

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	1959-60	1960-61	1961-62	1962-63	1963-64
RECEIPTS					
Taxation	153·2	166·4	175·1	185·3	201·4
Interest, &c., Received	8·4	8·9	8·7	9·7	10·6
Public Enterprises' Income	68·3	74·5	76·5	88·8	95·3
Grants from Commonwealth Government Authorities	130·9	145·3	161·5	172·6	183·3
Total Receipts	360·8	395·1	421·8	456·4	490·6
OUTLAY					
Net Current Expenditure on Goods and Services	181·1	204·7	224·0	240·2	261·4
Subsidies	1·0	1·1	0·5	0·5	0·6
Interest, &c., Paid	89·5	97·1	108·3	120·5	128·8
Oversea Grants	0·5	0·6	0·5	0·4	0·4
Cash Benefits to Persons	2·5	1·5	2·0	2·2	2·7
Grants towards Private Capital Expenditure	0·6	0·6	0·5	0·5	..
Surplus on Current Account	85·6	89·5	86·0	92·1	96·7
Total Outlay	360·8	395·1	421·8	456·4	490·6

VICTORIA—PUBLIC AUTHORITIES' CAPITAL ACCOUNT
(\$ Mill.)

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
SOURCES OF FUNDS					
Depreciation Allowances	20·7	26·4	23·3	27·3	34·8
Net Sale of Securities—					
Commonwealth Securities—					
Securities other than Treasury Bills—					
Australia	66·5	65·9	65·9	55·6	77·7
Overseas	3·7	10·3	4·9	15·1	4·8
Local and Semi-Governmental Securities	59·8	43·3	63·7	64·2	69·5
Advances from Commonwealth Government Authorities	23·5	22·0	28·1	24·3	24·8
Grants from Commonwealth Government Authorities	24·6	28·6	29·7	29·0	27·8
Surplus on State and Local Government Authorities Current Account	85·6	89·5	86·0	92·1	96·7
Other Funds Available (Including Errors and Omissions)	3·2	0·6	6·9	5·0	2·8
Increase in Cash and Bank Balances	-23·1	-4·0	0·1	-13·4	-6·5
Total Sources of Funds	264·5	282·6	308·6	299·2	332·4

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

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
USES OF FUNDS					
Fixed Capital Expenditure on New Assets	257·1	267·3	294·2	285·6	317·2
Expenditure on Existing Assets ..	— 10·6	— 10·4	— 6·8	— 5·6	— 4·7
Increase in Value of Stocks ..	— 1·2	1·5	— 0·6	— 0·3	— 1·0
Advances to Public Financial Enterprises	19·7	24·7	22·7	18·5	17·8
Net Increase in Financial Assets of Public Financial Enterprises ..	— 0·5	— 0·5	— 0·9	1·0	3·1
Total Uses of Funds ..	264·5	282·6	308·6	299·2	332·4

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 \$15,169,824 per annum which the Commonwealth agreed to contribute for a period of 58 years. Of this amount, Victoria receives \$4,254,318 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", originally entered into by the members of the Loan Council in 1936, the Loan Council approves an aggregate yearly borrowing programme for semi-governmental and local authorities proposing to raise more than \$200,000 in a year. Individual borrowings by each of these authorities are also subject to Loan Council approval.

Since 1962-63 the Loan Council has placed no overall limit on the programmes of authorities for which State Governments approve individual borrowing programmes of \$200,000 or less although, in earlier years, specific overall programmes had also been approved for these smaller authorities.

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 each of the years 1962-63 and 1963-64 were adequate to complete governmental expenditure programmes (including redemptions), Commonwealth support was needed in previous years. From 1st July, 1951, to 30th June, 1964, out of loan programmes amounting to \$6,061.9 mill., the Commonwealth has provided \$1,764.2 mill. from the Australian currency proceeds of oversea loans and from budget surpluses.

Grants to the States

(1) General

The following table shows particulars of amounts paid during each of the years 1959-60 to 1963-64 to Victoria as grants for the several purposes referred to in subsequent paragraphs :—

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

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
Financial Agreement—					
Interest on State Debt ..	4,254	4,254	4,254	4,254	4,254
Sinking Fund on State Debt† ..	2,733	2,893	3,131	3,390	3,700
Financial Assistance Grants ..	121,250	134,743	146,029	152,268	159,482
Additional Assistance Grants ..	..	..	3,600	7,454	10,280
Commonwealth Aid Roads ..	17,320	18,367	20,159	21,754	22,824
Tuberculosis Hospitals—Reimbursement of Capital Expenditure ..	52	96	116	110	50
Mental Institutions—Contribution to Capital Expenditure ..	1,036	168	..	..	..
Coal Mining Industry—Long Service Leave	1	‡	‡	‡	‡
Grants to Universities ..	2,844	6,045	7,409	9,310	9,926
Tobacco Industry Extension Services ..	..	..	..	16	16
Dairy Industry Extension Services ..	120	144	130	130	178
Expansion of Agricultural Advisory Services	100	120	120	120	120
Road Safety Practices	36	28	20	20	20
Housekeeper Services	8	8	8	8	8
Blood Transfusion Services ..	86	100	106	112	122
Total	149,840	166,966	185,082	198,946	210,980

* 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.

‡ 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—see 1965 Victorian Year Book and previous issues). These arrangements were again reviewed in 1965 when certain modifications, which will apply to the period 1965-66 to 1969-70, were made. Under the new arrangements which are embodied in the *States Grants Act* 1965, the grant for each State for each financial year during the period will be determined by taking that State's grant for the previous year (with the addition of \$2 mill. each year in the case of Queensland) and increasing it by the percentage change in the population of that State during the year ending 31st December of the year of payment; the amount so obtained will be increased by the percentage increase in average wages for Australia as a whole for the financial year immediately preceding the year of payment; and this amount will be increased by a "betterment factor" of 1.2 per cent. In addition, the grant so determined for Victoria in 1965-66 will be increased by \$1.2 mill. and the resulting amount will be the amount to which the formula will apply in calculating Victoria's grant for 1966-67.

Western Australia and Tasmania will continue as claimant States under section 96 of the Constitution and it is expected that each of the four existing non-claimant States will remain non-claimant for the period of the new arrangements.

(4) *Additional Assistance Grants*

From 1961-62 to 1963-64 the Commonwealth provided the States with additional assistance grants for expenditure on employment giving activities, but these grants were discontinued in 1964-65.

(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 publication "Commonwealth Payments to or for the States" which is issued annually with the Commonwealth Budget.

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 \$750 mill. for the construction, reconstruction, maintenance, and repair of roads. Of this amount, \$660 mill. will be payable as basic grants, which will increase from \$124 mill. in 1964-65 to \$140 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 \$90 mill. takes the form of matching assistance. The amount available for this purpose will increase from \$6 mill. in 1964-65 to \$30 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 1964-65, Victoria received \$25·6 mill. 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 1964-65 was \$2·7 mill), and reimburses administration expenses.

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

Under the *States Grants (Mental Institutions) Act* 1955 the Commonwealth undertook to provide financial assistance up to \$20 mill. towards capital expenditure incurred by the States, with the Commonwealth's approval, on mental institutions. The assistance was on the basis of one-third of the total expenditures of the States with a specified limit for each State.

From 1961-62 to 1963-64 inclusive, Victoria did not receive any such reimbursements as the limit of financial assistance under the provisions of the 1955 Act was reached in 1960-61.

The *States Grants (Mental Health Institutions) Act* 1964, which repealed the 1955 legislation, authorized assistance to the States of one-third of the total expenditure incurred by them, with the Commonwealth's approval, in building and equipping mental health institutions. There are no specified limits to the maximum amounts of this assistance, which applies for a period of three years as from 1st July, 1964.

(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, 1957, 1958, and 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 \$89.9 mill. over the three calendar years 1961 to 1963.

In its second report the Commission recommended substantial increases in grants to the States for universities over the three calendar years 1964 to 1966. In the main these recommendations were accepted and incorporated in the *Universities (Financial Assistance) Act* 1963, which provided for the payment of \$116.8 mill. to the States during the triennium. This amount was increased to \$130.6 mill. by the *Universities (Financial Assistance) Act* 1965, as a result of the adoption of a report on academic salaries and the acceptance of certain proposals concerning the future of tertiary education.

(10) *Tobacco Industry Extension Services*

In 1962, the Commonwealth decided to make a grant of \$48,000 per annum to the tobacco growing States for additional extension services for tobacco growers. Victoria's share of this amount for 1964-65 was \$16,000.

(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.

(13) *Road Safety Practices*

Since 1947-48 the Commonwealth has provided assistance for public education programmes for the promotion of road safety practices.

(14) *Housekeeper Services*

In 1951 the Commonwealth offered financial assistance to the States up to a limit of \$30,000 a year, to encourage the development of housekeeper services conducted by approved organizations and providing assistance to families in emergency. Victoria's share of this assistance has been \$8,200 annually.

(15) *Blood Transfusion Services*

The Commonwealth commenced making grants to the States in 1953-54 for the purpose of assisting blood transfusion services conducted by the Australian Red Cross Society. The allocations for the first year were on a population basis, but in 1954-55 the basis of assistance was changed to 30 per cent. of the cost incurred by the Society in conducting its blood transfusion services in a State, conditional on the State's meeting 60 per cent. of these costs.

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 \$32 mill. 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 1959-60 to 1963-64. 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 1959-60 to 1963-64, 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)
1960	336,621	335,994	+ 626*	53,126
1961	370,203	369,863	+ 340†	53,126
1962	392,618	392,597	+ 21†	52,786
1963	414,151	414,149	+ 2‡	52,765
1964	444,369	444,874	— 505	52,764‡

* Transferred to Surplus Revenue Account.

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

‡ Of this amount, \$49,372,000 was provided from Loan Fund and \$3,392,000 from the Public Account.

Consolidated Revenue :—Details of the principal sources of revenue are shown in the following table for each of the years 1959–60 to 1963–64 :—

VICTORIA—CONSOLIDATED REVENUE FUND : REVENUE
(\$'000)

Source of Revenue	Year Ended 30th June—				
	1960	1961	1962	1963	1964
Taxation*	75,658	83,880	86,766	90,772	101,515
Business Undertakings—					
Railways	78,064	85,248	85,966	87,128	92,376
Harbours, Rivers, and Lights ..	1,226	1,416	1,384	1,356	1,743
Water Supply, Sewerage, Irrigation, and Drainage ..	8,230	8,906	9,978	10,158	11,147
Electricity Supply (Interest and Recoups of Sinking Funds, &c.)	5,882	6,822	7,862	8,588	9,334
State Coal Mine	734	732	504	516	504
Other	900	866	756	656	610
Total	95,036	103,990	106,450	108,402	115,715
Lands—					
Sales	494	348	656	672	423
Rents	1,040	1,116	1,142	1,200	1,312
Forestry	4,684	4,618	4,390	4,520	4,705
Other	340	444	350	346	458
Total	6,558	6,526	6,538	6,738	6,898
Interest, <i>n.e.i.</i>	12,472	13,324	14,390	15,984	17,289
Commonwealth Grants—					
Financial Agreement Act ..	4,254	4,254	4,254	4,254	4,254
Financial Assistance	121,250	134,742	146,030	152,266	159,482
Additional Financial Assistance	..	..	3,600	7,454	10,280
Total	125,504	138,996	153,884	163,974	174,017
Commonwealth National Welfare Fund Payments—					
Tuberculosis—					
Maintenance Expenditure ..	2,228	2,224	2,294	2,666	2,868
Pharmaceutical Benefits—					
Mental Institutions	58	62	170	314	132
Other	45	34	39	37	262
Total	2,331	2,320	2,503	3,017	3,262
Fees and Fines	4,086	4,702	4,746	4,840	5,639
All Other†	14,976	16,465	17,341	20,424	20,035‡
Grand Total	336,621	370,203	392,618	414,151	444,369

* For details of total taxation collections see page 624.

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

‡ Includes \$1,200,000 repaid by State Superannuation Board.

Expenditure from Consolidated Revenue :—The principal items of expenditure during each of the years 1959–60 to 1963–64 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—				
	1960	1961	1962	1963	1964
Public Debt Charges—					
Interest	46,938	50,582	55,794	61,692	65,755
Exchange	1,430	1,618	1,920	2,166	2,380
Debt Redemption	10,602	11,498	12,452	13,476	14,364
Other	322	288	366	316	340
Total	59,292	63,986	70,532	77,650	82,839
Business Undertakings—					
Railways	74,196	79,798	80,963	81,630	86,317
Harbours, Rivers, and Lights ..	1,020	1,294	1,267	1,090	1,341
Water Supply, Sewerage, Irrigation, and Drainage ..	7,406	7,674	8,179	8,274	8,336
State Coal Mine	1,120	1,144	1,022	924	811
Other	518	528	512	452	423
Total	84,260	90,438	91,943	92,370	97,228
Social Expenditure—					
Education—					
State Schools	61,962	69,786	68,262	76,090	84,595
Technical Schools	3,996*	4,474*	13,850†	16,426†	18,822†
Universities	2,370	3,306	3,930	4,266	6,209
Libraries, Art Galleries, &c. ..	1,424	1,640	1,814	2,014	2,106
Agricultural Education, Re- search, &c.	1,276	1,482	1,592	1,668	1,682
Other	114	136	140	154	190
Public Health and Recreation ..	4,304	4,426	5,052	5,488	6,375
Charitable—					
Hospitals—					
General	29,802	31,516	33,020	33,604	34,205
Mental	13,330	14,146	15,254	15,320	15,865
Child Welfare	2,628	2,896	3,452	3,708	4,023
Other	826	966	1,052	1,052	942
Law, Order, and Public Safety—					
Justice	4,268	4,726	3,946	4,120	4,567
Police	14,464	15,688	16,510	17,370	19,046
Penal Establishments	2,000	2,282	2,578	2,736	2,811
Public Safety	16	28	44	56	56
Total	142,780	157,498	170,496	184,072	201,495
All Other Expenditure—					
Public Works, <i>n.e.i.</i>	3,712	3,578	4,894	3,944	3,849
Lands and Survey	3,038	3,242	3,492	3,316	3,533
Agriculture	4,024	4,218	4,616	4,838	5,104
Forestry	4,120	4,240	4,266	4,544	4,522
Legislature and General Adminis- tration	10,006	12,486‡	12,662	12,750	13,657
Pensions and Superannuation ..	8,926	9,660	10,334	9,486	9,773
Pay-roll Tax	3,694	4,134	4,334	4,506	4,883
Interest and Sinking Fund Reserve Account		2,600			
Miscellaneous§	12,142	13,783	15,028	16,673	17,991
Total	49,662	57,941	59,626	60,057	63,312
Grand Total	335,994	369,863	392,597	414,149	444,874

* 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 \$1,200,000 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 614–615, 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 625.

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 1959–60 to 1963–64 :—

VICTORIA—TAXATION COLLECTIONS (\$'000)

Particulars	Year Ended 30th June—				
	1960	1961	1962	1963	1964
Motor—					
Registration Fees and Taxes ..	17,678	18,340	19,060	20,166	21,938
Drivers' Licences	1,808	1,028	1,040	1,274	1,190
Other	8,426	9,600	9,764	10,730	12,155
Total Motor	27,912	28,968	29,864	32,170	35,283
Probate and Succession Duties ..	18,826	23,062	25,080	24,644	29,453
Stamp Duties, <i>n.e.i.</i>	24,942	25,114	23,996	25,678	29,176
Land	11,708	13,412	14,812	17,090	18,265
Income (Arrears)	*	6	*	2	*
Liquor	5,988	6,436	6,726	6,950	7,004
Tattersall Duty	5,932	6,514	6,350	6,404	6,609
Racing	5,260	5,682	6,406	7,470	9,014
Entertainments (Excl. Racing Admission Tax)	2,284	2,114	1,692	732	†
Licences, <i>n.e.i.</i>	574	584	712	824	954
Grand Total	103,426	111,892	115,638	121,964	135,757
Paid to Consolidated Revenue ..	75,658	83,880	86,766	90,772	101,515
Paid to Special Funds	27,768	28,012	28,872	31,192	34,242
Per Head of Population	\$36.68	\$38.68	\$39.08	\$40.36	\$43.92

* Under \$500.

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

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.

Further items of motor taxation, which are paid to Consolidated Revenue, are a surcharge of \$2 imposed on each third-party insurance premium under the authority of the *Motor Car (Insurance Surcharge) Act* 1959, and a stamp duty, levied under the authority of the *Stamps (Motor Car) Act* 1964, at the rate of \$1 per \$100 of the market value of motor vehicles, payable when the vehicle is initially registered or when the registration is transferred. This latter Act came into force as from 14th December, 1964.

Particulars of the total amount of motor taxation collected and credited to the various funds during 1963-64 were as follows:—

	\$'000
Consolidated Revenue—	
Motor Car Third Party Insurance Tax ..	2,082
Country Roads Board Fund—	
Motor Registration Fees	21,938
Drivers' Licence Fees (half)	595
Drivers' Test Fees	162
Examiners' Licences	16
Owners' Certificates (two-thirds) ..	1,698
Road Charges—Commercial Goods Vehicles Act	5,638
	30,046
Level Crossings Fund—	
Owners' Certificates (one-third) ..	849
Municipalities Assistance Fund—	
Drivers' Licence Fees (half)	595
Transport Regulation Fund—	
Motor Omnibus Registration Fees ..	11
Licences, &c.	693
Permits	824
	1,528
Motor Car (Hospital Payments) Fund—	
Deductions from Third Party Insurance Premiums	183
	35,283

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 (\$12,000), while certain reductions were made to the rates of duty payable on estates exceeding £6,000 (\$12,000).

A summary of the rates of duty payable as from 17th December, 1962, according to the various types of beneficiaries, is shown in the table on page 646 of the 1965 Victorian Year Book. Rates payable prior to that date are shown in previous issues of the Victorian Year Book.

The amount of probate duty assessed in Victoria during each of the five years to 1963–64 was as follows :—1959–60, \$19,744,812 ; 1960–61, \$23,588,548 ; 1961–62, \$25,015,478 ; 1962–63, \$27,455,242 ; 1963–64, \$28,321,264.

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 1963–64 was :—1959–60, \$27,505,220 ; 1960–61, \$29,613,906 ; 1961–62, \$34,057,922 ; 1962–63, \$35,699,086 ; 1963–64, \$39,871,044.

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 declared for each year by Act of Parliament.

Rates of land tax payable in Victoria for the year 1965 were fixed by the *Land Tax (Rates and Exemptions) Act* 1964 and were unchanged from rates fixed for the year 1964 (see Victorian Year Book, 1965, page 647).

The 1964 Act, however, provided for general increases in the unimproved values which land must have before attracting land tax. By this Act, land used for primary production was totally exempted from land tax unless the unimproved value of such land was more than £5,000 (\$10,000) and partially exempted up to £10,000 (\$20,000). The total exemption in respect of land used for other purposes was raised to £3,000 (\$6,000) with a partial exemption to £4,500 (\$9,000).

The following table shows particulars, in specified groups of unimproved values of holdings, of Land Tax assessments for 1963. Tax was assessed on the basis laid down by the *Land Tax (Exemptions and Rates) Act 1962*.

**VICTORIA—ANALYSIS OF STATE LAND TAX
ASSESSMENTS, 1963**

(Based on Unimproved Values at 31st December, 1962)

Unimproved Values of Holdings—	Number of Taxpayers	Total Unimproved Values*	Tax Payable
\$		\$'000	
3,501 to 4,000	28,650	109,513	255
4,001 „ 6,000	38,860	191,564	770
6,001 „ 8,000	21,465	143,962	466
8,001 „ 10,000	12,341	111,853	379
10,001 „ 12,000	8,201	88,507	354
12,001 „ 14,000	5,352	68,400	294
14,001 „ 16,000	4,459	66,297	270
16,001 „ 17,500	2,166	36,260	147
17,501 „ 20,000	3,279	61,617	260
20,001 „ 30,000	6,477	157,399	763
30,001 „ 40,000	2,589	87,221	490
40,001 „ 50,000	1,373	60,412	432
50,001 „ 60,000	734	40,311	277
60,001 „ 70,000	533	36,566	322
70,001 „ 80,000	350	25,990	221
80,001 „ 100,000	870	77,933	673
100,001 „ 150,000	456	51,904	698
150,001 „ 170,000	96	15,412	232
170,001 „ 200,000	121	22,313	416
200,001 „ 300,000	201	48,474	940
300,001 „ 400,000	85	29,258	652
400,001 and over	226	234,013	6,426
Total	138,884	1,765,178	15,739

* Of land not exempted from land tax.

In the following table, details are shown of the assessments made during each of the years 1959 to 1963 :—

VICTORIA—STATE LAND TAX ASSESSMENTS

Year	Number of Taxpayers	Total Tax Payable	Average Tax Payable per Taxpayer	Total Unimproved Values*
		\$'000	\$	\$'000
1959	105,606	10,886	103·08	1,230,458
1960	127,674	12,750	99·87	1,393,964
1961	149,770	14,164	94·58	1,521,584
1962	151,205	14,990	99·13	1,677,224
1963	138,884	15,739	113·32	1,765,178

* Of land not exempted from land tax.

Stamp Duties

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

The principal classes of documents which attract stamp duty under the *Stamps Acts* up to and including the *Stamps Act* 1965 are as follows :—

Cheques and Other Bills of Exchange	Insurance Licences (Non-Life)
Promissory Notes	Life Assurance Policies
Receipts	Instalment Purchase Agreements
Bills of Lading	Motor Car Registration Applications
Share Transfers	Motor Car Acquisition Notices
Transfers of Real Property	Mortgage Deeds
Leases and Assignments of Leases	Various Specified Agreements and Instruments
Gifts and Settlements	Deeds Not Otherwise Specified

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 624 and 630 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 1959-60 to 1963-64 :—

VICTORIA—LIQUOR TAX
('\$000)

Particulars	Year Ended 30th June—				
	1960	1961	1962	1963	1964
Licences—					
Victuallers	4,756	5,020	5,190	5,272	} 6,568
Spirit Merchants and Grocers ..	850	986	1,088	1,198	
Australian Wine	32	26	24	20	
Others	14	30	30	38	
Club Certificates	258	292	310	330	335
Permits—Extended Hours, &c. ..	78	82	84	92	100
Total	5,988	6,436	6,726	6,950	7,004

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 1959-60 to 1963-64 :—

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
1960	19,270	5,932	5,078	854
1961	21,544	6,514	6,268	246
1962	19,976	6,350	6,056	294
1963	20,684	6,404	6,104	300
1964	21,340	6,609	6,309	300

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 above mentioned allocations applied as from 1st April, 1963, when the *Racing (Totalizator Percentages) Act* 1963 came into force. This Act provided for an increase of $\frac{3}{4}$ 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 1959-60 to 1963-64:—

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
1960	26,396	..	143,200	1,768	2,642	850	5,260
1961	27,710	2,886	157,170	1,914	2,906	862	5,682
1962	27,838	26,418	151,648	2,774	2,802	830	6,406
1963	29,122	51,136	151,082	3,926	2,758	786	7,470
1964	31,024	78,221	154,445	5,349	2,848	817	9,014

* 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 1961-62 to 1963-64, according to the various classes of entertainments:—

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

Class of Entertainment	1961-62		1962-63		1963-64	
	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	14,361	1,264	5,933	470	..	..
Racing (Horse, Trotting, and Dog)	2,507	530	2,227	490	2,237	507
Sport	541	52	540	54	..	..
Miscellaneous	2,844	324	1,155	146	..	..
Total	20,253	2,170	9,855	1,160	2,237	507

NOTE.—As from 29th December, 1962, all entertainments tax, excepting that on admissions to horse-racing and trotting, was abolished.

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.

Tax on Incomes of Individuals

For the income year 1964-65, rates of Income Tax and Social Services Contribution payable on incomes of individuals remained unaltered from those obtaining for the income year 1963-64 (see Victorian Year Book 1965, page 654). However, the rebate of 5 per cent. which was deductible from the tax calculated by reference to the rates prescribed for 1963-64 was not allowed for 1964-65. No alterations were made in 1964-65 to those concessional and statutory deductions which applied in the previous year (see Victorian Year Book 1965, pages 653 and 654).

The following table shows the number of taxpayers, taxable income, and Income Tax and Social Services Contribution assessed during the year 1962-63 (based on incomes received during the year 1961-62). 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, 1962-63*

Grade of Actual Income†	Taxpayers	Taxable Income			Net Income Tax and Social Services Contribution Assessed
		Salaries and Wages	Other	Total	
\$	No.	\$'000			
209- 399 ..	46,164	11,218	2,493	13,711	108
400- 599 ..	53,524	19,428	5,013	24,441	414
600- 799 ..	60,125	30,555	7,516	38,072	1,116
800- 999 ..	69,828	46,120	9,971	56,091	2,272
1,000- 1,199 ..	75,789	57,088	16,263	73,351	3,743
1,200- 1,399 ..	86,466	80,773	17,668	98,441	5,997
1,400- 1,599 ..	84,474	88,349	20,721	109,069	7,560
1,600- 1,799 ..	82,992	95,466	22,288	117,754	8,970
1,800- 1,999 ..	95,605	120,901	23,271	144,172	11,662
2,000- 2,199 ..	103,977	144,433	24,078	168,511	14,612
2,200- 2,399 ..	97,151	146,558	23,722	170,280	15,878
2,400- 2,599 ..	80,022	128,556	22,968	151,523	15,003
2,600- 2,799 ..	65,311	110,463	21,851	132,314	13,910
2,800- 2,999 ..	50,210	89,635	20,566	110,201	12,316
3,000- 3,999 ..	130,428	252,958	83,954	336,913	43,027
4,000- 5,999 ..	67,269	148,368	99,292	247,660	41,395
6,000- 7,999 ..	17,577	42,591	56,388	98,979	22,078
8,000- 9,999 ..	7,458	19,895	36,300	56,194	15,103
10,000-19,999 ..	8,440	27,747	68,874	96,621	33,711
20,000-29,999 ..	1,145	6,671	17,922	24,593	11,036
30,000-39,999 ..	300	1,987	7,309	9,295	4,583
40,000-59,999 ..	159	1,593	5,220	6,813	3,628
60,000-99,999 ..	67	827	3,306	4,134	2,306
100,000 and over..	39	330	5,453	5,783	3,436
Total ..	1,284,520	1,672,511	622,406	2,294,917	293,866

* Includes 6,957 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., except for 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.

Company Tax

The following table shows the rates (in decimal currency) of Income Tax and Social Services Contribution payable by companies for the financial year 1964–65 (income year 1963–64) :—

AUSTRALIA—RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION PAYABLE BY COMPANIES, 1964–65

Type of Company	Rate per \$1 of Taxable Income—	
	Up to \$10,000	Balance
	cents	cents
Private	27·5*	37·5*
Non-private—		
Co-operative	32·5	42·5
Life Assurance—		
Mutual	27·5	37·5
Other Life Assurance—		
Resident—		
Mutual Income	27·5	37·5
Other Income	37·5†	42·5
Non-resident—		
Mutual Income	27·5	37·5
Dividend Income	32·5†	42·5
Other Income	37·5‡	42·5
Non-profit§—		
Friendly Society Dispensary	32·5	32·5
Other	32·5	42·5
Other—		
Resident	37·5	42·5
Non-resident—		
Dividend Income	32·5	42·5
Other Income	37·5||	42·5
All Companies—		
Interest¶ (Section 125) Rate per \$1		42·5

* Further tax at 50c in the \$1 payable on undistributed amount.

† Maximum income subject to this rate is \$10,000 less mutual income.

‡ Maximum income subject to this rate is \$10,000 less the sum of mutual income and dividend income.

§ Incomes not exceeding \$416 are not liable to tax. Where the taxable income does not exceed \$1,188, the tax payable is limited to one-half of the amount by which the taxable income exceeds \$416, less any rebate or credit to which the company is entitled.

|| Maximum income subject to this rate is \$10,000 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 \$416 (increased from \$208 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 1959-60 to 1963-64 :—

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

Particulars	Year Ended 30th June—				
	1960	1961	1962	1963	1964
Superannuation Fund—					
Railways	3,936	4,252	4,516	4,656	4,797
Other	3,043	3,406	3,793	4,178	4,575
Total Superannuation Fund ..	6,979	7,658	8,309	8,834	9,372
Police Pensions Fund	1,705	1,740	1,739	130	100
Police Superannuation Fund	184	154	136	141	149
Coal Mine Workers Pensions Fund ..	142	160	162	160	137
Parliamentary Contributory Retirement Fund	54	58	71	313	103
Married Women Teachers' Pensions Fund	29	30	39	33	36
Other Pensions, Gratuities, &c. ..	13	10	10	11	21
Grand Total	9,106	9,810	10,466	9,622	9,917

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 636.)

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 (\$208 pension) to 54 units (\$4,914 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 \$130 per annum.
- (6) A pension of \$156 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 \$312.

The following table shows particulars of the Superannuation Fund for each of the years 1959-60 to 1963-64 :—

VICTORIA—SUPERANNUATION FUND

Particulars	Year Ended 30th June—				
	1960	1961	1962	1963	1964
	\$'000				
Income—					
Contributions—					
Officers	5,690	6,010	5,800	5,952	6,638
Consolidated Revenue*	7,196	7,636	8,284	8,806	9,316
Interest	2,928	3,282	3,630	4,038	4,415
Other	14	1,220†	36	28	35
Total	15,828	18,148	17,750	18,824	20,404
Expenditure—					
Pension Payments	9,300	9,872	10,728	11,472	12,186
Lump Sum Payments	4	12	4	2	5
Contributions Refunded	546	1,419	1,648	618	723
Other	2	1	38	66	1,258‡
Total	9,852	11,304	12,418	12,158	14,172
Balance in Fund at 30th June	65,098	71,942	77,274	83,940	90,173
	No.				
Contributors at 30th June—					
Males	37,173	36,051	37,810	39,157	43,736
Females	6,182	6,610	7,167	7,662	7,883
Total	43,355	42,661	44,977	46,819	51,619
Pensioners at 30th June—					
Ex-employees—					
Males	7,939	8,087	8,224	8,197	8,151
Females	1,226	1,274	1,299	1,336	1,397
Widows	6,064	6,220	6,321	6,464	6,604
Children	547	585	561	796	832
Total	15,776	16,166	16,405	16,793	16,984

* These figures do not agree with those shown on page 634, as the latter include Consolidated Revenue's share of pensions accrued at the end of each year.

† Includes \$1,200,000 advance from State Treasury.

‡ Includes \$1,200,000 advance repaid to State Treasury.

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 *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 that existing members at that date could remain as contributors to the Police Pensions Fund or elect to transfer their superannuation rights to the Superannuation Fund.

The number of members who transferred to the Superannuation Fund during 1963-64 was 3,858.

The receipts of the Police Pensions Fund during 1963-64 amounted to \$1,775,107, comprising deductions from pay, \$458,524; special appropriation from Consolidated Revenue, \$100,000; interest on investments, \$1,153,678; and other receipts, \$62,905. During the year, \$1,468,533 was paid in pensions, \$45,700 in gratuities, \$41,267 represented deductions from pay returned, and \$222,384 was transferred to the Superannuation Fund. The balance in the Fund at 30th June, 1964, was \$23,999,588. Of this amount, \$22,476,490 was invested in government and semi-government securities.

The number of contributors to the Fund at 30th June, 1964 was 443 males and 14 females.

Police Superannuation Fund

Pensions are payable out of this Fund on account of those who joined the Police Force prior to 25th November, 1902.

The Fund is maintained by an annual subsidy of \$4,000 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 1963-64, the total receipts of the Fund from all sources amounted to \$181,405, while pension payments totalled \$36,429. The balance in the Fund at 30th June, 1964, was \$1,106,373 of which \$612,250 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, June and December, 1960, and December, 1963, 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. Mine workers contribute to the Fund at the rate of 90 cents weekly. Of the balance of the amount required, one-half is paid by the Treasurer of Victoria and one-half by the mine owners. 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 1963-64, the Government contributed \$64,955 to the Fund, and the State Coal Mine (as owners) \$71,737.

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, effective from 6th January, 1963, 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.

As a result of the amending legislation the only credit in this Fund available for meeting benefits payable is that specially provided for the purpose from Consolidated Revenue. The amount so provided in 1963-64 was \$102,840.

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.

As from 6th December, 1964 the rate of contribution to, and benefits payable from, the Fund were increased under the Authority of the *Parliamentary Salaries Pensions and Superannuation Act 1964*.

Members now contribute to the Fund at the rate of \$24 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 twice the basic wage payable in Melbourne. However, in certain circumstances, a person who has ceased to be a member and has served at least eight years may also receive a pension of the same amount.

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

During 1963-64 receipts of the Fund totalled \$55,950, made up of members' contributions, \$51,460, and interest on investments \$4,490, while pension payments amounted to \$3,970. The balance in the Fund at 30th June, 1964, was \$304,076 of which \$263,992 was invested in government and semi-government securities.

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 are 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 1963-64 amounted to \$92,830, consisting of teachers' contributions, \$36,994; contribution from Consolidated Revenue, \$36,396; and interest on investments, etc., \$19,440. Payments from

the Fund during the year totalled \$10,080. The balance in the Fund at 30th June, 1964, was \$441,236 of which \$441,148 was invested in government and semi-government securities.

Commonwealth Superannuation Fund

The Commonwealth Superannuation Scheme established under the provisions of the *Superannuation Act* 1922 provides pensions on retirement for officers and employees of the Commonwealth and certain Authorities of the Commonwealth and for their widows and children. Pensions are on a contributory basis. On retirement, contributors are entitled to \$91 per annum in respect of each unit contributed for and contributions of members provide \$26 of this. Each widow is entitled to a pension equal to a minimum of one-half or a maximum of five-eighths of that for which her husband was contributing or (if a pensioner) receiving. A pension of \$208 per annum is paid in respect of each child under sixteen years or up to 21 years for children undergoing full time education, of a married contributor or pensioner on his death. For orphan children \$520 per annum is paid.

In addition to the pension scheme, a Provident Account, established in 1937, provides a lump sum benefit to employees who for various reasons cannot become contributors for pension benefits. Contributions to the Provident Account are at the rate of five per cent. of salary. The benefit payable is the total of the contributions actually paid plus compound interest, multiplied by three, or an amount equal to one-half of annual salary, if greater.

At 30th June, 1964, there were 117,759 contributors to the Superannuation Fund and 13,415 to the Provident Account, while the number of pensions in force was 21,311. At the same date, the assets of the Fund (including those applicable to the Provident Account, \$13.3 mill.) were \$235.7 mill.

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 1963-64, the debits of all trust funds or accounts amounted to \$362,598,091, while credits totalled \$363,646,155.

At 30th June, 1964, the liability of the State on account of all trust funds or accounts amounted to \$111,670,403. Of this total, \$49,649,357 was invested in Commonwealth Stock or other securities, and cash advanced totalled \$6,549,946. The balance—\$55,471,100—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 1960-61 to 1963-64 and the total to 30th June, 1964.

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

Expenditure on—	Year Ended 30th June—				Total to 30th June, 1964
	1961	1962	1963	1964	
Public Works—					
Railways	15,128	15,328	15,618	15,620	390,394*
Roads and Bridges	2,814	2,220	1,006	1,083	57,428
Harbours and Rivers	942	834	610	1,180	13,074
Water Supply—					
Country	16,190	15,912	16,170	17,266	300,815†
Metropolitan .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	6,285
Sewerage	1,046	824	820	1,210	11,534
Electricity Supply	13,500	14,000	17,000	16,000	181,878‡
Gas and Fuel Corporation	160	140	100	60	24,939
Public Buildings—					
Schools	25,856	28,600	28,130	30,566	262,110
Hospitals	11,350	12,744	12,394	13,520	153,876
Other	4,098	3,492	5,272	7,970	44,245
Immigration	70	§	70	23	644
Municipal Endowment .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	1,397
Municipalities—Loans, Grants, &c.	1,020	1,330	1,906	1,711	13,254
Housing	1,072	1,420	1,680	1,639	29,498
Unemployment Relief .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	26,294
Other Public Works	620	526	658	594	11,254
Primary Production—					
Land Settlement	2,184	3,008	2,828	2,272	99,042
Soldier Settlement	1,404	592	182	185	119,385
Wire Netting Advances	6	2	2	1	2,104

* Includes expenditure of \$3,609,000 transferred to State Electricity Commission.

† Includes expenditure of \$354,000 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, 1964
	1961	1962	1963	1964	
Primary Production (<i>continued</i>)—					
Other Advances to Settlers (Including Drought, Flood, &c., Relief)	100	78	36	240	8,612
Bulk Handling of Wheat .. .. .	..	..	..	..	2,807
Forestry	1,528	1,830	2,020	2,025	42,295
Mining, <i>n.e.i.</i>	212	158	134	124	2,264
Mining—State Coal Mine .. .. .	..	..	..	..	706
Primary Products—Advances to Companies .. .. .	..	..	..	..	662
Cool Stores	106	108	136	176	2,202
Destruction of Vermin and Noxious Weeds	1,280	1,354	1,426	1,658	8,547
Other Primary Production	350	410	390	500	2,431
Other Purposes	2,374	1,924	2,076	2,125	37,250
Total Works Expenditure	103,410	106,834	110,664	117,750	1,857,225
In Aid of Revenue .. .. .	..	..	..	..	57,123
Grand Total	103,410	106,834	110,664	117,750	1,914,348

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:—1960–61, \$1,511,876; 1961–62, \$854,694; 1962–63, \$1,592,534; 1963–64, \$1,000,497. The aggregate expenditure to 30th June, 1964, was \$34,608,303.

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.

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, 1964, was \$345,320,584, of which \$331,543,816 was for housing, and \$13,776,768 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 1959-60 to 1963-64. 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

(\$A'000)

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
DEBT MATURING IN AUSTRALIA					
Debt Outstanding at 1st July	1,016,372	1,092,876	1,166,110	1,246,406	1,320,866
New Debt Incurred—					
Commonwealth Government Loan					
Flotations	135,798	194,140	159,494	282,244	190,960
Domestic Raisings	2,198	1,320	2,716	1,640	2,101
Less Conversion and Redemption Loans	49,148	108,404	68,120	194,226	87,042
Total New Debt Incurred	88,848	87,056	94,090	89,658	106,019
Repurchases and Redemptions from National Debt Sinking Fund	12,344	13,822	13,794	15,198	15,297
Net Increase in Debt	76,504	73,234	80,296	74,460	90,722
Debt Outstanding at 30th June	1,092,876	1,166,110	1,246,406	1,320,866	1,411,589

VICTORIA—STATE PUBLIC DEBT : SUMMARY OF TRANSACTIONS—
continued
(\$A'000)

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
DEBT MATURING IN LONDON					
Debt Outstanding at 1st July	103,132	103,056	102,924	102,762	108,848
New Debt Incurred—					
Commonwealth Government Loan Flotations .. .. .	..	1,550	..	6,198	7,358
Less Conversion and Redemption Loans	..	1,512	..	..	..
Total New Debt Incurred .. ..	..	38	..	6,198	7,358
Repurchases and Redemptions from National Debt Sinking Fund	76	170*	162	112	1,054
Net Increase in Debt	-76	-132	-162	6,086	6,303
Debt Outstanding at 30th June	103,056	102,924	102,762	108,848	115,151
DEBT MATURING IN NEW YORK, CANADA, SWITZERLAND, AND THE NETHERLANDS					
Debt Outstanding at 1st July	24,214	28,074	38,478	43,372	52,546
New Debt Incurred—					
Commonwealth Government Loan Flotations	4,708	11,030	8,924	10,144	..
Less Conversion and Redemption Loans	..	..	2,170	..	..
Total New Debt Incurred	4,708	11,030	6,754	10,144	..
Repurchases and Redemptions from National Debt Sinking Fund	848	626	1,670†	970	1,564
Adjustment due to Variation in Rate of Exchange .. .. .	..	..	-190	..	..
Net Increase in Debt	3,860	10,404	4,894	9,174	-1,564
Debt Outstanding at 30th June	28,074	38,478	43,372	52,546	50,981‡
TOTAL					
Debt Outstanding at 1st July	1,143,718	1,224,006	1,307,512	1,392,540	1,482,260
New Debt Incurred—					
Commonwealth Government Loan Flotations	140,506	206,720	168,418	298,586	198,318
Domestic Raisings	2,198	1,320	2,716	1,640	2,101
Less Conversion and Redemption Loans	49,148	109,916	70,290	194,226	87,042
Total New Debt Incurred	93,556	98,124	100,844	106,000	113,377
Repurchases and Redemptions from National Debt Sinking Fund	13,268	14,618	15,626	16,280	17,915
Adjustment due to Variation in Rate of Exchange .. .. .	..	..	-190	..	..
Net Increase in Debt	80,288	83,506	85,028	89,720	95,461
Debt Outstanding at 30th June	1,224,006	1,307,512	1,392,540	1,482,260	1,577,721

* Includes \$A39,000 discount expenses on conversion loans met from National Debt Sinking Fund.

† Includes \$A39,000 discount expenses on conversion loans met from National Debt Sinking Fund.

‡ Includes New York, \$A42,964,000; Canada, \$A3,359,000; Switzerland, \$A2,600,000; and The Netherlands, \$A2,059,000.

The following table shows the rates of interest which were payable on the public debt at 30th June, 1964, 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, 1964
(\$A'000)**

Rate of Interest	Amount Maturing—				Total
	In Australia	In London	In New York	Elsewhere Overseas	
per cent.					
6·0 .. ..	..	1,450	..	..	1,450
5·75 .. ..	..	..	..	3,359*	3,359
5·5 .. ..	..	53,398	16,885	..	70,282
5·375	67,305	..	..	..	67,305
5·25	29,050	..	8,552	..	37,602
5·0	387,078	..	7,158	2,059†	396,294
4·75	120,889	..	3,989	..	124,878
4·625	14,150	..	..	..	14,150
4·5	323,465	..	916	2,600‡	326,981
4·25	198,010	..	..	..	198,010
4·0	64,257	..	..	..	64,257
3·875	1,404	..	..	..	1,404
3·75	90,245	..	1,947	..	92,192
3·625	214	..	..	..	214
3·5	9	13,298	3,517	..	16,824
3·4875	1	..	..	..	1
3·25 .. ..	..	21,500	..	..	21,500
3·125	105,902	..	..	..	105,902
3·1	553	..	..	..	553
3·0	2,092	25,506	..	..	27,598
2·7125	244	..	..	..	244
2·5	3	..	..	..	3
2·325	1,235	..	..	..	1,235
1·0	5,483	..	..	..	5,483
Total	1,411,589	115,151	42,964	8,017	1,577,721
Average Rate of Interest per cent.	4·49	4·30	5·03	5·15	4·49

* Maturing in Canada.

† Maturing in The Netherlands.

‡ Maturing in Switzerland.

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 1959–60 to 1963–64. 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 overseas 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
			\$A'000			\$A	%
1960	..	..	46,110	5,488	51,598	18.06	4.22
1961	..	..	51,548	6,064	57,612	19.66	4.41
1962	..	..	56,028	6,394	62,422	20.87	4.48
1963	..	..	59,110	7,240	66,350	21.72	4.48
1964	..	..	63,361	7,529	70,890	22.64	4.49

The interest and expenses associated with the public debt of Victoria, for each of the years 1959–60 to 1963–64, are shown in the following table :—

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT (\$A'000)

Year Ended 30th June—	Interest Paid on Loans Maturing—				Total Interest	Exchange on Pay- ment of Interest Overseas	Commis- sion on Payment of Interest Overseas, Expenses of Conversion Loans, &c.	Grand Total*	
	In Australia	In London	In New York	Elsewhere Overseas					
1960	..	43,066	3,382	490	..	46,938	1,430	300	48,668
1961	..	46,566	3,378	636	..	50,580	1,618	244	52,442
1962	..	51,492	3,410	746	146	55,794	1,920	312	58,026
1963	..	57,120	3,432	924	214	61,690	2,166	254	64,110
1964	..	60,729	3,782	1,029	214†	65,755	2,380	272	68,407

* Includes \$A4,254,000 contributed each year by the Commonwealth Government in accordance with the provisions of the "Financial Agreement" (see page 615), but excludes interest paid on advances received from the Commonwealth Government for housing and soldier settlement.

† Includes Canada, \$A100,000; Switzerland, \$A45,000; and The Netherlands, \$A69,000.

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 1959-60 to 1963-64, 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	1959-60	1960-61	1961-62	1962-63	1963-64
Contributed under Financial Agreement—					
Victoria	10,500	11,406	12,350	13,392	14,275
Commonwealth	2,734	2,894	3,130	3,390	3,700
Total Contributions under Financial Agreement	13,234	14,300	15,480	16,782	17,975
Interest on Investments	<i>Dr.</i> 2	12	<i>Dr.</i> 2	<i>Dr.</i> 26	24
Special Contributions by Victoria	106	106	108	102	102
Total	13,338	14,418	15,586	16,858	18,101
Total to Date	144,972	159,390	174,976	191,834	209,934

VICTORIA—NATIONAL DEBT SINKING FUND : SECURITIES
REPURCHASED AND REDEEMED
(\$A'000)

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
Australia—					
Face Value	12,344	13,822	13,794	15,198	15,297
Net Cost	12,324	13,602	13,788	15,192	15,289
London—					
Face Value	74	132	162	112	1,054
Net Cost	70	154*	148	114	1,010
New York—					
Face Value	850	626	1,632	950	1,438
Net Cost	828	606	1,654†	942	1,440
Canada—					
Face Value .. .. .	..	..	..	20	126
Net Cost .. .. .	..	..	..	20	126
Total—					
Face Value	13,268	14,580	15,588	16,280	17,915
Net Cost	13,222	14,362	15,590	16,268	17,866
Total to Date—					
Net Cost	144,600	158,962	174,552	190,820	208,686

* Includes \$A39,000 discount on conversion loans in London.

† Includes \$A39,000 discount on conversion loans in New York.

Further Reference, 1964

*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 body, whether corporate or unincorporated, which desires to conduct some banking business but does not desire to carry on the general business of banking may be exempted from compliance with 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 1964

General

During 1963, concern had been expressed that the high liquidity of the banking system could facilitate a sharp increase in spending. Late in 1963, the seasonal upswing in oversea funds of the Australian banking system was generating a strong expansion of bank deposits, and the central bank directed the trading banks to restrain credit.

As bank liquidity continued to rise early in 1964 with buoyant exports and capital inflow, the Reserve Bank made three calls to Statutory Reserve Deposits in the first quarter, raising them from 10.4 per cent. to 15.1 per cent. of all bank deposits. This involved calls totalling more than \$200 mill.

During the June quarter, deposits declined along with the pressure on the balance of payments normally observed at this time of the year, but rose again in response to the earnings of the new export season in the second half of the year.

Trend of Advances

During the first months of 1964, advances were increasing more rapidly than usual at that time of the year. This supported fears that credit would expand unduly and cause pressure on resources and on costs, with an underlying threat of inflation.

The aggregate of bank overdraft limits, most of which had been granted by banks in the preceding periods, when it was desirable to encourage borrowing to facilitate recovery, remained high, but the degree to which they were being utilized by bank customers in actual advances was little more than 50 per cent. in January. This left ample scope for an expansion of advances, even without any active encouragement from the banks.

It was widely reported that many large businesses were obtaining funds by borrowing from other businesses in the so-called "inter-company" market, using their bank overdraft limits as security, and being ready to fall back on bank advances if funds became scarce or expensive in the "inter-company" market. The extent of this market was unknown and thus another uncertainty was introduced into the problem of monetary policy.

Aggregate overdraft limits continued to rise slowly, but actual advances rose more quickly during the year, the overdraft utilization rate rising from 51.4 per cent. in January to 56.1 per cent. in June. Whatever action the Reserve Bank or the trading banks might have taken in regard to limits on overdrafts, it would have been difficult to reverse a rise in bank advances if customers had decided to use existing limits more fully.

In addition to this borrowing potential, there was also the possibility of businessmen acquiring credit from various "fringe" banking institutions which have become established in increasing variety in Australia in recent years. Many businesses were also in a position to expand their spending out of their own creditor funds, regardless of the level of institutional credit available.

However, business expectations were not so optimistic as to promote any dangerous expansion of spending, nor were consumers inclined to spend more freely. The high liquidity of the financial system was, therefore, not actively employed.

Interest Rates

In order to dissuade depositors from using their funds, interest rates were raised in April, 1964 by one-half per cent. per annum on bank term deposits, to $3\frac{3}{4}$ per cent. for the 3–12 month term deposits and to 4 per cent. for the 12–15 month term. At the same time, a short term deposit of 1–3 months carrying interest of $3\frac{3}{4}$ per cent. was introduced for sums of \$100,000 or more. At the end of September, the two-year deposit at $4\frac{1}{2}$ per cent. was re-introduced and the 12–15 month term was extended to a 12–18 month term.

By the end of the year, deposits had reached \$4,780 mill. in the major Australian trading banks—a rise of \$554 mill. during the year. This compared with a rise of only \$394 mill. during the

previous year. Reflecting the higher interest rates on term deposits, this category of term deposits had risen by \$364 mill. during the year, compared with a rise of only \$190 mill. in current deposits.

In October, a further 1 per cent. call to Statutory Reserve Deposits was made as the new export season replenished oversea reserves and bank deposits, and showed the Reserve Bank's concern to cut back excess liquidity as a warning to business. This was not likely to cause an actual restriction of advances until the next seasonal rundown of liquidity in 1965, but the psychological effect was more immediate.

Meanwhile, advances increased by \$190 mill. during the year 1964, compared with only \$92 mill. during the previous year. This includes the rise in term loans from \$82 mill. to \$152 mill. Further funds were made available to the Term Lending Fund of the banks during the year, and equalled 1 per cent. of deposits (including a transfer of 0.7 per cent. of deposits from Statutory Reserve Deposits, which brought the latter down to 14.4 per cent.).

History of Banking in Victoria, 1961

Trading Banks

The following table shows the number of branches and agencies in Victoria conducted by individual trading banks at 30th June, 1962, 1963, and 1964 :—

VICTORIA—TRADING BANKS : NUMBER OF BRANCHES AND AGENCIES

Bank	At 30th June—					
	1962	1963	1964	1962	1963	1964
Commonwealth Trading Bank of Australia	Branches			Agencies		
	90	111	114	64	60	81
Private Trading Banks—						
Australia and New Zealand Bank Ltd.	180	185	185	85	88	106
The Bank of Adelaide	1	1	2	..	..	..
The Bank of New South Wales	145	152	158	18	20	20
The Commercial Bank of Australia Ltd.	155	160	162	69	65	68
The Commercial Banking Co. of Sydney Ltd.	111	114	120	39	39	39
The English, Scottish, and Australian Bank Ltd.	141	142	148	41	37	34
The National Bank of Australasia Ltd.	213	222	231	101	98	97
Total Private Trading Banks	946	976	1,006	353	347	364
Total Trading Banks	1,036	1,087	1,120	417	407	445
Metropolitan Area	540	581	604	176	167	209
Remainder of State	496	506	516	241	240	236

The following tables show particulars of the averages of deposits with, and advances by, trading banks in Victoria during the month of June, 1964. 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, 1964
(\$'000)

Bank	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
Commonwealth Trading Bank of Australia	99,622	61,576	161,198	82,248
Private Trading Banks— Australia and New Zealand Bank Ltd.	156,630	108,258	264,888	131,048
The Bank of Adelaide	2,968	5,798	8,766	3,558
Bank of New South Wales	102,352	62,082	164,434	78,742
The Commercial Bank of Australia Ltd.	118,068	78,290	196,358	106,584
The Commercial Banking Co. of Sydney Ltd.	62,824	52,144	114,968	56,312
The English, Scottish, and Australian Bank Ltd.	111,526	62,766	174,292	78,350
The National Bank of Australasia Ltd.	159,286	143,194	302,480	120,296
Total	813,276	574,108	1,387,384	657,138

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

Month of June	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
1960	807,680	312,658	1,120,338	581,920
1961	726,660	371,822	1,098,482	600,840
1962	741,218	431,800	1,173,018	601,772
1963	738,336	473,778	1,212,114	638,974
1964	813,276	574,108	1,387,384	657,138

A classification of persons and authorities in receipt of trading bank advances for each of the years 1959–60 to 1963–64 is given in the following table. Business advances are classified according to the main industry of the borrower.

VICTORIA—TRADING BANKS : CLASSIFICATION OF ADVANCES

(\$'Mill.)

Classification	At End of June—				
	1960	1961	1962	1963	1964
Resident Borrowers—					
Business Advances—					
Agriculture, Grazing, and Dairying ..	88·7	83·6	90·3	96·7	100·2
Manufacturing	173·0	178·6	168·4	177·0	163·4
Transport, Storage, and Com-					
munication	9·6	8·1	8·3	9·9	16·2
Finance	52·8	57·0	55·1	40·6	51·8
Commerce	125·1	130·2	124·5	132·6	126·2
Building and Construction ..	18·0	16·0	19·1	18·7	20·2
Other Businesses	40·7	39·2	43·8	51·6	52·8
Unclassified	4·3	4·8	7·2	5·2	5·6
Total Business Advances ..	512·2	517·5	516·7	532·3	536·4
Advances to Public Authorities ..	6·0	6·1	7·6	7·0	10·4
Personal Advances	88·8	76·5	88·1	98·0	106·4
Advances to Non-profit Organizations..	9·0	9·4	9·6	10·5	10·8
Total Advances to Resident Bor-					
rowers	616·0	609·5	622·0	647·8	664·0
Non-resident Borrowers	0·1	0·2	0·2	0·3	0·4
Grand Total	616·1	609·7	622·2	648·1	664·4

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 1954–55 to 1963–64, 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 652–653) 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
1955	352,292	1960	529,122
1956	370,738	1961	565,872
1957	390,910	1962	590,036
1958	414,118	1963	650,542
1959	449,458	1964	733,190

Reserve Bank of Australia

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

The *Banking Act 1959*, which came into operation at the same time as the *Reserve Bank Act 1959*, provides the statutory basis for the conduct and regulation of trading and savings banking generally, including provisions concerning the relationships of trading and savings banks with the Reserve Bank. This Act endows the Reserve Bank with responsibilities for the protection of bank depositors, the determination of policy to be followed by banks and savings banks with relation to their advances, the conduct of Statutory Reserve Deposit accounts maintained with it by trading banks and, with the approval of the Commonwealth Treasurer, the control of bank interest rates. Other powers conferred on the bank include administration of exchange control and the mobilization of foreign currency.

The Reserve Bank's policy is determined by a Board consisting of the Governor of the Bank (Chairman), the Deputy Governor (Deputy Chairman), the Secretary to the Treasury, and seven other members appointed by the Governor-General. This Board has the statutory duty to ensure that the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia, and more particularly, to exercise the Bank's powers in such a manner as will best contribute to the stability of the currency of Australia; the maintenance of full employment; and the economic prosperity and welfare of the people of Australia.

The Board is required periodically to inform the Government of its monetary and banking policy, and the Governor and the Secretary to the Treasury are obliged to keep each other fully informed on matters of joint interest.

Each year, the net profits from central banking business are distributed between the Reserve Bank Reserve Fund and the Commonwealth, the amount to be allocated to the Reserve Fund being decided by the Commonwealth Treasurer, after consultation with the Board.

Note Issue Department

The exclusive right to issue, re-issue and cancel Australian notes is vested in the Note Issue Department, which was established in 1920. Net profits of the Department are paid to the Commonwealth.

Rural Credits Department

The Bank, through the Rural Credits Department (established in 1925) makes advances of up to one year to certain bodies for the purpose of assisting orderly marketing of primary produce. The Department's net profits are divided equally between the Rural Credits Department Reserve Fund and the Rural Credits Development Fund.

Financial Statements

The Bank's liabilities and assets, for each of the years 1959-60 to 1963-64 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	1959-60	1960-61	1961-62	1962-63	1963-64
Liabilities—					
Capital and Reserve Funds	50,058	45,580	52,000	57,028	60,604
Australian Notes on Issue	827,184	855,420	855,006	876,522	876,721
Statutory Reserve Deposit Accounts of Trading Banks ..	561,572	588,818	435,466	424,508	531,354
Other Deposits of Trading Banks ..	39,160	36,956	62,908	119,024	82,857
Other Liabilities ..	492,736	536,834	665,972	613,586	698,708
Total ..	1,970,710	2,063,608	2,071,352	2,090,668	2,250,244
Assets—					
Gold and Foreign Exchange	959,710	808,290	1,052,118	1,095,658	1,399,722
Australian Notes and Coin	7,132	12,560	15,970	18,236	19,340
Cheques and Bills of Other Banks ..	6,168	3,912	3,580	3,860	3,694
Australian Government Securities— Redeemable in Australia— Treasury Bills and Treasury Notes*	393,038	447,296	380,228	308,788	232,486
Other ..	464,804	607,812	471,502	515,118	428,662
Other Securities ..	13,874	7,702	7,450	5,130	2,940
Bills Receivable and Remittances in Transit	8,028	11,500	12,540	15,316	18,256
Loans, Advances and All Other Assets ..	117,956	164,536	127,964	128,562	145,144
Total ..	1,970,710	2,063,608	2,071,352	2,090,668	2,250,244

* Treasury notes were first issued on 16th July, 1962, to replace seasonal securities ; earlier figures include seasonal securities.

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

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
Liabilities (Excluding Capital and Contingencies)	109,084	124,664	115,212	111,080	119,080
Assets—					
Loans, Advances, &c.	125,210	144,712	136,960	133,362	143,712
Other Assets ..	434	108	90	1,048	286
Total Assets ..	125,644	144,820	137,050	134,410	143,998

**AUSTRALIA—RESERVE BANK OF AUSTRALIA :
NET PROFITS
(\$'000)**

Department	1959-60	1960-61	1961-62	1962-63	1963-64
Central Banking ..	10,762	13,410	13,346	6,702	9,966
Note Issue	21,032	25,860	31,502	25,562	26,982
Rural Credits ..	644	868	938	888	986
Total ..	32,438	40,138	45,786	33,152	37,934

**AUSTRALIA—RESERVE BANK OF AUSTRALIA :
DISTRIBUTION OF PROFITS
(\$'000)**

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
Commonwealth of Australia	26,412	32,566	40,474	28,912	31,965
Reserve Bank Reserve Fund	5,382	6,704	4,372	3,352	4,983
Rural Credits Department—					
Reserve Fund ..	322	434	470	444	493
Development Fund	322	434	470	444	493
Total ..	32,438	40,138	45,786	33,152	37,934

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, the Commonwealth Savings Banks of Australia, and the 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, 1964, deposits totalled \$750 mill., or 17.1 per cent. of the total deposits of all major Australian trading banks, advances to customers were \$380 mill., customers' accounts numbered 821,000 and it had 978 branches and agencies throughout Australia.

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

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

Commonwealth Savings Bank of Australia

The Commonwealth Savings Bank of Australia was established in July, 1912. It is the largest savings bank in Australia, having total assets in excess of \$2,000 mill.

At the end of June, 1964, amounts on deposit with the Savings Bank within Australia totalled \$2,063 mill. and it was conducting 5,860,000 active accounts. The Savings Bank's depositors' balances are widely invested in the development of Australia; apart from advances (mainly for housing) of \$452 mill. outstanding in June, 1964, investments in Commonwealth and State Government securities totalled approximately \$1,119 mill. and in local and semi-governmental securities amounted to approximately \$248 mill.

Since 1946, \$684 mill. has been provided for housing purposes, assistance having been provided to 164,000 families.

The Commonwealth Savings Bank and the Commonwealth Trading Bank provide special services to facilitate the assimilation of newcomers to Australia through the Australian Financial and Information Service in London, the Migrant Information Service in all capital cities and other major centres, and agencies conducted on migrant vessels and at hostels.

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.

To advise and assist the promotion of efficient organization and conduct of primary production and industrial undertakings, the Bank maintains a specialist staff who offer technical advice and assistance to customers.

The Development Bank has branches in the six capital cities and applications may be directed to any branch of the Commonwealth Savings Bank or Commonwealth Trading Bank. All major private banks, the Rural Bank of New South Wales, Rural and Industries Bank of Western Australia, State Bank of South Australia, and State Savings Bank of Victoria are agents of the Development Bank for the receipt and transmission of loan applications.

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

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

At 30th June—	Deposits Repayable in Australia (Average for Month of June)			Advances	Number of Accounts
	Bearing Interest	Not Bearing Interest	Total		
	\$ mill.				'000
1960.. ..	160	382	542	294	680
1961.. ..	208	356	564	296	719
1962.. ..	232	372	604	324	760
1963.. ..	246	390	636	360	773
1964.. ..	319	431	750	380	821

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.	
1960	5,370	1,614	272	1,172
1961	5,450	1,644	296	1,178
1962	5,560	1,746	328	1,220
1963	5,660	1,878	364	1,290
1964	5,860	2,063	452	1,367

Details of financial assistance approved by the Commonwealth Development Bank during the period 14th January, 1960 to 17th February, 1965 are set out in the following tables :—

AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOPMENT BANK : LOANS APPROVED, 14TH JANUARY, 1960 TO 17TH FEBRUARY, 1965

Particulars	Rural Loans		Industrial Loans		Total	
	No.	Amount	No.	Amount	No.	Amount
		\$'000		\$'000		\$'000
Australia ..	9,545	91,064	1,156	35,900	10,701	126,964
Victoria ..	1,350	11,248	249	9,481	1,599	20,728

AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOPMENT BANK : EQUIPMENT FINANCE ON HIRE PURCHASE TERMS, 14TH JANUARY, 1960 TO 3RD MARCH, 1965

Particulars	Number of Advances	Amount Advanced
		\$'000
Australia	66,450	168,764
Victoria	13,824	40,409

Advances by the Commonwealth Development Bank to rural and industrial industries outstanding in Australia at 30th June, 1964, were as follows :—

AUSTRALIA—COMMONWEALTH DEVELOPMENT BANK OF AUSTRALIA : ADVANCES TO RURAL AND INDUSTRIAL INDUSTRIES OUTSTANDING AT '30TH JUNE, 1964

Rural Industries				Industrial Industries			
Type of Industry			Advances Outstanding	Type of Industry			Advances Outstanding
			\$'000				\$'000
Sheep			26,465	Chemical Products ..			2,755
Cattle			6,767	Electrical Manufacturing ..			879
Dairying			8,172	Food Processing			2,046
Wheat and Other Grain				Engineering			4,235
Crops			6,682	Other Manufacturing			6,427
Fruit			2,823	Transport			2,276
Miscellaneous			4,379	Miscellaneous			3,761
Total			55,287	Total			22,379

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, 1964, the Bank's 461 branches, and 664 agencies throughout the State held balances totalling \$780 mill.

The total assets of the Bank at 30th June, 1964, after the exclusion of inter-departmental items, were \$843.8 mill.

Profits accruing from the activities of the Savings Bank Department were :—1959–60, \$687,392 ; 1960–61, \$1,160,600 ; 1961–62, \$447,742 ; 1962–63, \$2,495,008 ; and 1963–64, \$4,029,744. Reserve Funds totalled \$24,800,000 at 30th June, 1964.

The following table shows the number of accounts open and the amount remaining on deposit for each year from 1959–60 to 1963–64 :—

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			
1960 ..	2,350	462	2,812	572,418	18,320	5,534	596,272
1961 ..	2,409	479	2,888	580,792	29,906	5,914	616,612
1962 ..	2,450	494	2,944	614,432	42,914	6,324	663,670
1963 ..	2,476	519	2,995	649,520	57,422	6,742	713,684
1964 ..	2,516	532	3,049	704,073	68,644	7,152	779,869

The following table shows the transactions of the Bank for each year from 1959–60 to 1963–64 :—

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			
1960 ..	359	278	2,812	778,602	760,482	15,560	596,272
1961 ..	374	298	2,888	836,482	832,766	16,624	616,612
1962 ..	366	310	2,944	765,782	738,056	19,332	663,670
1963 ..	369	318	2,995	877,418	847,578	20,174	713,684
1964 ..	363	309	3,049	994,477	946,989	18,697	779,869

* Excluding Deposit Stock Accounts.

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, 1964
	1961	1962	1963	1964	
Stock and Debentures—					
Issued \$'000	58,500	67,500	81,000	147,500	1,062,190*
Redeemed \$'000	46,000	62,000	66,000	130,000	897,190
Outstanding at 30th June \$'000	127,000	132,500	147,500	165,000	165,000
Pastoral or Agricultural Property—					
Advanced \$'000	98	124	346	467	26,755
Repaid \$'000	116	130	116	172	25,310
Outstanding at 30th June \$'000	926	920	1,150	1,444	1,444
Loans Current, 30th June No.	447	413	432	451	451
Dwelling or Shop Property—					
Advanced \$'000	23,454	14,602	25,952	31,838	325,310
Repaid \$'000	9,702	9,684	11,162	14,877	157,391
Outstanding at 30th June \$'000	131,250	136,168	150,958	167,919	167,919
Loans Current, 30th June No.	36,740	37,683	40,021	42,005	42,005
Housing Advances—					
Advanced \$'000	..	..	..	..	19,680
Repaid \$'000	74	62	54	42	19,574
Outstanding at 30th June \$'000	264	202	148	107	107
Loans Current, 30th June No.	538	429	315	233	233
Country Industries—					
Advanced \$'000	..	..	..	..	390
Repaid \$'000	..	2	..	..	388
Outstanding at 30th June \$'000	4	2	2	2	2
Loans Current, 30th June No.	1	1	1	1	1
Total Transactions—					
Advanced \$'000	23,552	14,726	26,298	32,305	372,135
Repaid \$'000	9,892	9,878	11,332	15,091	202,663
Outstanding at 30th June \$'000	132,444	137,292	152,258	169,472	169,472
Loans Current, 30th June No.	37,726	38,526	40,769	42,690	42,690

* Including conversion loans, and \$5,275,000 stock inscribed in exchange for debentures.

The net profit of the Credit Foncier Department for the year ended 30th June, 1964, after making provision for bad and doubtful debts, was \$136,098. This sum was added to General Reserve, which amounted to \$4,478,524 at 30th June, 1964. There are provisions for depreciation and long service leave amounting to \$540,000.

History of the State Savings Bank, 1961

Private Savings Banks

Private savings banks in Victoria are part of a nation-wide 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 1960 to 1964, 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.	
1960	..	..	..	..	..	140,484	14·1
1961	..	..	..	..	..	151,104	14·6
1962	..	..	..	..	..	193,012	16·9
1963	..	..	..	..	..	273,134	21·0
1964	..	..	..	..	..	349,946	23·7

At 30th June, 1964, private savings banks had 1,006 branches and 898 agencies throughout Victoria.

Total Deposits, &c., in Savings Banks

The next table shows the aggregate amount on deposit in Victoria in each savings bank at the end of each of the years 1959-60 to 1963-64. The total amount of deposits per head of population is also shown.

VICTORIA—SAVINGS BANKS : DEPOSITS

Savings Bank	Depositors' Balances at 30th June—				
	1960	1961	1962	1963	1964
	\$'000				
State Savings Bank of Victoria*	596,272	616,612	663,670	713,684	779,869
Commonwealth Savings Bank of Australia ..	262,486	267,344	285,124	311,364	349,294
Private Savings Banks—					
Australia and New Zealand Savings Bank Ltd.	63,454	67,856	78,046	90,800	105,988
The Bank of Adelaide Savings Bank Ltd. .. ..	..	..	54	330	514
Bank of New South Wales Savings Bank Ltd.	50,674	54,802	64,998	76,536	90,854
The Commercial Savings Bank of Australia Ltd. .. ..	..	..	..	15,126	26,946
C.B.C. Savings Bank Ltd.	26,356	28,446	33,210	39,096	46,332
E. S. and A. Savings Bank Ltd. .. ..	..	..	13,264	25,100	35,394
The National Bank Savings Bank Ltd. .. ..	..	..	3,440	26,146	43,918
Total Deposits ..	999,242	1,035,060	1,141,806	1,298,182	1,479,109
	\$				
Deposits per Head of Population	349.70	353.25	381.69	424.84	472.41

* Including School Bank and Deposit Stock Accounts.

Life Insurance

The first purely mutual life office with headquarters in Victoria was established in 1869, although branches of other Australian and oversea insurance offices were operating in the colony before this time. In 1964, there were 40 companies transacting life business in Victoria, compared with 20 in 1946, with assets throughout Australia of more than \$2,800 mill.

Many of the offices operating in Victoria have their headquarters in Melbourne, and most of the larger offices are Australian-controlled, although recent years have seen a considerable increase in the number of oversea offices establishing branches in Australia. There has also been a considerable expansion by the life offices into the general insurance field, and by the general insurance companies into life business.

The Secretariat of the Life Offices' Association for Australasia is also located in Melbourne. This Association was formed in 1905 by the main life offices to protect, promote, and advance the interests of members and their policyholders, through the maintenance of high ethical standards and the good government of the industry. L.O.A. members today write more than 85 per cent. of the ordinary and superannuation business in Australia and New Zealand, and virtually all the collector insurance.

Section 51 (xiv) of the Commonwealth of Australia Constitution Act empowers the Commonwealth Parliament to legislate on insurance extending beyond any one State. Control of the activities of life offices in Victoria and the rest of Australia is vested in the Insurance Commissioner under the *Commonwealth Life Insurance Act* 1945-1961. The main categories of life insurance are ordinary, collector (industrial), and superannuation. Under a collector policy, premiums are payable at intervals of less than two months to collectors.

In general, there are five main types of life policy :—Whole of life, under which the amount of the policy, plus any bonuses, is payable on death ; endowment insurance, which provides for payment of the sum insured, plus any bonuses, when the life insured reaches a specified age or date, or if death occurs before ; endowment, under which the amount of the policy is payable, plus any bonuses, if the life insured reaches a specified age or date (if death occurs before, all premiums paid are generally returned, plus compound interest) ; temporary insurance for short terms ; and annuities. There are many variations of these five basic types available. Since 1946, the number of ordinary and superannuation life policies in force in Victoria has more than doubled to 1,123,585 at the end of 1963, and the total sum insured increased in the same period almost ninefold from \$379 mill. to \$3,290 mill.

The growth of collector insurance has not, however, matched that of ordinary and superannuation business. The number of collector policies fell from 1,119,476 in 1946 to 897,899 in 1963, although the sum insured rose from \$117 mill. to \$237 mill. over the same period.

Latest figures show that the protection afforded by life insurance continues to increase. In 1963, 141,282 new policies were taken out in Victoria for a total sum insured of \$603 mill., of which ordinary business amounted to \$384 mill., superannuation \$189 mill., and collector \$30 mill. In 1962 new sums insured totalled \$568 mill. Benefits paid to Victorian policy holders totalled \$49 mill. in 1963.

In addition, new loans, excluding advances on premiums, paid over by life offices in Victoria during 1963 amounted to \$44 mill. Of this total, \$37 mill. was advanced on real estate mortgages, including \$13 mill. for housing.

As a result of the increasing awareness of the value of life insurance as a protection and a form of saving, the funds held by life offices are now a major factor in the economic life of the community. The sound investment of these funds in the interests of policyholders and the stability and progress of the economy has been one of the life offices' most important contributions to the community.

The following table gives some indication of the growth and volume of life insurance business conducted in Victoria during the period 1959 to 1963 :—

**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
1959	74,474	23,546	8,270	1,020	32,836
1960	82,822	26,564	15,912	918	43,394
1961	99,174	31,206	17,306	1,516	50,028
1962	94,024	32,064	14,260	924	47,248
1963	104,869	33,735	14,390	1,287	49,412

The following table shows, for each of the years 1959 to 1963, 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	1959	1960	1961	1962	1963
Ordinary Business—					
Number of Policies ..	1,098,001	1,110,085	947,452	976,756	1,002,610
Sum Insured \$'000	1,986,158	2,377,304	1,921,183	2,138,607	2,366,081
Annual Premiums ,,	60,024	67,372	55,402	60,094	64,902
Superannuation Business—					
Number of Policies ..	}	*	152,866	132,883	120,975
Sum Insured \$'000			778,746	824,381	924,037
Annual Premiums ,,			18,357	19,297	20,954
Industrial Business—					
Number of Policies ..	1,069,764	1,032,245	981,034	938,393	897,899
Sum Insured \$'000	202,848	209,010	215,702	226,932	236,763
Annual Premiums ,,	9,514	9,660	9,772	10,036	10,250

* Not available separately—included with Ordinary Business.

In 1963, the average amount of policy held in the Ordinary Department was \$2,360, in the Superannuation Department, \$7,638, and in the Industrial Department, \$264.

The following table contains summarized information about new business written by all life insurance companies during each of the five years 1959 to 1963 :—

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

Particulars	1959	1960	1961	1962	1963
Ordinary Business—					
Number of Policies ..	90,939	123,850	95,616	88,217	89,156
Sum Insured \$'000	387,744	547,468	350,001	358,844	383,841
Annual Premiums ,,	9,430	11,690	8,248	8,310	8,719
Superannuation Business—					
Number of Policies ..	}	*	23,076	17,598	16,119
Sum Insured \$'000			203,560	177,658	189,291
Annual Premiums ,,			4,469	3,477	3,706
Industrial Business—					
Number of Policies ..	52,804	51,275	48,295	43,705	36,007
Sum Insured \$'000	18,686	23,064	26,680	31,068	30,181
Annual Premiums ,,	870	1,024	1,112	1,232	1,176

* Not available separately—included with Ordinary Business.

Sums insured under new policies issued during 1963 averaged \$4,305 in the Ordinary Department, \$11,743 in the Superannuation Department, and \$838 in the Industrial Department.

The following table gives particulars of the policies which were discontinued during each of the years 1961 to 1963 :—

VICTORIA—LIFE INSURANCE : POLICIES DISCONTINUED
(EXCLUDING ANNUITIES)

Cause of Discontinuance	1961		1962		1963	
	Number of Policies	Sum Insured	Number of Policies	Sum Insured	Number of Policies	Sum Insured
ORDINARY BUSINESS						
		\$'000		\$'000		\$'000
Death	4,563	6,849	4,875	7,330	4,884	7,912
Maturity or Expiry	14,609	19,755	15,228	28,424	18,506	28,860
Surrender	20,501	36,835	21,092	43,632	22,162	50,622
Forfeiture	16,921	53,630	18,260	55,614	18,385	62,792
Other *	13,690	19,394	128	8,872	— 636	6,180
Total	70,284	136,463	59,583	143,872	63,301	156,366
SUPERANNUATION BUSINESS						
		\$'000		\$'000		\$'000
Death	908	2,329	603	2,584	638	2,736
Maturity or Expiry	2,384	11,524	2,556	26,590	2,367	36,904
Surrender	39,482	68,826	10,920	52,314	10,453	36,196
Forfeiture	155	2,827	395	2,756	474	4,168
Other *	15,247	8,967	23,107	47,780	14,095	9,630
Total	58,176	94,473	37,581	132,024	28,027	89,636
INDUSTRIAL BUSINESS						
		\$'000		\$'000		\$'000
Death	4,237	561	4,061	586	4,050	628
Maturity or Expiry	61,010	6,668	50,487	5,658	42,901	5,014
Surrender	22,070	6,686	20,543	6,890	20,071	7,122
Forfeiture	11,690	5,978	9,477	6,342	8,987	7,462
Other *	499	95	1,778	362	492	124
Total	99,506	19,988	86,346	19,838	76,501	20,350

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

NOTE.—Minus sign (—) indicates an increase in existing business in the registers concerned due to an excess of transfers from other States or conversions from other classes of business over discontinuances in those registers.

Further References, 1962, 1964

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 230 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 1959-60 to 1963-64, 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—				
	1960	1961	1962	1963	1964
PREMIUMS (LESS RETURNS, REBATES AND BONUSES)					
Fire	19,256	20,102	21,998	22,352	23,132
Householders' Comprehensive ..	6,630	7,418	8,082	9,066	9,937
Sprinkler Leakage	52	56	66	68	69
Loss of Profits	2,532	2,544	2,580	2,768	2,797
Hailstone	508	784	664	812	837
Marine	5,144	6,088	5,746	6,098	6,427
Motor Vehicles (Other than Motor Cycles)	28,754	30,968	34,674	36,540	40,350
Motor Cycles	118	58	46	36	31
Compulsory Third Party (Motor Vehicles)	12,018	12,964	13,626	14,464	16,857
Employers' Liability and Workmen's Compensation *	28,162	30,630	28,334	28,768	30,231
Personal Accident	3,676	4,178	4,134	4,564	4,672
Public Risk, Third Party	1,510	1,798	2,170	2,312	2,593
General Property	226	294	308	330	337
Plate Glass	464	498	550	664	698
Boiler	72	62	64	78	80
Live Stock	160	154	168	178	216
Burglary	1,784	1,934	2,148	2,172	2,251
Guarantee	286	282	306	358	346
Pluvius	50	58	50	54	51
Aviation	120	150	92	318	224
All Risks	994	1,018	1,048	1,132	1,297
Television	2,306	1,516	1,112	532	394
Others	1,414	1,294	1,736	1,824	2,003
Total Premiums	116,236	124,848	129,702	135,488	145,832
INTEREST, DIVIDENDS, RENTS, ETC. (NET OF EXPENSES)					
Investments, &c.	4,840	5,742	7,730	8,098	8,807
TOTAL REVENUE					
Grand Total	121,076	130,590	137,432	143,586	154,639

* See references pages 423 to 425.

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

(\$'000)

Class of Business	Year Ended 30th June—				
	1960	1961	1962	1963	1964
GROSS CLAIMS (LESS AMOUNTS RECOVERABLE)					
Fire	5,804	8,010	7,800	7,964	6,925
Householders' Comprehensive ..	1,338	1,564	2,198	2,582	2,465
Sprinkler Leakage	34	28	16	38	34
Loss of Profits	448	602	568	278	467
Hailstone	278	506	300	652	553
Marine	2,174	3,068	3,078	2,904	3,266
Motor Vehicles (Other than Motor Cycles)	19,896	24,072	22,162	23,300	27,458
Motor Cycles	56	42	28	24	27
Compulsory Third Party (Motor Vehicles)	10,712	11,430	13,542	15,034	15,932
Employers' Liability and Workmen's Compensation	19,278	20,680	21,024	21,854	24,110
Personal Accident	1,574	1,846	1,970	1,972	2,040
Public Risk, Third Party	736	812	1,052	1,106	1,221
General Property	250	146	198	158	145
Plate Glass	296	348	394	428	440
Boiler	4	32	26	6	103
Live Stock	70	78	84	76	72
Burglary	1,048	1,100	1,176	1,392	1,559
Guarantee	50	74	154	226	92
Pluvius	32	86	8	38	29
Aviation	62	244	46	112	116
All Risks	598	686	668	800	902
Television	1,388	1,228	752	332	227
Others	708	678	946	974	795
Total	66,834	77,360	78,190	82,250	88,977
OTHER EXPENDITURE					
Contributions to Fire Brigades ..	2,582	2,832	3,092	3,182	3,430
Commission and Agents' Charges ..	11,874	12,308	13,134	13,850	14,731
Expenses of Management	17,668	20,034	21,634	22,672	24,400
Taxation	5,992	5,014	4,124	4,398	3,847
Total	38,116	40,188	41,984	44,102	46,408
TOTAL EXPENDITURE					
Grand Total	104,950	117,548	120,174	126,352	135,385

The percentage of claims to premium income for each of the years 1959-60 to 1963-64 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—				
	1960	1961	1962	1963	1964
Fire	30·14	39·84	35·46	35·63	29·94
Householders' Comprehensive	20·19	21·08	27·18	28·49	24·81
Sprinkler Leakage	63·39	50·31	23·73	54·33	49·23
Loss of Profits	17·67	23·64	22·04	10·08	16·70
Hailstone	54·74	64·47	45·27	80·32	66·05
Marine	42·25	50·39	53·55	47·61	50·81
Motor Vehicles (Excl. Motor Cycles)	69·20	77·73	63·92	63·77	68·05
Motor Cycles	47·65	73·40	57·94	69·14	86·29
Compulsory Third Party (Motor Vehicles)	89·14	88·17	99·36	103·95	94·51
Employers' Liability and Workmen's Compensation	68·45	67·52	74·20	75·96	79·75
Personal Accident	42·80	44·17	47·66	43·20	43·66
Public Risk, Third Party	48·78	45·17	48·48	47·85	47·08
General Property	111·16	49·89	64·50	47·93	43·05
Plate Glass	63·71	69·73	71·62	64·34	63·08
Boiler	6·59	52·49	40·68	8·95	127·69
Live Stock	43·73	50·27	49·72	42·70	33·28
Burglary	58·79	56·88	54·71	64·16	69·24
Guarantee	17·42	26·24	50·76	62·89	26·65
Pluvius	63·74	148·28	17·11	69·50	56·71
Aviation	51·59	162·78	50·18	35·14	49·90
All Risks	60·01	67·37	63·67	70·57	51·84
Television	60·19	81·04	67·74	62·17	57·68
Others	50·03	52·37	54·42	53·40	39·67
All Classes	57·50	61·96	60·28	60·71	61·01

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 1959-60 to 1963-64 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—				
	1960	1961	1962	1963	1964
MOTOR VEHICLES USUALLY GARAGED WITHIN A RADIUS OF 20 MILES OF THE POST OFFICE, ELIZABETH-STREET, MELBOURNE					
Private	336,684	362,032	390,125	409,189	445,474
Business	43,298	46,746	48,753	52,168	56,531
Light Goods	42,112	42,192	41,878	40,964	42,914
Heavy Goods	20,298	20,993	20,376	20,556	22,213
Miscellaneous	9,633	10,255	10,460	10,518	12,064
Motor Cycles	12,145	10,704	9,696	8,485	7,777
Visiting Motor Cars	1,815	2,268	2,272	1,133	832
Total	465,985	495,190	523,560	543,013	587,805

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

Private	239,699	250,147	263,285	275,368	291,126
Business	10,318	11,125	11,649	13,133	14,937
Light Goods	52,589	51,752	53,112	52,885	56,353
Heavy Goods	33,639	34,656	34,589	34,438	37,045
Miscellaneous	37,729	39,784	41,316	43,649	48,099
Motor Cycles	8,134	6,744	5,480	5,076	5,359
Visiting Motor Cars	151	100	98	118	71
Total	382,259	394,308	409,529	424,667	452,990
Grand Total.. .. .	848,244	889,498	933,089	967,680	1,040,795

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 1963-64 represented 5·8 per cent. of comprehensive and 32·4 per cent. of third party premiums received in Victoria.

The following table shows the trading results for each of the five years 1959-60 to 1963-64 :—

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

Year Ended 30th June—	Premiums Received Less Reinsurances, Rebates, &c.	Increase in Unearned Premium Provision	Claims Paid and Outstanding	Expenses	Underwriting Profit
1960 ..	4,306	204	4,036	290	224*
1961 ..	5,136	438	4,500	328	130*
1962 ..	5,830	316	5,384	378	248*
1963 ..	6,470	294	5,870	468	162*
1964 ..	7,798	637	6,513	548	100

* 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, exclusive of amounts transferred to reserves and to Consolidated Revenue, are refunded as bonuses to policy holders.

The Office has made steady progress during 50 years of operation and, for the year ended 30th June, 1964, its premium income represented 20 per cent. of the total premiums received by all insurance companies in Victoria on account of Employers' Liability and Workmen's Compensation Insurance.

The following table shows the trading results for each of the five years 1959-60 to 1963-64 :—

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

Year Ended 30th June—	Premiums Received Less Reinsurances, Rebates, &c.	Increase in Unearned Premium Provision	Claims Paid and Outstanding	Expenses	Underwriting Profit
1960 ..	5,212	— 344	4,502	484	570
1961 ..	5,900	374	4,258	376	892
1962 ..	5,810	292	4,434	384	700
1963 ..	5,946	— 64	4,310	392	1,308
1964 ..	6,022	— 156	5,114	435	629

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

The accumulated funds at 30th June, 1964 were :—General Reserve, \$6,000,000 ; Building and Other Reserves, \$71,354 ; and Bonus Equalization Reserve, \$1,454,988.

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, 1964, the number of societies that had been registered was 200 and of these, 34 societies were still operating in 1964.

VICTORIA—BUILDING SOCIETIES, 1964

Particulars	Permanent Societies	Starr-Bowkett Societies	Total All Societies
Number of Societies	33	2	34*
„ „ Shareholders	5,846	3,361	9,207†
„ „ Borrowers	14,983	992	15,975
Transactions during the Year—	\$'000		
Income—			
Interest on Mortgage Loans	3,025	93	3,118
Other	367	6	373
Total	3,392	99	3,491
Expenses—			
Interest Payable to Lending Bodies Administration, &c.	1,935	31	1,966
Total	446	40	486
Total	2,381	71	2,452
Loans and Advances—			
Paid	9,366	453	9,819
Repaid	8,378	444	8,822‡
Deposits—			
Received	15,331	63	15,394
Repaid	13,648	52	13,700
Liabilities—			
Investing Members' Funds—			
Paid-up Capital	9,217	1,057	10,274
Reserves, &c.	3,315	118	3,433
Borrowing Members' Funds—			
Share Subscriptions	430	..	430
Other	20	..	20
Deposits	15,987	484	16,471
Loans (Including Bank Overdraft)	17,040	132	17,172
Other	1,228	96	1,324
Total	47,237	1,886	49,123
Assets—			
Loans on Mortgage	43,459	1,849	45,308
Land and House Property	2,353	..	2,353
Other Investments	640	25	665
Cash and Deposits	592	§	592
Other	193	12	205
Total	47,237	1,886	49,123

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

† Includes 967 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, the Co-operation Act, and the Co-operative Housing Societies Act. They are engaged in a number of activities chief amongst which are the production, marketing, and distribution of goods, and in the provision of finance for home building. In recent years, a number of co-operative credit societies which extend credit facilities to members to enable them to finance the purchase of household durables, or to discharge financial liabilities, etc., have also been registered.

A further type of co-operative organization registered under the Co-operation Act is the Community Advancement Society. These societies, for the most part, are formed by school committees with a view to the provision of amenities such as assembly halls, septic sewerage, and recreational facilities, which might not otherwise be obtained for a number of years. Particulars of these societies have been excluded from the tables in this section.

Reference is made on pages 289 to 291 to those co-operative organizations which are registered under the Co-operation Act, while a summary of the activities of co-operative housing societies is given on page 343.

In this Part, particulars are given which summarize (a) the activities of producer and consumer societies and (b) those of co-operative credit societies.

Producer and Consumer Societies

For statistical purposes, producer and consumer societies have been defined as those co-operative societies which are engaged in the production, manufacture, marketing, or distribution of goods and 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.

Particulars of these societies for the year 1963-64 are given in the following table :—

VICTORIA—CO-OPERATIVE ORGANIZATIONS : PRODUCER AND CONSUMER SOCIETIES, 1963-64

Particulars	Societies—			Total All Societies
	Producers'	Consumers'	Producers' and Consumers'	
Number of Societies	96	37	11	144
„ „ Members	63,144	25,817	8,645	97,606
\$'000				
Transactions during the Year—				
Income—				
Sales	68,573	9,773	20,373	98,718
Other Income	1,523	268	116	1,907
Total	70,096	10,042	20,488	100,626
Expenditure—				
Purchases	51,849	8,154	17,625	77,628
Working Expenses, &c.	15,778	1,422	2,592	19,791
Interest on—				
Loan Capital	} 454	84	31	568
Bank Overdraft				
Rebates and Bonuses	477	174	93	743
Total	68,557	9,833	20,340	98,730
Dividend on Share Capital	572	38	98	708
Liabilities—				
Share Capital	10,510	1,323	1,514	13,346
Loan Capital	2,114	1,244	362	3,720
Bank Overdraft	7,654	383	271	8,308
Accumulated Profits	1,127	615	372	2,114
Reserve Funds	9,804	336	1,588	11,728
Sundry Creditors	8,679	725	1,269	10,673
Other	2,005	227	165	2,397
Total	41,893	4,852	5,541	52,286
Assets—				
Land and Buildings	} 20,552	1,918	3,498	25,968
Fittings, Plant, and Machinery				
Stock	5,505	1,336	810	7,650
Sundry Debtors	11,729	850	998	13,577
Cash in Bank, in Hand, or on				
Deposit	1,159	115	104	1,377
Profit and Loss Account	584	143	..	727
Other	2,365	490	132	2,986
Total	41,893	4,852	5,541	52,286

Co-operative Credit Societies

Since the passing of the *Co-operation Act* 1954, co-operative credit societies have made steady progress. The following table illustrates the growth of these societies during the period 1959-60 to 1963-64 :—

VICTORIA—CO-OPERATIVE ORGANIZATIONS : CREDIT SOCIETIES

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
Number of Societies	38	50	70	85	103
Number of Members	6,390	8,060	10,430	12,648	15,728
Transactions during the Year—		\$'000			
Income—					
Interest	25	40	68	105	151
Other Income	7	5	5	9	8
Total	32	45	73	114	158
Expenditure—					
Interest on Deposits ..	13	20	36	56	82
Working Expenses	15	17	24	39	49
Total	28	37	60	95	131
Liabilities—					
Share Capital	78	95	115	137	167
Reserves	10	10	13	17	29
Depositors	395	598	991	1,539	2,105
Sundry Creditors	5	8	10	42	48
Other	10	16	28	38	84
Total	498	727	1,157	1,773	2,433
Assets—					
Loans to Members	415	639	1,032	1,548	2,129
Cash in Hand or on Deposit	66	64	97	171	223
Other	17	24	28	54	81
Total	498	727	1,157	1,773	2,433

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. An Infirm Person is a person certified by the Public Trustee to be incapable of managing his 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 person may name the Public Trustee as his executor in his will, and may deposit such will 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. A person may also obtain advice about his will at the Public Trustee's Office if he intends to appoint him his executor.

The Public Trustee Acts enable the person appointed executor of a will to authorize the Public Trustee to act as executor in his 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 1959-60 to 1963-64 :—

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

Particulars	1959-60	1960-61	1961-62	1962-63	1963-64
Proceeds of Realizations, Rents, Interest, &c.	6,522	7,194	7,840	8,044	8,876
Investments, Distributions, Claims, &c.	6,186	6,276	6,666	6,754	7,678
Cash Variation	336	918	1,174	1,290	1,198
Balance at 1st July	9,370	9,706	10,624	11,798	13,088
Balance at 30th June	9,706	10,624	11,798	13,088	14,286

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 1954-55 to 1963-64 is shown in the following table :—

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

Year	No.	Year	No.
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
1958-59	1,066	1963-64	1,087

The number of wills (under which the Public Trustee was appointed executor) lodged for safe custody during each of the years 1959-60 to 1963-64 was as follows:—1959-60, 2,938; 1960-61, 2,626; 1961-62, 2,662; 1962-63, 2,836; 1963-64, 2,785.

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, 1959 and 1964, was as follows:—

VICTORIA—TRUSTEE COMPANIES: VALUE OF ESTATES ADMINISTERED (\$ Mill.)

Particulars	Value at 30th June, 1959	Value at 30th June, 1964
Stock and Debentures	103	108
Advances on Mortgages	22	38
Property and Livestock	63	75
Shares	107	159
Fixed and Other Deposits	5	13
Cash at Bank	6	11
Other	16	20
Total	322	424

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.

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 1960 to 1964. Particulars of estates administered by the Public Trustee are included. The figures shown for Gross Value of Estates and for Liabilities for each of the years 1962, 1963, and 1964 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							
1960	..	8,860	46,856	84,048	6,216	124,688	14,074
1961	..	8,818	46,550	92,172	6,428	132,294	15,002
1962	..	9,817	51,972	93,314	9,464	135,822	13,836
1963	..	10,149	59,916	102,534	14,822	147,628	14,546
1964	..	10,305	55,504	105,618	16,850	144,272	14,000
FEMALES							
1960	..	6,277	23,688	43,544	2,128	65,104	10,372
1961	..	6,415	24,802	46,986	2,502	69,286	10,800
1962	..	7,207	27,406	49,108	3,056	73,458	10,192
1963	..	7,395	32,486	53,348	5,164	80,670	10,908
1964	..	7,468	30,046	51,384	5,199	76,231	10,208
TOTAL							
1960	..	15,137	70,544	127,592	8,344	189,792	12,538
1961	..	15,233	71,352	139,158	8,930	201,580	13,234
1962	..	17,024	79,378	142,422	12,520	209,280	12,294
1963	..	17,544	92,402	155,882	19,986	228,298	13,012
1964	..	17,773	85,550	157,002	22,049	220,503	12,407

The number and value of estates dealt with in each of the years 1962 to 1964 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	1962		1963		1964	
	Number	Net Value	Number	Net Value	Number	Net Value
	\$'000		\$'000		\$'000	
MALES						
\$						
Under 200 ..	449	44	422	40	443	42
200 - 599 ..	825	310	801	308	819	319
600 - 999 ..	580	456	539	426	640	528
1,000 - 1,999 ..	1,063	1,576	1,087	1,578	1,151	1,675
2,000 - 3,999 ..	1,379	4,038	1,521	4,454	1,517	4,387
4,000 - 5,999 ..	1,058	5,266	1,079	5,374	1,141	5,702
6,000 - 7,999 ..	922	6,426	945	6,634	945	6,587
8,000 - 9,999 ..	695	6,210	750	6,670	763	6,796
10,000 - 19,999 ..	1,223	17,168	1,332	18,038	1,306	18,381
20,000 - 29,999 ..	517	12,656	532	13,070	494	11,996
30,000 - 49,999 ..	525	20,252	514	20,624	483	18,543
50,000 - 99,999 ..	399	26,844	423	30,222	418	26,622
100,000 - 199,999 ..	135	18,102	153	20,768	128	17,241
200,000 and over ..	47	16,474	51	19,422	57	25,452
Total Males ..	9,817	135,822	10,149	147,628	10,305	144,272
FEMALES						
\$						
Under 200 ..	276	28	227	22	232	24
200 - 599 ..	644	246	608	238	569	218
600 - 999 ..	399	322	424	332	434	347
1,000 - 1,999 ..	824	1,214	803	1,192	855	1,265
2,000 - 3,999 ..	1,088	3,240	1,177	3,490	1,248	3,658
4,000 - 5,999 ..	865	4,280	871	4,342	906	4,498
6,000 - 7,999 ..	847	5,890	781	5,448	840	5,867
8,000 - 9,999 ..	532	4,742	584	5,226	585	5,207
10,000 - 19,999 ..	905	12,748	1,051	14,576	985	13,654
20,000 - 29,999 ..	338	8,276	355	8,644	328	7,972
30,000 - 49,999 ..	269	10,266	263	9,978	262	10,115
50,000 - 99,999 ..	151	10,174	163	11,338	158	10,681
100,000 - 199,999 ..	52	6,994	67	9,022	50	6,525
200,000 and over ..	17	5,038	21	6,822	16	6,200
Total Females ..	7,207	73,458	7,395	80,670	7,468	76,231
Grand Total ..	17,024	209,280	17,544	228,298	17,773	220,503

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 the flat owners exclusively.

In 1960 and 1961 legislation was introduced to facilitate the subdivision of buildings. This legislation simplified the position in relation to easements, and restricted dealings with shares in a service company and with the residual land. It also provided for the registration of service agreements between flat owners and the service company.

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.

Because of the complexity of the conveyancing techniques involved in the present system, consideration is being given to further legislation on the subject.

Titles of Land Issued

The following table shows the number of titles of land issued during each of the years 1960 to 1964. 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 since 1960.

VICTORIA—TITLES OF LAND ISSUED

Year	Number of—			
	Certificates of Title	Crown Grants	Crown Leases	Total Titles
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
1964	67,908	1,434	523	69,865

Land Transfers, Mortgages, &c.

A summary of dealings lodged at the Titles Office under the Transfer of Land Acts is given in the following table for each of the years 1960 to 1964 :—

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	Caveats	Other Dealings	Total Dealings
			\$'000					
1960 ..	105,327	46,455	314,264	10,554	3,154	24,674	43,913	234,077
1961 ..	84,207	39,655	251,162	11,923	2,472	22,659	43,674	204,590
1962 ..	89,870	43,734	273,408	11,643	2,319	22,514	50,566	220,646
1963 ..	101,066	54,011	356,108	13,134	3,553	20,167	57,822	249,753
1964 ..	115,860	63,657	478,167	13,628	4,435	18,843	64,979	281,402

* 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 1960 to 1964 in the following table:—

VICTORIA—DEALINGS UNDER THE PROPERTY LAW ACT

Year	Mortgages*		Reconveyances		Conveyances	
	No.	Amount	No.	Amount†	No.	Amount
		\$ '000		\$ '000		\$ '000
1960	966	6,508	1,127	1,248	3,381	23,504
1961	939	7,046	1,045	1,702	2,914	21,620
1962	965	7,572	1,163	1,932	3,204	22,778
1963	1,102	10,490	1,197	3,046	3,244	26,844
1964	1,255	12,480	1,397	4,754	3,453	27,331

* 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 1962 to 1964, classified according to type of mortgagee, are as follows:—

VICTORIA—MORTGAGES OF REAL ESTATE LODGED FOR REGISTRATION

Type of Mortgagee	Mortgages*					
	1962		1963		1964	
	Number	Amount	Number	Amount	Number	Amount
	\$'000		\$'000		\$'000	
Banks	8,297	44,464	15,471	88,874	19,076	120,589
Building Societies	1,749	7,194	1,775	7,568	2,025	9,402
Co-operative Housing Societies	4,285	22,702	3,814	19,822	4,547	25,345
Insurance Companies	2,121	33,136	2,391	47,348	2,787	65,680
Government Institutions	6,102	28,600	5,810	29,192	5,890	33,305
Trustee Institutions	437	9,730	451	6,286	580	11,573
Hire Purchase and Finance Companies	3,619	34,038	4,538	36,874	6,415	57,133
Other Mortgagees	18,089	101,116	20,863	130,634	23,592	167,620
Total	44,699	280,980	55,113	366,598	64,912	490,647

* 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 1960 to 1964 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	1960	1961	1962	1963	1964
Stock Mortgages—					
Number	373	399	478	422	404
Amount \$'000	700	808	998	1,080	1,127
Liens on Wool—					
Number	321	302	209	148	68
Amount \$'000	1,394	1,154	954	580	246
Liens on Crops—					
Number	135	131	83	80	100
Amount \$'000	92	224	94	92	52
Total—					
Number	829	832	770	650	572
Amount \$'000	2,186	2,186	2,046	1,752	1,425

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 1960 to 1964 :—

VICTORIA—BILLS OF SALE

Security	1960	1961	1962	1963	1964
Bills of Sale—					
Number	4,959	4,401	5,462	6,550	6,408
Amount \$'000	19,434	15,428	17,502	15,830	16,469

Companies*Company Legislation*

Company Law in Australia is the responsibility of the States with the Commonwealth legislating by ordinance only for the Territories under its control. The Australian laws are based broadly on the English legislation.

In 1961 following conferences of the Commonwealth and States Attorneys-General, a uniform Bill was agreed to and this was used in Victoria as the basis for the *Companies Act 1961*.

The need for continual review is being met by regular meetings of the Ministers and their officers. In Victoria the major amendments which have been made are contained in the *Companies Public Borrowings Act 1963* which aimed at increasing the protection to the public who lend to, or deposit money with, a company.

Companies are required to lodge annually with the Registrar of Companies a statement of their share capital, officers, and except in the case of large public companies, a list of persons holding shares in the company. Except where the company is an exempt proprietary company ("family company"), this statement must be accompanied by a duly audited balance sheet and profit and loss account. These and other lodged documents are available for public search. Companies which have borrowed money from the public are now required to lodge quarterly a copy of the report furnished by them to the Trustee appointed to safeguard the interest of the public. These companies are also required to lodge half-yearly audited accounts.

The requirements for greater disclosure of a company's affairs have been accompanied by the granting to the Registrar of Companies of powers of inspection and prosecution to enable enforcement of the provisions of the Companies Acts.

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 1960 to 1964 :—

VICTORIA—COMPANIES REGISTERED, ETC.

Particulars	1960	1961	1962	1963	1964
	No.				
New Companies Registered—					
Victorian	4,412	3,158	2,821	2,691	2,978
Other	272	233	249	255	310
Total	4,684	3,391	3,070	2,946	3,288
	\$'000				
Nominal Capital of New Companies—					
Victorian	523,228	298,162	240,914	161,610	201,357
Other	296,128	157,786	425,686	171,056	145,562
Total	819,356	455,948	666,600	332,666	346,919
	No.				
Existing Companies (At End of Year)—					
Victorian	30,579	33,682	36,082	38,144	40,894
Other	2,245	2,417	2,620	2,842	3,150
Total	32,824	36,099	38,702	40,986	44,044
	\$'000				
Increase in Nominal Capital of Victorian Companies during Year	387,324	473,556	387,966	240,054	214,530

Company Registration Fees, 1964

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, 1964, 2,904 separate securities (including options) with a nominal value of \$11,366 mill. and a market value of \$18,470 mill. were quoted on the Exchange.

In the following table, the number of issues (excluding options) and their nominal value are classified according to class of security. Particulars are shown as at 30th September for each of the years 1961 to 1964.

MELBOURNE STOCK EXCHANGE—ISSUES LISTED* AND NOMINAL VALUE

Class of Security	Listed at 30th September—							
	1961		1962		1963		1964	
	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value
		\$ mill.		\$ mill.		\$ mill.		\$ mill.
Commonwealth Loans ..	35	6,152	34	5,900	38	6,326	44	6,662
Semi-Government Loans ..	625	740	683	760	725	790	738	704
Foreign Government Loans ..	9	10	10	12	10	12	14	18
Industrial Company Securities—								
Debentures ..	365	382	478	458	540	514	560	570
Unsecured Notes ..	292	266	313	268	335	282	311	260
Preference Shares ..	316	154	307	148	294	138	289	144
Ordinary Shares ..	791	2,278	759	2,480	785	2,638	811	2,788
Mining Company Securities ..	128	160	128	204	131	206	132	220
Total	2,561	10,142	2,712	10,230	2,858	10,906	2,899	11,366

* Excludes options.

Twenty-nine companies were added to the official list during 1964 and their combined nominal capital was \$40 mill. In addition, new capital issues made by companies already listed amounted to \$250 mill. At the close of the year, the official list comprised 880 companies—777 commercial and industrial and 103 mining companies.

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

Turnover

Turnover of loan securities rose by 17 per cent. for the year, sales of Commonwealth Loans being 20 per cent. higher at 65 mill. units—the highest since 1960. Turnover of ordinary shares, rights, and options reached a peak of 153.1 mill. units—a rise of 6 per cent.

during the year, completing a series of eight consecutive annual increases. In this sector of the market the compound rate of growth over a ten year period has been just over 19 per cent.

Mining turnover recovered by 19 per cent. to 33·2 mill. units, almost equal to the record achieved in 1962, thus indicating the sustained interest in oil exploration and in base metal shares which reflected the record prices for copper, lead, and zinc.

The number of individual transactions during each of the years 1962-63 and 1963-64 was as follows :—

**MELBOURNE STOCK EXCHANGE—INDIVIDUAL
TRANSACTIONS**

Particulars	1962-63	1963-64
	Number	
Ordinary Shares, etc.	371,365	408,874
Mining	76,528	90,913
Commonwealth Loans	15,877	17,677
Debentures and Notes	7,030	6,262
Semi-Government Loans	4,622	3,703
Preference Shares	4,409	4,345
Total	479,831	531,774
	\$ mill.	
Value	367·2	450·2

The following table shows details of the turnover of stocks and shares during each of the years 1959-60 to 1963-64 :—

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

Class of Security	Year Ended 30th September—				
	1960	1961	1962	1963	1964
Commonwealth Loans	86·5	33·1	31·3	54·3	65·0
Semi-Government Loans	3·1	2·8	1·9	2·2	2·3
Company Debentures, Unsecured Notes	1·7	2·2	5·4	7·3	7·4
Total Loan Securities	91·3	38·1	38·6	63·8	74·7
Preference Shares	1·7	1·1	1·1	1·3	2·5
Ordinary Shares, Rights, and Options	86·6	87·5	109·3	144·0	153·1
Mining	12·8	12·8	33·6	28·0	33·2
Total Share Securities	101·1	101·4	144·0	173·3	188·8

Other Facilities

In recent years the Stock Exchange has introduced new facilities for the benefit of industry and investors. These include probate noting and transfer marking services. Increased business was written in each department during 1963-64 as compared with the previous year. Applications for probate noting totalled 8,770—an increase of

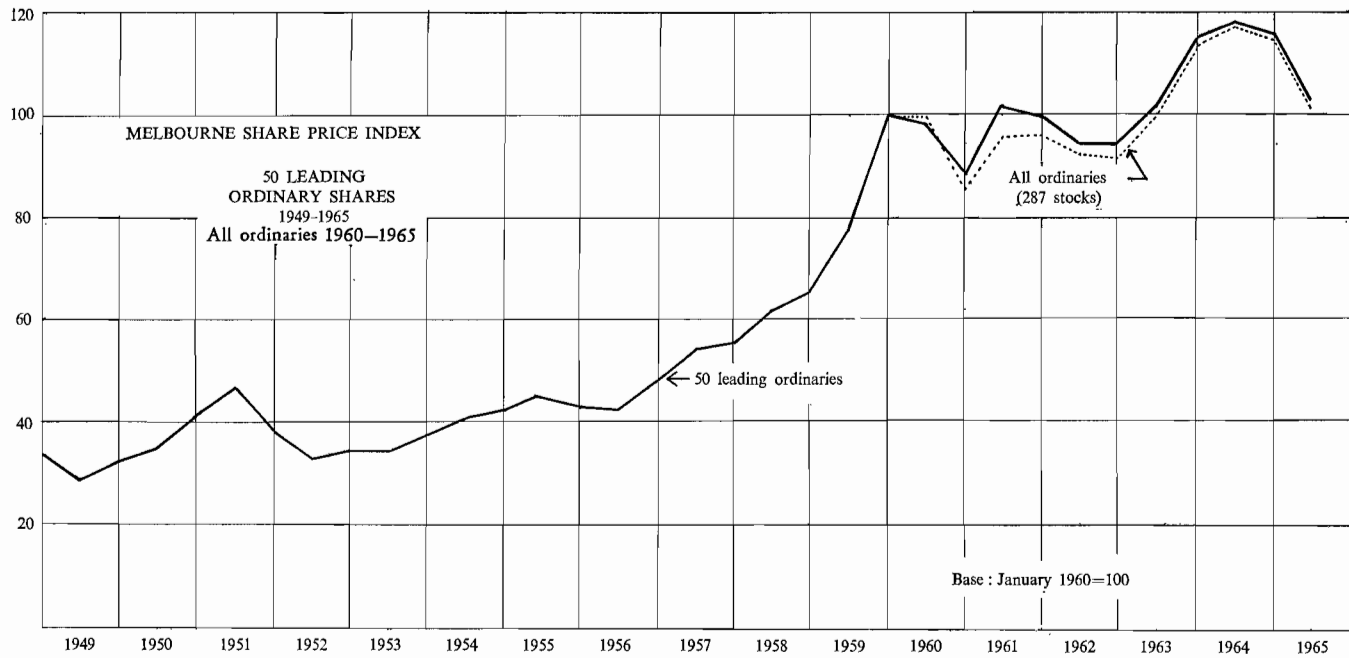


FIGURE 18.

[Source : Stock Exchange of Melbourne

4 per cent., while 212,456 transfers were marked—an increase of about 17 per cent. A service has since commenced for the noting of powers of attorney, company memoranda, articles of association, and change of name.

Melbourne Share Price Index

The Melbourne share price index is compiled by the Stock Exchange of Melbourne. (For the method of its compilation, see page 710 of the 1965 Victorian Year Book).

The Index includes an All Ordinaries Index and a 50 Leaders Index the former commencing in 1960 and the latter in 1948. The coverage of the Index was extended during the year by the addition of three groups, namely, preference shares, gold, and oil and gas. These are not part of the All Ordinaries Index.

There has been a close correlation between the Indices for All Ordinaries and 50 Leaders. Based on monthly averages for 1963–64, the disparity at no time exceeded 2 per cent.

The All Ordinaries Index which is published daily is subdivided into fifteen Industrial Groups. To measure short-term trends the 50 Leaders series is published twice daily.

At 30th September, 1964, the Aggregate Market Value (A.M.V.) of stocks included in the All Ordinaries Index was \$8,152 mill. or 86 per cent. of the A.M.V. of all ordinary shares on the Official List. The 50 Leaders represent approximately 43 per cent. of the A.M.V. of the total listed ordinary shares.

The accompanying graph shows the trend of the 50 Leaders Index from 1949 and that of the All Ordinaries Index from 1960. The base period for all groups is January, 1960.

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.

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, 1964 in Australia, classified by States and by groups of commodities financed. It also shows the balances outstanding at 30th June, 1964, for each State and Australia.

AUSTRALIA—INSTALMENT CREDIT FOR RETAIL SALES
(Retail Businesses plus Non-Retail Finance Businesses)
(\$ Mill.)

State	Amount Financed* for Year Ended 30th June, 1964				Balances Outstanding at 30th June, 1964 ||
	Motor Vehicles, Tractors, &c. †	Plant and Machinery ‡	Household and Personal Goods §	Total All Goods	
New South Wales ¶	202·1	20·6	178·5	401·2	545·6
Victoria	129·8	13·9	89·1	232·8	333·2
Queensland ..	82·2	9·6	56·7	148·5	202·5
South Australia °	47·9	4·1	30·3	82·3	122·0
Western Australia ..	49·6	6·0	20·1	75·7	109·0
Tasmania ..	17·9	1·4	9·1	28·4	42·3
Australia	529·5	55·6	383·8	968·9	1354·6

* 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

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***

(\$ Mill.)

Year Ended 30th June—	Motor Vehicles, Tractors, &c.†	Plant and Machinery‡	Household and Personal Goods§	Total All Goods
RETAIL BUSINESSES				
1960	9·0	1·3	81·3	91·6
1961	7·3	1·0	80·0	88·3
1962	4·9	0·4	73·1	78·4
1963	5·7	0·7	75·7	82·2
1964	5·7	1·0	73·7	80·5
NON-RETAIL FINANCE BUSINESSES				
1960	128·0	9·8	23·1	160·9
1961	101·6	11·5	20·1	133·2
1962	90·4	10·3	15·4	116·1
1963	113·0	11·8	15·5	140·3
1964	124·1	12·9	15·4	152·4
ALL BUSINESSES				
1960	137·0	11·1	104·4	252·5
1961	108·9	12·5	100·1	221·6
1962	95·3	10·7	88·5	194·5
1963	118·8	12·5	91·2	222·5
1964	129·8	13·9	89·1	232·8

* 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, 1960 to 1964, and the relationship between Retail and Non-Retail Finance Businesses in this respect :—

**VICTORIA—INSTALMENT CREDIT FOR RETAIL SALES :
BALANCES OUTSTANDING***

(\$ Mill.)

At 30th June—	Retail Businesses	Non-Retail Finance Businesses	Total All Businesses
1960	106·8	216·9	323·7
1961	119·2	205·7	324·9
1962	117·0	185·6	302·6
1963	115·0	202·9	317·9
1964	106·6	226·5	333·2

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

At 30th June, 1960, of the total balances outstanding in Victoria for all instalment credit (\$323,764,000), Hire Purchase comprised 88·6 per cent. and Other Instalment Credit 11·4 per cent. The latter has grown since then and at 30th June, 1964, totalled \$93,460,000 or 28·0 per cent. of the total instalment credit outstanding balances of \$333,168,000. 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

The following table shows the main features of hire purchase operations in Victoria for the years ended 30th June, 1960 to 1964.

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—				
	1960	1961	1962	1963	1964
NUMBER OF AGREEMENTS MADE					
Motor Vehicles, Tractors, &c.*	129,851	94,147	85,024	98,422	88,893
Plant and Machinery†	12,268	11,510	11,376	10,840	10,873
Household and Personal‡	497,125	456,245	422,149	417,603	392,487
Total Agreements	639,244	561,902	518,549	526,865	492,253
VALUE OF GOODS PURCHASED§					
(\$ mill.)					
Motor Vehicles, Tractors, &c.*	199·2	153·4	129·5	150·3	133·6
Plant and Machinery†	16·0	17·9	15·6	18·2	19·6
Household and Personal‡	82·8	72·8	63·5	62·2	57·6
Total Value	298·0	244·1	208·6	230·7	210·8
AMOUNT FINANCED UNDER AGREEMENTS||					
(\$ mill.)					
Motor Vehicles, Tractors, &c.*	131·5	100·3	84·4	99·4	88·5
Plant and Machinery†	10·9	12·4	10·6	12·4	13·6
Household and Personal‡	70·1	61·8	53·5	52·3	48·4
Total Amount Financed	212·5	174·5	148·5	164·1	150·5
BALANCES OUTSTANDING AT END OF YEAR¶					
(\$ mill.)					
All Classes of Goods	287·3	274·9	245·8	248·0	239·7

* 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.