

## FINANCE

### *Public Finance*

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

##### *Financial Transactions*

During the last three or four decades, 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 summarise 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  
(\$m)

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
<b>RECEIPTS</b>					
Taxation .. .. .	185.3	202.8	228.0	251.8	278.8
Interest, etc., Received .. .. .	9.7	10.5	11.8	12.6	13.8
Public Enterprises' Income .. .. .	88.8	95.5	109.2	114.1	122.9
Grants from Commonwealth Government Authorities .. .. .	172.6	183.3	187.4	209.1	229.2
<b>Total Receipts .. .. .</b>	<b>456.4</b>	<b>492.1</b>	<b>536.4</b>	<b>587.7</b>	<b>644.7</b>
<b>OUTLAY</b>					
Net Current Expenditure on Goods and Services .. .. .	240.2	261.8	283.8	322.8	354.3
Subsidies .. .. .	0.5	0.6	0.5	1.3	1.5
Interest, etc., Paid .. .. .	120.5	128.8	139.8	149.4	160.9
Overseas Grants .. .. .	0.4	0.4	0.4	0.3	0.2
Cash Benefits to Persons .. .. .	2.2	2.7	2.7	3.2	3.7
Grants towards Private Capital Expenditure .. .. .	0.5	0.5	1.6	1.4	1.2
Surplus on Current Account .. .. .	92.1	97.3	107.6	109.4	122.9
<b>Total Outlay .. .. .</b>	<b>456.4</b>	<b>492.1</b>	<b>536.4</b>	<b>587.7</b>	<b>644.7</b>

VICTORIA—PUBLIC AUTHORITIES' CAPITAL ACCOUNT  
(\$m)

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
<b>SOURCES OF FUNDS</b>					
Depreciation Allowances .. .. .	27.3	34.9	37.8	47.5	48.9
Net Sale of Securities—					
Commonwealth Securities—					
Securities Other than Treasury Bills—					
Australia .. .. .	55.6	77.0	87.6	103.8	118.0
Overseas .. .. .	15.1	4.8	-5.1	-6.1	-16.7
Local and Semi-Governmental Securities .. .. .	64.2	62.3	66.2	74.2	85.5
Advances from Commonwealth Government Authorities .. .. .	24.3	24.8	31.5	30.9	28.6
Grants from Commonwealth Government Authorities .. .. .	29.0	27.8	34.8	36.9	42.8
Surplus on State and Local Government Authorities Current Account .. .. .	92.1	97.3	107.6	109.4	122.9
Other Funds Available (Including Errors and Omissions) .. .. .	5.0	2.4	11.7	13.3	24.9
Increase in Cash and Bank Balances .. .. .	-13.4	1.9	1.5	10.0	-4.7
<b>Total Sources of Funds .. .. .</b>	<b>299.2</b>	<b>333.1</b>	<b>373.6</b>	<b>419.9</b>	<b>450.3</b>

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

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
<b>USES OF FUNDS</b>					
Fixed Capital Expenditure on New Assets .. .. .	285.6	317.9	348.6	392.9	426.1
Expenditure on Existing Assets ..	-5.6	-4.7	-1.4	-4.0	-2.0
Increase in Value of Stocks ..	-0.3	-1.0	2.0	2.3	0.9
Advances to Public Financial Enterprises .. .. .	18.5	17.9	22.7	25.4	24.9
Net Increase in Financial Assets of Public Financial Enterprises ..	1.0	3.1	1.7	3.2	0.3
Total Uses of Funds ..	299.2	333.1	373.6	419.9	450.3

### Financial Relations with the Commonwealth

#### *General*

The Federal Constitution specifies 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, naturalisation, 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 specified 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. At present, Tasmania is the only State receiving special grants under section 96, although Western Australia, which withdrew from claimancy as from the beginning of 1968-69, is to continue to receive for each of the years 1968-69 and 1969-70, a grant in lieu of the special grant.

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 12 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 1 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 from 1 July 1927. 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 30 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 Secretary to the Commonwealth Attorney-General's Department, 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 approved an aggregate yearly borrowing programme for semi-governmental and local authorities proposing to raise more than \$200,000 in a year. In June 1967, the Loan Council increased this amount to \$300,000. Individual borrowings by each of these authorities are also subject to Loan Council approval.

Prior to 1962-63, the Loan Council had approved overall borrowing programmes for authorities with individual programmes of \$200,000 or less. Since 1962-63, the Loan Council has placed no overall limits on the programmes of these smaller authorities. In keeping with the decision of June 1967 noted above, authorities may now borrow up to \$300,000 individually without any limit being placed on their aggregate borrowings.

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 other years. From 1 July 1951 to 30 June 1967, out of loan programmes amounting to \$8,248m, the Commonwealth has provided \$2,157m from the Australian currency proceeds of overseas loans and from budget surpluses.

### Grants to the States

#### General

The following table shows, for each of the years 1962-63 to 1966-67, particulars of grants paid to Victoria :

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

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
Financial Agreement—					
Interest on State Debt ..	4,254	4,254	4,254	4,254	4,254
Sinking Fund on State Debt† ..	3,390	3,700	3,938	4,225	4,524
Financial Assistance Grants ..	152,268	159,482	171,750	191,922	208,790.
Additional Assistance Grants ..	7,454	10,280	..	..	..
Commonwealth Aid Roads ..	21,754	22,824	25,576	27,508	29,443
Tuberculosis Hospitals—Reimbursement of Capital Expenditure, etc.	110	50	308	169	110.
Mental Institutions—Contribution to Capital Expenditure ..	..	..	712	1,567	1,192.
Coal Mining Industry—Long Service Leave ..	‡	‡	1	..	..
Grants to Universities ..	9,310	9,926	10,386	12,496	14,461
Colleges of Advanced Education ..	..	..	..	..	2,213.
Research Grants ..	..	..	..	331	607
Science Laboratories ..	..	..	2,800	2,799	2,799
Technical Training ..	..	..	2,826	336	3,050.
Tobacco Industry Extension Services	16	16	..	..	..
Dairy Industry Extension Services	130	178	178	..	..
Expansion of Agricultural Advisory Services ..	120	120	132	298	508.
Minor Agricultural Research ..	§	14	12	..	..
Road Safety Practices ..	20	20	20	20	23
Housekeeper Services ..	8	8	8	8	8
Blood Transfusion Services ..	112	122	128	144	276
Water Resources ..	..	..	90	80	77
<b>Total .. ..</b>	<b>198,946</b>	<b>210,994</b>	<b>223,118</b>	<b>246,157</b>	<b>272,335</b>

\* Excludes subsidies and bounties to primary producers, payments for natural disasters, etc., and payments under the provisions of the *Railway Standardisation (New South Wales and Victoria) Agreement Act 1958*.

† Paid to National Debt Sinking Fund.

‡ Under \$500.

§ Not available.

|| As from 1965-66 known as "Grants for Agricultural Extension Services".

The history of the principal payments to Victoria can be summarised as follows :

#### Financial Agreements

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

#### 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.

The validity of the uniform tax legislation was challenged in the High Court in 1942 by Victoria, South Australia, Queensland, and Western Australia. The challenge was unsuccessful, the High Court finding that the Commonwealth could enforce priority in the collection of income tax and could make grants to the States under Section 96 of the Constitution on the condition that they vacated the field of income taxation.

Victoria made a further challenge to the validity of the uniform tax legislation in 1955 and was supported by New South Wales in 1956. In particular, the power of the Commonwealth to make tax reimbursement grants conditional upon the States not levying income tax and the absolute priority of payment of Commonwealth income tax over State income taxes was disputed. In 1957 the High Court ruled—

- (1) Unanimously, that the condition attaching to the tax reimbursement grants that the States should not levy income tax was valid ; and
- (2) by a majority of four to three, that Section 221 (1) (a) of the *Income Tax and Social Services Contribution Assessment Act 1936–1956*, which prohibited a taxpayer paying State income tax until Commonwealth income tax was paid, was invalid.

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 1946–1948*, 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 1946–1948 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 *Victorian Year Book 1965* and previous issues). These arrangements were again reviewed in 1965 and 1967 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 1965–1967*, the grant for each State for each financial year during the period is determined by taking that State's grant for the previous year (with the addition of \$2m each year up to 1969–70 in the case of Queensland) and increasing it by the percentage change in the population of that State during the year ending 31 December of the year of payment ; the amount so obtained is increased by the percentage increase in average wages for Australia as a whole for the year ended 31 March of year of payment ;



and this amount is increased by a "betterment factor" of 1.2 per cent. In addition, the grant so determined for Victoria in 1965-66 was increased by \$1.2m. This addition, which had the effect of reducing the difference between Victoria's grant per head and that of New South Wales, has since formed part of the base used in calculating the grant paid to Victoria under the grants formula. A further adjustment was made as a result of the February 1967 Premiers' Conference at which it was decided to distribute in 1966-67 special assistance of \$5m in the same proportions as the grants produced by the formula (Victoria's share \$1.3m). At the June 1967 Premiers' Conference it was agreed that, for the purpose of determining the formula grants for 1967-68 and future years, the special assistance grant given in 1966-67 would be treated as part of the formula grant for that year.

#### *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 1923-1925*), 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 1 July 1964, the Commonwealth will make available to the States a total amount of up to \$750m for the construction, reconstruction, maintenance, and repair of roads. Of this amount, \$660m will be payable as basic grants, which will increase from \$124m in 1964-65 to \$140m 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 31 December preceding the year of payment.

The balance of \$90m takes the form of matching assistance. The amount available for this purpose will increase from \$6m in 1964-65 to \$30m 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 1967-68, Victoria received \$31.3m by way of basic grant and matching assistance.

#### *Grants to Universities*

Commonwealth assistance to the States in respect of the recurrent expenditures of universities dates from 1951-52; in 1957-58 assistance was first given in respect of capital expenditures. An outline of assistance prior to 1966 is given in previous issues of the *Victorian Year Book*.

In its third report the Australian Universities Commission recommended that the Commonwealth make grants of \$199.4m to the States for universities over the three calendar years 1967 to 1969. In the main these recommendations were accepted and incorporated in the *Universities (Financial Assistance) Act* 1966 which provided for payments of \$175.6m to the States during the triennium.

Victoria's share of this assistance for 1967-68 was \$11m for recurrent expenditures and \$6.2m for capital expenditures.

#### *Grants for Colleges of Advanced Education*

The Report of the Committee on the Future of Tertiary Education in Australia recommended the establishment of a new type of educational institution to supplement universities and to be developed from, and around, segments of existing technical colleges.

In March 1965, the Commonwealth indicated its willingness to provide financial assistance for capital and recurrent purposes for these new institutions and agreed to provide grants amounting to about \$5m for the remainder of the 1964-66 triennium.

Subsequently the Commonwealth Advisory Committee on Advanced Education submitted proposals for grants for Colleges of Advanced Education in the 1967-69 triennium. These proposals, slightly modified, were embodied in legislation which provides for total grants of \$42.3m for the triennium. Victoria's share in 1967-68 was \$2.8m for recurrent expenditures and \$2.7m for capital expenditures.

#### *Grants for Science Laboratories and Equipment in Secondary Schools*

From 1964-65 onwards the Commonwealth has made grants to the States for the purpose of improving science teaching in secondary schools.

The *States Grants (Science Laboratories) Act* 1968 extends the operation of this scheme for a further three years and provides for a total payment to the States of \$37.7m during the triennium.

The grants are applicable to both government and non-government schools. Victoria's share of this assistance for 1967-68 was \$3.5m of which \$2m was available for government schools and \$1.5m for non-government schools.

#### *Grants for Technical Training—Buildings and Equipment*

The *States Grants (Science Laboratories and Technical Training) Act* 1964, also introduced in 1964-65 grants to the States towards the building and equipment cost of technical schools or colleges conducted by the States. Continuation of these grants for the three financial years 1968-69 to 1970-71 was authorised by the *States Grants (Technical Training) Act* 1968. During 1967-68 Victoria received \$5.1m from this grant.

*Grants for Teachers Colleges*

The *States Grants (Teachers Colleges) Act 1967* provided for the payment of unmatched grants to the States towards the construction and equipping of colleges for the training of teachers. For the triennium to 30 June 1970, a total payment of \$24m was authorised. For the year 1967-68, Victoria's share was \$0.5m.

Further information about Commonwealth payments to or for the States is set out on pages 617 to 621 of the *Victorian Year Book 1966*.

**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 1962-63 to 1966-67. 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 1962-63 to 1966-67, 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 30 June—	Revenue	Expenditure	Surplus (+) or Deficit (—)	Accumulated Deficit at End of Each Year (i.e., 30 June)
1963 .. .. .	414,151	414,149	+ 2*	52,765
1964 .. .. .	444,369	444,874	— 505	52,764
1965 .. .. .	480,668	480,668	..	53,269
1966 .. .. .	508,554	516,689	— 8,135	53,269
1967 .. .. .	559,595	559,595	..	61,404†

\* Applied towards the reduction of the Consolidated Revenue Accumulated Deficit.

† Of this amount, \$53,372,000 was provided from Loan Fund and \$8,032,000 from the Public Account.

*Consolidated Revenue*: Details of the principal sources of revenue are shown in the following table for each of the years 1962-63 to 1966-67:

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

Source of Revenue	Year Ended 30 June—				
	1963	1964	1965	1966	1967
Taxation* .. .. .	90,772	101,515	115,642	123,454	134,926
Business Undertakings—					
Railways .. .. .	87,128	92,376	102,027	99,673	104,989
Harbours, Rivers, and Lights ..	1,356	1,743	2,408	2,037	3,160
Water Supply, Sewerage, Irrigation, and Drainage ..	10,158	11,147	11,865	13,102	13,767
Electricity Supply (Interest and Recoups of Sinking Funds, etc.)	8,588	9,334	9,964	11,051	16,765
State Coal Mine .. .. .	516	504	461	404	392
Other .. .. .	656	610	691	505	1,553
Total .. .. .	108,402	115,715	127,416	126,773	140,627
Lands—					
Sales .. .. .	672	423	430	526	402
Rents .. .. .	1,200	1,302	1,416	1,609	1,739
Forestry .. .. .	4,520	4,705	5,153	5,560	5,758
Other .. .. .	346	468	933	959	1,074
Total .. .. .	6,738	6,898	7,933	8,654	8,973
Interest, <i>n.e.i.</i> .. .. .	15,984	17,289	19,064	20,735	22,694
Commonwealth Grants—					
Financial Agreement Act ..	4,254	4,254	4,254	4,254	4,254
Financial Assistance .. .. .	152,266	159,482	171,750	191,922	208,790
Additional Financial Assistance	7,454	10,280	..	..	1,302
Colleges of Advanced Education	..	..	..	..	77
Water Resources Investigations	..	..	90	80	..
Total .. .. .	163,974	174,017	176,094	196,256	214,424
Commonwealth National Welfare Fund Payments—					
Tuberculosis—					
Maintenance Expenditure ..	2,666	2,868	2,739	3,013	3,240
Pharmaceutical Benefits—					
Mental Institutions .. .. .	314	132	237	280	110
Other .. .. .	37	262	550	630	539
Total .. .. .	3,017	3,262	3,526	3,923	3,889
Fees and Fines .. .. .	4,840	5,639	6,998	7,754	8,983
All Other† .. .. .	20,424	20,035‡	23,995§	21,004	25,078
Grand Total .. .. .	414,151	444,369	480,668	508,554	559,595

\* For details of total taxation collections see page 652.

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

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

§ Includes \$3,138,000 transferred from Police Pensions Fund.

*Expenditure from Consolidated Revenue*: The principal items of expenditure during each of the years 1962-63 to 1966-67 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 30 June—				
	1963	1964	1965	1966	1967
<b>Public Debt Charges—</b>					
Interest .. .. .	61,692	65,755	70,594	76,650	82,704
Exchange .. .. .	2,166	2,380	2,529	2,344	2,238
Debt Redemption .. .. .	13,476	14,364	15,564	16,514	17,602
Other .. .. .	316	340	371	431	456
	77,650	82,839	89,057	95,940	103,000
Less Chargeable to Railways .. .. .	..	..	3,186	4,031	4,891
<b>Total .. .. .</b>	<b>77,650</b>	<b>82,839</b>	<b>85,871</b>	<b>91,909</b>	<b>98,109</b>
<b>Business Undertakings—</b>					
Railways* .. .. .	81,630	86,317	96,377	98,909	101,937
Harbours, Rivers, and Lights .. .. .	1,090	1,341	1,408	1,395	1,459
Water Supply, Sewerage, Irrigation, and Drainage .. .. .	8,274	8,336	8,926	9,419	10,079
State Coal Mine .. .. .	924	811	791	711	697
Other .. .. .	452	423	449	436	339
<b>Total .. .. .</b>	<b>92,370</b>	<b>97,228</b>	<b>107,951</b>	<b>110,870</b>	<b>114,511</b>
<b>Social Expenditure—</b>					
<b>Education—</b>					
State Schools .. .. .	76,090	84,595	91,333	101,533	111,540
Technical Schools .. .. .	16,426	18,822	20,803	23,770	27,711
Universities .. .. .	4,266	6,209	8,908	10,527	12,480
Libraries, Art Galleries, etc. .. .. .	2,014	2,106	2,200	2,412	2,763
Agricultural Education, Research, etc. .. .. .	1,668	1,682	1,775	1,866	1,857
Other .. .. .	154	190	180	180	365
Public Health and Recreation .. .. .	5,488	6,375	6,964	7,425	8,121
<b>Charitable—</b>					
<b>Hospitals—</b>					
General .. .. .	33,604	34,205	36,865	40,650	44,800
Mental .. .. .	15,320	15,865	16,914	18,506	19,819
Child Welfare .. .. .	3,708	4,023	4,392	4,865	5,339
Other .. .. .	1,052	942	966	1,030	1,042
<b>Law, Order, and Public Safety—</b>					
Justice .. .. .	4,120	4,567	4,752	4,956	5,376
Police .. .. .	17,370	19,046	20,068	21,038	23,009
Penal Establishments .. .. .	2,736	2,811	3,003	2,916	3,299
Public Safety .. .. .	56	56	62	74	62
<b>Total .. .. .</b>	<b>184,072</b>	<b>201,495</b>	<b>219,184</b>	<b>241,748</b>	<b>267,585</b>
<b>All Other Expenditure—</b>					
Public Works, <i>n.e.i.</i> .. .. .	3,944	3,849	4,126	4,446	4,768
Lands and Survey .. .. .	3,316	3,533	3,522	3,775	4,094
Agriculture .. .. .	4,838	5,104	5,464	5,772	6,397
Forestry .. .. .	4,544	4,522	5,012	5,323	5,671
Legislature and General Administration .. .. .	12,750	13,657	14,519	14,750	17,061
Pensions and Superannuation .. .. .	9,486	9,773	10,338	11,294	12,184
Pay-roll Tax .. .. .	4,506	4,883	5,197	5,592	6,034
Miscellaneous† .. .. .	16,673	17,991	19,483	21,211	23,182
<b>Total .. .. .</b>	<b>60,057</b>	<b>63,312</b>	<b>67,661</b>	<b>72,163</b>	<b>79,390</b>
<b>Grand Total .. .. .</b>	<b>414,149</b>	<b>444,874</b>	<b>480,668</b>	<b>516,689</b>	<b>559,595</b>

\* As from 1 July 1964, interest, exchange and sinking fund payments on Railways loan expenditure incurred since 1 July 1960 are charged against Railways.

† 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 page 642 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. One of the principal items of Victorian taxation—motor taxation—was formerly credited entirely to special funds. Since 1958-59, however, a proportion of motor taxation has been paid to Consolidated Revenue. (See page 653 for 1966-67 allocation.)

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 1962-63 to 1966-67 :

VICTORIA—TAXATION COLLECTIONS  
(\$'000)

Particulars	Year Ended 30 June—				
	1963	1964	1965	1966	1967
<b>Motor—</b>					
Registration Fees and Taxes ..	22,300	24,495	28,204	39,392	41,453
Drivers' Licences and Fees ..	1,424	1,353	1,983	3,039	2,908
Other .. .. .	8,447	9,435	9,860	10,511	11,580
<b>Total Motor .. ..</b>	<b>32,170</b>	<b>35,283</b>	<b>40,048</b>	<b>52,942</b>	<b>55,941</b>
Probate Duty .. .. .	24,644	29,453	31,614	32,003	34,997
Stamp Duties, <i>n.e.i.</i> .. ..	25,678	29,176	34,398	36,443	40,546
Land .. .. .	17,090	18,265	19,725	19,881	21,132
Income (Arrears) .. .. .	2	*	1	*	..
Liquor .. .. .	6,950	7,004	7,524	8,031	8,960
Tattersall Duty .. .. .	6,404	6,609	6,717	6,294	6,410
Racing .. .. .	7,470	9,014	10,425	12,190	14,075
Entertainments (Excl. Racing Admission Tax) .. .. .	732	†	†	†	†
Licences, <i>n.e.i.</i> .. .. .	824	954	1,186	1,246	1,345
<b>Grand Total .. ..</b>	<b>121,964</b>	<b>135,757</b>	<b>151,640</b>	<b>169,028</b>	<b>183,406</b>
Paid to Consolidated Revenue ..	90,772	101,515	115,642	123,454	134,926
Paid to Special Funds .. .. .	31,192	34,242	35,998	45,575	48,480
<b>Per Head of Population .. ..</b>	<b>\$40.49</b>	<b>\$44.17</b>	<b>\$48.35</b>	<b>\$52.92</b>	<b>\$56.43</b>

\* Under \$500.

† As from 29 December 1962, entertainments tax was payable only on admissions to horse racing and trotting. (See "Racing" taxation collections.)

*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, etc. In addition, the Transport Regulation Board's charges for the issue of licences, etc., 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 14 December 1964.

*The Motor Car (Hospitals and Charities Contributions) Act 1966*, which came into force on 15 November 1966, provided that, from each third party insurance premium paid in respect of a motor car, an amount of \$1.40 shall be deducted and paid to the Hospitals and Charities Fund. The Act also provided that, whenever premium rates are varied in future, the deduction shall be an amount not greater than 5 per cent of the maximum amount of third party insurance premium payable on a motor car used for private purposes. Prior to the commencement of this Act, an amount of 18 cents was deducted from each third party insurance premium and paid to the Motor Car (Hospital Payments) Fund, as provided by the *Motor Car Act 1958*.

From 1 January 1965, as provided by the *Motor Car (Fines and Drivers' Licence Fees) Act 1964*, the triennial fee for a motor driver's licence was increased from \$3 to \$6. After allowing for cost of collection, one half of the fees collected is payable to Consolidated Revenue with the balance divisible equally between the Country Roads Board Fund and the Municipalities Assistance Fund.

Particulars of the total amount of motor taxation collected and credited to the various funds during 1966-67 were as follows :

Consolidated Revenue—		\$'000	
Motor Car Third Party Insurance Tax ..	2,388		
Drivers' Licence Fees (part) ..	1,356		
Stamp Duty—Motor Vehicles ..	4,896		
			8,640
Country Roads Board Fund—			
Motor Registration Fees, etc. ..	25,985		
Drivers' Licence Fees (part) ..	677		
Drivers' Test Fees ..	198		
Examiners' Licences ..	8		
Additional Registration Fees (part) ..	1,587		
Road Charges—Commercial Goods Vehicles Act ..	6,732		
			35,187
Level Crossings Fund—			
Additional Registration Fees (part) ..			793

Municipalities Assistance Fund—	\$'000
Drivers' Licence Fees (part) .. .. .	677
Transport Regulation Fund—	
Motor Omnibus Registration Fees .. .. .	12
Licences, etc. .. .. .	918
Permits .. .. .	850
	1,780
Hospitals and Charities Fund—	
Deductions from Third Party Insurance Premiums	679
Roads (Special Projects) Fund—	
Increase in Registration Fees (Act No. 7283) ..	8,185
Total Motor Taxation, 1966-67 .. .. .	55,941

*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.

A brief summary of the rates of duty payable, as from 17 December 1962, according to the various types of beneficiaries, is shown in the following table :

VICTORIA—RATES OF PROBATE DUTY

On that part of the final balance which—					The rate of duty per \$1 shall be where the final balance passes to—			
					A	B	C	D
					cents in \$			
Exceeds	\$	Does not exceed	but does not exceed	1,200 ..				
	1,200			3,000 ..	Nil	Nil	Nil	Nil
"	3,000	"	"	10,000 ..	Nil	Nil	5	7.5
"	10,000	"	"	12,000 ..	Nil	10	15	10
"	12,000	"	"	13,000 ..	10	10	15	17.5
"	13,000	"	"	20,000 ..	10	15	15	20
"	20,000	"	"	30,000 ..	10	10	12.5	17.5
"	30,000	"	"	48,000 ..	12.5	12.5	17.5	20
"	48,000	"	"	50,000 ..	12.5	15	20	20
"	50,000	"	"	60,000 ..	17.5	20	20	20
"	60,000	"	"	70,000 ..	20	22.5	25	25
"	70,000	"	"	90,000 ..	22.5	27.5	30	27.5
"	90,000	"	"	110,000 ..	25	30	30	37.5
"	110,000	"	"	120,000 ..	30	30	32.5	37.5
"	120,000	"	"	130,000 ..	35	35	37.5	37.5
"	130,000	"	"	150,000 ..	37.5	37.5	40	42.5
"	150,000	"	"	170,000 ..	37.5	..	..	..
"	170,000	"	"	189,334 (a) ..	..	40	..	..
"	170,000	"	"	194,332 (b) ..	..	..	42.5	..
"	170,000	"	"	227,580 (c) ..	..	..	..	..
"	170,000	"	"	233,250 (d) ..	..	..	..	45
When the final balance exceeds (a), (b), (c), or (d), then the whole of the final balance is subject to a duty of					\$22.50 per \$100	\$25.00 per \$100	\$30.00 per \$100	\$33.00 per \$100



The amount of probate duty assessed in Victoria during each of the five years to 1966-67 was as follows: 1962-63, \$27,455,242; 1963-64, \$28,321,264; 1964-65, \$33,179,802; 1965-66, \$32,128,887; 1966-67, \$35,289,408.

Recent amending legislation affecting deceased estates is contained in the *Administration and Probate (Amendment) Act 1967*. This Act makes the following provisions concerning the distribution of the residue of an intestate estate:

- (1) Where there is a surviving spouse but no issue, such spouse shall be entitled to the whole of such estate;
- (2) Where there is a surviving spouse and issue, such spouse shall be entitled to the personal chattels and, where the estate (other than personal chattels) does not exceed \$10,000, to the whole of such estate;
- (3) Where the estate (other than personal chattels) exceeds \$10,000, the spouse is entitled to \$10,000, and, in addition, to a share in the residue of such estate.

#### *Commonwealth Estate Duty*

The Commonwealth Government also levies duties on deceased estates. The amount of duty collected throughout Australia during each of the five years to 1966-67 was: 1962-63, \$35,699,086; 1963-64, \$39,871,044; 1964-65, \$41,530,722; 1965-66, \$36,124,380; 1966-67, \$41,533,748.

#### *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. This tax is levied on land even if built on or otherwise improved, at a rate declared for each year by Act of Parliament.

The following is a brief summary of the rates of land tax payable in Victoria for the year 1968 under the provisions of the *Land Tax (Rates) Act 1967*:

(a) Land used for primary production purposes—

A tax of 0.42 cents in the dollar on the unimproved value of land up to \$30,000. On the excess over \$30,000, a progressive rate applies commencing at 0.62 cents in the dollar and reaching 1.88 cents in the dollar on the unimproved value exceeding \$140,000.

## (b) Land used for other purposes—

A tax of 0.42 cents in the dollar on the unimproved value of land up to \$17,500 with a graduated increase in the rate to reach 2.92 cents in the dollar where the unimproved value exceeds \$170,000.

Land used for primary production purposes is exempted from land tax if the unimproved value of such land is not more than \$10,000, and a partial exemption is allowed up to \$20,000 while the exemption in respect of land used for other purposes is \$6,000, with a partial exemption to \$9,000.

The following table shows particulars, in specified groups of unimproved value of holdings, of land tax assessments for 1966. Tax was assessed on the basis laid down by the *Land Tax (Rates and Exemptions) Act 1964*. The raising of the amount of the exemption from land tax is mainly responsible for the decrease in the number of taxpayers shown for 1965 and 1966 as compared with previous years.

VICTORIA—ANALYSIS OF STATE LAND TAX  
ASSESSMENTS, 1966

(Based on Unimproved Value at 31 December 1965)

Unimproved Value of Holdings—				Number of Taxpayers	Total Unimproved Value*	Tax Payable
\$				\$'000		
6,001 to	7,000	..	..	18,363	114,283	119
7,001 "	8,000	..	..	11,924	88,920	219
8,001 "	9,000	..	..	7,649	63,869	229
9,001 "	10,000	..	..	5,880	54,579	216
10,001 "	12,000	..	..	12,258	132,129	390
12,001 "	14,000	..	..	8,361	105,369	322
14,001 "	16,000	..	..	6,253	91,193	300
16,001 "	17,500	..	..	3,439	56,425	307
17,501 "	20,000	..	..	4,818	89,980	342
20,001 "	30,000	..	..	8,005	187,628	812
30,001 "	40,000	..	..	5,463	166,842	853
40,001 "	50,000	..	..	1,829	78,047	464
50,001 "	60,000	..	..	1,128	59,912	371
60,001 "	70,000	..	..	660	38,246	310
70,001 "	80,000	..	..	493	35,976	302
80,001 "	100,000	..	..	606	53,558	524
100,001 "	150,000	..	..	667	80,564	982
150,001 "	170,000	..	..	143	22,881	351
170,001 "	200,000	..	..	159	29,197	518
200,001 "	300,000	..	..	269	65,765	1,285
300,001 "	400,000	..	..	105	39,667	884
400,001 "	1,000,000	..	..	199	119,833	3,057
1,000,001	and over	..	..	89	245,101	7,239
Total .. .. .				98,760	2,019,963	20,397

\* Of land not exempted from land tax.

In the following table, details are shown of the assessments made during each of the years 1962 to 1966 :

## VICTORIA—STATE LAND TAX ASSESSMENTS

Year	Number of Taxpayers	Total Tax Payable	Average Tax Payable per Taxpayer	Total Unimproved Value*
		\$'000	\$	\$'000
1962 .. .. .	151,205	14,990	99.13	1,677,224
1963 .. .. .	138,884	15,739	113.32	1,765,178
1964 .. .. .	185,694	19,836	106.82	2,280,940
1965 .. .. .	89,922	18,686	207.81	1,784,974
1966 .. .. .	98,760	20,397	206.53	1,953,974

\* 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 rates of duty payable, as from February 1968, on the principal dutiable classes of documents, etc., are shown in the following table :

Dutiable Class	Duty Payable
RECEIPTS (including salaries and wages) \$10 or part .. .. .	1c
BILLS OF EXCHANGE—	
Payable on demand (cheque, etc.) .. .. .	5c
Others (including promissory notes) not above \$50 .. .. .	5c
to \$100 .. .. .	10c
to \$150 .. .. .	15c
to \$200 .. .. .	20c
for extra \$100 or part .. .. .	10c
SHARE TRANSFERS—On sale for full value—Based on consideration	Up to \$100—per \$25 or part .. 10c Over \$100—per \$100 or part .. 40c
TRANSFER OF REAL PROPERTY—Based on consideration .. .. .	to \$7,000—for each \$100 .. \$1.25 above \$7,000—for each \$100 .. \$1.50
LEASES AND ASSIGNMENTS OF LEASES OF REAL PROPERTY .. .. .	Variable scale according to nature
GIFTS AND SETTLEMENTS .. .. .	\$ .. .. . % up to 2,000 .. 2½ over 2,000 to 10,000 .. 3½ " 10,000 " 20,000 .. 4½ " 20,000 " 30,000 .. 5½ " 30,000 " 40,000 .. 6½ " 40,000 " 50,000 .. 7½ " 50,000 " 60,000 .. 8½ " 60,000 " 70,000 .. 9½ " 70,000 " 80,000 .. 10½ " 80,000 " 100,000 .. 11½ " 100,000 " 150,000 .. 14½ " 150,000 " 200,000 .. 19½ " 200,000 .. 22
INSURANCE COMPANIES (OTHER THAN LIFE)—Annual Licences	Each \$200 (or part) of annual premium income .. \$10

Dutiable Class— <i>continued</i>	Duty Payable— <i>continued</i>	
LIFE ASSURANCE POLICIES—On the sum insured .. .. .	Up to \$2,000—per \$200 or part Over \$2,000—\$1 for first \$2,000 plus per \$200 or part of remainder .. .. .	10c 20c
MORTGAGES, BONDS, DEBENTURES AND COVENANTS—On amount secured ..	up to \$8,000 .. .. . over \$8,000—\$4 for first \$8,000, plus per \$200 or part of remainder .. .. .	\$4 50c
POWER OF ATTORNEY OR APPOINTMENT OF AGENT .. .. .	.. .. .	\$2
INSTALMENT PURCHASE (Including hire purchase) .. .. .	Purchase price \$20 or more ..	1½%
GUARANTEES AND INDEMNITIES .. .. .	.. .. .	50c
CREDIT AND RENTAL BUSINESS .. .. .	Based on amount of credit, etc., or rental .. .. .	1½%
OTHER AGREEMENTS AND INSTRUMENTS—		
Partnerships, sale of business, etc. .. .. .	.. .. .	} \$3 each
Caveats .. .. .	.. .. .	
Licence to use real property, etc. .. .. .	.. .. .	
Transfer or discharge of mortgage .. .. .	.. .. .	
Appointment of trustee .. .. .	.. .. .	
DEEDS—not otherwise chargeable .. .. .	.. .. .	\$3
MOTOR CAR—		
On every application for registration and every notice of acquisition of a motor car or trailer—		
For every \$200 and part of \$200 of the market value of such motor car or trailer .. .. .	.. .. .	\$2
STATEMENT ON SALE OF CATTLE OR SWINE—		
(i) Cattle Statement		
For every \$5 and part of \$5		
(a) of the amount of the purchase money in respect of one head of cattle sold singly ; or	} 2c	
(b) of the total amount of the purchase money in respect of any number of cattle sold in one lot		
Provided that the stamp duty in respect of the amount of the purchase money of any one head of cattle, whether sold singly or as part of a lot, shall not exceed 20 cents.		
(ii) Swine Statement		
For every \$2.50 and part of \$2.50		
(a) of the amount of the purchase money in respect of one pig sold singly ; or	} 2c	
(b) of the total amount of the purchase money in respect of any number of pigs sold in one lot		
Provided that the stamp duty in respect of the amount of the purchase money of any one pig, whether sold singly or as part of a lot, shall not exceed 32 cents.		

*Note.*—Exemptions from duty are allowed in certain specific cases.

*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, etc., 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 1962-63 to 1966-67 :

**VICTORIA—LIQUOR TAX**  
( $\$$ '000)

Particulars	Year Ended 30 June—				
	1963	1964	1965	1966	1967
Licences—					
Victuallers .. .. .	5,272	} 6,568	7,048	7,522	8,440
Spirit Merchants and Grocers ..	1,198				
Australian Wine .. .. .	20				
Others .. .. .	38				
Club Certificates .. .. .	330	335	369	387	405
Permits—Extended Hours, etc. ..	92	100	108	122	114
Total .. .. .	6,950	7,004	7,524	8,031	8,959

*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 amounts allocated to the Hospitals and Charities Fund and the Mental Hospitals Fund, are shown for each of the years 1962-63 to 1966-67 :

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

Year Ended 30 June—	Subscriptions to Consultations	Duty Paid to Consolidated Revenue	Allocated to—	
			Hospitals and Charities Fund	Mental Hospitals Fund
1963 .. .. .	20,684	6,404	6,104	300
1964 .. .. .	21,340	6,609	6,309	300
1965 .. .. .	21,675	6,717	6,427	290
1966 .. .. .	20,396	6,294	5,994	300
1967 .. .. .	20,580	6,410	6,000	410

*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 13 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 deducted is divided as follows: doubles and quinella investments, 5 per cent to revenue and 8 per cent to the club; win and place investments, 8 per cent to revenue and 5 per cent to the club. In respect of country race meetings, 3 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 is permitted on race-course totalizators. The Totalizator Agency Board, appointed under the Act, conducts the off-course betting scheme which came into operation on 11 March 1961.

From investments on the off-course totalizator the following commission is deducted:

- (a) From doubles investments with respect to horse races (other than trotting races)—14 per cent (increased from 13 per cent from 1 July 1968 by the *Racing (Amendment) Act 1968*).
- (b) From all other investments—13 per cent.

The commission deducted is allocated in the following proportions:

From all off-course investments—

- (i) to Consolidated Revenue— $4\frac{3}{4}$  per cent.
- (ii) to the Totalizator Agency Board Trust Account (held at State Treasury)— $\frac{1}{4}$  per cent.
- (iii) to the Totalizator Agency Board—8 per cent.

From doubles investments on horse races (other than trotting races)—to the Racecourses Development Fund (held at State Treasury)—1 per cent.

The *Racing (Interstate Totalizators) Act 1964* empowered the Totalizator Agency Board, with the approval of the Minister, to enter into any agreement or arrangement for the provision of off-course totalizator facilities in any other State or Territory of the Commonwealth where such facilities may be provided.

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 1962-63 to 1966-67 :

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

Year Ended 30 June—	Totalizator Investments		Investments with Licensed Book-makers*	Racing Taxation			
	On-course	Off-course		Totalizator	Book-makers' Turnover	Other†	Total
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
1965 .. ..	34,019	108,939	159,723	6,678	2,917	831	10,425
1966 .. ..	34,828	129,109	160,453	8,460	2,921	809	12,190
1967 .. ..	36,627	143,984	168,381	10,184	3,058	833	14,075

\* Estimated.

† Includes entertainments (admission) tax, stamp duty on betting tickets, and club and bookmakers licences, etc.

### Entertainments Tax

A tax payable on admissions to entertainments was levied by the Victorian Government up to 31 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 reimposed a tax on entertainments as from 8 October 1953, in accordance with the *Entertainments Tax Act 1953*.

Under the provisions of the *Entertainments Tax (Amendment) Act 1961*, which came into operation as from 1 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 29 December 1962.

The amount of entertainments tax collected in Victoria during each of the five years to 1966-67 was as follows: 1962-63, \$1,222,549; 1963-64, \$512,241; 1964-65, \$516,226; 1965-66, \$502,000; 1966-67, \$519,685.

### Commonwealth Income Tax

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

The tax, which is imposed on both individuals and companies, was known as "Income Tax and Social Services Contribution" until December 1965, when the citation of the Act was altered. Since that date the levy has been referred to as "Income Tax".

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. The service pay of members of the defence forces engaged in war service in Borneo and Vietnam is also exempt from tax.

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

For the income year 1967-68, Income Tax is payable on the incomes of individuals commencing at a taxable income of \$417. However, certain limitations apply to the tax payable by aged persons, over 65 years of age in the case of a male and over 60 years in the case of a female.

Concessional deductions are allowed to taxpayers on account of dependants, certain medical and dental expenses, life insurance premiums, superannuation contributions, medical or hospital benefit fund payments, education expenses, etc., and are deductible from income to calculate taxable income. Dependants include spouse, parents, parents-in-law, children under sixteen years of age, student children under 21 years of age, invalid child, brother or sister over sixteen years of age, or daughter-housekeeper for widow or widower. A concessional deduction may be allowed for a housekeeper having the care of children under sixteen years of age or of an invalid relative where the taxpayer did not contribute to the maintenance of a spouse or daughter-housekeeper. The amount of concessional deduction allowable in respect of each type of dependant and housekeeper is :

	\$
Spouse .. .. .	312
Parent or parent-in-law .. .. .	312
Child under sixteen years of age—	
One child .. .. .	208
Other children .. .. .	156 each dependant
Student child 16 to 21 years of age ..	208 each dependant
Invalid relative not less than sixteen years of age .. .. .	208 each dependant
Housekeeper or daughter-housekeeper	312



The following table shows the rates of Income Tax for individuals for the income year 1967-68 :

AUSTRALIA—RATES OF INCOME TAX FOR INDIVIDUALS,  
1967-68\*

Total Taxable Income—		Tax on Amount in Column 1	Tax on Each \$1 of Balance of Income
Column 1 Exceeding—	Column 2 Not Exceeding—		
\$	\$	\$	cents
Nil	200	Nil	0.4
200	300	0.80	1.2
300	400	2.00	2.9
400	500	4.90	4.5
500	600	9.40	6.1
600	800	15.50	8.2
800	1,000	31.90	10.8
1,000	1,200	53.50	12.5
1,200	1,400	78.50	14.2
1,400	1,600	106.90	15.9
1,600	1,800	138.70	17.6
1,800	2,000	173.90	19.3
2,000	2,400	212.50	21.6
2,400	2,800	298.90	24.6
2,800	3,200	397.30	27.1
3,200	3,600	505.70	29.6
3,600	4,000	624.10	32.1
4,000	4,800	752.50	35.4
4,800	5,600	1,035.70	38.3
5,600	6,400	1,342.10	41.2
6,400	7,200	1,671.70	43.8
7,200	8,000	2,022.10	46.3
8,000	8,800	2,392.50	48.7
8,800	10,000	2,782.10	51.7
10,000	12,000	3,402.50	55.0
12,000	16,000	4,502.50	57.9
16,000	20,000	6,818.50	60.4
20,000	32,000	9,234.50	63.3
32,000	..	16,830.50	66.7

\* Additional tax equal to 2½ per cent of the tax at general rates is also payable for the 1967-68 financial year.

Income Tax is payable on the whole of a person's taxable income if that income exceeds \$416.

Special concessional rates apply to incomes of \$417-\$429.

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

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

The following tables show the number of taxpayers, taxable income, and Income Tax assessed during each of the years 1965-66 (based on incomes received during the year 1964-65) and 1966-67 (based on incomes earned during the year 1965-66). The particulars are classified according to grades of actual income and relate only to individuals resident in Victoria.

VICTORIA—INCOME TAX : INDIVIDUALS, 1965-66\*

Grade of Actual Income†	Taxpayers	Taxable Income			Net Income Tax Assessed
		Salaries and Wages	Other	Total	
\$	No.	\$'000			
417- 599 ..	40,363	16,525	3,454	19,979	381
600- 799 ..	51,750	27,887	6,019	33,906	1,069
800- 999 ..	61,774	42,359	8,764	51,124	2,227
1,000- 1,199 ..	71,861	58,587	13,140	71,727	3,906
1,200- 1,399 ..	77,503	74,680	16,174	90,853	5,924
1,400- 1,599 ..	83,383	92,638	19,147	111,784	8,332
1,600- 1,799 ..	78,558	95,442	21,966	117,408	9,719
1,800- 1,999 ..	75,717	99,600	23,780	123,380	11,093
2,000- 2,199 ..	81,972	117,137	26,127	143,265	13,781
2,200- 2,399 ..	81,943	123,953	26,120	150,072	15,196
2,400- 2,599 ..	83,089	137,908	26,819	164,727	17,835
2,600- 2,799 ..	80,635	143,661	26,577	170,238	19,460
2,800- 2,999 ..	73,574	140,106	26,296	166,402	20,089
3,000- 3,999 ..	234,575	509,305	115,476	624,780	86,250
4,000- 5,999 ..	123,171	305,667	148,360	454,027	80,263
6,000- 7,999 ..	29,918	81,718	83,493	165,211	38,318
8,000- 9,999 ..	12,203	35,881	54,660	90,541	25,232
10,000-19,999 ..	13,504	45,290	108,122	153,412	55,902
20,000-29,999 ..	1,639	9,082	26,115	35,197	16,624
30,000-39,999 ..	430	2,951	10,429	13,380	6,994
40,000-59,999 ..	265	2,441	8,950	11,391	6,381
60,000-99,999 ..	82	1,216	4,517	5,733	3,421
100,000 and over ..	38	460	5,227	5,687	3,214
Total ..	1,357,947	2,164,494	809,730	2,974,224	451,612

\* Includes 6,721 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".

## VICTORIA—INCOME TAX : INDIVIDUALS, 1966-67\*

Grade of Actual Income†	Taxpayers	Taxable Income			Net Income Tax Assessed
		Salaries and Wages	Other	Total	
\$	No.	\$'000			
417- 599 ..	41,018	16,588	3,420	20,008	480
600- 799 ..	49,105	26,394	5,697	32,090	1,054
800- 999 ..	59,629	41,115	8,255	49,370	2,224
1,000- 1,199 ..	68,657	55,762	12,644	68,407	3,828
1,200- 1,399 ..	77,018	74,763	15,284	90,047	6,006
1,400- 1,599 ..	83,251	93,223	18,503	111,725	8,545
1,600- 1,799 ..	80,379	100,085	20,820	120,905	10,315
1,800- 1,999 ..	74,768	100,396	23,043	123,439	11,486
2,000- 2,199 ..	77,126	112,216	25,130	137,345	13,733
2,200- 2,399 ..	80,261	126,366	25,521	151,887	16,160
2,400- 2,599 ..	82,640	142,327	26,567	168,894	19,176
2,600- 2,799 ..	82,525	150,257	27,135	177,392	21,036
2,800- 2,999 ..	76,586	149,006	26,759	175,765	22,036
3,000- 3,999 ..	246,657	542,583	118,898	661,481	94,268
4,000- 5,999 ..	147,272	388,512	154,037	542,550	98,891
6,000- 7,999 ..	34,588	102,517	86,776	189,294	45,083
8,000- 9,999 ..	13,011	41,127	54,668	95,795	27,363
10,000-19,999 ..	15,108	53,899	117,861	171,759	64,220
20,000-29,999 ..	1,913	10,164	30,799	40,963	19,781
30,000-39,999 ..	517	4,094	12,039	16,133	8,554
40,000-59,999 ..	261	2,865	8,801	11,665	6,676
60,000-99,999 ..	84	1,273	4,448	5,721	3,500
100,000 and over ..	34	230	4,363	4,593	2,930
Total ..	1,392,408	2,335,761	831,468	3,167,228	507,345

\* Includes 7,004 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—Withholding Tax*

A flat rate of tax has been levied on dividends derived by non-residents of Australia from Australian companies since 1 July 1960. In 1967, the income tax legislation was amended to provide also for a flat rate of tax on interest derived by non-residents of Australia from Australian residents on or after 1 January 1968.

The rate of tax on dividends 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. The rate of tax on interest is 10 per cent for residents of all countries.

### Company Tax

The following table shows the rates of Income Tax payable by companies for the financial year 1967-68 (income year 1966-67) :

#### AUSTRALIA—RATES OF INCOME TAX PAYABLE BY COMPANIES, 1967-68

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.

### State Pensions and Gratuities

The following table shows details of State Government expenditure on pensions, gratuities, etc., during each of the years 1962-63 to 1966-67 :

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

Particulars	Year Ended 30 June—				
	1963	1964	1965	1966	1967
Superannuation Fund—					
Railways .. .. .	4,656	4,797	4,870	4,945	5,073
Other .. .. .	4,178	4,575	5,061	5,618	6,357
Total Superannuation Fund ..	8,834	9,372	9,931	10,562	11,431
Police Pensions Fund .. .. .	130	100	100	380	380
Police Superannuation Fund .. ..	141	149	148	150	116
Coal Mine Workers Pensions Fund ..	160	137	113	136	139
Parliamentary Contributory Retirement Fund .. .. .	313	103	108	104	105
Married Women Teachers' Pensions Fund	33	36	38	44	48
Other Pensions, Gratuities, etc. ..	11	21	43	63	77
Grand Total .. .. .	9,622	9,917	10,482	11,440	12,295

#### 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 669), and in 1966 and 1967 amending Acts considerably increased the range of benefits available.

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) 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.
- (3) The amount (units) of pension for which an officer may contribute is regulated by salary.
- (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) A male contributor or pensioner (other than an ill health pensioner) may, within three months prior to his sixty-fifth birthday, elect to convert part of his pension entitlement to a lump sum entitlement. A female

contributor or a widow in receipt of a pension may also, in certain circumstances, convert part of her pension entitlement to a lump sum entitlement.

The widow of a deceased contributor or pensioner is entitled to five-eighths of the rate of the full pension for which the officer was contributing or five-eighths of the full pension which he would have been receiving had he not converted part of his pension.

- (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 cash transactions of the Superannuation Fund and other particulars for each of the years 1962-63 to 1966-67 :

### VICTORIA—SUPERANNUATION FUND

Particulars	Year Ended 30 June—				
	1963	1964	1965	1966	1967
Receipts—	\$'000				
Contributions—					
Officers .. .. .	5,952	6,638	7,639	8,332	13,344
Consolidated Revenue*	8,806	9,316	9,895	10,517	11,376
Interest .. .. .	4,038	4,415	4,802	5,547	6,237
Transferred from Police Pensions Fund .. .. .	..	..	..	4,719†	..
Other .. .. .	28	35	145	168	107
Total .. .. .	18,824	20,404	22,480	29,283	31,064
Disbursements—					
Pension Payments .. .. .	11,472	12,186	13,006	13,918	14,990
Lump Sum Payments .. .. .	2	5	14	86	2,271
Contributions Refunded .. .. .	618	723	885	1,062	1,218
Transfer to Pensions Supplement-ation Fund .. .. .	..	..	..	..	909
Other .. .. .	66	1,258‡	§	6	2
Total .. .. .	12,158	14,172	13,904	15,071	19,390
Balance in Fund at 30 June .. .. .	83,940	90,173	98,749	112,960	124,635
Contributors at 30 June—	No.				
Males .. .. .	39,157	43,736	43,622	44,200	47,160
Females .. .. .	7,662	7,883	8,025	8,600	9,000
Total .. .. .	46,819	51,619	51,647	52,800	56,160
Pensioners at 30 June—					
Ex-employees—					
Males .. .. .	8,197	8,151	8,293	8,415	8,700
Females .. .. .	1,336	1,397	1,477	1,541	1,600
Widows .. .. .	6,464	6,604	6,893	7,093	7,500
Children .. .. .	796	832	862	889	910
Total .. .. .	16,793	16,984	17,525	17,938	18,710

\* These figures do not agree with those shown on page 667, as the latter include Consolidated Revenue's share of pensions accrued at the end of each year.

† Includes accrued interest \$262,000.

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

§ Under \$500.

### *Police Pensions Fund*

This Fund was established by the *Police Pensions Act* 1923 which came into operation on 1 January 1924, and applied to all members who joined the Police Force on or after 25 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 1 February 1964 would be required to contribute to the Superannuation Fund, and that existing members at that date could either remain as contributors to the Police Pensions Fund or elect to transfer to the Superannuation Fund. The 1963 Act also provided for an actuarial investigation of the Police Pensions Fund and for the transfer of any surplus disclosed to the Consolidated Revenue.

The receipts of the Police Pensions Fund during 1966-67 amounted to \$1,145,589, comprising deductions from pay, \$56,714; special appropriation from Consolidated Revenue, \$380,000; interest on investments, \$708,874. During the year, \$1,470,237 was paid in pensions, \$44,870 in gratuities and \$7,245 represented deductions from pay returned on resignation. The balance in the Fund at 30 June 1967 was \$13,954,404. Of this amount, \$13,940,500 was invested in government and semi-government securities.

The number of contributors to the Fund at 30 June 1967 was 454 males and seven females.

### *Police Superannuation Fund*

Pensions are payable out of this Fund on account of those who joined the Police Force prior to 25 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 1966-67, the total receipts of the Fund from all sources amounted to \$115,827. Pension payments totalled \$24,225, while \$1,415,653 was transferred to the Pensions Supplementation Fund (see below). The balance in the Fund at 30 June 1967 was \$91,602.

### *Pensions Supplementation Fund*

This Fund was established pursuant to the *Pensions Supplementation Act* 1966, to meet the cost of supplementing, as from 1 April 1966, the pensions of officers who retired on or before 1 April 1966 or the widows of such officers or of those officers who died prior to that date.

In terms of the Act, credits to the Fund will consist of :

- (i) transfers of money or assets which will equal in value the amounts debited to the Fund in respect of the supplementation of pensions and which are to be made from any surplus in the Superannuation Fund revealed at the preceding quinquennial actuarial investigation ;
- (ii) payments representing the amount standing at the credit of the Police Superannuation Fund at 30 June 1965 and at 30 June in each succeeding year ; and
- (iii) interest earned on investments made out of the Fund.

Total income of the Fund since its inception to 30 June 1967 was \$2,502,597, made up of statutory transfers from the Police Superannuation Fund and from the State Superannuation Fund, \$2,449,854, and interest on investments, \$52,743, while expenditure on pensions totalled \$1,149,383.

#### *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, defines contributions and benefits in connection 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 that 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 1966-67, the Government contributed \$66,539 to the Fund, and the State Coal Mine (as owners) \$72,531.

#### *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 6 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 5 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 1966-67 was \$105,029.

#### *Parliamentary Superannuation Fund*

This Fund was established under the authority of the *Parliamentary Contributory Superannuation Act* 1962 which came into operation on 6 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 6 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, etc., 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 1966-67, receipts of the Fund totalled \$81,296, made up of members' contributions, \$62,712, and interest on investments \$18,584, while pension payments, etc., amounted to \$48,326. The balance in the Fund at 30 June 1967 was \$418,670 of which \$397,992 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 1 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.

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\* These arrangements were altered as from December 1968.

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 1966-67 amounted to \$126,794, consisting of teachers' contributions, \$47,214; contribution from Consolidated Revenue, \$46,024; and interest on investments, etc., \$33,556. Payments from the Fund during the year totalled \$16,321. The balance in the Fund at 30 June 1967 was \$739,042 of which \$736,979 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 or dependent widowers, 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 a minimum of \$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 June 1967, there were 137,000 contributors to the Superannuation Fund and 15,105 to the Provident Account, while the number of pensions in force was 24,060. At the same date, the assets of the Fund (including those applicable to the Provident Account) were \$291.9m.

### **State 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 1965-66, the debits of all trust funds or accounts amounted to \$571.9m, while credits totalled \$584.5m.

At 30 June 1967, the liability of the State on account of all trust funds or accounts amounted to \$126.7m. Of this total, \$48.8m was invested in Commonwealth Stock or other securities, and cash advanced totalled \$11.9m. The balance—\$66.1m—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. Details of such expenditure for each of the years 1962-63 to 1966-67 are shown in the following table. The total expenditure from all sources to 30 June 1967, regardless of whether the loans have been repaid or are still in existence, was \$2,311m.

### VICTORIA—EXPENDITURE FROM LOAN FUND AND ON ACCOUNT OF LOAN

(\$'000)

Expenditure on—	Year Ended 30 June—				
	1963	1964	1965	1966	1967
<b>Public Works—</b>					
Railways .. .. .	15,618	15,620	15,501	16,300	16,466
Roads and Bridges .. .. .	1,006	1,083	2,463	2,390	1,672
Harbours and Rivers .. .. .	610	1,180	4,408	3,453	2,906
Water Supply .. .. .	16,170	17,266	17,720	17,953	18,397
Sewerage .. .. .	820	1,210	1,410	986	849
Electricity Supply .. .. .	17,000	16,000	16,000	15,000	15,500
Gas and Fuel Corporation .. .. .	100	60	80	60	60
<b>Public Buildings—</b>					
Schools .. .. .	27,872	30,123	30,450	31,900	35,928
Hospitals, etc. .. .. .	12,394	13,520	16,519	16,752	16,964
Other .. .. .	5,272	7,970	7,847	9,834	13,049
Immigration .. .. .	70	23	*	*	..
Municipalities—Loans, Grants, etc.	1,906	1,711	2,234	2,044	1,806
Housing .. .. .	1,680	1,639	1,675	1,803	1,769
Other Public Works .. .. .	658	594	632	552	583
<b>Primary Production—</b>					
Land Settlement .. .. .	2,828	2,272	2,430	2,532	2,688
Soldier Settlement .. .. .	182	185	78	64	13
Wire Netting Advances .. .. .	2	1	1	*	1

\* Under \$500.

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

Expenditure on—	Year Ended 30 June—				
	1963	1964	1965	1966	1967
Primary Production ( <i>continued</i> )—					
Other Advances to Settlers (Including Drought, Flood, etc., Relief) .. .. .	36	240	560	229	232
Forestry .. .. .	2,020	2,025	2,092	2,077	2,152
Mining, <i>n.e.i.</i> .. .. .	134	124	132	218	145
Cool Stores .. .. .	136	176	194	180	184
Destruction of Vermin and Noxious Weeds .. .. .	1,426	1,658	1,993	1,864	2,065
Other Primary Production ..	648	943	1,179	1,473	2,308
Other Purposes .. .. .	2,076	2,125	2,258	3,181	1,823
Total .. .. .	110,664	117,750	127,855	130,848	137,562

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: 1962–63, \$1,592,534; 1963–64, \$1,000,497; 1964–65, \$610,698; 1965–66, \$1,036,344; 1966–67, \$817,319. The aggregate expenditure to 30 June 1967 was \$37,072,663.

### 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 93 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 30 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 30 June 1967, was \$435.5m, of which \$422.1m was for housing and \$13.4m 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 1962-63 to 1966-67. The variations from year to year in the Australian currency equivalent of overseas loans, resulting from application of the rates of exchange ruling at 30 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	1962-63	1963-64	1964-65	1965-66	1966-67
DEBT MATURING IN AUSTRALIA					
Debt Outstanding at 1 July .. .. .	1,246,406	1,320,866	1,411,589	1,518,481	1,626,901
New Debt Incurred—					
Commonwealth Government Loan					
Flotations .. .. .	282,244	190,960	256,477	313,629	300,736
Domestic Raisings .. .. .	1,640	2,101	4,391	2,228	1,444
Less Conversion and Redemption Loans	194,226	87,042	139,519	191,394	163,111
Total New Debt Incurred .. .. .	89,658	106,019	121,344	124,463	139,070
Less Repurchases and Redemptions from National Debt Sinking Fund .. .. .	15,198	15,297	14,452	16,043	10,820
Net Increase in Debt .. .. .	74,460	90,722	106,892	108,420	128,250
Debt Outstanding at 30 June .. .. .	1,320,866	1,411,589	1,518,481	1,626,901	1,755,151

VICTORIA—STATE PUBLIC DEBT : SUMMARY OF TRANSACTIONS—  
continued

(\$A'000)

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
<b>DEBT MATURING IN LONDON</b>					
Debt Outstanding at 1 July .. ..	102,762	108,848	115,151	112,201	105,505
New Debt Incurred—					
Commonwealth Government Loan Flotations .. .. .	6,198	7,358	..	..	..
Less Conversion and Redemption Loans	..	..	..	3,876	2,500
Total New Debt Incurred .. ..	6,198	7,358	..	-3,876	-2,500
Less Repurchases and Redemptions from National Debt Sinking Fund ..	112	1,054	2,950	2,820	8,300
Net Increase in Debt .. .. .	6,086	6,303	-2,950	-6,696	-10,800
Debt Outstanding at 30 June .. ..	108,848	115,151	112,201	105,505	94,705
<b>DEBT MATURING IN NEW YORK, CANADA, SWITZERLAND, AND THE NETHERLANDS</b>					
Debt Outstanding at 1 July .. ..	43,372	52,546	50,981	48,656	49,138
New Debt Incurred—					
Commonwealth Government Loan Flotations .. .. .	10,144	..	..	3,461	..
Less Conversion and Redemption Loans	..	..	..	..	3,285
Total New Debt Incurred .. ..	10,144	..	..	3,461	-3,285
Less Repurchases and Redemptions from National Debt Sinking Fund ..	970	1,564	2,325	2,980	2,639
Net Increase in Debt .. .. .	9,174	-1,564	-2,325	481	-5,924
Debt Outstanding at 30 June .. ..	52,546	50,981	48,657	49,138	43,213*
<b>TOTAL</b>					
Debt Outstanding at 1 July .. ..	1,392,540	1,482,260	1,577,721	1,679,338	1,781,543
New Debt Incurred—					
Commonwealth Government Loan Flotations .. .. .	298,586	198,318	256,472	317,089	300,736
Domestic Raisings .. .. .	1,640	2,101	4,391	2,228	1,444
Less Conversion and Redemption Loans	194,226	87,042	139,519	195,271	168,896
Total New Debt Incurred .. ..	106,000	113,377	121,344	124,047	133,284
Less Repurchases and Redemptions from National Debt Sinking Fund ..	16,280	17,915	19,727	21,842	21,759
Net Increase in Debt .. .. .	89,720	95,461	101,617	102,205	111,525
Debt Outstanding at 30 June .. ..	1,482,260	1,577,721	1,679,338	1,781,543	1,893,069

\* Includes New York, \$A35,658,000; Canada, \$A2,897,000; Switzerland, \$A2,600,000; and The Netherlands, \$A2,059,000.

Particulars concerning the due dates of loans outstanding at 30 June 1967, are given in the following table. Where the Government has the option of redemption during a specified period, the loans have been classified according to the latest date of maturity.

VICTORIA—DUE DATES OF LOANS AT 30 JUNE 1967  
(\$A'000)

Due Date (Financial Year)	Amount Maturing—				Total
	In Australia	In London	In New York	Elsewhere Overseas	
1967-68 .. ..	175,249	20,795	..	..	196,043
1968-69 .. ..	136,028	..	..	..	136,028
1969-70 .. ..	218,380	19,063	1,656	..	239,098
1970-71 .. ..	65,427	..	773	..	66,201
1971-72 .. ..	68,313	..	2,962	..	71,275
1972-73 .. ..	110,623	16,103	3,333	..	130,059
1973-74 .. ..	65,267	..	..	..	65,267
1974-75 .. ..	84,179	..	..	..	84,179
1975-76 .. ..	103,432	700	..	2,600*	106,732
1976-77 .. ..	57,166	..	..	..	57,166
1977-78 .. ..	341	6,148	..	..	6,489
1978-79 .. ..	357	23,790	2,796	..	26,943
1979-80 .. ..	51,291	..	3,346	..	54,637
1980-81 .. ..	41,815	..	3,447	2,897†	48,159
1981-82 .. ..	55,939	7,358	5,423	2,059‡	70,779
1982-83 .. ..	18,104	..	8,460	..	26,564
1983-84 .. ..	80,286	750	..	..	81,036
1984-85 .. ..	117,705	..	..	..	117,705
1985-86 .. ..	72,179	..	3,461	..	75,640
1986-87 .. ..	38,758	..	..	..	38,758
1987-88 .. ..	98,790	..	..	..	98,790
1988-89 .. ..	43,289	..	..	..	43,289
2001-02 .. ..	48,305	..	..	..	48,305
Not Yet Fixed .. ..	3,927	..	..	..	3,927
Total .. ..	1,755,151	94,705	35,658	7,555	1,893,069

\* Maturing in Switzerland.

† Maturing in Canada.

‡ Maturing in The Netherlands.

The following table shows details of the amounts of loans outstanding in Australia, London, New York, Canada, Switzerland, and The Netherlands, and the amount of debt per head of population at the end of each of the years 1962-63 to 1966-67 :

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

At 30 June—	Amount of Loans Maturing in—						Total Debt	
	Australia	London	New York	Canada	Switzerland	The Netherlands	Amount	Per Head of Population
				SA'000				SA
1963 ..	1,320,866	108,848	44,404	3,484	2,600	2,059	1,482,260	487.45
1964 ..	1,411,589	115,151	42,964	3,359	2,600	2,059	1,577,721	508.04
1965 ..	1,518,481	112,201	40,729	3,269	2,600	2,059	1,679,338	530.70
1966 ..	1,626,901	105,505	41,407	3,072	2,600	2,059	1,781,543	553.24
1967 ..	1,755,151	94,705	35,658	2,897	2,600	2,059	1,893,069	578.14

The following table shows the rates of interest which were payable on the public debt at 30 June 1967, 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  
30 JUNE 1967

Rate of Interest	Amount Maturing—				Total
	In Australia	In London	In New York	Elsewhere Overseas	
per cent	\$A'000				
6.0 .. .. .	..	1,450	..	..	1,450
5.75 .. .. .	..	..	3,461	2,897*	6,358
5.5 .. .. .	..	53,398	13,883	..	67,281
5.375 .. .. .	67,305	..	..	..	67,305
5.25 .. .. .	295,075	..	6,794	..	301,869
5.0 .. .. .	759,770	..	5,758	2,059†	767,587
4.75 .. .. .	122,093	..	3,333	..	125,426
4.625 .. .. .	14,150	..	..	..	14,150
4.5 .. .. .	390,630	..	773	2,600‡	394,003
4.25 .. .. .	93,891	..	..	..	93,891
4.0 .. .. .	3,430	..	..	..	3,430
3.875 .. .. .	106	..	..	..	106
3.75 .. .. .	..	..	1,656	..	1,656
3.4875 .. .. .	1	..	..	..	1
3.25 .. .. .	..	19,063	..	..	19,063
3.1 .. .. .	553	..	..	..	553
3.0 .. .. .	1,861	20,795	..	..	22,655
2.7125 .. .. .	227	..	..	..	227
2.325 .. .. .	1,178	..	..	..	1,178
1.0 .. .. .	4,879	..	..	..	4,879
Total .. .. .	1,755,151	94,705	35,658	7,555	1,893,069
Average Rate of Interest	4.87	4.51	5.22	5.12	4.86

\* 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 1962–63 to 1966–67. 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 30 June—			Payable in Australia	Payable in Overseas Countries	Total	Per Head of Population	Average Rate
			\$A'000			\$A	%
1963	..	..	59,110	7,240	66,350	21.82	4.48
1964	..	..	63,361	7,529	70,890	22.83	4.49
1965	..	..	70,341	7,310	77,650	24.54	4.63
1966	..	..	77,879	7,144	85,023	26.40	4.77
1967	..	..	85,417	6,516	91,933	28.08	4.86

The interest and expenses associated with the public debt of Victoria, for each of the years 1962–63 to 1966–67 are shown in the following table :

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

Year Ended 30 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, etc.	Grand Total*
	In Australia	In London	In New York	Elsewhere Overseas				
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
1965 ..	66,189	3,963	998	210	71,361	2,398	300	74,059
1966 ..	72,058	3,877	1,007	209	77,150	2,344	353	79,847
1967 ..	78,450	3,566	984	205†	83,204	2,238	376	85,818

\* Includes \$A4,254,000 contributed each year by the Commonwealth Government in accordance with the provisions of the "Financial Agreement" (see page 643), but excludes interest paid on advances received from the Commonwealth Government for housing and soldier settlement.

† Includes Canada, \$A90,000; 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 1962-63 to 1966-67 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	1962-63	1963-64	1964-65	1965-66	1966-67
Contributed under Financial Agreement—					
Victoria .. .. .	13,392	14,275	15,333	16,437	17,522
Commonwealth .. .. .	3,390	3,700	3,937	4,225	4,524
Total Contributions under Financial Agreement .. .. .	16,782	17,975	19,271	20,662	22,046
Interest on Investments .. .. .	Dr. 26	24	Dr. 12	5	Dr. 10
Special Contributions by Victoria	102	102	102	102	102
Total .. .. .	16,858	18,101	19,361	20,769	22,138
Total to Date .. .. .	191,834	209,934	229,295	250,064	272,202

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

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
Australia—					
Face Value .. .. .	15,198	15,297	14,452	16,043	10,820
Net Cost .. .. .	15,192	15,289	14,447	16,027	10,807
London—					
Face Value .. .. .	112	1,054	2,950	2,820	8,300
Net Cost .. .. .	114	1,010	2,727	2,667	8,302
New York—					
Face Value .. .. .	950	1,438	2,235	2,783	2,464
Net Cost .. .. .	942	1,440	2,246	2,765	2,408
Canada—					
Face Value .. .. .	20	126	90	197	175
Net Cost .. .. .	20	126	90	197	172
Total—					
Face Value .. .. .	16,280	17,915	19,727	21,842	21,759
Net Cost .. .. .	16,268	17,866	19,511	21,656	21,689
Total to Date—					
Net Cost .. .. .	190,820	208,686	228,197	249,853	271,542

Further Reference, 1964

*Private Finance***Commonwealth Banking Legislation**

Information about the provisions of Commonwealth banking legislation will be found on pages 648 to 650 of the *Victorian Year Book* 1966.

**Banking during 1967**

At the beginning of 1967 deposits were rising quite strongly (even for that season of the year) and were supported by extensive credit made available through advance payments for the large wheat crop, and by an overall expansion of bank advances. The rise in advances was not strong enough to depress the liquidity of the banking system, which in fact improved in the early months of the year.

Australia's economic climate and the availability of resources were such that further expansion of the level of activity was being encouraged by credit availability through the banking system, as part of overall economic policy of the nation. This maintained the trends which had been established in the later part of 1966. The only official limitation on bank credit was in relation to bank borrowing in Australia by overseas controlled firms. The Statutory Reserve Deposit ratio had been reduced to 8.9 per cent of bank deposits late in 1966—the lowest level since the S.R.D. system was introduced—as a means of supporting a continued expansion of credit.

The response of business to this policy of credit availability was shown in the rapidly rising volume of overdraft limits being sought from, and granted by, the banks. This led to further expansion of actual advances—and subsequent spending and economic activity—in the months ahead.

The uptrend in advances and the rise in total overdraft limits outstanding, continued into the June quarter, but the liquidity of the system changed. International reserves declined quite sharply in the early months of the year, largely because of a much smaller volume of capital inflow. However, Australia's imports were rising only slowly, and this obviated a severe squeeze on bank liquidity and on the level of bank deposits. An aggravating factor arose in the field of Government finance, involving large loan raisings from the Australian market (exceeding the Budget anticipations for the year to June 1967), combined with heavy overseas spending on defence purchases, both of which tended to reduce bank deposits internally.

Although official policies were still supporting an expansion of economic activity in August, the Commonwealth Treasurer's Budget Speech in that month suggested that preparations should be made for a change in policy as the economic activity approached the optimum level, and that this could involve banking policies. He said: "Monetary policy can and will be used as necessary to help keep the economy on the right course".

The Budget itself proposed a larger Government deficit than in the previous year. However, much of the Government's planned spending for 1967-68 being abroad meant a smaller increase in domestic outlays than in 1966-67, thus lowering the stimulating effect of the Government sector on the economy generally and on bank liquidity, as compared with 1966-67. At the same time, the Treasurer

indicated that he proposed to reduce the rate of growth of public spending, as contrasted with previous years, and to facilitate growth in the private sector.

In view of the normal seasonal factors, it was consistent with national policy and the state of the economy that bank credit continued to expand in the September quarter, with advances rising through to the end of the year. As the normal seasonal increase of exports developed in the spring, deposits also rose, strongly supported by Government spending, which is usually in deficit in the early months of the financial year. In fact, the latter source of liquidity was stronger than expected, because Government spending rose more strongly than the Budget projections. Instead of a slower rate of growth of Government spending than in the past, the rate was actually faster.

The year 1967 witnessed a strong rise in bank deposits. But advances rose even faster, so that the advance-deposit ratio of the banking system increased over the year.

Some special features of the year contributed to the marked rise of advances. The drought generated a strong demand for carry-on finance from the banks. It also foreshadowed future increases in lending, when some farmers would re-stock their properties, and others endeavour to retrieve their losses by expanding their scale of operations after the drought, e.g., by sowing greater acreages to crops.

The Term Loan Fund and the Farm Development Loan Fund were utilised to an increasing extent during the year, providing longer term loans than were available on normal overdraft. This was especially useful for drought prevention measures, and to assist a variety of developmental and export yielding projects.

Two important changes in the pattern of financial institutions took place during the year. In March, it was announced that the banks were permitted to grant personal loans for moderate amounts, repayable in instalments, on conditions differing from those applying to normal overdrafts. Rates up to 6 per cent flat could be charged on wholly unsecured loans, with lower rates where some security was available.

The other important development was the evolution of the concept of the Australian Resources Development Bank, designed to assist in financing, and in preserving local ownership of, large-scale development projects—of which the mining ventures were the most important examples. After lengthy negotiation and discussion, the Bank received legislative authorisation in November, and proceeded to recruit staff and define its policies and procedures. Initially, there is provision for \$A5m capital, but much larger funds are to be borrowed by the Bank in the money markets as they are required. This was another step in widening the range of functions performed by the Australian banks.

### **Banking Services**

Victoria is provided with a comprehensive range of both trading and savings bank facilities, the most important of which are :

*Accounts* : Current (cheque) accounts ; Savings accounts (including special purpose accounts) ; Interest-bearing term deposits ; Periodical payments ; Special arrangements for accounts of charitable and non-profit organisations.

*Credit* : Loans on overdrafts ; Discounting bills and promissory notes ; Loans for fixed periods for special purposes (exports, development, rural, etc.) ; Housing loans ; Personal loans.

*Remittances (within Australia)* : By drafts, mail transfers, and telegrams.

*International Banking* : Collection and negotiation of bills of exchange ; Commercial letters of credit ; Purchase and sale of overseas exchange ; Forward exchange.

*Safe Custody* : Deposit vaults and night safes.

*Information* : Banking assessment of individuals, firms and companies ; Information for immigrants ; Introductions ; Trade, industrial, and economic inquiries. Publications on economic conditions, trade, and industry are provided by some banks.

*Investment Services* : Nominee, registrar, and other services for investors, superannuation funds, and unit trusts.

*Travel* : Information ; Accommodation ; Currency and travel arrangements, including bookings, reservations, itinerary planning, travellers' cheques, letters of credit, baggage insurance, and passports.

#### 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 30 June 1965, 1966, and 1967 :

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

Bank	At 30 June—					
	1965	1966	1967	1965	1966	1967
	Branches			Agencies		
Commonwealth Trading Bank of Australia .. .. .	127	133	135	79	82	83
<b>Private Trading Banks—</b>						
Australia and New Zealand Bank Ltd .. .. .	190	199	203	123	125	105
The Bank of Adelaide .. .. .	2	2	2	..	..	..
The Bank of New South Wales..	163	167	168	21	23	18
The Commercial Bank of Australia Ltd .. .. .	164	166	166	67	67	65
The Commercial Banking Co. of Sydney Ltd .. .. .	125	129	133	40	40	40
The English, Scottish, and Australian Bank Ltd .. .. .	150	153	155	33	33	33
The National Bank of Australasia Ltd .. .. .	239	243	239	102	91	77
<b>Total Private Trading Banks</b>	<b>1,033</b>	<b>1,059</b>	<b>1,066</b>	<b>386</b>	<b>379</b>	<b>338</b>
<b>Total Trading Banks ..</b>	<b>1,160</b>	<b>1,192</b>	<b>1,201</b>	<b>465</b>	<b>461</b>	<b>421</b>
Metropolitan Area .. .. .	656	668	678	229	224	208
Remainder of State .. .. .	504	524	523	236	237	213

The following tables show particulars of the averages of deposits with, and advances by, trading banks in Victoria during the month of June 1967. Comparable figures for the month 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, 1967  
(\$'000)**

Bank	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
Commonwealth Trading Bank of Australia .. .. .	100,256	103,244	203,500	116,035
Private Trading Banks— Australia and New Zealand Bank Ltd .. .. .	166,811	140,336	307,147	170,619
The Bank of Adelaide .. .. .	2,761	5,051	7,812	3,719
Bank of New South Wales .. .. .	108,996	96,178	205,174	117,277
The Commercial Bank of Australia Ltd .. .. .	114,839	105,965	220,804	139,334
The Commercial Banking Co. of Sydney Ltd .. .. .	65,967	75,605	141,572	68,659
The English, Scottish, and Australian Bank Ltd .. .. .	112,587	90,821	203,408	107,261
The National Bank of Australasia Ltd .. .. .	166,933	172,146	339,079	178,039
Total .. .. .	839,150	789,346	1,628,495	900,943

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

Month of June—	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
1963 .. .. .	738,336	473,778	1,212,114	638,974
1964 .. .. .	813,276	574,108	1,387,384	657,138
1965 .. .. .	795,002	669,750	1,464,752	719,518
1966 .. .. .	793,819	742,308	1,536,129	798,639
1967 .. .. .	839,150	789,346	1,628,495	900,943

A classification of persons and authorities in receipt of trading bank advances for each of the years 1962–63 to 1966–67 is given in the following table. Business advances are classified according to the main industry of the borrower.

## VICTORIA—TRADING BANKS : CLASSIFICATION OF ADVANCES

(\$m)

Classification	At End of June—				
	1963	1964	1965	1966	1967
<b>Resident Borrowers—</b>					
<b>Business Advances—</b>					
Agriculture, Grazing, and Dairying ..	96.7	100.2	110.2	119.2	150.7
Manufacturing .. .. .	177.0	163.4	196.6	212.6	225.7
Transport, Storage, and Com- munication .. .. .	9.9	16.2	15.4	16.6	19.3
Finance .. .. .	40.6	51.8	49.1	49.4	46.3
Commerce .. .. .	132.6	126.2	136.0	151.9	164.9
Building and Construction .. .. .	18.7	20.2	24.3	25.5	32.2
Other Businesses .. .. .	51.6	52.8	55.5	75.5	88.2
Unclassified .. .. .	5.2	5.6	6.8	7.3	12.6
<b>Total Business Advances .. .. .</b>	<b>532.3</b>	<b>536.4</b>	<b>594.0</b>	<b>658.1</b>	<b>739.9</b>
Advances to Public Authorities .. .. .	7.0	10.4	10.1	14.9	12.0
Personal Advances .. .. .	98.0	106.4	110.0	119.4	140.3
Advances to Non-profit Organisations ..	10.5	10.8	11.0	12.9	14.2
<b>Total Advances to Resident Bor-   rowers .. .. .</b>	<b>647.8</b>	<b>664.0</b>	<b>725.1</b>	<b>805.4</b>	<b>906.4</b>
<b>Non-resident Borrowers .. .. .</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.5</b>
<b>Grand Total .. .. .</b>	<b>648.1</b>	<b>664.4</b>	<b>725.5</b>	<b>805.7</b>	<b>906.9</b>

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 1957–58 to 1966–67, the average weekly amounts debited by cheque paying banks to customers' accounts. Particulars relate to the operation of trading banks transacting business in Victoria (as set out in the tables on pages 683–4) together with the Bank of New Zealand, and the Banque Nationale 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 14 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

(\$m)

Year Ended 30 June—	Average Weekly Debits	Year Ended 30 June—	Average Weekly Debits
1958 .. .. .	414.1	1963 .. .. .	650.5
1959 .. .. .	449.5	1964 .. .. .	733.2
1960 .. .. .	529.1	1965 .. .. .	825.3
1961 .. .. .	565.9	1966 .. .. .	847.7
1962 .. .. .	590.0	1967 .. .. .	939.2

### Reserve Bank of Australia

#### General

The Reserve Bank is Australia's central bank and acts as banker and financial agent of the Commonwealth. The *Reserve Bank Act 1959-1966* (which came into operation on 14 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.

Further information about the functions of the Reserve Bank, including its Note Issue and Rural Credits Departments, is set out on page 655 of the *Victorian Year Book 1966*.

#### Financial Statements

The Bank's liabilities and assets, for each of the years 1962-63 to 1966-67 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  
(\$m)**

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
<b>Liabilities—</b>					
Capital and Reserve Funds	57	61	65	70	74
Australian Notes on Issue	877	877	887	872	909
Statutory Reserve Deposit Accounts of Trading Banks	425	531	702	608	476
Other Deposits of Trading Banks .. .. .	119	83	62	67	93
Deposits of Savings Banks	356	420	434	437	456
Other Liabilities .. .. .	257	278	284	274	278
Total .. .. .	2,091	2,250	2,435	2,328	2,286
<b>Assets—</b>					
Gold and Foreign Exchange	1,096	1,400	1,491	1,208	1,174
Australian Notes and Coin	18	19	16	22	24
Cheques and Bills of Other Banks .. .. .	4	4	6	8	6
Australian Government Securities—					
Redeemable in Australia—					
Treasury Bills and Treasury Notes*	309	232	193	295	314
Other .. .. .	515	429	534	539	440
Other Securities .. .. .	5	3	†	..	..
Bills Receivable and Remittances in Transit .. .. .	15	18	19	24	29
Loans, Advances, and All Other Assets .. .. .	129	145	176	232	300
Total .. .. .	2,091	2,250	2,435	2,328	2,286

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

† Under \$500,000



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

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
Liabilities (Excluding Capital and Contingencies) .. .. .	111.1	119.1	133.9	167.7	215.7
Assets—					
Loans, Advances, etc.	133.4	143.7	159.6	195.8	245.7
Other Assets ..	1.0	0.3	0.7	0.2	0.1
Total Assets ..	134.4	144.0	160.4	196.0	245.8

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

Department	1962-63	1963-64	1964-65	1965-66	1966-67
Central Banking ..	6.7	10.0	15.3	8.7	7.9
Note Issue ..	25.6	27.0	30.5	31.1	34.3
Rural Credits ..	0.9	1.0	1.0	1.2	1.3
Total ..	33.2	37.9	46.8	41.0	43.6

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

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
Commonwealth of Australia .. .. .	28.9	32.0	41.0	35.8	38.8
Reserve Bank Reserve Fund .. .. .	3.4	5.0	4.8	4.0	3.5
Rural Credits Department—					
Reserve Fund ..	0.4	0.5	0.5	0.6	0.7
Development Fund	0.4	0.5	0.5	0.6	0.7
Total ..	33.2	37.9	46.8	41.0	43.6

**Commonwealth Banking Corporation**

*General*

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

The Corporation Board consists of three *ex officio* members, namely, the Managing Director and Deputy Managing Director of the Corporation and the Secretary to the 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 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 is one of the three member banks comprising the Commonwealth Banking Corporation and has a history of over fifty years' banking experience. It accepts interest bearing deposits and provides cheque account facilities, a wide range of loans and the usual trading bank services including the acceptance of safe custody lodgements.

The Commonwealth Trading Bank is today one of the largest trading banks in Australia. At 30 June 1967, deposits totalled \$1,014m or 19.3 per cent of the total deposits of all major Australian trading banks, advances to customers were \$561m, customers' accounts numbered 972,000, and it had 1,083 branches and agencies throughout Australia.

On the international scene, the Bank has agents and correspondents throughout the world, enabling it to handle all types of international monetary transactions. 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 its Trade Service is able to provide up-to-date information on economic conditions and market prospects in overseas countries.

Facilities for the conduct of share, stock, note and debenture registers for public companies and local and semi-governmental authorities are provided by the Bank's Stock and Share Department.

#### *Commonwealth Savings Bank of Australia*

The Commonwealth Savings Bank of Australia was established in July 1912. It is the largest savings bank in Australia having total assets of almost \$2,620m.

At the end of June 1967, amounts on deposit with the Savings Bank within Australia totalled \$2,493m and it was conducting 6,582,000 active accounts. The Savings Bank's depositors' balances are widely invested in the development of Australia; apart from advances (mainly for housing) of \$742m outstanding in June 1967, investments in Commonwealth and State Government securities totalled \$1,173m and in local and semi-governmental securities amounted to \$342m.

Between 1946 and June 1967, \$1,058m has been provided for housing purposes, assistance having been provided to 225,000 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 Migrant 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 14 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 recognised 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.

Rural loans are made for a variety of purposes, e.g., clearing, fencing, pasture improvement, farm water conservation, erection of essential farm buildings, and the basic stocking of properties. Other aspects of assistance granted include aid to successful applicants in government sponsored rural development schemes and land ballots. Special attention is also given to providing finance to applicants opening up new areas.

Further information on the Development Bank is set out on page 659 of the *Victorian Year Book* 1966.

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

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

At 30 June—	Deposits Repayable in Australia (Average for Month of June)			Advances	Number of Accounts
	Bearing Interest	Not Bearing Interest	Total		
	\$m				'000
1963.. ..	246	390	636	360	773
1964.. ..	319	431	750	380	821
1965.. ..	403	443	846	440	878
1966.. ..	469	454	923	493	938
1967.. ..	517	497	1,014	561	972

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

At 30 June—	Number of Active Accounts	Amount at Credit of Depositors	Loans and Advances Outstanding	Commonwealth and Other Securities Held
	'000		\$m	
1963 .. .. .	5,660	1,878	364	1,290
1964 .. .. .	5,860	2,063	452	1,367
1965 .. .. .	6,120	2,200	546	1,442
1966 .. .. .	6,346	2,318	640	1,475
1967 .. .. .	6,582	2,493	742	1,515

Details of financial assistance approved by the Commonwealth Development Bank during the period 14 January 1960 to 24 April 1968 are set out in the following tables :

**AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOPMENT BANK : LOANS APPROVED, 14 JANUARY 1960 TO 24 APRIL 1968**

Particulars	Rural Loans		Industrial Loans		Total	
	No.	Amount	No.	Amount	No.	Amount
		\$'000		\$'000		\$'000
Australia ..	19,228	207,850	2,004	62,164	21,232	270,014
Victoria ..	3,206	32,368	482	17,180	3,688	49,548

**AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOPMENT BANK : EQUIPMENT FINANCE ON HIRE PURCHASE TERMS, 14 JANUARY 1960 TO 24 APRIL 1968**

Particulars						Number of Advances	Amount Advanced
							\$'000
Australia ..	..	..	..	..	..	111,296	315,316
Victoria ..	..	..	..	..	..	21,616	65,011

Advances by the Commonwealth Development Bank to rural and other industries outstanding in Australia at 30 June 1967 were as follows :

**AUSTRALIA—COMMONWEALTH DEVELOPMENT BANK OF AUSTRALIA : ADVANCES TO RURAL AND OTHER INDUSTRIES OUTSTANDING AT 30 JUNE 1967**

Rural Industries				Non-Rural Industries			
Type of Industry			Advances Outstanding	Type of Industry			Advances Outstanding
			\$'000				\$'000
Sheep .. .. .			61,288	Chemical Products ..			1,572
Cattle .. .. .			12,821	Electrical Manufacturing..			675
Dairying .. .. .			13,669	Food Processing .. .. .			4,953
Wheat and Other Grain				Engineering .. .. .			5,190
Crops .. .. .			16,443	Other Manufacturing .. .			7,034
Fruit .. .. .			4,185	Transport .. .. .			1,593
Poultry .. .. .			3,423	Miscellaneous .. .. .			7,654
Miscellaneous .. .. .			8,235				
Total .. .. .			120,064	Total .. .. .			28,671

**State Savings Bank of Victoria**

*General*

The State Savings Bank of Victoria, which was established in 1841, is constituted under Victorian statutes and operates branches and agencies throughout Victoria. It is directed by a Government appointed board of seven commissioners, who exercise control through the General Manager. The business of the bank is conducted in two departments, the Savings Bank Department and the Credit Foncier Department.

The Savings Bank Department accepts interest-bearing deposits through pass book, school bank, and Christmas Club accounts and fixed deposit stock and provides cheque account, safe deposit, and a wide range of other banking services. The funds are principally invested in loans to semi-governmental, municipal, and other public authorities within Victoria; loans on the security of first mortgage over freehold land for houses and farms either directly or through investment in the debentures of the Credit Foncier Department; and in Commonwealth Government securities.

The Credit Foncier Department, which is wholly financed by the Savings Bank Department, makes long-term loans to finance the erection and purchase of homes and farms.

The State Savings Bank of Victoria is the largest savings bank in Victoria, having assets of \$1,050m at 30 June 1967. The deposits of its 2.5 mill. operative accounts, held at 501 branches and 705 agencies, amounted to \$966m which represented approximately 50 per cent of all savings bank balances in Victoria.

### *Economic Activities*

The bank was established to offer a community service by providing a safe repository for the people's savings, and to channel these funds into the development of Victoria for the mutual benefit of its citizens. The manner in which the Bank carries out this role is illustrated by the way in which it invests its resources.

### *Housing*

Of every 100 families in Australia, 79 either own or are buying the houses in which they live. In Victoria, the State Savings Bank has been the chief source of housing finance since it introduced low cost, long-term mortgage loans. These were first offered in 1894 to farmers and pastoralists to rescue them from the difficulties caused by the financial excesses of the 1880s and were extended to city home buyers in 1910. Since then, the Bank has helped about 190,000 Victorian families to purchase their own homes. At 30 June 1967, 61,106 housing loan borrowers owed a total debt of \$294.4m.

In less direct ways, the Bank provides further assistance to home seekers. Overdraft accommodation has been provided to 109 co-operative housing societies and, at 30 June 1967, \$16.4m was owed to the Bank by the societies. The Bank also provides funds to the Home Finance Trust to \$9.3m.

### *Loans for Housing Services*

Houses require such services as water, power, and sewerage, while such amenities as made roads, near-by baby health centres and recreation areas are also important adjuncts to family living. The Bank lends considerable support to the semi-governmental and municipal authorities responsible for providing these services; the amount invested with them at 30 June 1967 was \$317m.

### *Electricity for Country Areas*

The Bank helps to bring the benefits of electricity to residents of remote country areas. Loans are granted to groups of depositors to finance the extension of power lines to their homes and properties, and the balance owing on these loans at 30 June 1967 was \$6.2m.

### *Farming Loans*

As previously mentioned, the Bank's long-term low-cost mortgage loans were originally granted to farmers. The Bank continues to help them with loans up to \$20,000 to buy or improve properties, purchase livestock and implements, and to carry on farming. There were 1,440 farm loans current at 30 June 1967, with balances of \$14.6m outstanding.

### *Personal Loans*

The Bank grants personal loans to depositors for a variety of purposes including the purchase, improvement and maintenance of real property, purchase of motor vehicles, the establishment, purchase or carrying on of small businesses; the purchase of farm equipment,

and the funding of farming; travelling expenses, and such urgent personal expenses as medical care. The loans are repayable by instalments over from one to five years. At 30 June 1967, 2,731 personal loan borrowers owed \$1.8m.

#### *Help for Churches and Schools*

Loans are also granted for the building of churches, schools, community halls, and the provision of associated amenities. At 30 June 1967, 618 such loans were in force and the balance owing was \$7.5m.

#### *Christmas Club*

In 1967, its third year of operation, the Bank's Christmas Club attracted over 125,000 members who received cheques totalling \$8.5m for the repayment of their contributions plus interest.

#### *School Banking*

Established in 1912, the State Savings Bank's school bank system was operating in 2,568 schools at 30 June 1967, and 437,978 operative accounts had total deposits of \$8.5m. The bank grants bursaries to selected student depositors who have studied to Intermediate level or its equivalent. In 1967, 120 such bursaries valued at \$90 each were granted, and a number of existing bursaries extended.

#### *Other Services*

The Bank's range of services includes provision of banking-at-work facilities, travellers' cheques, acceptance of payments due to certain public utilities, acceptance of cash and conversion applications for Commonwealth Government loans and for public loans raised by Victorian semi-governmental authorities. Depositors may arrange for payment from government departments (including child endowment, military payments, allotments, and war pensions), dividends on shares, interest on stocks and debentures, and other special credits to be made direct to their accounts.

The following table shows the number of accounts open and the amount remaining on deposit for each year from 1962-63 to 1966-67 :

#### VICTORIA—STATE SAVINGS BANK : ACCOUNTS AND DEPOSITS\*

At 30 June—	Passbook and Cheque Accounts		Deposit Stock Accounts		School Bank Accounts	
	Number of Operative Accounts	Amount at Credit of Depositors	Number of Operative Accounts	Amount at Credit of Stockholders	Number of Operative Accounts	Amount at Credit of Depositors
	'000	\$'000	'000	\$'000	'000	\$'000
1963 ..	1,774	649,520	17	57,422	393	6,742
1964 ..	1,805	704,073	20	68,644	403	7,152
1965 ..	1,839	740,806	25	89,516	415	7,671
1966 ..	1,860	772,914	31	109,736	422	8,046
1967 ..	1,912	820,102	37	133,187	438	8,471

\* Excluding Christmas Club Accounts. At 30 June 1967, the amount at credit of 120,000 club members was \$4,547,000.

The following table shows the transactions of the Bank for each year from 1962-63 to 1966-67 :

**VICTORIA—STATE SAVINGS BANK TRANSACTIONS**  
( '\$000 )

Year Ended 30 June—	Deposits	Withdrawals	Interest Added	Amount at Credit of Depositors
1963 .. ..	877,418	847,578	20,174	713,684
1964 .. ..	994,477	946,989	18,697	779,869
1965 .. ..	1,170,668	1,132,970	22,008	839,575
1966 .. ..	1,357,131	1,327,491	24,387	893,602
1967 .. ..	1,390,326	1,343,254	25,633	966,307

The following table shows the amount advanced by the State Savings Bank during each of the years 1964-65 to 1966-67 and the balances outstanding at the end of each year :

**VICTORIA—STATE SAVINGS BANK : ADVANCES AND  
BALANCES OUTSTANDING FOR MORTGAGE AND OTHER  
LOANS\*, SAVINGS BANK AND CREDIT FONCIER  
DEPARTMENTS**

( \$m )

Year Ended 30 June—	Advances					Balances Outstanding at End of Year	
	Savings Bank			Credit Foncier		Savings Bank	Credit Foncier
	Housing †	Farms	Churches, Etc.	Housing	Farms		
1965 .. ..	21.1	2.7	1.2	30.8	0.3	64.6	183.7
1966 .. ..	26.9	2.8	1.8	26.1	0.3	88.8	192.8
1967 .. ..	39.3	3.7	1.5	19.3	0.3	123.2	193.4

\* Excludes personal loans and loans to finance the extension of electric power lines in rural areas.

† Excludes loans to co-operative housing societies and deposits with the Home Finance Trust.

The reserves of the State Savings Bank at the end of each of the five years to 1966-67 were : 1962-63, \$28.3m ; 1963-64, \$31.0m ; 1964-65, \$33.1m ; 1965-66, \$35.1m ; 1966-67, \$36.8m.

**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, seven banks were participating in this business.

The following table shows the total amount of deposits in private savings banks in Victoria at 30 June in each of the years 1963 to 1967, 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 30 June—							Deposits in Victoria	Proportion of Deposits with All Savings Banks in Victoria
							\$'000	per cent
1963	..	..	..	..	..	..	273,134	21·0
1964	..	..	..	..	..	..	349,946	23·7
1965	..	..	..	..	..	..	401,458	24·8
1966	..	..	..	..	..	..	447,865	25·7
1967	..	..	..	..	..	..	517,608	26·9

At 30 June 1967, private savings banks had 1,066 branches and 922 agencies throughout Victoria.

#### Total Deposits, etc., in Savings Banks

The next table shows the amount of depositors' balances in each savings bank in Victoria at the end of each of the years 1962-63 to 1966-67. The total amount of deposits per head of population is also shown.

## VICTORIA—SAVINGS BANKS : DEPOSITS

Savings Bank	Depositors' Balances at 30 June—				
	1963	1964	1965	1966	1967
	\$'000				
State Savings Bank of Victoria*	713,564	779,728	839,390	893,410	966,056
Commonwealth Savings Bank of Australia .. ..	311,364	349,294	379,560	404,704	443,049
Private Savings Banks— Australia and New Zealand Savings Bank Ltd ..	90,800	105,988	115,634	123,859	138,241
The Bank of Adelaide Savings Bank Ltd .. ..	330	514	580	671	911
Bank of New South Wales Savings Bank Ltd ..	76,536	90,854	100,660	109,993	123,892
The Commercial Savings Bank of Australia Ltd	15,126	26,946	34,938	41,840	50,896
C.B.C. Savings Bank Ltd	39,096	46,332	50,102	53,743	59,669
E. S. and A. Savings Bank Ltd .. ..	25,100	35,394	43,098	49,474	59,977
The National Bank Savings Bank Ltd .. ..	26,146	43,918	56,446	68,285	84,022
<b>Total Deposits ..</b>	<b>1,298,062</b>	<b>1,478,968</b>	<b>1,620,408</b>	<b>1,745,979</b>	<b>1,926,713</b>
	\$				
Deposits per Head of Population .. ..	426.88	476.24	512.08	542.19	588.42

\* Including School Bank and Deposit Stock Accounts, but excluding balances held in London.

### Life Insurance

The first purely mutual life office with headquarters in Victoria was established in 1869, although branches of other Australian and overseas insurance offices were operating in the Colony before this time. In 1966, there were forty-two companies transacting life business in Victoria, compared with twenty in 1946, with assets throughout Australia of more than \$3,900m.

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 *Life Insurance Act 1945-1965*. The main categories of life insurance are ordinary, collector (industrial), and superannuation. Under a collector policy, premiums are payable to collectors at intervals of less than two months.

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; "pure" endowment, under which the amount of the policy is payable, plus any bonuses, only 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 1,208,721 at the end of 1966, and the total sum insured increased during the same period from \$379m to \$4,577m.

The following table gives some indication of the growth and volume of life insurance business conducted in Victoria during the period 1962 to 1966:

**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
1962 .. ..	94,024	32,064	14,260	924	47,248
1963 .. ..	104,869	33,735	14,390	1,287	49,412
1964 .. ..	112,783	37,435	15,403	1,646	54,484
1965 .. ..	126,574	42,583	18,946	1,807	63,336
1966 .. ..	135,758	47,899	20,215	1,937	70,051

The following table contains summarised information about new business written in Victoria by all life insurance companies during each of the five years 1962 to 1966 :

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

Particulars	1962	1963	1964	1965	1966
<b>Ordinary Business—</b>					
Number of Policies ..	88,217	89,156	90,853	98,464	90,534
Sum Insured \$'000	358,844	383,841	434,089	509,373	477,124
Annual Premiums ..	8,310	8,719	9,292	10,986	10,180
<b>Superannuation Business—</b>					
Number of Policies ..	17,598	16,119	18,045	20,125	19,295
Sum Insured \$'000	177,658	189,291	253,089	312,716	290,222
Annual Premiums ..	3,477	3,706	4,975	6,204	7,440
<b>Industrial Business—</b>					
Number of Policies ..	43,705	36,007	34,713	34,482	34,661
Sum Insured \$'000	31,068	30,181	32,811	33,610	35,866
Annual Premiums ..	1,232	1,176	1,245	1,273	1,350

Sums insured under new policies issued during 1966 averaged \$5,270 in the Ordinary Department, \$15,041 in the Superannuation Department, and \$1,035 in the Industrial Department.

The following table gives particulars of the policies which were discontinued or reduced during each of the years 1964 to 1966 :

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

Cause of Discontinuance	1964		1965		1966	
	Number of Policies	Sum Insured	Number of Policies	Sum Insured	Number of Policies	Sum Insured
	<b>ORDINARY BUSINESS</b>					
		\$'000		\$'000		\$'000
Death or Disability ..	5,251	8,791	5,602	10,014	5,592	11,038
Maturity, Expiry, etc.	17,143	25,510	17,115	28,129	21,548	32,596
Surrender .. ..	22,475	53,766	30,512	119,358	23,233	65,138
Forfeiture .. ..	16,835	62,824	15,160	60,714	15,530	72,554
Other * .. ..	—963	561	501	4,752	332	2,209
<b>Total</b> .. ..	<b>60,741</b>	<b>151,452</b>	<b>68,890</b>	<b>222,966</b>	<b>66,235</b>	<b>183,535</b>
	<b>SUPERANNUATION BUSINESS</b>					
		\$'000		\$'000		\$'000
Death or Disability ..	574	3,450	597	3,921	565	4,357
Maturity, Expiry, etc.	2,307	21,069	2,270	21,803	1,909	19,672
Surrender .. ..	7,488	49,203	7,178	64,914	6,712	67,908
Forfeiture .. ..	568	3,412	445	6,440	390	4,518
Other * .. ..	9,133	36,184	6,723	50,637	9,443	73,875
<b>Total</b> .. ..	<b>20,070</b>	<b>113,318</b>	<b>17,213</b>	<b>147,716</b>	<b>19,019</b>	<b>170,331</b>
	<b>INDUSTRIAL BUSINESS</b>					
		\$'000		\$'000		\$'000
Death or Disability ..	4,021	664	3,930	733	3,804	761
Maturity, Expiry, etc.	39,822	4,860	40,483	5,168	47,578	6,204
Surrender .. ..	17,146	6,402	16,856	6,700	16,719	7,756
Forfeiture .. ..	7,651	7,247	7,434	7,540	7,521	8,952
Other * .. ..	289	176	—1,116	—467	665	328
<b>Total</b> .. ..	<b>68,929</b>	<b>19,349</b>	<b>67,587</b>	<b>19,674</b>	<b>76,287</b>	<b>24,000</b>

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

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.

The following table shows, for each of the years 1962 to 1966, particulars of life insurance business in existence in the relevant departments of the companies :

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

Particulars	1962	1963	1964	1965	1966
<b>Ordinary Business—</b>					
Number of Policies ..	976,756	1,002,610	1,032,722	1,062,297	1,086,596
Sum Insured \$'000	2,138,607	2,366,081	2,648,718	2,936,951	3,230,539
Annual Premiums ,,	60,094	64,902	70,432	76,272	82,189
<b>Superannuation Business—</b>					
Number of Policies ..	132,883	120,975	118,939	121,849	122,125
Sum Insured \$'000	824,381	924,037	1,063,808	1,226,995	1,346,885
Annual Premiums ,,	19,297	20,954	23,553	26,823	33,777
<b>Industrial Business—</b>					
Number of Policies ..	938,393	897,899	863,683	830,578	788,952
Sum Insured \$'000	226,932	236,763	250,225	264,161	276,027
Annual Premiums ,,	10,036	10,250	10,601	10,979	11,261

In 1966, the average amount of policy held in the Ordinary Department was \$2,973, in the Superannuation Department, \$11,029, and in the Industrial Department, \$350.

**Further References, 1962, 1964, 1967**

**Fire, Marine, and General Insurance**

*Organisation*

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. Organisation of the market may be summarised 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")
Livestock	Workers Compensation (Compul-
Marine	sory)

*Compulsory Covers*

The Victorian Government, as is the case with other State Governments, legislates for 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 30 June or for the immediately preceding accounting periods of the insurers concerned. Since the accounting years of many insurers end on dates other than 30 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 1962-63 to 1966-67, 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 30 June—				
	1963	1964	1965	1966	1967
PREMIUMS (LESS RETURNS, REBATES AND BONUSES)					
Fire .. .. .	22,352	23,132	24,597	25,728	27,182
Householders' Comprehensive ..	9,066	9,937	10,819	11,939	13,372
Sprinkler Leakage .. .. .	68	69	69	77	74
Loss of Profits .. .. .	2,768	2,797	3,293	3,555	4,031
Hailstone .. .. .	812	837	945	820	1,011
Marine .. .. .	6,098	6,427	7,286	7,692	8,653
Motor Vehicles (Other than Motor Cycles) .. .. .	36,540	40,350	44,944	47,797	53,011
Motor Cycles .. .. .	36	31	43	39	47
Compulsory Third Party (Motor Vehicles) .. .. .	14,464	16,857	18,214	20,848	24,654
Employers' Liability and Workmen's Compensation * .. .. .	28,768	30,231	35,744	49,064	54,315
Personal Accident .. .. .	4,564	4,672	5,792	6,173	7,291
Public Risk, Third Party .. .. .	2,312	2,593	2,864	3,049	3,848
General Property .. .. .	330	337	331	295	286
Plate Glass .. .. .	664	698	871	927	1,000
Boiler .. .. .	78	80	128	122	232
Livestock .. .. .	178	216	225	249	307
Burglary .. .. .	2,172	2,251	2,719	3,005	3,623
Guarantee .. .. .	358	346	330	386	420
Pluvius .. .. .	54	51	48	51	46
Aviation .. .. .	318	224	209	231	435
All Risks .. .. .	1,132	1,297	1,475	1,793	1,866
Contractors All Risks .. .. .	..	..	..	..	1,127
Television .. .. .	532	394	94	55	37
Others .. .. .	1,824	2,003	2,368	2,509	2,652
Total .. .. .	135,488	145,832	163,408	186,402	209,519
INTEREST, DIVIDENDS, RENTS, ETC. (NET OF EXPENSES)					
Investments, etc. .. .. .	8,098	8,807	8,635	9,511	11,482
TOTAL REVENUE					
Grand Total .. .. .	143,586	154,639	172,043	195,913	221,001

\* See references pages 210 to 212.

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

Class of Business	Year Ended 30 June—				
	1963	1964	1965	1966	1967
<b>GROSS CLAIMS (LESS AMOUNTS RECOVERABLE)</b>					
Fire .. .. .	7,964	6,925	7,677	10,351	10,356
Householders' Comprehensive ..	2,582	2,465	2,598	3,306	3,663
Sprinkler Leakage .. ..	38	34	71	51	40
Loss of Profits .. .. .	278	467	716	1,292	1,034
Hailstone .. .. .	652	553	701	489	1,701
Marine .. .. .	2,904	3,266	4,037	4,711	4,930
Motor Vehicles (Other than Motor Cycles) .. .. .	23,300	27,458	33,148	34,681	36,284
Motor Cycles .. .. .	24	27	33	27	27
Compulsory Third Party (Motor Vehicles) .. .. .	15,034	15,932	18,721	21,497	24,192
Employers' Liability and Workmen's Compensation .. .. .	21,854	24,110	26,173	31,007	32,960
Personal Accident .. .. .	1,972	2,040	2,519	2,821	3,159
Public Risk, Third Party .. .. .	1,106	1,221	1,343	1,600	2,303
General Property .. .. .	158	145	171	268	153
Plate Glass .. .. .	428	440	477	479	594
Boiler .. .. .	6	103	Cr. 12	24	58
Livestock .. .. .	76	72	148	115	153
Burglary .. .. .	1,392	1,559	1,742	2,096	3,103
Guarantee .. .. .	226	92	50	96	119
Pluvius .. .. .	38	29	21	12	21
Aviation .. .. .	112	116	157	208	259
All Risks .. .. .	800	902	920	1,121	1,292
Contractors All Risks .. .. .	..	..	..	..	568
Television .. .. .	332	227	27	18	12
Others .. .. .	974	795	1,008	960	852
<b>Total .. .. .</b>	<b>82,250</b>	<b>88,977</b>	<b>102,443</b>	<b>117,228</b>	<b>127,833</b>
<b>OTHER EXPENDITURE</b>					
Contributions to Fire Brigades ..	3,182	3,430	3,680	4,168	4,842
Commission and Agents' Charges ..	13,850	14,731	16,870	18,232	20,227
Expenses of Management .. .. .	22,672	24,400	26,193	29,004	33,073
Taxation .. .. .	4,398	3,847	3,727	4,505	5,216
<b>Total .. .. .</b>	<b>44,102</b>	<b>46,408</b>	<b>50,470</b>	<b>55,909</b>	<b>63,358</b>
<b>TOTAL EXPENDITURE</b>					
<b>Grand Total .. .. .</b>	<b>126,352</b>	<b>135,385</b>	<b>152,913</b>	<b>173,138</b>	<b>191,191</b>



The percentage of claims to premium income for each of the years 1962-63 to 1966-67 in respect of various classes of insurance was as follows :

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

Class of Business	Year Ended 30 June—				
	1963	1964	1965	1966	1967
Fire .. .. .	35·63	29·94	31·21	40·23	38·10
Householders' Comprehensive ..	28·49	24·81	24·01	27·69	27·39
Sprinkler Leakage .. .. .	54·33	49·23	102·61	66·23	54·05
Loss of Profits .. .. .	10·08	16·70	21·74	36·34	25·65
Hailstone .. .. .	80·32	66·05	74·12	59·63	168·25
Marine .. .. .	47·61	50·81	55·40	61·25	56·97
Motor Vehicles (Excl. Motor Cycles)	63·77	68·05	73·75	72·56	68·45
Motor Cycles .. .. .	66·67	86·29	76·44	69·23	57·45
Compulsory Third Party (Motor Vehicles) .. .. .	103·95	94·51	102·79	103·11	98·13
Employers' Liability and Workmen's Compensation .. .. .	75·96	79·75	73·22	63·20	60·68
Personal Accident .. .. .	43·20	43·66	43·49	45·70	43·33
Public Risk, Third Party .. .. .	47·85	47·08	46·88	52·48	59·85
General Property .. .. .	47·93	43·05	51·57	90·85	53·50
Plate Glass .. .. .	64·34	63·08	54·71	51·67	59·40
Boiler .. .. .	8·95	127·69	..	19·67	25·00
Livestock .. .. .	42·70	33·28	65·80	46·18	49·84
Burglary .. .. .	64·16	69·24	64·08	69·75	85·65
Guarantee .. .. .	62·89	26·65	15·31	24·87	28·33
Pluvius .. .. .	69·50	56·71	42·95	23·53	45·65
Aviation .. .. .	35·14	49·90	75·06	90·04	59·54
All Risks .. .. .	70·57	69·55	62·36	62·52	69·24
Contractors All Risks .. .. .	..	..	..	..	50·40
Television .. .. .	62·17	57·68	28·33	32·73	32·43
Others .. .. .	53·40	39·67	42·56	38·26	32·13
All Classes .. .. .	60·71	61·01	62·69	62·89	57·84

*Motor Vehicle Insurance (Compulsory Third Party)*

The *Motor Car (Third Party Insurance) Act 1939* which came into force on 22 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 the year 1966-67 is shown in the following table :

VICTORIA—MOTOR VEHICLE INSURANCE (COMPULSORY THIRD PARTY) : NUMBER OF MOTOR VEHICLES INSURED, 1966-67

Class of Motor Vehicle	Motor Cars Usually Garaged—		Total
	Within a Radius of 20 Miles of the Post Office, Elizabeth Street, Melbourne	Outside a Radius of 20 Miles of the Post Office, Elizabeth Street, Melbourne	
Private and Business ..	582,138	334,153	916,291
Goods Carrying Vehicles ..	82,241	114,449	196,690
Hire .. .. .	4,169	2,638	6,807
Hire and Drive Yourself..	616	66	682
Passenger Transport ..	220	267	487
Miscellaneous .. ..	8,760	49,916	58,676
Motor Cycle .. ..	6,818	5,129	11,947
Total ..	684,962	506,618	1,191,580

*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 24 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 1966-67 represented 7·4 per cent of comprehensive and 39·1 per cent of third party premiums received in Victoria.

The following table shows the trading results for each of the five years 1962-63 to 1966-67 :

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

Year Ended 30 June—	Premiums Received Less Reinsurances, Rebates, etc.	Increase in Unearned Premium Provision	Claims Paid and Outstanding	Expenses	Underwriting Profit
1963 ..	6,470	294	5,870	468	162*
1964 ..	7,798	637	6,513	548	100
1965 ..	8,574	393	8,648	643	1,111*
1966 ..	11,154	1,428	10,195	771	1,240*
1967 ..	13,555	1,098	12,242	1,020	805*

\* 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 53 years of operation and, for the year ended 30 June 1967, its premium income represented 17 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 1962-63 to 1966-67 :

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

Year Ended 30 June—	Premiums Received Less Reinsurances, Rebates, etc.	Increase in Unearned Premium Provision	Claims Paid and Outstanding	Expenses	Underwriting Profit
1963 ..	5,946	-- 64	4,310	392	1,308
1964 ..	6,022	-- 156	5,114	435	629
1965 ..	6,780	164	5,372	449	794
1966 ..	9,200	694	6,949	558	999
1967 ..	9,250	546	5,680	651	2,373

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

The amount transferred to consolidated revenue in 1966-67 was \$1,200,000, while the accumulated funds at 30 June 1967 were : General Reserve, \$6,800,000 ; Bonus Equalisation Reserve, \$2,003,710 ; and Building and Other Reserves, \$90,642.

### Building Societies

The provisions of the *Building Societies Act 1874* made it compulsory for building societies to effect registration. Current legislation regulating the activities of these societies is embodied in the *Building Societies Act 1958* and subsequent amending Acts.

Up to 31 December 1967, the number of societies that had been registered was 204 and of these, 36 societies were still operating in 1967.

#### VICTORIA—BUILDING SOCIETIES, 1967

Particulars	Permanent Societies	Starr-Bowkett Societies	Total All Societies
Number of Societies .. .. .	35	2	36*
„ „ Shareholders .. .. .	7,108	2,770	9,878†
„ „ Borrowers .. .. .	15,507	806	16,313
Transactions during the Year—		\$'000	
Income—			
Interest on Mortgage Loans .. .. .	3,922	114	4,036
Other .. .. .	335	6	342
Total .. .. .	4,258	120	4,378
Expenses—			
Interest Payable .. .. .	2,399	37	2,436
Administration, etc. .. .. .	497	36	533
Total .. .. .	2,896	73	2,969
Loans and Advances—			
Paid .. .. .	16,011	482	16,492
Repaid .. .. .	10,264	405	10,669‡
Deposits—			
Received .. .. .	25,212	110	25,322
Repaid .. .. .	20,797	62	20,858
Liabilities—			
Investing Members' Funds—			
Paid-up Capital .. .. .	10,828	1,094	11,923
Reserves, etc. .. .. .	3,998	102	4,100
Borrowing Members' Funds—			
Share Subscriptions .. .. .	493	..	493
Other .. .. .	22	..	22
Deposits .. .. .	25,364	585	25,949
Loans (Including Bank Overdraft) .. .. .	17,723	128	17,851
Other .. .. .	1,069	142	1,211
Total .. .. .	59,499	2,051	61,550
Assets—			
Loans on Mortgage .. .. .	56,555	2,010	58,565
Land and House Property .. .. .	913	..	913
Other Investments .. .. .	889	25	914
Cash and Deposits .. .. .	738	\$	738
Other .. .. .	404	16	420
Total .. .. .	59,499	2,051	61,550

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

† Includes 1,093 shareholders holding borrowers' shares.

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

‡ Under \$500.

### Co-operative Organisations

Co-operative organisations 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.

Further information about these organisations is set out on page 677 of the *Victorian Year Book* 1966.

Particulars of producer and consumer societies for the year 1966-67 are given in the following table :

#### VICTORIA—CO-OPERATIVE ORGANISATIONS: PRODUCER AND CONSUMER SOCIETIES, 1966-67

Particulars	Societies—			Total All Societies
	Producers'	Consumers'	Producers' and Consumers'	
Number of Societies .. ..	99	39	10	148
Number of Members .. ..	66,464	35,279	20,694	122,437
Transactions during the Year—	\$'000			
Income—				
Sales .. ..	83,647	10,785	55,410	149,842
Other Income .. ..	5,924	435	236	6,595
Total .. ..	89,571	11,220	55,646	156,437
Expenditure—				
Purchases .. ..	65,168	9,203	46,899	121,271
Working Expenses, etc. .. ..	21,195	1,791	7,471	30,457
Interest on Loans, etc. .. ..	732	87	107	926
Rebates and Bonuses .. ..	603	173	53	829
Total .. ..	87,699	11,254	54,531	153,484
Dividend on Share Capital .. ..	690	62	311	1,063
Liabilities—				
Share Capital .. ..	12,547	2,252	5,327	20,126
Loan Capital .. ..	3,608	1,324	1,528	6,460
Bank Overdraft .. ..	11,050	340	4,357	15,746
Accumulated Profits .. ..	1,319	518	424	2,262
Reserve Funds .. ..	12,728	818	4,254	17,800
Sundry Creditors .. ..	10,141	817	4,788	15,746
Other .. ..	2,417	322	1,589	4,329
Total .. ..	53,810	6,392	22,267	82,469
Assets—				
Land and Buildings .. ..	} 24,760	2,483	13,537	40,780
Fittings, Plant, and Machinery.. ..				
Stock .. ..	8,377	1,528	2,812	12,717
Sundry Debtors .. ..	13,969	1,049	5,321	20,339
Cash in Bank, in Hand, or on Deposit .. ..	1,289	673	366	2,328
Profit and Loss Account .. ..	1,504	79	..	1,583
Other .. ..	3,911	580	230	4,721
Total .. ..	53,810	6,392	22,267	82,469

*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 1962-63 to 1966-67 :

**VICTORIA—CO-OPERATIVE ORGANISATIONS: CREDIT SOCIETIES**

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
Number of Societies .. ..	85	103	113	133	146
Number of Members .. ..	12,648	15,728	18,890	22,496	26,641
Transactions during the Year—		<b>\$'000</b>			
Income—					
Interest .. ..	105	151	222	318	421
Other Income .. ..	9	8	9	16	20
Total .. ..	114	158	231	334	440
Expenditure—					
Interest on Deposits .. ..	56	82	122	177	237
Working Expenses .. ..	39	49	75	106	146
Total .. ..	95	131	197	283	383
Liabilities—					
Share Capital .. ..	137	167	193	214	244
Reserves .. ..	17	29	44	61	63
Depositors .. ..	1,539	2,105	2,903	4,080	5,481
Sundry Creditors .. ..	42	48	76	47	53
Other .. ..	38	84	138	188	185
Total .. ..	1,773	2,433	3,354	4,590	6,027
Assets—					
Loans to Members .. ..	1,548	2,129	2,941	3,962	5,209
Cash at Bank or on Hand .. ..	171	223	306	378	346
Other .. ..	54	81	106	250	472
Total .. ..	1,773	2,433	3,354	4,590	6,027

**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 authorise 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 authorise 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 authorised 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 1 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 1962-63 to 1966-67 :

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

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
Proceeds of Realisations, Rents, Interest, etc. . . . .	8,044	8,876	10,392	10,558	11,792
Investments, Distributions, Claims, etc. . . . .	6,754	7,678	8,752	8,850	9,344
Cash Variation . . . . .	1,290	1,198	1,640	1,708	2,448
Balance at 1 July . . . . .	11,798	13,088	14,286	15,926	17,634
Balance at 30 June . . . . .	13,088	14,286	15,926	17,634	20,082

The number of applications for probate and letters of administration (including election to administer), etc., made by the Public Trustee for each of the years 1957-58 to 1966-67 are shown in the following table :

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

Year	No.	Year	No.
1957-58	1,130	1962-63	1,005
1958-59	1,066	1963-64	1,087
1959-60	919	1964-65	1,098
1960-61	1,084	1965-66	1,018
1961-62	994	1966-67	1,120

The number of wills (under which the Public Trustee was appointed executor) lodged for safe custody during each of the years 1962-63 to 1966-67 was as follows: 1962-63, 2,836; 1963-64, 2,785; 1964-65, 2,875; 1965-66, 3,145; 1966-67, 2,555.

### Trustee Companies

#### Statutory Authority

A special Act of Parliament specifically authorises 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 30 June 1962 and 1967 was as follows:

#### VICTORIA—TRUSTEE COMPANIES: VALUE OF ESTATES ADMINISTERED (\$m)

Particulars	Value at 30 June 1962	Value at 30 June 1967
Stock and Debentures .. .. .	102.41	109.94
Advances on Mortgages .. .. .	33.69	53.53
Property and Livestock .. .. .	74.40	76.82
Shares .. .. .	145.88	193.71
Fixed and Other Deposits .. .. .	7.89	11.56
Cash at Bank .. .. .	7.09	20.09
Other .. .. .	21.75	19.97
<b>Total .. .. .</b>	<b>393.12</b>	<b>485.62</b>

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.

#### Further Reference, 1964

### 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 connection 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 connection with which probates or letters of administration, etc., were finally completed during each of the years 1963 to 1967. Particulars are excluded where liabilities equal or exceed the gross value of the estate.

### 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						
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
1965	.. 11,534	77,526	123,186	23,330	177,382	15,380
1966	.. 10,665	71,769	109,909	20,192	161,486	15,142
1967	.. 11,474	78,302	137,043	25,028	190,317	16,587
FEMALES						
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
1965	.. 7,960	40,746	63,662	6,731	97,678	12,272
1966	.. 7,613	37,175	59,482	5,397	91,260	11,987
1967	.. 8,294	42,262	69,057	7,423	103,896	12,527
TOTAL						
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
1965	.. 19,494	118,273	186,848	30,061	275,060	14,110
1966	.. 18,278	108,944	169,391	25,590	252,746	13,828
1967	.. 19,768	120,564	206,100	32,451	294,213	14,883

The number and value of estates dealt with in each of the years 1965 to 1967, 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	1965		1966		1967	
	Number	Net Value	Number	Net Value	Number	Net Value
		\$'000		\$'000		\$'000
<b>MALES</b>						
\$						
Under 200 ..	415	44	446	41	428	40
200 - 599 ..	790	305	781	303	785	305
600 - 999 ..	578	479	538	433	526	417
1,000 - 1,999 ..	1,181	1,735	1,117	1,625	1,194	1,775
2,000 - 3,999 ..	1,646	4,806	1,579	4,581	1,607	4,686
4,000 - 5,999 ..	1,187	5,883	1,149	5,674	1,206	5,944
6,000 - 7,999 ..	1,019	7,120	920	6,507	969	6,771
8,000 - 9,999 ..	872	7,808	827	7,377	871	7,810
10,000 - 19,999 ..	1,795	25,159	1,499	21,019	1,759	24,337
20,000 - 29,999 ..	652	15,892	544	13,312	640	15,896
30,000 - 49,999 ..	611	23,516	561	21,710	657	25,304
50,000 - 99,999 ..	530	36,482	483	33,987	541	38,300
100,000 - 199,999 ..	208	27,925	158	21,373	217	29,993
200,000 and over ..	50	20,228	63	23,544	74	28,741
Total Males ..	11,534	177,382	10,665	161,486	11,474	190,317
<b>FEMALES</b>						
\$						
Under 200 ..	188	18	217	21	226	25
200 - 599 ..	523	206	565	222	561	218
600 - 999 ..	385	303	435	343	428	341
1,000 - 1,999 ..	808	1,194	840	1,253	868	1,277
2,000 - 3,999 ..	1,133	3,357	1,019	3,085	1,248	3,688
4,000 - 5,999 ..	929	4,595	895	4,436	904	4,442
6,000 - 7,999 ..	803	5,605	788	5,518	808	5,621
8,000 - 9,999 ..	699	6,247	678	6,072	699	6,277
10,000 - 19,999 ..	1,350	18,848	1,142	15,749	1,343	18,506
20,000 - 29,999 ..	443	10,750	405	9,800	451	11,049
30,000 - 49,999 ..	342	13,120	343	13,144	389	14,619
50,000 - 99,999 ..	258	17,604	200	14,307	262	18,129
100,000 - 199,999 ..	84	11,322	59	7,833	82	10,929
200,000 and over ..	15	4,509	27	9,476	25	8,775
Total Females ..	7,960	97,678	7,613	91,260	8,294	103,896
Grand Total ..	19,494	275,060	18,278	252,746	19,768	294,213

**Transfer of Land**

*Transfer of Land Act*

The "Torrens System", whereby a person becomes registered as the proprietor of land and is issued with a Certificate of Title, infeasible and guaranteed by the State, was introduced into Victoria in 1862. The system has simplified procedure in, and reduced the cost of, dealing in real estate, and gives a title to the registered owner free of any latent defect. The original Crown grant, or subsequent Certificate of Title in lieu thereof, issues through the Titles Office. Further information about the Torrens System is set out on page 684 of the *Victorian Year Book* 1966.

In order to bring under the Transfer of Land Act land that was alienated by the Crown prior to 1862 (5,142,321 acres), application must be made to the Registrar of Titles accompanied by the deeds in the chain of title or, if adverse possession is relied upon, strict proof of the applicant's interest in the land. During 1967, 187 such applications were submitted and the land actually brought under the Act was 5,139 acres valued at \$8,532,256. To the end of 1967, 3,363,621 acres valued at \$200,323,962 had been brought under the Act. The area of land still under the Old Law System at the end of 1967 was 1,778,700 acres. A summary of dealings under the Transfer of Land Acts will be found on page 714.

### *Assurance Fund*

The Transfer of Land Act provides for an Assurance Fund out of which persons sustaining loss or damage (whether by deprivation of land or otherwise) through the operation of the Act may be indemnified. This Fund is built up by contributions levied upon applicants first bringing land under the Act and upon grantees of Crown land at the rate of 1 cent for every \$5 of the value of the land applied for or the price paid to the Crown, and by contributions levied by the Registrar on various other applications where any uncertainty or risk is involved.

During the financial year 1966-67, receipts of the Fund comprised contributions, \$28,430 and interest on stock, \$6,538. Claims of \$3,484 were met from the Fund during the year. The sum of \$10,189 was paid out in accordance with section 3 of the *Special Funds Act 1920* to provide for interest on loan moneys expended on University buildings. The balance at the credit of the Assurance Fund at 30 June 1967 was \$410,893. The total amount paid to 30 June 1967, as compensation and for judgments recovered, including costs, was \$33,424 in respect of 121 claims.

### **Further Reference, 1968 ; Subdivision of Land in Strata, 1968**

### *Titles of Land Issued*

The following table shows the number of titles of land issued during each of the years 1963 to 1967 :

#### **VICTORIA—TITLES OF LAND ISSUED**

Year	Number of—			
	Certificates of Title	Crown Grants	Crown Leases	Total Titles
1963 .. .. .	67,134	1,183	363	68,680
1964 .. .. .	67,908	1,434	523	69,865
1965 .. .. .	69,027	1,254	397	70,678
1966 .. .. .	53,660	1,063	315	55,038
1967 .. .. .	49,476	1,221	461	51,158

*Land Transfers, Mortgages, etc.*

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 1963 to 1967 :

**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					
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
1965 ..	107,572	57,727	462,754	14,617	4,476	17,477	62,546	264,415
1966 ..	107,331	58,388	451,264	14,370	4,254	17,759	67,152	269,254
1967 ..	110,950	58,109	501,511	16,414	4,131	18,060	70,659	278,323

\* 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 1963 to 1967 in the following table :

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

Year	Mortgages*		Reconveyances		Conveyances	
	No.	Amount	No.	Amount†	No.	Amount
		\$'000		\$'000		\$'000
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
1965 .. ..	1,235	11,136	1,312	3,268	3,067	26,900
1966 .. ..	1,113	9,786	1,359	2,167	3,060	27,880
1967 .. ..	1,138	13,207	1,343	2,549	3,193	28,611

\* 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 1965 to 1967, classified according to type of mortgagee, are as follows :

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

Type of Mortgagee	Mortgages*					
	1965		1966		1967	
	Number	Amount	Number	Amount	Number	Amount
		\$'000		\$'000		\$'000
<b>Banks</b> .. .. .	17,032	111,368	19,226	128,202	19,604	140,150
<b>Building Societies</b> .. .. .	2,014	10,704	2,324	12,957	2,455	15,591
<b>Co-operative Housing Societies</b> .. .. .	3,648	20,528	3,251	18,892	4,671	30,642
<b>Insurance Companies</b> .. .. .	2,769	61,402	2,479	51,014	2,327	44,537
<b>Government Institutions</b> .. .. .	4,987	44,960	4,457	32,991	3,837	29,274
<b>Trustee Institutions</b> .. .. .	579	10,476	399	6,564	367	8,098
<b>Hire Purchase and Finance Companies, etc.</b> .. .. .	6,162	60,432	6,968	56,531	7,811	89,142
<b>Other Mortgagees</b> .. .. .	21,771	154,020	20,397	153,898	18,175	157,281
<b>Total</b> .. .. .	58,962	473,890	59,501	461,050	59,247	514,717

\* 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 1963 to 1967 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	1963	1964	1965	1966	1967
<b>Stock Mortgages—</b>					
Number .. .. .	422	404	370	301	468
Amount .. .. . \$'000	1,080	1,127	1,064	790	1,366
<b>Liens on Wool—</b>					
Number .. .. .	148	68	45	31	15
Amount .. .. . \$'000	580	246	220	116	139
<b>Liens on Crops—</b>					
Number .. .. .	80	100	97	87	71
Amount .. .. . \$'000	92	52	296	195	174
<b>Total—</b>					
Number .. .. .	650	572	512	419	554
Amount .. .. . \$'000	1,752	1,425	1,580	1,101	1,679

*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 1963 to 1967 :

## VICTORIA—BILLS OF SALE

Security	1963	1964	1965	1966	1967
<b>Bills of Sale—</b>					
Number .. ..	6,550	6,408	6,390	9,360	17,248 <sup>a</sup>
Amount .. .. \$'000	15,830	16,469	13,338	15,679	24,194

**Companies***Company Legislation*

In recent years, the Victorian Parliament has given much attention to company legislation and, following the passage of a new Companies Act in Victoria in 1958, company legislation has been passed throughout the Commonwealth in substantially similar form. In Victoria, the current legislation is the *Companies Act* 1961 and subsequent amendments.

Under the Act, which is administered by the Registrar 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. Companies limited by shares may be either public or proprietary (private) companies. All other companies are public companies.

As many companies seek to raise money from the public, the Act requires them to comply with particular conditions where public subscriptions are involved. No form of application for shares or debentures being offered to the public can be issued, circulated, or distributed until a prospectus has been registered.

There must be at least three directors of a public company and at least two directors of a proprietary company. In the case of a public company at least two of the directors, and, in the case of a proprietary company at least one of them, must ordinarily reside in Australia.

A company must hold a meeting of its shareholders at least once in every calendar year and must file an annual return with the Registrar. Except in the case of an exempt proprietary company, a copy of the annual accounts must accompany the annual return.

Corporations incorporated outside Victoria must register as "foreign" companies if they establish a place of business or carry on business within the State.

#### Further Reference, 1967

The following table shows details of companies registered during each of the years 1963 to 1967 :

#### VICTORIA—COMPANIES REGISTERED, ETC.

Particulars	1963	1964	1965	1966	1967
	No.				
New Companies Registered—					
Victorian .. .. .	2,691	2,978	3,182	3,089	3,304
Other .. .. .	255	310	283	285	333
Total .. .. .	2,946	3,288	3,465	3,374	3,637
	\$'000				
Nominal Capital of New Companies—					
Victorian .. .. .	161,610	201,357	121,051	130,379	122,276
Other .. .. .	171,056	145,562	276,477	201,363	205,366
Total .. .. .	332,666	346,919	397,529	331,742	327,642
	No.				
Existing Companies (At End of Year)—					
Victorian .. .. .	38,144	40,894	42,968	44,371	46,854
Other .. .. .	2,842	3,150	3,177	3,312	3,525
Total .. .. .	40,986	44,044	46,145	47,683	50,379
	\$'000				
Increase in Nominal Capital of Victorian Companies during Year	240,054	214,530	278,136	210,726	217,980

#### 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 fulfilled its functions 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, etc., 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 164 members. It is governed by a chairman and committee (twelve including the chairman), elected by the members.

### Official List

At 30 September 1967, 2,919 separate securities (including options) with a nominal value of \$13,821m and a market value of \$22,927m were quoted on the Exchange. The market value was an all-time record being nearly 25 per cent greater than that recorded at 30 September 1966. The market value of \$8,087m in Commonwealth loans represents 35 per cent of all securities listed.

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 30 September for each of the years 1964 to 1967.

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

Class of Security	Listed at 30 September—							
	1964		1965		1966		1967	
	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value
	\$m		\$m		\$m		\$m	
Commonwealth Loans ..	44	6,662	49	7,056	50	7,358	53	8,031
Semi-Government Loans ..	738	704	784	700	798	783	822	888
Foreign Government Loans ..	14	18	15	20	14	18		
Industrial Company Securities—								
Debentures ..	560	570	552	640	642	729	684	854
Unsecured Notes ..	311	260	294	248	265	216	211	222
Preference Shares ..	289	144	287	140	279	169	244	144
Ordinary Shares ..	811	2,788	825	3,086	815	3,248	775	3,237
Mining Company Securities ..	132	220	130	258	115	270	130	445
Total ..	2,899	11,366	2,936	12,148	2,978	12,791	2,919	13,821

\* Excludes options.

Twenty-three companies were added to the official list during 1967 and their combined nominal capital was \$137m. In addition, new capital issues made by companies already listed amounted to \$294m. At 30 September 1967, the official list comprised 870 companies—772 commercial and industrial and 98 mining companies.

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



*Turnover*

Value of turnover of all loan securities was 14 per cent lower at \$228.5m than in 1966, but was the second highest since 1959. Sales of Commonwealth loans declined by 20 per cent. Turnover of share securities rose by 39 per cent to a record of 235.1 million units: part of the increase was due to the splitting of shares associated with the conversion to decimal currency.

Sales of mining shares increased by 74 per cent to 81 million units, reflecting the revived interest by investors in oil, iron ore, and nickel shares.

The following table shows details of the turnover of stocks and shares during each of the years 1962-63 to 1966-67:

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

Class of Security	Year Ended 30 September—				
	1963	1964	1965	1966	1967
Commonwealth Loans .. ..	108.6	130.0	114.4	242.0	194.0
Semi-Government Loans .. ..	4.4	4.6	16.0	14.7	17.5
Company Debentures, Unsecured Notes .. ..	14.6	14.8	14.2	10.4	17.0
<b>Total Loan Securities .. ..</b>	<b>127.6</b>	<b>149.4</b>	<b>144.6</b>	<b>267.1</b>	<b>228.5</b>
Preference Shares .. ..	1.3	2.5	1.7	2.6	2.0
Ordinary Shares, Rights, and Options .. ..	144.0	153.1	111.4	120.4	152.1
Mining .. ..	28.0	33.2	29.4	46.6	81.0
<b>Total Share Securities .. ..</b>	<b>173.3</b>	<b>188.8</b>	<b>142.5</b>	<b>169.6</b>	<b>235.1</b>

NOTE.—In the above table turnover of loan securities prior to 14 February 1966 has been converted to units of one dollar.

In the following table the number of transactions and value of turnover of stocks and shares are shown for each of the years 1963-64 to 1966-67:

**MELBOURNE STOCK EXCHANGE—NUMBER OF  
TRANSACTIONS AND VALUE OF TURNOVER OF STOCKS  
AND SHARES**

Class of Security	Year Ended 30 September—							
	1964		1965		1966		1967	
	Trans- actions	Value	Trans- actions	Value	Trans- actions	Value	Trans- actions	Value
Commonwealth Loans ..	'000	\$m	'000	\$m	'000	\$m	'000	\$m
Semi-Government Loans ..	17.7	133.7	15.5	98.7	16.5	241.5	14.5	195.2
Debentures, Notes ..	3.7	4.2	3.4	14.3	4.3	14.7	4.9	17.4
	6.3	7.8	4.3	8.8	8.2	9.5	8.4	16.4
<b>Total Loan Securities</b>	<b>27.6</b>	<b>145.7</b>	<b>23.2</b>	<b>121.8</b>	<b>29.0</b>	<b>265.7</b>	<b>27.8</b>	<b>229.0</b>
Preference Shares ..	4.3	4.7	3.1	2.7	3.7	4.3	4.3	2.5
Ordinary Shares, Rights, Options .. ..	408.9	261.7	290.0	190.8	272.2	179.1	297.8	236.5
Mining Shares ..	90.9	38.1	75.1	39.5	99.5	45.0	179.3	128.1
<b>Total Share Securities</b>	<b>504.1</b>	<b>304.5</b>	<b>368.2</b>	<b>233.0</b>	<b>375.4</b>	<b>228.4</b>	<b>481.4</b>	<b>367.1</b>
<b>Grand Total ..</b>	<b>531.8</b>	<b>450.2</b>	<b>391.4</b>	<b>354.8</b>	<b>404.4</b>	<b>494.1</b>	<b>509.2</b>	<b>596.1</b>

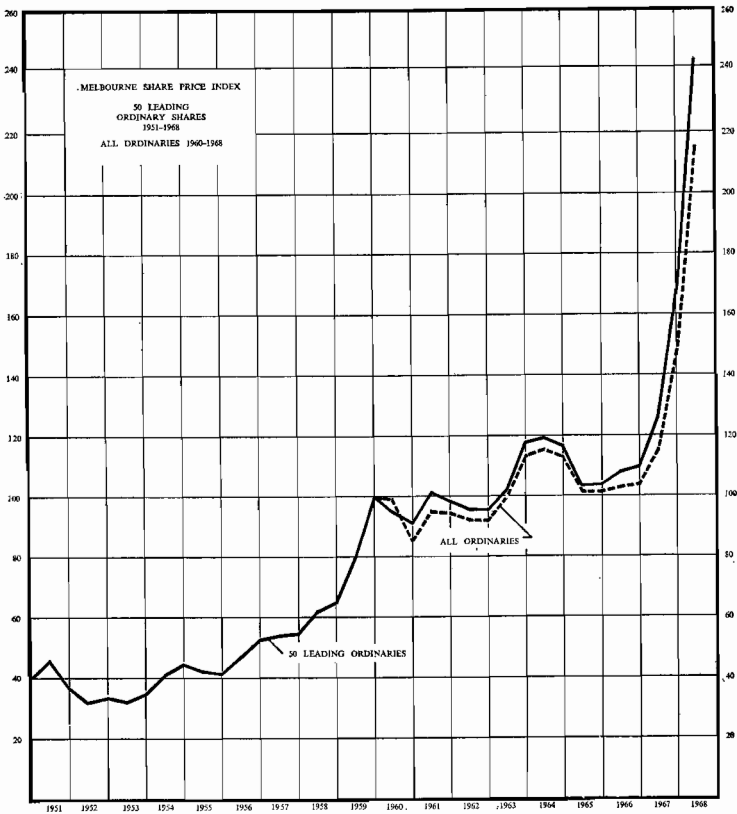


FIGURE 14.—Melbourne Share Price Index (Base: January 1960 = 100)

### Underwriting

Member Firms of the Exchange have played a prominent part in Australia's underwriting activities for many years. During the year ended 30 September 1967, there were forty-four semi-government loans of which thirty-six were underwritten—twenty-nine by Member Firms; the amount sought by these loans was \$93.8m.

### Share Price Index

On 1 July 1963, The Stock Exchange of Melbourne established a share price index which comprised 50 leading stocks. It has since been expanded and, in addition, includes an All Ordinaries Index comprising nineteen groups. At 30 September 1967, this Index had reached its highest point of 139.10—a gain of 37.5 per cent over 1966. The highest group was metals and minerals which rose 71.8 per cent for the year to 358.87. For the first time since the base date in 1960, increases were recorded in each of the nineteen groups.

The 50 Leaders Series moved up 44.9 per cent for the year to 153.50. In October 1966, the monthly averages showed a disparity of 4.8 points between the two indexes; this widened progressively to 13.5 points for September 1967, thus reflecting faster growth for the 50 Leaders group. The 50 Leaders Index is calculated three times each

day, thus covering the market every 90 minutes. At 30 September 1967, Aggregate Market Value of all companies included in the All Ordinaries Index and the Oil and Gas indexes at \$11,909m was 93 per cent of the Aggregate Market Value of all ordinary industrial shares on the official list. (\$12,758m).

The third edition of a chart book was published during the year, covering information to June 1967. The book gives a summary of the methods used in compiling the index, together with charts and statistics for the twenty groups over an eight year period. Features include international share price graphs, monthly value of turnover, average yields series, and weighted yields series.

#### *New Building*

Late in 1968 the Melbourne Stock Exchange moved to a new 27-storey building known as "Stock Exchange House". It was built in partnership with the A.N.Z Bank and is located at 351 Collins Street with an arcade through to Flinders Lane.

#### *New Transfer System*

Introduction of a new share transfer system took place on 1 July 1967. It is based on three new concepts :

- (1) The conversion of a transfer signed by the transferor into a valid document, which is achieved by the warranty of the selling broker ;
- (2) the elimination of the transferee's signature ; and
- (3) the elimination from the transfer of adhesive duty stamps, to be replaced by a weekly remittance by brokers.

The introduction of the new system coincided with greatly increased market activity and has expedited registration procedures.

### **Short-Term Money Market**

The short-term money market in Australia in 1967 comprised nine dealer companies whose business is the borrowing of money and its investment in specified types of securities, and trading in those securities.

In February 1959, the central bank (now the Reserve Bank of Australia) announced that it had agreed to grant a line of credit to several dealer companies which had been established to operate in the short-term money market. Under the line of credit, the Reserve Bank, as lender of last resort, grants loans to dealer companies so that their liquidity can be assured.

The rate of interest at which the Bank is prepared to lend to the market is penal, its function being normally to discourage frequent borrowing by dealers. A perhaps more unattractive feature to the market of the Bank's last resort loans is that they cannot be repaid earlier than seven days from the date of drawing even though money may be readily available from ordinary lenders within a day or so of the drawing.

Because of the responsibilities for the market which the Reserve Bank has assumed, dealer companies are required to observe a number of conditions. Dealers accept loans overnight, at call or for fixed periods, in minimum amounts of \$50,000. The funds so borrowed are

used to purchase securities of a specified type. These securities may be lodged with lenders as cover for loans accepted or, as is mostly the case, the securities may be lodged by the dealer with the Reserve Bank for safe custody. The Bank then issues certificates in the dealer's name certifying that it is holding certain stated securities for safe custody on his behalf. These safe custody certificates are lodged by the dealer with the lender as evidence that securities are held against loans accepted; when loans are repaid, the lender returns the certificates to the dealer.

When loans are called, the dealer has three ways of obtaining funds to effect repayment. He can try to borrow the amount required from someone else, or he can sell securities from his portfolio and use the proceeds in repayment. Failing either of these two alternatives, he can approach the Reserve Bank as lender of last resort and borrow the amount required against lodgement of security.

The rate of interest paid by dealers for funds may vary from day to day and may indeed change during the day depending on the general supply of funds. The gross return to the dealer is the difference between the rate paid for money and the interest received on his portfolio of securities, together with the margin, if any, between the price paid for securities and the proceeds of sales.

Lenders to the market may be classified into four main groups: major trading banks and other cheque-paying banks, savings banks, public authorities, and private lenders (e.g., large companies). The following tables show dealers' liabilities and assets, interest rates charged, and a classification of liabilities by type of client:

**AUSTRALIA—SHORT-TERM MONEY MARKET: LIABILITIES, ASSETS AND INTEREST RATES OF AUTHORISED DEALERS**

Month of June—	Liabilities to Clients	Asset Holdings				Interest Rates on Loans Accepted during Month		Weighted Average Interest Rate on Loans Outstanding*
		Commonwealth Government Securities (Face Value)			Commercial Bills	At Call	For Fixed Periods	
		Treasury Notes	Other	Total				
Average of Weekly Figures (\$m)				Per Cent per Annum				
1960 ..	159.8	164.6		164.6	..	2.75-3.50	3.00-3.50	3.25
1961 ..	194.3	200.8		200.8	..	2.50-4.88	3.50-4.83	4.17
1962 ..	232.9	242.3		242.3	..	2.00-4.00	3.00-3.88	3.45
1963 ..	267.1	53.6	233.3	286.8	..	2.00-4.25	3.13-4.25	3.75
1964 ..	320.8	38.2	303.0	341.2	..	1.50-4.50	3.38-4.50	3.71
1965 ..	312.7	8.4	335.0	343.4	7.6	1.50-6.00	2.00-5.53	4.16
1966 ..	350.2	10.7	362.6	373.3	25.2	3.00-6.10	4.25-5.80	4.73
1967 ..	456.4	13.7	454.1	467.7	32.8	2.00-6.50	3.00-5.50	4.46

[Source: Reserve Bank of Australia

\* From 1960 to 1963 inclusive, as at last Wednesday of month of June. For 1964 to 1967 inclusive, average of weekly figures for month of June.

**AUSTRALIA—SHORT-TERM MONEY MARKET : AUTHORISED  
DEALERS' LIABILITIES, CLASSIFIED BY TYPE OF CLIENT\*  
(\$m)**

Clients	30 June—	
	1966	1967
All Cheque-paying Banks .. .. .	91.1	121.5
Savings Banks .. .. .	35.6	56.2
Insurance Offices .. .. .	12.5	10.8
Superannuation, Pension, and Provident Funds ..	6.2	11.7
Hire Purchase and Other Instalment Credit Companies	6.3	5.9
Companies ( <i>n.e.i.</i> ) .. .. .	95.1	120.2
Commonwealth and State Governments .. .. .	30.4	57.4
Local Government and Semi-Governmental Authorities ( <i>n.e.i.</i> ) .. .. .	51.0	56.5
All Other Lenders (Including Marketing Boards, and Trustee Companies) .. .. .	18.4	33.6
Total .. .. .	346.5	473.7

[Source : Reserve Bank of Australia

\* Compiled from returns supplied by authorised dealers in the short-term money market. Liabilities to Reserve Bank as lender of last resort are excluded.

**Further Reference, 1967**

**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 30 June 1967, in Australia, classified by States and by groups of commodities financed. It also shows the balances outstanding at 30 June 1967, for each State and Australia.

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

State	Amount Financed* for Year Ended 30 June 1967				Balances Outstanding at 30 June 1967
	Motor Vehicles, Tractors, etc. †	Plant and Machinery ‡	Household and Personal Goods §	Total All Goods	
New South Wales ¶	208.8	33.7	143.9	386.4	562.4
Victoria ..	136.2	18.0	83.6	237.8	340.6
Queensland ..	92.2	14.1	50.3	156.7	236.8
South Australia °	48.1	4.7	26.9	79.7	128.7
Western Australia ..	60.3	14.2	23.3	97.8	126.9
Tasmania ..	19.4	2.7	8.5	30.5	45.9
Australia ..	565.0	87.4	336.5	988.9	1,441.3

\* 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), etc.

§ 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.

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\***

(\$m)

Year Ended 30 June—	Motor Vehicles, Tractors, etc.†	Plant and Machinery‡	Household and Personal Goods§	Total All Goods
<b>RETAIL BUSINESSES</b>				
1963 .. ..	5.7	0.7	75.7	82.2
1964 .. ..	5.4	1.2	74.2	80.8
1965 .. ..	5.9	1.0	77.3	84.1
1966 .. ..	4.6	1.2	69.8	75.6
1967 .. ..	5.0	0.9	69.1	75.0
<b>NON-RETAIL FINANCE BUSINESSES</b>				
1963 .. ..	113.1	11.8	15.5	140.5
1964 .. ..	124.6	12.9	15.7	153.1
1965 .. ..	140.9	14.9	15.3	171.1
1966 .. ..	130.7	15.1	13.3	159.1
1967 .. ..	131.2	17.1	14.5	162.8
<b>ALL BUSINESSES</b>				
1963 .. ..	118.9	12.5	91.3	222.6
1964 .. ..	130.0	14.1	89.9	233.9
1965 .. ..	146.7	15.8	92.6	255.2
1966 .. ..	135.3	16.3	83.2	234.7
1967 .. ..	136.2	18.0	83.6	237.8

\* 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), etc.

§ 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 30 June 1963 to 1967, and the relationship between Retail and Non-Retail Finance Businesses in this respect :

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

(\$m)

At 30 June—	Retail Businesses	Non-Retail Finance Businesses	Total All Businesses
1963 .. ..	115.0	203.3	318.3
1964 .. ..	106.7	227.8	334.6
1965 .. ..	100.8	253.9	354.7
1966 .. ..	91.1	253.6	344.6
1967 .. ..	86.2	254.4	340.6

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

At 30 June 1963, of the total balances outstanding in Victoria for all instalment credit (\$318,326,000), Hire Purchase comprised 78.2 per cent and Other Instalment Credit 21.8 per cent. The latter has grown since then and at 30 June 1967, totalled \$165,484,000 or 48.6 per cent of the total instalment credit outstanding balances of \$340,608,000. 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.

### Retail Hire Purchase Operations

The following table shows the main features of hire purchase operations in Victoria for the years ended 30 June 1963 to 1967.

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 30 June—				
	1963	1964	1965	1966	1967
NUMBER OF AGREEMENTS MADE					
Motor Vehicles, Tractors, etc.*	98,529	89,502	72,357	58,257	51,739
Plant and Machinery†	10,836	10,941	10,570	10,539	9,246
Household and Personal‡	418,114	392,776	368,942	293,813	278,730
Total Agreements	527,479	493,219	451,869	362,609	339,715
VALUE OF GOODS PURCHASED§					
(\$m)					
Motor Vehicles, Tractors, etc.*	150.4	134.0	113.9	89.9	78.7
Plant and Machinery†	18.2	19.7	21.3	21.6	23.5
Household and Personal‡	62.4	57.9	55.8	46.1	45.5
Total Value	231.0	211.6	190.9	157.5	147.6
AMOUNT FINANCED UNDER AGREEMENTS					
(\$m)					
Motor Vehicles, Tractors, etc.*	99.5	88.8	75.2	60.0	53.7
Plant and Machinery†	12.5	13.7	14.5	14.7	16.5
Household and Personal‡	52.3	48.9	46.8	38.6	37.6
Total Amount Financed	164.3	151.3	136.5	113.2	107.8
BALANCES OUTSTANDING AT END OF YEAR¶					
(\$m)					
All Classes of Goods	248.8	240.6	215.2	189.9	175.1

\* 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), etc.

‡ 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.