land up to £8,750 with a graduated increase in the rate to reach 7d. in the pound where the unimproved value exceeds £85,000.

Land used for primary production purposes is exempted from land tax if the unimproved value of such land is not more than £3,000, and a partial exemption is allowed up to £6,000, while the exemption in respect of land used for other purposes 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 1962. Tax was assessed on the basis laid down by the *Land Tax (Exemptions and Rates) Act 1961*.

VICTORIA—ANALYSIS OF STATE LAND TAX  
ASSESSMENTS, 1962

(Based on Unimproved Values at 31st December, 1961)

Unimproved Values of Holdings—				Number of Taxpayers	Total Unimproved Values*	Tax Payable
£					£'000	
1,451 to	1,631	..	..	23,009	35,060	86
1,632	2,000	..	..	33,801	58,818	259
2,001	3,000	..	..	29,465	73,013	318
3,001	4,000	..	..	18,074	60,920	230
4,001	5,000	..	..	12,623	56,247	199
5,001	6,000	..	..	7,584	40,798	169
6,001	7,000	..	..	5,255	34,122	145
7,001	8,000	..	..	3,866	28,475	118
8,001	8,750	..	..	2,064	17,248	69
8,751	10,000	..	..	2,856	26,807	115
10,001	15,000	..	..	5,898	71,899	346
15,001	20,000	..	..	2,219	37,293	208
20,001	25,000	..	..	1,125	25,050	181
25,001	30,000	..	..	679	18,640	127
30,001	35,000	..	..	702	22,534	212
35,001	40,000	..	..	315	11,759	101
40,001	50,000	..	..	498	23,885	184
50,001	75,000	..	..	505	28,752	395
75,001	85,000	..	..	80	6,506	99
85,001	100,000	..	..	130	11,976	224
100,001	150,000	..	..	166	20,250	395
150,001	200,000	..	..	95	16,619	389
200,001 and over		..	..	196	111,941	2,926
Total				151,205	838,612	7,495

\* Of land not exempted from land tax.

In the following table, details are shown of the assessments made during each of the years 1958 to 1962 :—

VICTORIA—STATE LAND TAX ASSESSMENTS

Year	Number of Taxpayers	Total Tax Payable	Average Tax Payable per Taxpayer	Total Unimproved Values*
		£'000	£ s. d.	£'000
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
1962 .. ..	151,205	7,495	49 11 4	838,612

\* Of land not exempted from land tax.

*Stamp Duties*

Under the provisions of the *Stamps Act* 1958, stamp duty is imposed in Victoria on a wide range of legal and commercial documents.

The rates of duty payable during 1963-64 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) .. .. .	6d.
not above £25 .. .. .	1s.
to £50 .. .. .	6d.
to £75 .. .. .	2s.
to £100 .. .. .	1s.
for extra £50 or part .. .. .	9d.
SHARE TRANSFERS—On sale for full value—Based on consideration } .. .. .	3/8%
to £10 .. .. .	6d.
above £10 .. .. .	12s.
TRANSFER OF REAL PROPERTY—Based on consideration } .. .. .	6d.
to £3,500 .. .. .	15s.
above £3,500 .. .. .	Variable scale according to nature
LEASES AND ASSIGNMENTS OF LEASES .. .. .	%
GIFTS AND SETTLEMENTS .. .. .	2
up to £1,000 .. .. .	3
over £1,000 to £5,000 .. .. .	4
" £5,000 " £10,000 .. .. .	5
" £10,000 " £25,000 .. .. .	6
" £25,000 " £50,000 .. .. .	8
" £50,000 " £100,000 .. .. .	10
" £100,000 .. .. .	5
INSURANCE—Based on premium income .. .. .	2
INSTALMENT PURCHASE (Including hire purchase) .. .. .	Scale based on .. .. .

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 644 and 651 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 1958–59 to 1962–63 :—

**VICTORIA—LIQUOR TAX**  
(£'000)

Particulars	Year Ended 30th June—				
	1959	1960	1961	1962	1963
<b>Licences—</b>					
Victuallers .. .. .	2,340	2,378	2,510	2,595	2,636
Spirit Merchants and Grocers .. .. .	381	425	493	544	599
Australian Wine .. .. .	16	16	13	12	10
Others .. .. .	7	7	15	15	19
Club Certificates .. .. .	127	129	146	155	165
Permits—Extended Hours, &c. .. .. .	37	39	41	42	46
<b>Total .. .. .</b>	<b>2,908</b>	<b>2,994</b>	<b>3,218</b>	<b>3,363</b>	<b>3,475</b>

*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 1958–59 to 1962–63 :—

**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
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
1963 .. .. .	10,100	3,202	3,052	150

*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 1958–59 to 1962–63:—

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*		Total- ator	Book- makers' Turnover	Other‡	Total
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
1963 .. ..	14,561	25,568	75,541	1,963	1,379	393	3,735

\* 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 1960-61 to 1962-63, according to the various classes of entertainments :—

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

Class of Entertainment	1960-61		1961-62		1962-63*	
	Number of Taxable Admissions	Tax Payable	Number of Taxable Admissions	Tax Payable	Number of Taxable Admissions	Tax Payable
	'000	£'000	'000	£'000	'000	£'000
Motion Pictures . . . . .	15,057	798	14,361	632	5,933	235
Racing (Horse, Trotting and Dog)	2,386	246	2,348	244	2,004	215
Sport . . . . .	798	32	541	26	540	27
Miscellaneous . . . . .	3,467	213	2,844	162	1,155	73
Periodical and Season Tickets .	216	30	159	21	223	30
Total . . . . .	21,924	1,319	20,253	1,085	9,855	580

\* As from 29th December, 1962, entertainments tax was payable only on admissions to horse-racing and trotting.

*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.

The tax levied is known as “Income Tax and Social Services Contribution” and is imposed on the incomes of both individuals and companies.

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 1963–64, Income Tax and Social Services Contribution is payable on the incomes of individuals commencing at a taxable income of £209. 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 benefit 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 1963-64 :—

AUSTRALIA—RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION FOR INDIVIDUALS, 1963-64\*

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 £208.

Special concessional rates apply to incomes of £209-£214.

A deduction is available to individuals who reside in certain remote areas of the Commonwealth or its Territories, and to members of the Defence Forces who serve in certain overseas localities.

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 1961-62 (based on incomes received during the year 1960-61). 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, 1961-62\***

Grade of Actual Income†	Taxpayer:	Taxable Income:			Net Income Tax and Social Services Contribution Assessed
		Salaries and Wages	Other	Total	
£	No.	£'000			
105- 199 ..	47,477	5,888	1,195	7,083	59
200- 299 ..	53,656	9,972	2,418	12,390	223
300- 399 ..	62,179	16,123	3,681	19,804	612
400- 499 ..	72,289	23,629	5,504	29,133	1,237
500- 599 ..	79,426	31,469	7,432	38,901	2,112
600- 699 ..	88,007	41,331	8,933	50,264	3,218
700- 799 ..	82,630	43,272	10,078	53,350	3,877
800- 899 ..	85,549	49,131	11,029	60,160	4,776
900- 999 ..	96,785	62,010	11,585	73,595	6,301
1,000- 1,099 ..	101,112	69,127	11,973	81,100	7,365
1,100- 1,199 ..	91,594	68,211	11,538	79,749	7,777
1,200- 1,299 ..	78,432	63,157	11,442	74,599	7,810
1,300- 1,399 ..	65,904	56,445	10,919	67,364	7,476
1,400- 1,499 ..	49,382	44,102	10,270	54,372	6,399
1,500- 1,999 ..	127,955	124,319	42,463	166,782	22,465
2,000- 2,999 ..	62,312	65,355	51,478	116,833	20,642
3,000- 3,999 ..	16,853	19,136	28,844	47,980	11,342
4,000- 4,999 ..	7,333	9,417	18,402	27,819	7,824
5,000- 9,999 ..	8,194	13,549	33,906	47,455	17,494
10,000-14,999 ..	1,106	3,129	8,819	11,948	5,653
15,000-19,999 ..	304	1,194	3,397	4,591	2,386
20,000-29,999 ..	167	845	2,621	3,466	1,931
30,000-49,999 ..	64	349	1,755	2,104	1,314
50,000 and over ..	29	154	1,785	1,939	1,220
Total ..	1,278,779	821,314	311,467	1,132,781	151,513

\* Includes 6,798 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 rate of 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 1963-64 (income year 1962-63) :—

#### AUSTRALIA—RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION PAYABLE BY COMPANIES, 1963-64

Type of Company	Rate per £ of Taxable Income—	
	Up to £5,000	Balance
	<i>s. d.</i>	<i>s. d.</i>
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 £208 are not liable to tax. Where the taxable income does not exceed £520, the tax payable is limited to one-half of the amount by which the taxable income exceeds £208, less any rebate or credit to which the company is entitled.

|| 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 £208 (increased from £104 from 31st October, 1963).

## Pensions and Gratuities

The following table shows details of State Government expenditure on pensions, gratuities, &c., during each of the years 1958-59 to 1962-63 :—

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

Particulars	Year Ended 30th June—				
	1959	1960	1961	1962	1963
Superannuation Fund—					
Railways .. .. .	1,843	1,968	2,126	2,258	2,328
Other .. .. .	1,366	1,521	1,703	1,897	2,089
Total Superannuation Fund ..	3,209	3,489	3,829	4,155	4,417
Police Pensions Fund .. .. .	786	852	870	870	65
Police Superannuation Fund .. ..	96	92	77	68	70
Coal Mine Workers Pensions Fund ..	70	71	80	81	80
Parliamentary Contributory Retirement Fund .. .. .	29	27	29	35	157
Married Women Teachers' Pensions Fund	12	15	15	19	17
Other Pensions, Gratuities, &c. ..	8	7	5	5	5
Grand Total .. .. .	4,210	4,553	4,905	5,233	4,811

*Superannuation Fund*

This Fund was established under the *Superannuation Act* 1925 to provide superannuation benefits, on a contributory basis, for public servants, teachers, railway employees, and employees of certain statutory bodies. The scope of the Fund was widened by amending legislation in 1963 to include, *inter alia*, members of the Police Force of Victoria. (See Police Pensions Fund, page 659.)

A summary of the main provisions of the current Superannuation Act is as follows :—

- (1) Male and 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 2 units (£104 pension) to 54 units (£2,457) 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.

The following table shows particulars of the Superannuation Fund for each of the years 1958–59 to 1962–63 :—

### VICTORIA—SUPERANNUATION FUND

Particulars	Year Ended 30th June—				
	1959	1960	1961	1962	1963
	£'000				
<b>Income—</b>					
Contributions—					
Officers .. .. .	2,615	2,845	3,005	2,900	2,976
Consolidated Revenue*	3,191	3,598	3,818	4,142	4,403
Interest .. .. .	1,286	1,464	1,641	1,815	2,019
Other .. .. .	6	7	610†	18	14
<b>Total .. .. .</b>	<b>7,098</b>	<b>7,914</b>	<b>9,074</b>	<b>8,875</b>	<b>9,412</b>
<b>Expenditure—</b>					
Pension Payments .. .. .	4,101	4,650	4,936	5,364	5,736
Lump Sum Payments .. .. .	5	2	6	2	1
Contributions Refunded .. .. .	207	273	710	824	309
Other .. .. .	1	1	‡	19	33
<b>Total .. .. .</b>	<b>4,314</b>	<b>4,926</b>	<b>5,652</b>	<b>6,209</b>	<b>6,079</b>
<b>Balance in Fund at 30th June .. .. .</b>	<b>29,561</b>	<b>32,549</b>	<b>35,971</b>	<b>38,637</b>	<b>41,970</b>
<b>Contributors at 30th June—</b>			No.		
Males .. .. .	37,021	37,173	36,051	37,810	39,157
Females .. .. .	6,020	6,182	6,610	7,167	7,662
<b>Total .. .. .</b>	<b>43,041</b>	<b>43,355</b>	<b>42,661</b>	<b>44,977</b>	<b>46,819</b>
<b>Pensioners at 30th June—</b>					
Ex-employees—					
Males .. .. .	7,713	7,939	8,087	8,224	8,197
Females .. .. .	1,176	1,226	1,274	1,299	1,336
Widows .. .. .	5,825	6,064	6,220	6,321	6,464
Children .. .. .	523	547	585	561	796
<b>Total .. .. .</b>	<b>15,237</b>	<b>15,776</b>	<b>16,166</b>	<b>16,405</b>	<b>16,793</b>

\* These figures do not agree with those shown on page 657, 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.

The number of contributors to the Fund at 30th June, 1963, was 4,247 males and 56 females.

The receipts of the Police Pensions Fund during 1962–63 amounted to £862,887, comprising deductions from pay, £238,469; special appropriation from Consolidated Revenue, £65,000; interest on investments, £559,075; and other receipts, £343. During the year, £697,528 was paid in pensions, £24,847 in gratuities, and £18,729 represented deductions from pay returned. The balance in the Fund at 30th June, 1963, was £12,001,183. Of this amount, £11,957,445 was invested in government and semi-government securities.

The *Superannuation Act* 1963 amended the *Superannuation Act* 1958 and the *Police Regulation Act* 1958 and provided that all new entrants to the Police Force on and after 1st February, 1964, would be required to contribute to the Superannuation Fund, and existing members at that date could elect either to transfer their superannuation rights to the Superannuation Fund or remain as contributors to the Police Pensions Fund.

### *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 1962–63, the total receipts of the Fund from all sources amounted to £86,634, while pension payments totalled £21,326. The balance in the Fund at 30th June, 1963, was £480,698 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 the pension until death or remarriage. Allowances for children under the age of sixteen are also provided under the Act.

During 1962-63, the Government contributed £41,000 to the Fund, and the State Coal Mine (as owners) £39,163.

#### *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.

During the year ended 30th June, 1963, receipts of the Fund amounted to £164,935, made up of contributions from members, £8,358, and Special Appropriations from Consolidated Revenue, £156,577. Pension payments during the year amounted to £51,537, while the balance, £113,398, being an amount equivalent to the total of all deductions made prior to 6th January, 1963, from the salaries of persons who were members of Parliament at that date, was transferred to the Parliamentary Superannuation Fund.

As deductions from members' salaries are, from 6th January, 1963, to be credited to the Parliamentary Superannuation Fund, the costs of all benefits payable from the Parliamentary Contributory Retirement Fund will, in the future, have to be met from Consolidated Revenue.

#### *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.

The balance at the credit of the Fund at 30th June, 1963, was £126,048 consisting of members' contributions £12,000 ; transfer from Parliamentary Contributory Retirement Fund £113,398; and other receipts £650. No payments were made from the Fund during 1962-63.

#### *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 1962-63 amounted to £41,314, consisting of teachers' contributions, £17,007 ; contribution from Consolidated Revenue, £16,695 ; and interest on investments, etc., £7,612. Payments from the Fund during the year totalled £7,861. The balance in the Fund at 30th June, 1963, was £179,243 of which £179,241 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 1962–63, the debits of all trust funds or accounts amounted to £165,039,584, while credits totalled £167,508,671.

At 30th June, 1963, the liability of the State on account of all trust funds or accounts amounted to £55,311,169. Of this total, £24,089,867 was invested in Commonwealth Stock or other securities, and cash advanced totalled £2,939,868. The balance—£28,281,434—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 1959–60 to 1962–63 and the total to 30th June, 1963.

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

Expenditure on—	Year Ended 30th June—				Total to 30th June, 1963
	1960	1961	1962	1963	
<b>Public Works—</b>					
Railways .. .. .	7,814	7,564	7,664	7,809	187,386*
Roads and Bridges .. .. .	1,291	1,407	1,110	503	28,172
Harbours and Rivers .. .. .	450	471	417	305	5,947
<b>Water Supply—</b>					
Country .. .. .	7,194	8,095	7,956	8,085	141,774†
Metropolitan .. .. .	..	..	..	..	3,143
Sewerage .. .. .	636	523	412	410	5,162
Electricity Supply .. .. .	6,500	6,750	7,000	8,500	82,939‡
Gas and Fuel Corporation .. .. .	90	80	70	50	12,439
<b>Public Buildings—</b>					
Schools .. .. .	11,463	12,928	14,300	14,065	115,772
Hospitals .. .. .	5,427	5,675	6,372	6,197	70,178
Other .. .. .	1,567	2,049	1,746	2,636	18,138
Immigration .. .. .	..	35	§	35	310
Municipal Endowment .. .. .	..	..	..	..	698
Municipalities, Loans, Grants, &c. .. .. .	490	510	665	953	5,772
Housing .. .. .	610	536	710	840	13,929
Unemployment Relief .. .. .	..	..	..	..	13,147
Other Public Works .. .. .	247	310	263	329	5,330
<b>Primary Production—</b>					
Land Settlement .. .. .	2,803	1,092	1,504	1,414	48,385
Soldier Settlement .. .. .	634	702	296	91	59,600
Wire Netting Advances .. .. .	2	3	1	1	1,052

\* 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.



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

(£'000)

Expenditure on—	Year Ended 30th June—				Total to 30th June, 1963
	1960	1961	1962	1963	
<b>Primary Production (<i>continued</i>)—</b>					
Other Advances to Settlers (Including Drought, Flood, &c., Relief) .. .. .	30	50	39	18	4,186
Bulk Handling of Wheat .. .. .	..	..	..	..	1,404
Forestry .. .. .	662	764	915	1,010	20,135
Mining <i>n.e.i.</i> .. .. .	67	106	79	67	1,070
Mining—State Coal Mine .. .. .	..	..	..	..	353
Primary Products—Advances to Companies .. .. .	..	..	..	..	331
Cool Stores . . . . .	68	53	54	68	1,013
Destruction of Vermin and Nox- ious Weeds .. .. .	610	640	677	713	3,444
Other Primary Production .. .. .	141	175	205	195	966
Other Purposes .. .. .	695	1,187	962	1,038	17,562
<b>Total Works Expenditure .. .. .</b>	<b>49,491</b>	<b>51,705</b>	<b>53,417</b>	<b>55,332</b>	<b>869,737</b>
<b>In Aid of Revenue .. .. .</b>	<b>2,546</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>28,562</b>
<b>Grand Total .. .. .</b>	<b>52,037</b>	<b>51,705</b>	<b>53,417</b>	<b>55,332</b>	<b>898,299</b>

The figures in the table above do not include discounts and flotation expenses on loans for works and redemption purposes, particulars of which are as follows :—1959–60, £355,224 ; 1960–61, £755,938 ; 1961–62, £427,347 ; 1962–63, £796,267. The aggregate expenditure to 30th June, 1963, was £16,803,903.

### 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, land settlement, and forestry.

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 respective year.

The figures are not directly comparable with those shown in issues of the Year Book prior to 1964 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, 1963, was £160,344,095, of which £153,401,393 was for housing, and £6,942,702 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 1958-59 to 1962-63. 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. Separate 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	1958-59	1959-60	1960-61	1961-62	1962-63
<b>DEBT MATURING IN AUSTRALIA</b>					
Debt Outstanding at 1st July .. ..	475,104	508,186	546,438	583,055	623,203
New Debt Incurred—					
Commonwealth Government Loan Flotations	64,485	67,899	97,070	79,747	141,122
Domestic Raisings .. ..	745	1,099	660	1,358	820
Less Conversion and Redemption Loans ..	27,106	24,574	54,202	34,060	97,113
Total New Debt Incurred .. ..	38,124	44,424	43,528	47,045	44,829
Repurchases and Redemptions from National Debt Sinking Fund .. ..	5,042	6,172	6,911	6,897	7,599
Net Increase in Debt .. ..	33,082	38,252	36,617	40,148	37,230
Debt Outstanding at 30th June .. ..	508,186	546,438	583,055	623,203	660,433

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

Particulars	1958-59	1959-60	1960-61	1961-62	1962-63
<b>DEBT MATURING IN LONDON</b>					
Debt Outstanding at 1st July .. ..	48,215	51,566	51,528	51,462	51,381
New Debt Incurred—					
Commonwealth Government Loan Flotations	20,053	..	775	..	3,099
Less Conversion and Redemption Loans ..	15,941	..	756	..	..
Total New Debt Incurred .. ..	4,112	..	19	..	3,099
Repurchases and Redemptions from National Debt Sinking Fund .. ..	761*	38	85†	81	56
Net Increase in Debt .. ..	3,351	— 38	— 66	— 81	3,043
Debt Outstanding at 30th June .. ..	51,566	51,528	51,462	51,381	54,424
<b>DEBT MATURING IN NEW YORK, CANADA, SWITZERLAND, AND THE NETHERLANDS</b>					
Debt Outstanding at 1st July .. ..	9,856	12,107	14,037	19,239	21,686
New Debt Incurred—					
Commonwealth Government Loan Flotations	2,349	2,354	5,515	4,462	5,072
Less Conversion and Redemption Loans ..	..	..	..	1,085	..
Total New Debt Incurred .. ..	2,349	2,354	5,515	3,377	5,072‡
Repurchases and Redemptions from National Debt Sinking Fund .. ..	98	424	313	835§	485
Adjustment due to Variation in Rate of Exchange	..	..	..	— 95	..
Net Increase in Debt .. ..	2,251	1,930	5,202	2,447	4,587
Debt Outstanding at 30th June .. ..	12,107	14,037	19,239	21,686	26,273
<b>TOTAL</b>					
Debt Outstanding at 1st July .. ..	533,175	571,859	612,003	653,756	696,270
New Debt Incurred—					
Commonwealth Government Loan Flotations	86,887	70,253	103,360	84,209	149,293
Domestic Raisings .. ..	745	1,099	660	1,358	820
Less Conversion and Redemption Loans ..	43,047	24,574	54,958	35,145	97,113
Total New Debt Incurred .. ..	44,585	46,778	49,062	50,422	53,000
Repurchases and Redemptions from National Debt Sinking Fund .. ..	5,901	6,634	7,309	7,813	8,140
Adjustment due to Variation in Rate of Exchange	..	..	..	— 95	..
Net Increase in Debt .. ..	38,684	40,144	41,753	42,514	44,860
Debt Outstanding at 30th June .. ..	571,859	612,003	653,756	696,270	741,130

\* 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.

‡ Raised in New York.

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

|| Includes New York, £22,201,337, Canada, £1,742,236, Switzerland, £1,299,831, and The Netherlands, £1,029,252.

Particulars concerning the due dates of loans outstanding at 30th June, 1963, 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, 1963  
(£'000)

Due Date (Financial Year)	Amount Maturing—				Total
	In Australia	In London	In New York	Elsewhere Overseas	
1963-64 .. ..	49,922	..	..	..	49,922
1964-65 .. ..	73,980	..	..	..	73,980
1965-66 .. ..	100,898	2,324	..	..	103,222
1966-67 .. ..	39,164	7,102	1,781	..	48,047
1967-68 .. ..	45,972	10,429	..	..	56,401
1968-69 .. ..	59,848	..	..	..	59,848
1969-70 .. ..	26,571	10,799	1,031	..	38,401
1970-71 .. ..	24,679	..	483	..	25,162
1971-72 .. ..	23,465	..	1,864	..	25,329
1972-73 .. ..	46,036	8,051	2,086	..	56,173
1973-74 .. ..	143	..	..	..	143
1974-75 .. ..	13,073	..	..	..	13,073
1975-76 .. ..	20,709	350	..	1,300*	22,359
1976-77 .. ..	163	..	..	..	163
1977-78 .. ..	171	3,099	..	..	3,270
1978-79 .. ..	178	11,895	1,921	..	13,994
1979-80 .. ..	25,645	..	2,227	..	27,872
1980-81 .. ..	20,908	..	2,304	1,742†	24,954
1981-82 .. ..	27,970	..	3,433	1,029‡	32,432
1982-83 .. ..	9,052	..	5,072	..	14,124
1983-84 .. ..	..	375	..	..	375
1984-85 .. ..	12,751	..	..	..	12,751
1985-86 .. ..	36,090	..	..	..	36,090
Not Yet Fixed .. ..	3,045	..	..	..	3,045
Total .. ..	660,433	54,424	22,202	4,071	741,130

\* 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 1958-59 to 1962-63 :—

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	Switzerland	The Netherlands	Amount	Per Head of Population		
				£'000				£	s.	d.
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
963 .. ..	660,433	54,424	22,202	1,742	1,300	1,029	741,130	242	10	9

The following table shows the rates of interest which were payable on the public debt at 30th June, 1963, 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, 1963  
(£'000)**

Rate of Interest	Amount Maturing—				Total
	In Australia	In London	In New York	Elsewhere Overseas	
per cent.					
6.0 .. ..	..	725	..	..	725
5.75 .. ..	..	..	..	1,742*	1,742
5.5 .. ..	..	23,045	8,506	..	31,551
5.375 .. ..	33,653	..	..	..	33,653
5.25 .. ..	14,525	..	4,531	..	19,056
5.0 .. ..	182,505	..	3,784	1,029†	187,318
4.75 .. ..	70,283	..	2,086	..	72,369
4.5 .. ..	146,947	..	483	1,300‡	148,730
4.25 .. ..	90,402	..	..	..	90,402
4.0 .. ..	24,068	..	..	..	24,068
3.875 .. ..	702	..	..	..	702
3.75 .. ..	15,919	..	1,031	..	16,950
3.625 .. ..	107	..	..	..	107
3.5 .. ..	5	7,102	1,781	..	8,888
3.4875 .. ..	§	..	..	..	§
3.25 .. ..	..	10,799	..	..	10,799
3.125 .. ..	76,388	..	..	..	76,388
3.1 .. ..	277	..	..	..	277
3.0 .. ..	1,070	12,753	..	..	13,823
2.7125 .. ..	123	..	..	..	123
2.5 .. ..	1	..	..	..	1
2.325 .. ..	624	..	..	..	624
1.0 .. ..	2,834	..	..	..	2,834
<b>Total .. ..</b>	<b>660,433</b>	<b>54,424</b>	<b>22,202</b>	<b>4,071</b>	<b>741,130</b>
<b>Average Rate of Interest per cent. .. ..</b>	<b>4.48</b>	<b>4.21</b>	<b>5.03</b>	<b>5.16</b>	<b>4.48</b>

\* 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 1958–59 to 1962–63. 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—	Payable in Australia	Payable in Oversea Countries	Total	Per Head of Population	Average Rate
		£'000		£ s. d.	%
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
1963 ..	29,555	3,620	33,175	10 17 2	4·48

The interest and expenses associated with the public debt of Victoria, for each of the years 1958–59 to 1962–63, 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				
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
1963 ..	28,560	1,716	462	107†	30,845	1,083	127	32,055

\* Includes £2,127,159 contributed each year by the Commonwealth Government in accordance with the provisions of the "Financial Agreement" (see page 635), but excludes interest paid on advances received from the Commonwealth Government for housing and soldier settlement.

† Includes Canada, £50,281, Switzerland £22,700, and The Netherlands, £34,465.

### 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 the States were to make annual contributions to the Fund for this purpose.

Details of transactions of the National Debt Sinking Fund in respect of the Public Debt of the State of Victoria, for each of the years 1958-59 to 1962-63, are shown in the following tables. The first table shows particulars of the receipts of the Fund, and the second table shows details of the expenditure on, and face value of, securities repurchased and redeemed.

VICTORIA—NATIONAL DEBT SINKING FUND : RECEIPTS  
(£'000)

Particulars	1958-59	1959-60	1960-61	1961-62	1962-63
Contributed under Financial Agreement—					
Victoria .. .. .	4,648	5,250	5,703	6,175	6,696
Commonwealth .. .. .	1,230	1,367	1,447	1,565	1,695
Total Contributions under Financial Agreement .. .. .	5,878	6,617	7,150	7,740	8,391
Interest on Investments .. .. .	13	1	6	1	13
Special Contributions by Victoria .. .. .	42	53	53	54	51
Total .. .. .	5,933	6,669	7,209	7,793	8,429
Total to Date .. .. .	65,817	72,486	79,695	87,488	95,917

VICTORIA—NATIONAL DEBT SINKING FUND : SECURITIES  
REPURCHASED AND REDEEMED  
(£'000)

Particulars	1958-59	1959-60	1960-61	1961-62	1962-63
Australia—					
Face Value .. .. .	5,042	6,172	6,911	6,897	7,599
Net Cost .. .. .	5,020	6,162	6,801	6,894	7,596
London—					
Face Value .. .. .	600	37	66	81	56
Net Cost .. .. .	752*	35	77†	74	57
New York—					
Face Value .. .. .	98	425	313	816	475
Net Cost .. .. .	93	414	303	827‡	471
Canada—					
Face Value .. .. .	..	..	..	..	10
Net Cost .. .. .	..	..	..	..	10
Total—					
Face Value .. .. .	5,740	6,634	7,290	7,794	8,140
Net Cost .. .. .	5,865	6,611	7,181	7,795	8,134
Total to Date—					
Net Cost .. .. .	65,689	72,300	79,481	87,276	95,410

\* 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.

FURTHER REFERENCE

Year Book 1964 (718-719).

*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 1959–63*, 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.* Each savings bank (except State banks trading in their own State) is required at all times to 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 :—
- (i) deposits with Reserve Bank ;
  - (ii) deposits with and loans to other banks ;
  - (iii) Commonwealth or State securities ;
  - (iv) securities issued or guaranteed by a Commonwealth or State authority ;
  - (v) loans to authorized dealers in the short-term money market ;
  - (vi) loans guaranteed by the Commonwealth or a State ; and
  - (vii) loans for housing or other purposes on the security of land.

Subject to minor exceptions each savings bank must hold at least 65 per cent. of its depositors' funds in the first five categories listed above plus cash on hand, including a total of at least 10 per cent. in deposits with the Reserve Bank, in Treasury Bills and Treasury Notes.

A savings bank may not accept deposits from a profit-making body unless in relation to such deposits that body is acting in a trustee capacity for a non-profit-making beneficiary. Cheques may not be drawn on savings bank accounts other than by local government authorities, friendly societies, etc., and companies acting as trustees.

- (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 during 1963**

Economic recovery during 1963 was reflected in a number of features of the banking system. The main feature was the strong rise in deposits, mainly caused by rises in government expenditure, export proceeds, and oversea capital inflow. However, bank customers did not fully utilize their growing purchasing power, as they failed to increase their overdraft borrowing substantially.

Consistent with the encouragement given to borrowing was the cut in interest rates announced at the end of March. Rates on term deposits in banks for three to 11 months were altered to 3½ per cent. a year (previously 3¼ per cent.), those for 12 to 15 months, 3½ per cent. (previously 4 per cent.), while the overdraft maximum was reduced from 7 per cent. to 6½ per cent. thus cancelling the rise imposed in 1960. These cuts, intended as a stimulus while there was still room for some further recovery and expansion in economic activity, would make it easier to raise rates later, when appropriate, and would help in using interest rates more flexibly.

However, advances (including term loans) did not rise strongly. They gained only £46 mill. over the year, compared with a rise of £197 mill. in deposits, so that the advance/deposit ratio fell from 54·9 per cent. in December, 1962 to 52 per cent. in December, 1963. It is also significant that, of total advances, wool advances rose by £25 mill. and term loans by £31 mill., more than accounting for the gain in total advances, so that other borrowers reduced their overdrafts by £10 mill. Further significant movements were shown in total overdraft commitments of the trading banks, which rose by £113 mill. to £1,884 mill. over the year. This, in relation to actual advances, indicates the widening margin of unexercised overdraft authorities. Many of the overdraft limits had been carried forward from earlier stages of the recovery, when national policy demanded easier availability of credit, but these continued to be unused.

There was considerable public discussion during the year about the extent of private lending between substantial corporations on an informal basis, at interest rates between those offered by the Short Term Money Market dealers and those charged on bank overdrafts. Borrowers apparently used their unexercised overdraft rights, in some cases, as security for such borrowings. A sequel to this could be that, if the tempo of business increased and sources of the inter-company loans dried up, overdraft limits would be heavily used.

High liquidity in the banking system was a cause of some long-term concern, expressed by the Reserve Bank in its Annual Report for the year to 30th June, 1963.

This forward responsibility of the central bank did not bring any specific action until later in the year, when some directives were given to the banks, and a reversal of easy credit was clearly in view. This was further implemented by calls to Statutory Reserve Deposits (S.R.D.) early in 1964.

At the beginning of November, 1963, it was reported that the Governor of the Reserve Bank had asked the banks to halt the rising trend of their lending, but he also pointed out that there was ample finance available to sustain high economic activity. This was taken as an assurance that the position was being watched, but that no credit squeeze was necessary. (There had been public discussions of whether a credit squeeze was imminent.)

A special development during 1963 was the use of the Term Lending Fund, which had been set up during 1962. By the end of that year, a considerable amount had been lent and much more committed. The need for term loans having been proved, provision of an extra £19 mill. was announced in July, 1963, being equal to 1 per cent. of deposits. This was provided to the extent of 0·7 per cent. of deposits by a release from S.R.D. in the central bank (reducing the S.R.D. ratio from 11·5 per cent. to 10·8 per cent.) and the rest was from the liquid funds of the trading banks.

The savings bank subsidiaries of the major trading banks had been operating under regulations requiring them to hold 70 per cent. of their funds in government or semi-government securities or Reserve Bank cash. This meant that they provided their working cash to meet

withdrawals, any net fall in deposits, loans approved but not drawn, and loans on real estate from the remaining 30 per cent. In effect, they were able to lend less than 20 per cent. of their deposits for housing, unless they risked infringing the regulations. At Budget time, the Savings Bank regulations were altered to allow them to lend up to 35 per cent. on real estate, the remaining 65 per cent. to go into cash and securities. This followed tacit recognition of the need to make more funds available for housing as demand for new dwellings increased, along with the fact that the Federal Government no longer needed as much support for its loan programmes as the 70/30 regulation on savings banks provided. Subsequently, savings banks steadily increased their loans for housing. This was facilitated also by a more liberal view on maximum loans to individual borrowers, especially on the part of some savings banks which had previously observed a strict limit on housing loans.

#### HISTORY OF BANKING IN VICTORIA

Year Book 1961 (625-628).

#### Trading Banks

The following table shows the number of branches and agencies, in Victoria, conducted by individual trading banks at 30th June, 1961 to 1963 :—

#### VICTORIA—TRADING BANKS : NUMBER OF BRANCHES AND AGENCIES

Bank	At 30th June—					
	1961	1962	1963	1961	1962	1963
	Branches			Agencies		
Commonwealth Trading Bank of Australia .. .. .	85	90	111	53	64	60
Private Trading Banks—						
Australia and New Zealand Bank Ltd. .. .. .	178	180	185	81	85	88
Bank of Adelaide .. .. .	1	1	1	..	..	..
Bank of New South Wales .. .. .	139	145	152	13	18	20
Commercial Bank of Australia Ltd. .. .. .	153	155	160	70	69	65
Commercial Banking Co. of Sydney Ltd. .. .. .	107	111	114	35	39	39
English, Scottish, and Australian Bank Ltd. .. .. .	135	141	142	47	41	37
National Bank of Australasia Ltd. .. .. .	214	213	222	100	101	98
Total Private Trading Banks	927	946	976	346	353	347
Total Trading Banks .. .. .	1,012	1,036	1,087	399	417	407
Metropolitan Area .. .. .	515	540	581	160	176	167
Remainder of State .. .. .	497	496	506	239	241	240

The following tables show particulars of the averages of deposits with, and advances by, trading banks in Victoria during the month of June, 1963. Comparable figures for the months of June for each of the preceding four years are also shown in the second table. 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, 1963  
(£'000)

Bank	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
Commonwealth Trading Bank of Australia .. .. .	43,094	19,360	62,454	39,387
Private Trading Banks— Australia and New Zealand Bank Ltd. .. .. .	72,754	41,457	114,211	60,393
Bank of Adelaide .. .. .	1,354	2,256	3,610	1,731
Bank of New South Wales ..	46,593	25,000	71,593	42,548
Commercial Bank of Australia Ltd. .. .. .	52,696	35,421	88,117	50,638
Commercial Banking Co. of Syd- ney Ltd. .. .. .	28,276	22,011	50,287	26,770
English, Scottish, and Australian Bank Ltd. .. .. .	50,349	24,966	75,315	41,489
National Bank of Australasia Ltd.	74,052	66,418	140,470	56,531
Total ..	369,168	236,889	606,057	319,487

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

Month of June	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
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
1963 .. .. .	369,168	236,889	606,057	319,487

A classification of persons and authorities in receipt of trading bank advances for each of the years 1958–59 to 1962–63 is given in the following table. Business advances are classified according to the main industry of the borrower.

## VICTORIA—TRADING BANKS : CLASSIFICATION OF ADVANCES

(£'000)

Classification	At End of June—				
	1959	1960	1961	1962*	1963†
<b>Resident Borrowers—</b>					
<b>Business Advances—</b>					
Agriculture, Grazing, and Dairying ..	43,804	44,342	41,789	45,166	48,339
Manufacturing .. .. .	60,749	86,505	89,278	84,179	88,480
Transport, Storage, and Com- munication .. .. .	5,064	4,805	4,039	4,148	4,939
Finance .. .. .	21,291	26,425	28,516	27,534	20,289
Commerce .. .. .	51,366	62,556	65,093	62,270	66,326
Building and Construction ..	7,886	8,981	8,006	9,525	9,368
Other Businesses .. .. .	17,062	20,338	19,622	21,917	25,819
Unclassified .. .. .	2,528	2,158	2,392	3,619	2,592
<b>Total Business Advances .. ..</b>	<b>209,750</b>	<b>256,110</b>	<b>258,735</b>	<b>258,358</b>	<b>266,152</b>
Advances to Public Authorities ..	4,045	2,991	3,046	3,809	3,486
Personal Advances .. .. .	41,031	44,401	38,260	44,057	49,018
Advances to Non-Profit Organizations..	3,746	4,481	4,709	4,775	5,259
<b>Total Advances to Resident Bor-   rowers .. .. .</b>	<b>258,572</b>	<b>307,983</b>	<b>304,750</b>	<b>310,999</b>	<b>323,915</b>
<b>Non-Resident Borrowers .. .. .</b>	<b>87</b>	<b>67</b>	<b>120</b>	<b>79</b>	<b>119</b>
<b>Grand Total .. .. .</b>	<b>258,659</b>	<b>308,050</b>	<b>304,870</b>	<b>311,078</b>	<b>324,034</b>

\* At 11th July, 1962.

† At 10th July, 1963.

A classification of bank deposits is available only on a Commonwealth basis, and is to be found in the Banking and Currency Bulletin issued annually by the Commonwealth Statistician.

The following table shows, for each of the years 1958–59 to 1962–63, the average weekly amounts debited by cheque paying banks to customers' accounts. Particulars relate to the operations of trading banks transacting business in Victoria (as set out in the tables on pages 674–675) together with the Bank of New Zealand, and the Comptoir National d'Escompte de Paris (all of which are cheque paying banks) and, in addition, the Rural Credits Department of the Reserve Bank and the Commonwealth Development Bank (prior to 14th January, 1960, Industrial Finance and Mortgage Bank Departments of the Commonwealth Bank). Debits to Australian Government accounts at city branches are excluded from the table.

## VICTORIA—CHEQUE PAYING BANKS : AVERAGE WEEKLY DEBITS TO CUSTOMERS' ACCOUNTS

(£'000)

Year Ended 30th June—	Average Weekly Debits	Year Ended 30th June—	Average Weekly Debits
1954 .. .. .	154,885	1959 .. .. .	224,728
1955 .. .. .	176,146	1960 .. .. .	264,561
1956 .. .. .	185,369	1961 .. .. .	282,936
1957 .. .. .	195,455	1962 .. .. .	295,018
1958 .. .. .	207,059	1963 .. .. .	325,271

### Reserve Bank of Australia

The corporate identity of the Reserve Bank of Australia traces back through the name Commonwealth Bank of Australia, to the *Commonwealth Bank Act* 1911 of the Federal Parliament. Since 14th January, 1960, the legislation bearing on its constitution, powers and functions is the *Reserve Bank Act* 1959 and the *Banking Act* 1959.

The Reserve Bank is the central bank of Australia and Territories of the Commonwealth and its principal responsibilities are the conduct of Government and other central bank accounts; bank credit policy supervision, exchange control and foreign exchange; the conduct of Commonwealth Government and Territorial inscribed stock registries; the Australian Note Issue; and seasonal advances through the Rural Credits Department to statutory authorities and co-operative associations for the marketing of primary produce.

The Bank's assets and liabilities, for each of the years 1958-59 to 1962-63 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	1958-59	1959-60	1960-61	1961-62	1962-63
Liabilities—					
Capital and Reserve Funds .. ..	26,437	25,029	22,790	26,000	28,514
Australian Notes on Issue .. ..	396,019	413,592	427,710	427,503	438,261
Statutory Reserve Deposit Accounts of Trading Banks ..	259,865	280,786	294,409	217,733	212,254
Other Deposits of Trading Banks ..	24,189	19,580	18,478	31,454	59,512
Other Liabilities ..	232,866	246,368	268,417	332,986	306,793
Total ..	939,376	985,355	1,031,804	1,035,676	1,045,334

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

Particulars	1958-59	1959-60	1960-61	1961-62	1962-63
<b>Assets—</b>					
Gold and Balances					
Held Abroad ..	411,509	442,164	365,696	492,083	514,105
Australian Notes and					
Coin ..	2,182	3,566	6,280	7,985	9,118
Cheques and Bills of					
Other Banks ..	4,094	3,084	1,956	1,790	1,930
Government and Other					
Securities (In-					
cluding Common-					
wealth Treasury					
Bills) ..	469,064	475,189	571,279	465,687	449,534
Bills Receivable and					
Remittances in					
Transit ..	4,707	4,014	5,749	6,270	7,659
Loans, Advances, and					
all Other Assets ..	47,820	57,338	80,844	61,861	62,988
Total ..	939,376	985,355	1,031,804	1,035,676	1,045,334

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

Particulars	1958-59	1959-60	1960-61	1961-62	1962-63
<b>Total Liabilities (Ex-</b>					
<b>cluding Capital and</b>					
<b>Contingencies) ..</b>	40,272	54,542	62,332	57,606	55,540
<b>Assets—</b>					
Loans, Advances, &c.	46,732	62,605	72,356	68,480	66,681
Other Assets ..	282	217	54	45	524
Total Assets ..	47,014	62,822	72,410	68,525	67,205

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

Department	1958-59	1959-60	1960-61	1961-62	1962-63
Central Banking ..	4,200	5,381	6,705	6,673	3,351
Note Issue ..	10,935	10,516	12,930	15,751	12,781
Rural Credits ..	227	322	434	469	444
Total ..	15,362*	16,219	20,069	22,893	16,576

\* 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	1958-59	1959-60	1960-61	1961-62	1962-63
National Debt Sinking Fund .. ..	2,100	..	..	..	..
Commonwealth of Australia .. ..	10,935	13,206	16,283	20,237	14,456
Reserve Bank Reserve Fund .. ..	2,100	2,691	3,352	2,186	1,676
Rural Credits Department—					
Reserve Fund .. ..	114	161	217	235	222
Development Fund .. ..	113	161	217	235	222
Total .. ..	15,362	16,219	20,069	22,893	16,576

### Commonwealth Banking Corporation

#### *General*

The Commonwealth Banking Corporation, established under the *Commonwealth Banks Act 1959*, came into being on 14th January, 1960, and is the controlling body for the Commonwealth Trading Bank of Australia, Commonwealth Savings Bank of Australia, and Commonwealth Development Bank of Australia.

The 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.

#### *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 January, 1913.)

The Commonwealth Trading Bank is today one of the largest trading banks in Australia. At June, 1963, deposits totalled £318 mill., or 16.5 per cent. of the total deposits of all major Australian trading banks, advances to customers were £180 mill., customers' accounts numbered 773,000, and it had 921 branches and agencies throughout Australia.

#### *Commonwealth Savings Bank of Australia*

The Commonwealth Savings Bank of Australia was established in July, 1912.

At the end of June, 1963, amounts on deposit with the Savings Bank within Australia totalled £939 mill. and it was conducting 5,660,000 active accounts. The Savings Bank's depositors' balances are widely invested in the development of Australia; apart from advances (mainly for housing) of £182 mill. outstanding in June, 1963, investments in Commonwealth and State Government securities totalled approximately £530 mill., and in local and semi-government securities approximately £115 mill.

Since 1946, £283 mill. has been provided for housing purposes, assistance having been provided for almost 145,000 homes, of which 127,000 were new dwellings.

#### *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.

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.

The Development Bank has branches in the six capital cities and, in addition, all major banks in Australia act as agents 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
1959 .. ..	73	160	233	129	641
1960 .. ..	80	191	271	147	680
1961 .. ..	104	178	282	148	719
1962 .. ..	116	186	302	162	760
1963 .. ..	123	195	318	180	773

**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.	
1959 .. .. .	5,265	765	127	555
1960 .. .. .	5,370	807	136	586
1961 .. .. .	5,450	822	148	589
1962 .. .. .	5,560	873	164	610
1963 .. .. .	5,660	939	182	645

Details of financial assistance approved by the Commonwealth Development Bank during the period 14th January, 1960, to 22nd April, 1964, are set out in the following tables :—

**AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOPMENT BANK : LOANS APPROVED, 14TH JANUARY, 1960, TO 22ND APRIL, 1964**

Particulars	Rural Loans		Industrial Loans		Total	
	No.	Amount	No.	Amount	No.	Amount
		£'000		£'000		£'000
Australia ..	7,771	34,791	880	14,195	8,651	48,986
Victoria ..	1,110	4,424	184	3,771	1,294	8,195

**AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOPMENT BANK : EQUIPMENT FINANCE ON HIRE PURCHASE TERMS, 14TH JANUARY, 1960, TO 22ND APRIL, 1964**

Particulars	Number of Advances	Amount Advanced
		£'000
Australia .. .. .	55,290	67,572
Victoria .. .. .	11,626	16,427

Advances by the Commonwealth Development Bank to primary and secondary industries outstanding in Australia at 30th June, 1963 were as follows :—

**AUSTRALIA—COMMONWEALTH DEVELOPMENT BANK OF AUSTRALIA : ADVANCES TO PRIMARY AND SECONDARY INDUSTRIES OUTSTANDING AT 30TH JUNE, 1963**

Primary Industries				Secondary Industries			
Type of Industry			Advances Outstanding	Type of Industry			Advances Outstanding
			£'000				£'000
Sheep .. .. .			11,054	Chemical Products ..			1,403
Cattle .. .. .			2,621	Electrical Manufacturing..			544
Dairying .. .. .			3,570	Food Processing .. .. .			968
Wheat and Other Grain				Engineering .. .. .			1,924
Crops .. .. .			2,461	Other Manufacturing ..			2,930
Fruit .. .. .			1,145	Transport .. .. .			1,311
Miscellaneous .. .. .			1,669	Miscellaneous .. .. .			1,346
Total .. .. .			22,520	Total .. .. .			10,426

**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 saving 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.

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.

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 Bank accepts payments due to the State Electricity Commission of Victoria, the Gas and Fuel Corporation of Victoria, and certain other organizations.

At 30th June, 1963, the Bank's 433 branches, 18 sub-branches, and 651 agencies throughout the State held balances totalling £357 mill.

The total assets of the Bank at 30th June, 1963, after the exclusion of inter-departmental items, were £386·6 mill.

Profits accruing from the activities of the Savings Bank Department were :—1958–59, £389,304 ; 1959–60, £343,696 ; 1960–61, £580,300 ; 1961–62, £223,871 ; and 1962–63, £1,247,504. Reserve Funds totalled £11,325,000 at 30th June, 1963.

The following table shows the number of accounts open and the amount remaining on deposit for each year from 1958–59 to 1962–63 :—

#### 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
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
1963 ..	2,476	519	2,995	324,760	28,711	3,371	356,842

The following table shows the transactions in connexion with all accounts for each year from 1958–59 to 1962–63 :—

#### 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
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
1963 ..	369	318	2,995	438,709	423,789	10,087	356,842

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, 1963
	1960	1961	1962	1963	
<b>Stock and Debentures—</b>					
Issued .. .. £'000	26,250	29,250	33,750	40,500	457,345*
Redeemed .. .. £'000	16,000	23,000	31,000	33,000	383,595
Outstanding at 30th June £'000	57,250	63,500	66,250	73,750	73,750
<b>Pastoral or Agricultural Property—</b>					
Advanced .. .. £'000	78	49	62	173	13,144
Repaid .. .. £'000	69	58	65	58	12,569
Outstanding at 30th June £'000	472	463	460	575	575
Loans Current, 30th June No.	481	447	413	432	432
<b>Dwelling or Shop Property—</b>					
Advanced .. .. £'000	15,280	11,727	7,301	12,976	146,736
Repaid .. .. £'000	4,865	4,851	4,842	5,581	71,257
Outstanding at 30th June £'000	58,749	65,625	68,084	75,479	75,479
Loans Current, 30th June No.	34,258	36,740	37,683	40,021	40,021
<b>Housing Advances—</b>					
Advanced .. .. £'000	..	..	..	..	9,840
Repaid .. .. £'000	48	37	31	27	9,766
Outstanding at 30th June £'000	169	132	101	74	74
Loans Current, 30th June No.	643	538	429	315	315
<b>Country Industries—</b>					
Advanced .. .. £'000	..	..	..	..	195
Repaid .. .. £'000	..	..	1	..	194
Outstanding at 30th June £'000	2	2	1	1	1
Loans Current, 30th June No.	1	1	1	1	1
<b>Total Transactions—</b>					
Advanced .. .. £'000	15,358	11,776	7,363	13,149	169,915
Repaid .. .. £'000	4,982	4,946	4,939	5,666	93,786
Outstanding at 30th June £'000	59,392	66,222	68,646	76,129	76,129
Loans Current, 30th June No.	35,383	37,726	38,526	40,769	40,769

\* 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, 1963, after making provision for bad and doubtful debts, was £81,532. This sum was added to General Reserve, which amounted to £2,171,213 at 30th June, 1963. There are provisions for depreciation and long service leave amounting to £265,000.

HISTORY OF STATE SAVINGS BANK

Year Book 1961 (630–632).

### Private Savings Banks

Private savings banks in Victoria are part of a nationwide savings bank network conducted by the wholly owned subsidiaries of each of the seven major private banks operating in Australia which are themselves public companies listed on local stock exchanges. Deposits with the private savings banks are guaranteed by the parent trading bank companies.

Private savings banks have been operating in Victoria since January, 1956, when two of the banks commenced operations in this field. By July, 1962, all seven banks were participating in this business.

The following table shows the total amount of deposits in private savings banks in Victoria at 30th June in each of the years 1956 to 1963, together with the proportion which these deposits bear to the total Victorian savings bank deposits :—

#### VICTORIA—PRIVATE SAVINGS BANKS : DEPOSITS AND PROPORTION OF ALL VICTORIAN SAVINGS BANK DEPOSITS

At 30th June—							Deposits in Victoria	Proportion of Deposits with all Savings Banks in Victoria
							£'000	Per cent.
1956	..	..	..	..	..	..	11,644	3·0
1957	..	..	..	..	..	..	30,751	7·5
1958	..	..	..	..	..	..	43,019	9·9
1959	..	..	..	..	..	..	54,581	11·9
1960	..	..	..	..	..	..	70,242	14·1
1961	..	..	..	..	..	..	75,552	14·6
1962	..	..	..	..	..	..	96,506	16·9
1963	..	..	..	..	..	..	136,567	21·0

At 30th June, 1963, private savings banks had 976 branches and 906 agencies throughout Victoria.

### Total Deposits, &c., in Savings Banks

The next table shows, for each of the years 1958–59 to 1962–63, 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				£
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
1963 .. ..	356,842	155,682	136,567	649,091	212·4

\* Including School Bank and Deposit Stock Accounts.

## ROYAL MINT

Victorian Year Book 1964 (741-742)

Commonwealth Year Book 1963 (838-840)

## Life Insurance

## General

Life insurance business in Victoria is regulated by the Commonwealth Life Insurance Act which came into operation in 1946. This Act replaced existing Commonwealth and State Acts and resulted in uniform life insurance legislation throughout Australia. Over the years some minor amendments have been made to the original Act but, in general, it has proved to be very satisfactory.

Life insurance may be regarded as being in two main categories—Ordinary and Industrial. 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.

The following table gives some indication of the growth and volume of life insurance business conducted in Victoria during the period 1958 to 1962 :—

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
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
1962 .. ..	47,012	16,032	7,130	462	23,624



The following table shows, for each of the years 1958 to 1962, 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	1958	1959	1960	1961	1962
<b>Ordinary and Superannuation Business—</b>					
Number of Policies ..	976,227	1,098,001	1,110,085	1,100,318	1,109,639
Sum Insured £'000	857,569	993,079	1,188,652	1,349,659	1,481,494
Annual Premiums ..	27,203	30,012	33,686	36,879	39,696
<b>Industrial Business—</b>					
Number of Policies ..	1,102,774	1,069,764	1,032,245	981,034	938,393
Sum Insured £'000	100,390	101,424	104,505	107,851	113,466
Annual Premiums ..	4,759	4,757	4,830	4,886	5,018

In 1962, the average amount of policy held in the Ordinary and Superannuation Departments and in the Industrial Department was £1,335 and £121 respectively.

The following table contains summarized information about new business written by all life insurance companies during each of the five years 1958 to 1962 :—

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

Particulars	1958	1959	1960	1961	1962
<b>Ordinary and Superannuation Business—</b>					
Number of Policies ..	84,686	90,939	123,850	118,692	105,815
Sum Insured £'000	156,501	193,872	273,734	276,781	268,251
Annual Premiums ..	4,351	4,715	5,845	6,359	5,894
<b>Industrial Business—</b>					
Number of Policies ..	53,457	52,804	51,275	48,295	43,705
Sum Insured £'000	8,978	9,343	11,532	13,340	15,534
Annual Premiums ..	418	435	512	556	616

Sums insured under new policies issued during 1962 averaged £2,535 in the Ordinary and Superannuation Departments and £355 in the Industrial Department.

The following table gives particulars of the policies which were discontinued during each of the years 1960 to 1962 :—

VICTORIA—LIFE INSURANCE : POLICIES DISCONTINUED  
(EXCLUDING ANNUITIES)

Cause of Discontinuance	1960		1961		1962	
	Number of Policies	Sum Insured	Number of Policies	Sum Insured	Number of Policies	Sum Insured
<b>ORDINARY AND SUPERANNUATION BUSINESS</b>						
		£'000		£'000		£'000
Death .. ..	5,653	4,000	5,471	4,590	5,478	4,957
Maturity or Expiry ..	16,070	10,640	16,993	15,639	17,784	27,507
Surrender ..	43,786	33,082	59,983	52,830	32,012	47,973
Forfeiture ..	14,811	20,891	17,076	28,229	18,655	29,185
Other * ..	31,457	9,560	28,937	14,180	23,235	28,326
<b>Total ..</b>	<b>111,777</b>	<b>78,173</b>	<b>128,460</b>	<b>115,468</b>	<b>97,164</b>	<b>137,948</b>
<b>INDUSTRIAL BUSINESS</b>						
		£'000		£'000		£'000
Death .. ..	4,583	307	4,237	280	4,061	293
Maturity or Expiry ..	51,358	2,622	61,010	3,334	50,487	2,829
Surrender ..	20,358	2,976	22,070	3,343	20,543	3,445
Forfeiture ..	12,105	2,540	11,690	2,989	9,477	3,171
Other * ..	390	6	499	48	1,778	181
<b>Total ..</b>	<b>88,794</b>	<b>8,451</b>	<b>99,506</b>	<b>9,994</b>	<b>86,346</b>	<b>9,919</b>

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

FURTHER REFERENCE

Year Book 1962 (667-668), 1964 (743-744).

**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 overseas affiliations, provide a range of policies and services comparable with those available in other countries. Organization of the market may 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 overseas re-insurance companies.

*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 death or physical injury 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.

*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, which show details of fire, marine, and general insurance business transacted in Victoria during each of the years 1958-59 to 1962-63, should not be construed as "Profit and Loss" statements or "Revenue Accounts" as they contain selected items of statistics only :—

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

Class of Business	Year Ended 30th June—				
	1959	1960	1961	1962	1963
<b>PREMIUMS (LESS RETURNS, REBATES AND BONUSES)</b>					
Fire .. .. .	9,284	9,628	10,051	10,999	11,176
Householders' Comprehensive ..	2,935	3,315	3,709	4,041	4,533
Sprinkler Leakage .. .. .	28	26	28	33	34
Loss of Profits .. .. .	1,151	1,266	1,272	1,290	1,384
Hailstone .. .. .	301	254	392	332	406
Marine .. .. .	2,664	2,572	3,044	2,873	3,049
Motor Vehicles (Other than Motor Cycles) .. .. .	12,764	14,377	15,484	17,337	18,270
Motor Cycles .. .. .	52	59	29	23	18
Compulsory Third Party (Motor Vehicles) .. .. .	5,703	6,009	6,482	6,813	7,232
Employers' Liability and Workmen's Compensation * .. .. .	13,110	14,081	15,315	14,167	14,384
Personal Accident .. .. .	1,786	1,838	2,089	2,067	2,282
Public Risk, Third Party .. .. .	650	755	899	1,085	1,156
General Property .. .. .	120	113	147	154	165
Plate Glass .. .. .	218	232	249	275	332
Boiler .. .. .	22	36	31	32	39
Live Stock .. .. .	73	80	77	84	89
Burglary .. .. .	860	892	967	1,074	1,086
Guarantee .. .. .	96	143	141	153	179
Pluvius .. .. .	24	25	29	25	27
Aviation .. .. .	196	60	75	46	159
All Risks .. .. .	461	497	509	524	566
Television .. .. .	867	1,153	758	556	266
Others .. .. .	595	707	647	868	912
<b>Total Premiums .. .. .</b>	<b>53,960</b>	<b>58,118</b>	<b>62,424</b>	<b>64,851</b>	<b>67,744</b>
<b>INTEREST, DIVIDENDS, RENTS, ETC. (NET OF EXPENSES)</b>					
Investments, etc. .. .. .	1,725	2,420	2,871	3,865	4,049
<b>TOTAL REVENUE</b>					
<b>Grand Total.. .. .</b>	<b>55,685</b>	<b>60,538</b>	<b>65,295</b>	<b>68,716</b>	<b>71,793</b>

\* See references pages 448 to 450.

VICTORIA—FIRE, MARINE, AND GENERAL INSURANCE :  
TOTAL EXPENDITURE : CLASS OF BUSINESS

(£'000)

Class of Business	Year Ended 30th June—				
	1959	1960	1961	1962	1963
<b>GROSS CLAIMS (LESS AMOUNTS RECOVERABLE)</b>					
Fire .. .. .	2,584	2,902	4,005	3,900	3,982
Householders' Comprehensive ..	539	669	782	1,099	1,291
Sprinkler Leakage .. ..	3	17	14	8	19
Loss of Profits .. .. .	132	224	301	284	139
Hailstone .. .. .	291	139	253	150	326
Marine .. .. .	1,003	1,087	1,534	1,539	1,452
Motor Vehicles (Other than Motor Cycles) .. .. .	8,725	9,948	12,036	11,081	11,650
Motor Cycles .. .. .	22	28	21	14	12
Compulsory Third Party (Motor Vehicles) .. .. .	5,618	5,356	5,715	6,771	7,517
Employers' Liability and Workmen's Compensation .. .. .	9,366	9,639	10,340	10,512	10,927
Personal Accident .. .. .	623	787	923	985	986
Public Risk, Third Party .. ..	308	368	406	526	553
General Property .. .. .	24	125	73	99	79
Plate Glass .. .. .	122	148	174	197	214
Boiler .. .. .	1	2	16	13	3
Live Stock .. .. .	39	35	39	42	38
Burglary .. .. .	432	524	550	588	696
Guarantee .. .. .	24	25	37	77	113
Pluvius .. .. .	8	16	43	4	19
Aviation .. .. .	72	31	122	23	56
All Risks .. .. .	231	299	343	334	400
Television .. .. .	431	694	614	376	166
Others .. .. .	257	354	339	473	487
<b>Total .. .. .</b>	<b>30,855</b>	<b>33,417</b>	<b>38,680</b>	<b>39,095</b>	<b>41,125</b>
<b>OTHER EXPENDITURE</b>					
Contributions to Fire Brigades ..	1,169	1,291	1,416	1,546	1,591
Commission and Agents' Charges ..	5,549	5,937	6,154	6,567	6,925
Expenses of Management .. .. .	7,928	8,794	9,831	10,633	11,146
Taxation .. .. .	2,426	3,036	2,693	2,246	2,389
<b>Total .. .. .</b>	<b>17,072</b>	<b>19,058</b>	<b>20,094</b>	<b>20,992</b>	<b>22,051</b>
<b>TOTAL EXPENDITURE</b>					
<b>Grand Total.. ..</b>	<b>47,927</b>	<b>52,475</b>	<b>58,774</b>	<b>60,087</b>	<b>63,176</b>

The percentage of claims to premium income for each of the years 1958-59 to 1962-63 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—				
	1959	1960	1961	1962	1963
Fire .. .. .	27·84	30·14	39·84	35·46	35·63
Householders' Comprehensive .. .. .	18·38	20·19	21·08	27·18	28·49
Sprinkler Leakage .. .. .	9·42	63·39	50·31	23·73	54·33
Loss of Profits .. .. .	11·45	17·67	23·64	22·04	10·08
Hailstone .. .. .	96·45	54·74	64·47	45·27	80·32
Marine .. .. .	37·63	42·25	50·39	53·55	47·61
Motor Vehicles (Excl. Motor Cycles)	68·36	69·20	77·73	63·92	63·77
Motor Cycles .. .. .	41·60	47·65	73·40	57·94	69·14
Compulsory Third Party (Motor Vehicles) .. .. .	98·50	89·14	88·17	99·36	103·95
Employers' Liability and Workmen's Compensation .. .. .	71·44	68·45	67·52	74·20	75·96
Personal Accident .. .. .	34·86	42·80	44·17	47·66	43·20
Public Risk, Third Party .. .. .	47·40	48·78	45·17	48·48	47·85
General Property .. .. .	19·74	111·16	49·89	64·50	47·93
Plate Glass .. .. .	55·84	63·71	69·73	71·62	64·34
Boiler .. .. .	6·37	6·59	52·49	40·68	8·95
Live Stock .. .. .	53·74	43·73	50·27	49·72	42·70
Burglary .. .. .	50·29	58·79	56·88	54·71	64·16
Guarantee .. .. .	25·02	17·42	26·24	50·76	62·89
Pluvius .. .. .	34·97	63·74	148·28	17·11	69·50
Aviation .. .. .	36·77	51·59	162·78	50·18	35·14
All Risks .. .. .	50·04	60·01	67·37	63·67	70·57
Television .. .. .	49·72	60·19	81·04	67·74	62·17
Others .. .. .	43·15	50·03	52·37	54·42	53·40
All Classes .. .. .	57·18	57·50	61·96	60·28	60·71

*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 1958–59 to 1962–63 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—				
	1959	1960	1961	1962	1963
<b>MOTOR VEHICLES USUALLY GARAGED WITHIN A RADIUS OF 20 MILES OF THE POST OFFICE, ELIZABETH-STREET, MELBOURNE</b>					
Private .. .. .	302,145	336,684	362,032	390,125	409,189
Business .. .. .	37,753	43,298	46,746	48,753	52,168
Light Goods .. .. .	40,068	42,112	42,192	41,878	40,964
Heavy Goods .. .. .	18,522	20,298	20,993	20,376	20,556
Miscellaneous .. .. .	8,812	9,633	10,255	10,460	10,518
Motor Cycles .. .. .	12,701	12,145	10,704	9,696	8,485
Visiting Motor Cars .. .. .	931	1,815	2,268	2,272	1,133
<b>Total .. .. .</b>	<b>420,932</b>	<b>465,985</b>	<b>495,190</b>	<b>523,560</b>	<b>543,013</b>

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

Private .. .. .	222,154	239,699	250,147	263,285	275,368
Business .. .. .	9,190	10,318	11,125	11,649	13,133
Light Goods .. .. .	50,368	52,589	51,752	53,112	52,885
Heavy Goods .. .. .	31,926	33,639	34,656	34,589	34,438
Miscellaneous .. .. .	34,728	37,729	39,784	41,316	43,649
Motor Cycles .. .. .	8,924	8,134	6,744	5,480	5,076
Visiting Motor Cars .. .. .	81	151	100	98	118
<b>Total .. .. .</b>	<b>357,371</b>	<b>382,259</b>	<b>394,308</b>	<b>409,529</b>	<b>424,667</b>
<b>Grand Total.. .</b>	<b>778,303</b>	<b>848,244</b>	<b>889,498</b>	<b>933,089</b>	<b>967,680</b>

*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 1962–63 represented 5·5 per cent. of comprehensive and 30·9 per cent. of third party premiums received in Victoria.

The following table shows the trading results for each of the five years 1958–59 to 1962–63 :—

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
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*
1963 ..	3,235	147	2,935	234	81*

\* 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 49 years of operation and, for the year ended 30th June, 1963, its premium income represented 20·7 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 1958–59 to 1962–63 :—

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
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
1963 ..	2,973	— 32	2,155	196	654

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

The accumulated funds at 30th June, 1963 were :—General Reserve, £2,800,000 ; Building and Other Reserves, £34,338 ; and Bonus Equalization Reserve, £817,553.



**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, in the *Building Societies Act 1960*, and in the *Building Societies (Amendment) Act 1961*.

Up to 31st December, 1963, the number of societies that had been registered was 199 and of these, 33 societies were still operating in 1963.

**VICTORIA—BUILDING SOCIETIES, 1963**

Particulars	Permanent Societies	Starr-Bowkett Societies	Total All Societies
Number of Societies .. .. .	32	2	33*
„ „ Shareholders .. .. .	6,533†	3,910	10,443†
„ „ Borrowers .. .. .	15,354	1,021	16,375
Transactions during the Year—	£'000		
Income—			
Interest on Mortgage Loans .. .. .	1,430	47	1,477
Other .. .. .	207	3	210
Total .. .. .	1,637	50	1,687
Expenses—			
Interest Payable to Lending Bodies .. .. .	933	16	949
Administration, &c. .. .. .	210	20	230
Total .. .. .	1,143	36	1,179
Loans and Advances—			
Paid .. .. .	4,288	232	4,520
Repaid .. .. .	3,455‡	215	3,670‡
Deposits—			
Received .. .. .	7,580	37	7,617
Repaid .. .. .	6,584	33	6,617
Liabilities—			
Investing Members' Funds—			
Paid-up Capital .. .. .	4,124	528	4,652
Reserves, &c. .. .. .	1,554	61	1,615
Borrowing Members' Funds—			
Share Subscriptions .. .. .	214	..	214
Other .. .. .	13	..	13
Deposits .. .. .	7,086	296	7,382
Loans (Including Bank Overdraft) .. .. .	9,464	68	9,532
Other .. .. .	440	44	484
Total .. .. .	22,895	997	23,892
Assets—			
Loans on Mortgage .. .. .	21,249	980	22,229
Land and House Property .. .. .	821	..	821
Other Investments .. .. .	512	12	524
Cash and Deposits .. .. .	197	§	197
Other .. .. .	116	5	121
Total .. .. .	22,895	997	23,892

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

† Includes 1,135 shareholders holding borrowers' shares.

‡ 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 engaged mainly 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. Particulars of Community Advancement Societies, registered under the Co-operation Act, have also been excluded. A number of these societies was included with Consumers' Societies in the tables on Co-operative Organizations appearing in issues of the Victorian Year Book prior to the 1964 issue. References to societies registered under the Co-operation Act are to be found on pages 309 to 311.

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 1962-63 are given in the following table :—

#### VICTORIA—CO-OPERATIVE ORGANIZATIONS, 1962-63

Particulars	Societies—			Total All Societies
	Producers'	Consumers'*	Producers' and Consumers'	
Number of Societies .. ..	95	33	11	139
Membership .. .. .	60,062	24,402	7,973	92,437
		£'000		
Purchases .. .. .	23,572	3,927	7,808	35,307
Working Expenses, &c. .. ..	6,982	694	1,211	8,887
Interest on—				
Loan Capital .. .. .	214	38	26	278
Bank Overdraft .. .. .				
Rebates and Bonuses .. .. .	215	87	39	341
Total Expenditure .. .. .	30,983	4,746	9,084	44,813
Sales .. .. .	30,870	4,651	9,373	44,894
Other Income .. .. .	990	111	32	1,133
Total Income .. .. .	31,860	4,762	9,405	46,027
Dividend on Share Capital .. ..	274	20	43	337

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

## VICTORIA—CO-OPERATIVE ORGANIZATIONS, 1962-63—continued

Particulars	Societies—			Total All Societies
	Producers'	Consumers**	Producers' and Consumers'	
	£'000			
<b>Liabilities—</b>				
Share Capital—Paid-up .. .. .	4,946	623	673	6,242
Loan Capital .. .. .	913	417	192	1,522
Bank Overdraft .. .. .	4,018	192	210	4,420
Accumulated Profits .. .. .	471	274	177	922
Reserve Funds .. .. .	4,719	163	760	5,642
Sundry Creditors .. .. .	3,898	331	516	4,745
Other .. .. .	951	132	75	1,158
<b>Total .. .. .</b>	<b>19,916</b>	<b>2,132</b>	<b>2,603</b>	<b>24,651</b>
<b>Assets—</b>				
Land and Buildings .. .. .	9,790	904	1,540	12,234
Fittings, Plant, and Machinery } .. .. .				
Stock .. .. .	2,561	640	380	3,581
Sundry Debtors .. .. .	5,787	377	533	6,697
Cash in Bank, in Hand, or on De- posit .. .. .	406	41	42	489
Profit and Loss Account .. .. .	49	67	3	119
Other .. .. .	1,323	103	105	1,531
<b>Total .. .. .</b>	<b>19,916</b>	<b>2,132</b>	<b>2,603</b>	<b>24,651</b>

\* 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.

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 1958–59 to 1962–63 :—

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

Particulars	1958–59	1959–60	1960–61	1961–62	1962–63
Proceeds of Realizations, Rents, Interest, &c. . . . .	3,362	3,261	3,597	3,920	4,022
Investments, Distributions, Claims, &c. . . . .	2,815	3,093	3,138	3,333	3,377
Cash Variation . . . . .	547	168	459	587	645
Balance at 1st July . . . . .	4,138	4,685	4,853	5,312	5,899
Balance at 30th June . . . . .	4,685	4,853	5,312	5,899	6,544

The number of applications for probate and letters of administration (including election to administer), &c., made by the Public Trustee for each of the years 1953–54 to 1962–63 are shown in the following table :—

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

Year	No.	Year	No.
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
1957–58	1,130	1962–63	1,005

The number of wills (under which the Public Trustee was appointed executor) lodged for safe custody during each of the years 1958–59 to 1962–63 was as follows :—1958–59, 2,936 ; 1959–60, 2,938 ; 1960–61, 2,626 ; 1961–62, 2,662 ; 1962–63, 2,836.

### Trustee Companies

#### *Statutory Authority*

A special Act of Parliament specifically authorizes the six 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.

#### *Business Activities*

The value of assets in estates committed to the care of Victorian Trustee Companies at 30th June, 1958 and 1963, was as follows :—

**VICTORIA—TRUSTEE COMPANIES : VALUE OF ESTATES  
ADMINISTERED  
(£ Mill.)**

Particulars	Value at 30th June, 1958	Value at 30th June, 1963
Stock and Debentures .. .. .	51·94	52·47
Advances on Mortgages .. .. .	9·38	19·31
Property and Livestock .. .. .	28·30	38·15
Shares .. .. .	46·88	75·34
Fixed and Other Deposits .. .. .	1·45	4·01
Cash at Bank .. .. .	3·25	5·08
Other .. .. .	6·80	8·47
Total .. .. .	148·00	202·83

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 trustees for the holders.

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, 1960-61 to 1962-63 :—

**VICTORIA—TRUSTEE COMPANIES**

Particulars	1960-61	1961-62	1962-63
Number of Companies .. .. .	7	7	6
	£'000		
Income—			
Commissions, Fees .. .. .	1,153	1,245	1,216
Income from Investments, Rents, &c. .. .. .	172	189	196
Total Income .. .. .	1,325	1,434	1,412
Expenditure—			
Working Expenses .. .. .	1,135	1,214	1,189
Income Tax .. .. .	74	86	86
Depreciation .. .. .	21	24	18
Total Expenditure .. .. .	1,230	1,324	1,293
Dividend on Share Capital .. .. .	66	71	73
Liabilities—			
Paid-up Capital .. .. .	538	537	532
Reserve Funds .. .. .	654	861	1,319
Sundry Creditors .. .. .	58	60	43
Accumulated Profits .. .. .	109	134	156
Other .. .. .	912	952	1,106
Total .. .. .	2,271	2,544	3,156
Assets—			
Land and Buildings .. .. .	1,039	1,290	1,872
Loans on Mortgage .. .. .	170	186	215
Government Loans .. .. .	268	249	216
Guarantee Funds .. .. .	132	132	122
Sundry Debtors .. .. .	60	51	63
Other .. .. .	602	636	668
Total .. .. .	2,271	2,544	3,156

**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.

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 1959 to 1963. Particulars of estates administered by the Public Trustee are included. The figures shown for Gross Value of Estates and for Liabilities for the years 1962 and 1963 are not comparable with those shown for previous years due to administrative changes in the treatment of certain assets arising from the *Probate Duty Act 1962*. Under this Act, which came into force on 1st July, 1962, certain limits have been imposed on the previously unrestricted concessions in respect of superannuation benefits payable to a widow and to other dependants, the deceased's interest in a jointly owned matrimonial home, and payments in lieu of long service leave. To ensure that the respective concessions are not exceeded, the total value of these assets is now included in Gross Value of Estates and the appropriate concessions are included in Liabilities. Particulars of estates are excluded where the Liabilities equal, or exceed, the Gross Value of Estates.

**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						
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
1963	.. 10,149	29,958	51,267	7,411	73,814	7,273
FEMALES						
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
1963	.. 7,395	16,243	26,674	2,582	40,335	5,454
TOTAL						
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
1963	.. 17,544	46,201	77,941	9,993	114,149	6,506

The number and value of estates dealt with in each of the years 1961 to 1963 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	1961		1962		1963	
	Number	Net Value	Number	Net Value	Number	Net Value
		£'000		£'000		£'000
<b>MALES</b>						
£						
Under 100 ..	461	21	449	22	422	20
100 - 299 ..	721	134	825	155	801	154
300 - 499 ..	530	210	580	228	539	213
500 - 999 ..	957	708	1,063	788	1,087	789
1,000 - 1,999 ..	1,225	1,893	1,379	2,019	1,521	2,227
2,000 - 2,999 ..	892	2,205	1,058	2,633	1,079	2,687
3,000 - 3,999 ..	751	2,706	922	3,213	945	3,317
4,000 - 4,999 ..	570	2,548	695	3,105	750	3,335
5,000 - 9,999 ..	1,129	8,150	1,223	8,584	1,332	9,019
10,000 - 14,999 ..	517	6,275	517	6,328	532	6,535
15,000 - 24,999 ..	474	9,403	525	10,126	514	10,312
25,000 - 49,999 ..	400	13,849	399	13,422	423	15,111
50,000 - 99,999 ..	154	10,196	135	9,051	153	10,384
100,000 and over ..	37	7,849	47	8,237	51	9,711
<b>Total Males ..</b>	<b>8,818</b>	<b>66,147</b>	<b>9,817</b>	<b>67,911</b>	<b>10,149</b>	<b>73,814</b>
<b>FEMALES</b>						
£						
Under 100 ..	251	13	276	14	227	11
100 - 299 ..	557	106	644	123	608	119
300 - 499 ..	344	135	399	161	424	166
500 - 999 ..	707	524	824	607	803	596
1,000 - 1,999 ..	1,000	1,464	1,088	1,620	1,177	1,745
2,000 - 2,999 ..	764	1,887	865	2,140	871	2,171
3,000 - 3,999 ..	685	2,378	847	2,945	781	2,724
4,000 - 4,999 ..	438	1,948	532	2,371	584	2,613
5,000 - 9,999 ..	900	6,285	905	6,374	1,051	7,288
10,000 - 14,999 ..	327	3,923	338	4,138	355	4,322
15,000 - 24,999 ..	231	4,434	269	5,133	263	4,989
25,000 - 49,999 ..	141	4,775	151	5,087	163	5,669
50,000 - 99,999 ..	50	3,390	52	3,497	67	4,511
100,000 and over ..	20	3,381	17	2,519	21	3,411
<b>Total Females ..</b>	<b>6,415</b>	<b>34,643</b>	<b>7,207</b>	<b>36,729</b>	<b>7,395</b>	<b>40,335</b>
<b>Grand Total ..</b>	<b>15,233</b>	<b>100,790</b>	<b>17,024</b>	<b>104,640</b>	<b>17,544</b>	<b>114,149</b>



## Transfer of Land

### *Torrens System*

The Torrens System of land dealings was adopted by Victoria in 1862 and embodied in the Transfer of Land Act. This system which was conceived in South Australia by Robert Richard Torrens, is based on the fundamental principle 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.

About 1·8 mill. acres of land in Victoria still remain subject to the system of conveying land, known as general law conveyancing, which was in existence prior to the adoption of the Torrens System.

### *Separate Certificates of Title to Flats*

In 1953, a form of real ownership of a flat was introduced in Victoria 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 the shareholders of which comprise flat owners exclusively.

Prior to the introduction of the above-mentioned system, a type of flat ownership had been in existence since shortly after the end of the Second World War. Under this earlier system, 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. This company also controlled the management of the flats.

*Titles of Land Issued*

The following table shows the number of titles of land issued during each of the years 1959 to 1963. 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, 1962, and 1963, as compared with previous years.

## VICTORIA—TITLES OF LAND ISSUED

Year	Number of—			
	Certificates of Title	Crown Grants	Crown Leases	Total Titles
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
1963 .. ..	67,134	1,183	363	68,680

*Land Transfers, Mortgages, &c.*

A summary of dealings lodged in the Titles Office under the Transfer of Land Acts is given in the following table for each of the years 1959 to 1963 :—

## 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				
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	43,734	136,704	11,643	2,319	73,080	220,646
1963 .. ..	101,066	54,011	178,054	13,134	3,553	77,989	249,753

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

Mortgages, reconveyances, and conveyances registered at the Office of the Registrar-General under the *Property Law Act 1958* are shown for each of the years 1959 to 1963 in the following table :—

**VICTORIA—DEALINGS UNDER THE PROPERTY LAW ACT**

Year	Mortgages*		Reconveyances		Conveyances	
	No.	Amount	No.	Amount†	No.	Amount
		£ '000		£ '000		£ '000
1959 .. .. .	886	2,599	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 .. .. .	965	3,786	1,163	966	3,204	11,389
1963 .. .. .	1,102	5,245	1,197	1,523	3,244	13,422

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

† Excluding repayments designated "Principal and Interest".

*Mortgages of Real Estate*

Details of mortgages lodged for registration under the Transfer of Land Acts and the Property Law Act (mentioned in the two preceding tables) are shown in the following table.

Certain mortgages (principally to trading banks to secure overdrafts on current accounts) have not been included in the figures as only the number of such mortgages, and not the amounts involved, are available.

Particulars of mortgages not lodged for registration are not available.

The number of mortgages and the amount of consideration involved for each of the years 1961 to 1963, classified according to type of mortgage, are as follows :—

**VICTORIA—MORTGAGES OF REAL ESTATE LODGED FOR REGISTRATION**

Type of Mortgagee	Mortgages*					
	1961		1962		1963	
	Number	Amount	Number	Amount	Number	Amount
	£'000	£'000	£'000	£'000	£'000	£'000
Banks .. .. .	4,845	12,432	8,297	22,232	15,471	44,437
Building Societies .. .. .	1,446	3,089	1,749	3,597	1,775	3,784
Co-operative Housing Societies .. .. .	3,897	10,019	4,285	11,351	3,814	9,911
Insurance Companies .. .. .	2,243	20,308	2,121	16,568	2,391	23,674
Government Institutions .. .. .	5,183	12,578	6,102	14,300	5,810	14,596
Trustee Institutions .. .. .	559	3,078	437	4,865	451	3,143
Hire Purchase and Finance Companies .. .. .	1,684	10,483	3,619	17,019	4,538	18,437
Other Mortgagees .. .. .	20,737	57,117	18,089	50,558	20,863	65,317
Total .. .. .	40,594	129,104	44,699	140,490	55,113	183,299

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

*Stock Mortgages and Liens on Wool and Crops*

The number and amount of stock mortgages, liens on wool, and liens on crops registered at the Office of the Registrar-General during each of the years 1959 to 1963 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	1959	1960	1961	1962	1963
<b>Stock Mortgages—</b>					
Number .. ..	368	373	399	478	422
Amount .. .. £'000	371	350	404	499	540
<b>Liens on Wool—</b>					
Number .. ..	366	321	302	209	148
Amount .. .. £'000	785	697	577	477	290
<b>Liens on Crops—</b>					
Number .. ..	131	135	131	83	80
Amount .. .. £'000	49	46	112	47	46
<b>Total—</b>					
Number .. ..	865	829	832	770	650
Amount .. .. £'000	1,205	1,093	1,093	1,023	876

*Bills of Sale*

The following are the numbers and amounts of bills of sale which have been filed at the Office of the Registrar-General during each of the years 1959 to 1963 :—

**VICTORIA—BILLS OF SALE**

Security	1959	1960	1961	1962	1963
<b>Bills of Sale—</b>					
Number .. ..	5,388	4,959	4,401	5,462	6,550
Amount .. .. £'000	8,440	9,717	7,714	8,751	7,915

**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.

The following table shows details of companies registered during each of the years 1959 to 1963 :—

#### VICTORIA—COMPANIES REGISTERED, ETC.

Particulars	1959	1960	1961	1962	1963
	No.				
New Companies Registered—					
Victorian .. .. .	3,648	4,412	3,158	2,821	2,691
Other .. .. .	238	272	233	249	255
Total .. .. .	3,886	4,684	3,391	3,070	2,946
	£'000				
Nominal Capital of New Companies—					
Victorian .. .. .	160,202	261,614	149,081	120,457	80,805
Other .. .. .	129,264	148,064	78,893	212,843	85,528
Total .. .. .	289,466	409,678	227,974	333,300	166,333
	No.				
Existing Companies*—					
Victorian .. .. .	26,381	30,579	33,682	36,082	38,144
Other .. .. .	2,006	2,245	2,417	2,620	2,842
Total .. .. .	28,387	32,824	36,099	38,702	40,986
	£'000				
Increase in Nominal Capital of Victorian Companies during Year	138,333	193,662	236,778	193,983	120,027

\* At end of year.

COMPANY REGISTRATION FEES  
Year Book 1964 (768).

**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 of 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. The type of market has varied over the years from the old "call-room" style of trading to the present post-trading method which is practised in most exchanges throughout the world.

*Membership*

The Stock Exchange of Melbourne is an association of 166 members. It is governed by a chairman and committee (12 including the chairman), elected by the members.

*Official List*

At 30th September, 1963, 2,871 separate securities (including options) with a nominal value of £5,453 mill. and a market value of £8,317 mill. were quoted on the Exchange.

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 1960 to 1963.

**MELBOURNE STOCK EXCHANGE—ISSUES LISTED\* AND NOMINAL VALUE**

Class of Security	Listed at 30th September—							
	1960		1961		1962		1963	
	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.	
Commonwealth Loans ..	31	2,964	35	3,076	34	2,950	38	3,163
Semi-Government Loans ..	603	339	625	370	683	380	725	395
Foreign Government Loans ..	9	5	9	5	10	6	10	6
Industrial Company Securities—								
Debentures .. .. .	231	141	365	191	478	229	540	257
Unsecured Notes .. ..	247	112	292	133	313	134	335	141
Preference Shares .. ..	330	87	316	77	307	74	294	69
Ordinary Shares .. ..	792	966	791	1,139	759	1,240	785	1,319
Mining Company Securities ..	131	74	128	80	128	102	131	103
<b>Total .. .. .</b>	<b>2,374</b>	<b>4,688</b>	<b>2,561</b>	<b>5,071</b>	<b>2,712</b>	<b>5,115</b>	<b>2,858</b>	<b>5,453</b>

\* Excludes options.

Twenty-nine companies were added to the official list during 1963 and their combined nominal capital was £18 mill. In addition, new capital issues made by companies already listed amounted to £143 mill. At the close of the year, the official list comprised 885 companies—777 commercial and industrial and 108 mining companies.

Because of take-overs and mergers, twenty-six companies were removed from the official list during the year.

### Turnover

The following table shows details of the turnover of stocks and shares during each of the years 1958–59 to 1962–63 :—

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

Class of Security	Year Ended 30th September—				
	1959	1960	1961	1962	1963
Commonwealth Loans .. ..	181·6	86·5	33·1	31·3	54·3
Semi-Government Loans .. ..	4·4	3·1	2·8	1·9	2·2
Company Debentures, Unsecured Notes .. ..	1·7	1·7	2·2	5·4	7·3
<b>Total Loan Securities ..</b>	<b>187·7</b>	<b>91·3</b>	<b>38·1</b>	<b>38·6</b>	<b>63·8</b>
Preference Shares .. ..	1·8	1·7	1·1	1·1	1·3
Ordinary Shares, Rights, and Options .. ..	71·0	86·6	87·5	109·3	144·0
Mining .. ..	12·4	12·8	12·8	33·6	28·0
<b>Total Share Securities ..</b>	<b>85·2</b>	<b>101·1</b>	<b>101·4</b>	<b>144·0</b>	<b>173·3</b>

### Underwriting

Member Firms of the Exchange have played a prominent part in Australia's underwriting activities for many years. During the year ended 30th September, 1963, there were 35 Semi-Government Loans of which 22 were underwritten—16 by Member Firms; the amount sought by these 22 loans was £52·3 mill. Listed companies offered 39 debenture issues during the year raising £51 mill.; of the 30 issues that were underwritten, Member Firms underwrote 24 issues.

### Other Facilities

In recent years the Stock Exchange has introduced new facilities for the benefit of industry and investors. These have included the transfer marking and probate noting services, and increased business was written in each department during 1962–63. Applications for probate noting totalled 8,436—an increase of 15 per cent. for the year, while applications received for transfer marking totalled 69,925—a gain of 1,993 for the term. A service has since commenced for the noting of powers of attorney, company memoranda, articles of association, and change of name.

### *Share Price Index*

On 1st July, 1963, The Stock Exchange of Melbourne established a new share price index which comprised 50 Leading Stocks, the movements of which were calculated on a monthly basis since 1st January, 1948. The index has been expanded to include fifteen separate industrial groups covering 287 stocks. It measures changes in Aggregate Market Value (AMV) of the selected stocks and is closely related to the widely recognized Standard and Poor Index used in the United States of America and Canada.

The Standard and Poor method is based on a comparison of Aggregate Market Value for all stocks in a selected sample. In the simplest case, the percentage change in this Aggregate between the base period and the later period gives the index for the later period. Where there is a change in capitalization (e.g., due to a cash issue or an acquisition of assets), the aggregate for the base period is revised to make it comparable with the new capitalization. In the case of a bonus issue, the adjustment is automatic and no action is necessary.

The index can easily and quickly be computed at any time, with allowance made for new issues, dividends, new listings, delistings, take-overs, &c. These factors are all incorporated into the index immediately they occur by a linking procedure which involves revision of the previous AMV; for example, a cash issue involves revising the previous AMV upward by the amount of cash subscribed and a delisting involves reducing the previous AMV by the market value of the stock delisted.

The fifteen-year graph for the 50 Leading Stocks, indicates the trends in the market since 1948. This year was selected as the initial year of the uncontrolled market following the lifting of ceiling prices in 1947. January, 1960, was chosen as the base for the index as this was the starting point for the calculation for the fifteen Industrial Groups. The 50 Leaders represent approximately 41 per cent. of the Aggregate Market Value of total listed ordinary shares. Figure 18 illustrates the Melbourne Share Price Index.

### **Instalment Credit for Retail Sales**

All types of Instalment Credit Schemes in which repayments are made by regular, predetermined instalments are included in this 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.



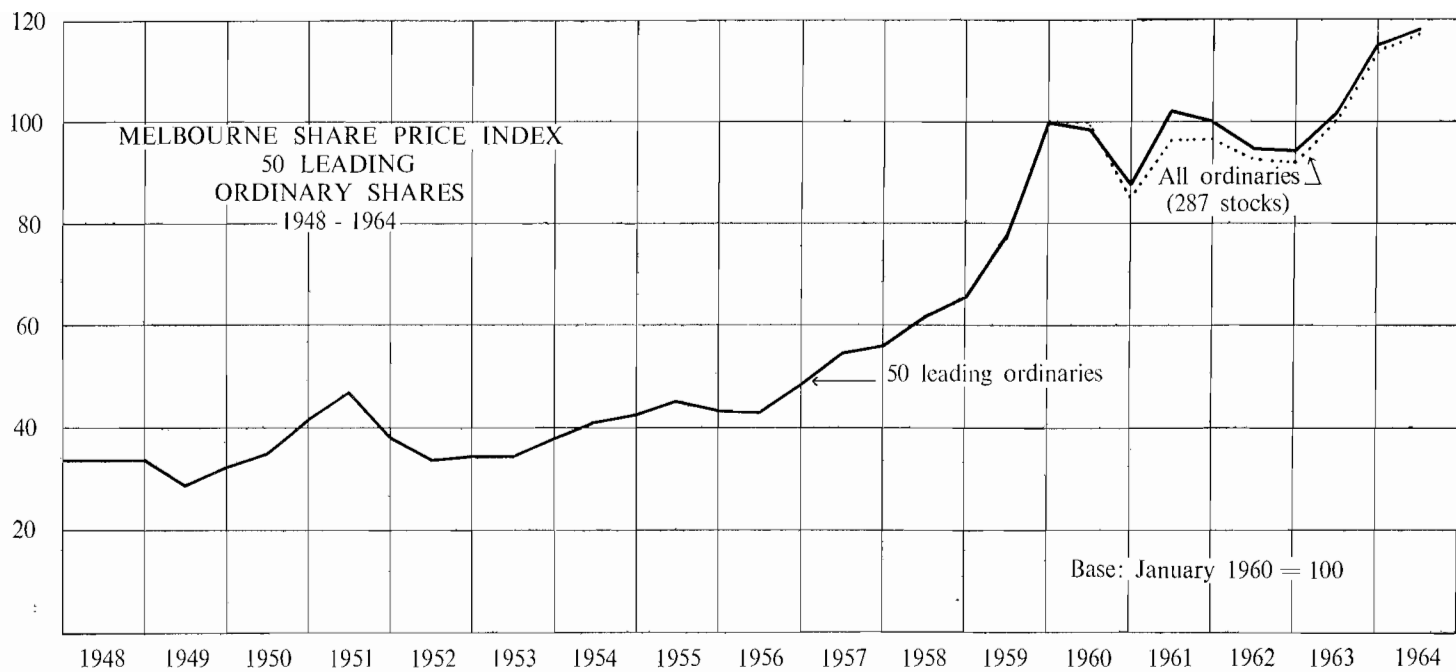


FIGURE 18.

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 1961-62. 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, 1963, in Australia classified by States and by groups of commodities financed. It also shows the balances outstanding at 30th June, 1963, 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, 1963				Balances Outstanding at 30th June, 1963
	Motor Vehicles, Tractors, &c.†	Plant and Machinery‡	Household and Personal Goods§	Total All Goods	
New South Wales¶	89,932	9,491	80,087	179,510	254,796
Victoria ..	59,375	6,256	45,735	111,366	158,987
Queensland ..	32,198	3,651	26,227	62,076	83,931
South Australia°	20,433	1,922	15,354	37,709	57,615
Western Australia..	21,852	3,181	11,282	36,315	52,134
Tasmania ..	8,036	753	5,321	14,110	20,225
Australia ..	231,826	25,254	184,006	441,086	627,688

\* 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 .. ..	3,198	648	37,333	41,179
1960 .. ..	4,502	640	40,645	45,787
1961 .. ..	3,664	491	40,018	44,173
1962 .. ..	2,462	199	36,562	39,223
1963 .. ..	2,852	372	37,868	41,092
NON-RETAIL FINANCE BUSINESSES				
1959 .. ..	47,951	3,890	13,953	65,794
1960 .. ..	63,999	4,903	11,543	80,445
1961 .. ..	50,788	5,770	10,049	66,607
1962 .. ..	45,179	5,151	7,699	58,029
1963 .. ..	56,523	5,884	7,867	70,274
ALL BUSINESSES				
1959 .. ..	51,149	4,538	51,286	106,973
1960 .. ..	68,501	5,543	52,188	126,232
1961 .. ..	54,452	6,261	50,067	110,780
1962 .. ..	47,641	5,350	44,261	97,252
1963 .. ..	59,375	6,256	45,735	111,366

\* 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 1963, 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 .. ..	42,292	90,257	132,549
1960 .. ..	53,414	108,468	161,882
1961 .. ..	59,592	102,844	162,436
1962 .. ..	58,517	92,812	151,329
1963 .. ..	57,506	101,481	158,987

\* 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 (£132,549,000), Hire Purchase comprised 90·7 per cent. and Other Instalment Credit 9·3 per cent. The latter has grown since then and at 30th June, 1963, totalled £34,505,000 or 21·7 per cent. of the total instalment credit outstanding balances of £158,987,000. 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 1963.

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	1963
<b>NUMBER OF AGREEMENTS MADE</b>					
Motor Vehicles, Tractors, &c.*	108,400	129,851	94,147	85,024	98,422
Plant and Machinery†	12,713	12,268	11,510	11,376	10,840
Household and Personal‡	496,925	497,125	456,245	422,149	417,603
Total Agreements	618,038	639,244	561,902	518,549	526,865
<b>VALUE OF GOODS PURCHASED§</b>					
£'000					
Motor Vehicles, Tractors, &c.*	79,974	99,583	76,712	64,731	75,137
Plant and Machinery†	6,786	7,997	8,958	7,791	9,093
Household and Personal‡	42,509	41,394	36,391	31,763	31,119
Total Value	129,269	148,974	122,061	104,285	115,349
<b>AMOUNT FINANCED UNDER AGREEMENTS  </b>					
£'000					
Motor Vehicles, Tractors, &c.*	50,537	65,727	50,136	42,220	49,706
Plant and Machinery†	4,445	5,451	6,209	5,288	6,229
Household and Personal‡	35,992	35,070	30,918	26,761	26,130
Total Amount Financed	90,974	106,248	87,263	74,269	82,065
<b>BALANCES OUTSTANDING AT END OF YEAR¶</b>					
£'000					
All Classes of Goods	120,225	143,671	137,444	123,415	124,482

\* 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.