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## FINANCE

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### 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 gatherer 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

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

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
RECEIPTS					
Taxation	234·7	256·4	286·7	319·8	371·5
Interest, etc., received	10·8	12·4	13·1	13·8	14·3
Public enterprises' income	102·5	102·6	110·1	110·6	122·0
Grants from Commonwealth Government authorities	187·4	209·1	229·2	262·7	286·0
Total receipts	535·4	580·4	639·1	707·0	793·8
OUTLAY					
Net current expenditure on goods and services	286·8	323·1	352·8	394·2	445·0
Subsidies	0·5	1·2	1·4	4·0	3·5
Interest, etc., paid	139·9	150·3	162·0	175·2	188·8
Overseas grants	0·3	0·3	0·2	0·3	0·3
Cash benefits to persons	3·7	4·3	4·7	5·0	6·1
Grants towards private capital expenditure	2·2	1·6	1·6	2·8	2·4
Surplus on current account	102·0	99·7	116·4	125·4	147·7
Total outlay	535·4	580·4	639·1	707·0	793·8

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' CAPITAL ACCOUNT**  
(\$m)

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
<b>SOURCES OF FUNDS</b>					
Depreciation allowances	37·7	47·5	49·1	56·2	58·1
Net sale of securities—					
Commonwealth securities—					
Securities other than Treasury bills—					
Australia	86·9	103·9	118·1	147·5	128·2
Overseas	-5·1	-6·1	-16·7	-24·7	-4·9
Local and semi-governmental securities	66·4	70·4	90·3	74·2	94·0
Advances from Commonwealth Government authorities	31·2	30·9	28·6	33·2	24·9
Grants from Commonwealth Government authorities	35·6	36·9	42·8	51·4	51·8
Surplus on State and local government authorities current account	102·0	99·7	116·4	125·4	147·7
Other funds available (including errors and omissions)	40·0	39·7	45·5	43·2	36·8
Reduction in cash and bank balances	4·5	12·5	-12·3	-4·5	3·7
Total sources of funds	399·3	435·4	461·8	502·0	540·3
<b>USES OF FUNDS</b>					
Fixed capital expenditure on new assets	371·5	408·5	439·0	471·6	520·9
Expenditure on existing assets	4·9	1·7	2·2	0·4	0·8
Increase in value of stocks	2·0	2·3	0·9	2·5	-0·4
Advances to public financial enterprises	20·9	23·0	19·8	27·4	19·0
Total uses of funds	399·3	435·4	461·8	502·0	540·3

**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 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. Western Australia, which withdrew from claimancy as from the beginning of 1968-69, continued to receive for each of the years 1968-69 and 1969-70 a grant in lieu of the special grant.

However, for the year 1970-71, and for each of the four subsequent years, this grant to Western Australia will be progressively reduced. In July 1970 South Australia, which had last received a special grant in 1959-60, applied for a special grant for 1970-71.

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 may borrow from 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. In addition 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.

## 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.

Before 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 1970, out of loan programmes amounting to \$9,602m, the Commonwealth has provided \$2,654m from the Australian currency proceeds of overseas loans and from budget surpluses.

The need for Commonwealth assistance by way of special loans should be considerably reduced as a result of the arrangements made at the June 1970 Loan Council meeting when it was decided that the Commonwealth will in future make an interest free capital grant to finance part of the States' annual works programmes. This grant will not increase the total funds available to State Governments, but, as it will result in lower State Government debt than would otherwise have been the case, there will be a substantial saving to the States in debt charges.

The first grant made will be \$200m in 1970-71 (Victoria's share \$51m) and it will increase in future years in proportion to the increase in the total works and housing programmes. It is estimated that the resulting saving to the States in debt charges should be nearly \$150m over the five year period 1970-71 to 1974-75.

#### *Grants to the States*

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

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

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
Financial agreement—					
Interest on State debt	4,254	4,254	4,254	4,254	4,254
Sinking fund on State debt (b)	3,938	4,225	4,524	4,885	5,189
General revenue grants	171,750	191,922	208,790	233,091	253,562
Commonwealth aid roads	25,576	27,508	29,443	31,286	33,113
Tuberculosis hospitals—reimbursement of capital expenditure, etc.	308	169	110	10	175
Mental institutions—contribution to capital expenditure	711	1,567	1,192	1,382	1,200
Grants to universities	10,386	12,496	14,461	17,164	19,180
Colleges of advanced education	..	..	2,213	5,465	5,545
Teachers colleges	..	..	..	500	1,621
Research grants	..	331	607	770	675
Science laboratories	2,799	2,799	2,799	3,553	3,055
Technical training	2,826	336	3,050	5,091	1,550
School libraries	..	..	..	..	500
Dairy industry extension services	178	..	..	..	800
Extension of agricultural advisory services	132	..	508	667	225
Minor agricultural research	11	..	..	..	..
Salinity reduction—River Murray	..	..	..	..	800
Aboriginal advancement	..	..	..	600	225
Road safety practices	20	20	23	23	23
Natural disaster payments	20	40	..	5,291	6,000
Housekeeper services	8	8	8	8	8
Blood transfusion services	129	144	276	176	193
Water resources	90	80	77	131	159
King River Dam	..	..	..	..	15
<b>Total</b>	<b>223,138</b>	<b>246,197</b>	<b>272,335</b>	<b>314,347</b>	<b>338,028</b>

(a) Excludes subsidies and bounties to primary producers, payments from National Welfare Fund, and repayable loans.

(b) Paid to National Debt Sinking Fund.

(c) As from 1965-66 known as "Grants for agricultural extension services".

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 examined 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 reviewed in 1965 and 1967 when certain modifications, which applied 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 was 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 was increased by the percentage increase in average wages for Australia as a whole for the year ended 31 March of the year of payment; and this amount was 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.

Commonwealth–State financial relations were again reviewed at the Premiers' Conference in June 1970 when the Commonwealth Government gave the following details of the ways it was prepared to increase revenue assistance to the States during the five year period 1970–71 to 1974–75:

1. An interest-free capital grant of \$200m would be made in 1970–71, increasing in future years in proportion to the increase in the total Loan Council works and housing programme.
2. Grants would be made to meet the debt charges on \$200m of existing State debt in 1970–71 and further grants to meet the charges on \$200m would be made in each of the subsequent four years so that, as from the commencement of 1974–75, the Commonwealth would have taken over full responsibility for the debt charges of \$1,000m of State debt. This amount of debt would be formally transferred to the Commonwealth in June 1975. Victoria's share of this grant for 1970–71 was \$2.8m.
3. An addition of \$40m would be made to the 1970–71 grants determined under the existing formula and this amount would be incorporated in the 1970–71 base for purposes of determining the formula grants for 1971–72 and later years. The amount of \$40m would be distributed between the States in the same proportions as their 1970–71 formula grants.



4. There would be an increase in the betterment factor from 1·2 to 1·8 per cent to apply from 1971–72.

The Commonwealth also made the following proposals in relation to grants to individual States :

1. There would be a continuation of the \$2m addition that had been made to the base on which Queensland's grant was calculated in each of the five years of the previous arrangements.
2. In addition to its formula financial assistance grants and in lieu of the amount of \$15·5m paid in 1968–69 and 1969–70 Western Australia would receive amounts commencing with \$12·5m in 1970–71 and reducing by \$3m per annum in each of the subsequent four years. However, in recognition of the rapid rate of population growth and economic development in Western Australia, the Commonwealth would in the Loan Council support increases in that State's share of the borrowing programmes to offset the reduction in revenue grants.

The States regarded these proposals as inadequate and suggested a minimum increase in the 1970–71 grants of \$90m and a minimum betterment factor of 3 per cent to apply from 1970–71. After considering the States' arguments and in particular the case put forward by New South Wales and Victoria that the absolute gap between their per capita grants and those of the smaller States was becoming larger year by year, the Commonwealth proposed that a grant of \$2 per capita be paid to New South Wales and Victoria in each of the next five years. This would be additional to the formula grants and would be included in the base used to determine these grants. In the event that any of the four less populous States considered that the additional per capita grants would adversely affect its ability to provide services of a standard comparable with New South Wales and Victoria, it would be open to that State to ask the Grants Commission to recommend a grant in addition to its share of the financial assistance grants.

#### *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.

Commonwealth payments to be made to the States for roads expenditure during the five year period from 1 July 1969 were announced at a special Premiers' Conference held in March 1969.

In considering the new arrangements the Commonwealth was assisted by the information and advice furnished by the Bureau of Roads, which was set up following the 1964 review of roads arrangements to undertake a thorough survey and appraisal of the existing roads system and anticipated roads requirements. The Commonwealth accepted the Bureau's assessment that, provided funds were applied economically, expenditure considerably higher than at present could be undertaken during the next five years. On this basis provision has been made in the *Commonwealth Aid Roads Act 1969* for grants totalling \$1,252·1m to be paid to the States for roads over the five year period commencing on 1 July 1969.

An aim of the new arrangements is to bring the distribution more closely into accord with the relative needs for roads expenditure. The Commonwealth, however, recognised the problems that could be created for some States by too rapid a change from the distribution formula which had applied over the previous five years. The total grant of \$1,252.1m is thus divided into two parts. The principal grant totalling \$1,200m is distributed by giving equal weight to the distribution under the *Commonwealth Aid Roads Act 1964* and to the distribution indicated by the Bureau of Roads analysis of the relative needs for roads expenditure. Of this grant Victoria will receive \$38.2m in 1970-71 and a total of \$254.4m during the quinquennium.

Supplementary payments of \$9m to South Australia, \$40.8m to Western Australia, and \$2.3m to Tasmania will account for the balance of \$52.1m to be distributed during the five year period.

#### *Grants to universities*

Commonwealth assistance to the States in respect of the recurrent expenditure of universities dates from 1951-52; in 1957-58 assistance was first given in respect of capital expenditures. An outline of assistance before 1971 is given in previous issues of the *Victorian Year Book*.

In August 1969 the Commonwealth agreed to support recommendations contained in the Fourth Report of the Australian Universities Commission for a programme of assistance to State universities in the 1970-72 triennium.

The *States Grants (Universities) Act 1969* authorised Commonwealth grants of \$226.8m for the triennium of which \$161.2m is for recurrent expenditure and \$4m for a programme in support of research and research training.

Victoria's share of this assistance for 1969-70 was \$14.0m for recurrent expenditures and \$4.5m 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 now referred to as Colleges of Advanced Education.

The Commonwealth has provided financial assistance for these institutions since 1965-66 and in August 1969 it accepted the financial recommendations of the Commonwealth Advisory Committee on Advanced Education for the 1970-72 triennium. Commonwealth financial assistance will amount to \$93.1m made up of \$43.2m for recurrent expenditure, \$49.4m for capital expenditure and \$0.5m for library facilities. Victoria's share for 1969-70 was \$4.8m for recurrent expenditure and \$2.9m for capital expenditure.

#### *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. Of the \$12.6m provided for each of the three years, Victoria's entitlement was \$3.54m

divided between government schools \$2.04m and non-government schools \$1.50m.

*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 1969-70 Victoria received \$3.0m 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 1969-70 Victoria's share was \$3.25m.

*Research grants*

From 1965-66 the Commonwealth has made grants to the States for research projects, selected on the basis of relative merit, to be carried out in any academic field by individuals or research teams.

As recommended by the Australian Research Grants Committee, the Commonwealth agreed to make up to \$9m available to the States for the financing of research programmes over the three calendar years 1970 to 1972. Victoria's share for 1969-70 was \$864,000.

The Commonwealth is also making available to the States during the triennium a further \$4m for a special programme of research and research training in State universities.

*Grants for school libraries*

Under the *States Grants (Secondary School Libraries) Act* 1968, grants of \$27m will be made available to the States over the three years commencing on 1 January 1969 to finance buildings, etc., for libraries in government and non-government secondary schools. The Act provides that not more than one-third of this amount may be authorised for payment before 31 December 1969 and two-thirds before 31 December 1970.

Victoria's share of the basic annual grant is \$2.53m of which \$1,880,000 was for government schools and \$650,000 for non-government schools.

*Natural disaster payments*

When serious floods, cyclones, bushfires or other similar natural disasters occur the Commonwealth normally joins with the State concerned in financing schemes for relief of personal hardship, usually on a \$1 for \$1 basis. For many years Victoria did not find it necessary to seek substantial Commonwealth assistance for this purpose but during the three years 1967-68 to 1969-70 droughts and bushfires in Victoria resulted in the provision of Commonwealth grants totalling \$11.6m.

*Grants for independent schools*

The Commonwealth has agreed to contribute, as from January 1970, towards the running costs of independent schools throughout Australia. This assistance will take the form of an annual per pupil subsidy at the rates of \$35 per primary pupil and \$50 per secondary pupil. The estimated amount payable for the year 1970-71 is \$24.3m, Victoria's share being \$7.9m.

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) Trusts 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.

#### Consolidated Revenue Fund

The following table shows, for each of the years 1964–65 to 1968–69, 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	Revenue	Expenditure	Surplus (+) or deficit (-)	Accumulated deficit at end of each year (i.e., 30 June)
1964–65	480,668	480,668	..	53,269
1965–66	508,554	516,689	-8,135	53,269
1966–67	559,595	559,595	..	61,404
1967–68	601,328	604,122	-2,794	64,198
1968–69	664,183	666,644	-2,461	(a) 66,659

(a) Of this amount, \$57,372,000 was provided from the Loan Fund and \$9,287,000 from the Public Account.

*Consolidated Revenue.* Details of the principal sources of revenue are shown in the following table for each of the years 1964–65 to 1968–69:

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

Source of revenue	1964–65	1965–66	1966–67	1967–68	1968–69
Taxation (a)	108,377	115,678	131,971	149,535	182,603
Business undertakings—					
Railways	102,027	99,673	104,989	98,786	100,329
Harbours, rivers, and lights	2,408	2,037	3,160	3,342	3,576
Water supply, sewerage, irrigation, and drainage	11,795	13,010	13,650	14,064	14,482
Electricity supply (interest and recoups of sinking funds, etc.)	9,964	11,051	11,965	13,057	13,897
State Coal Mine	461	404	392	282	167
Other	691	505	623	338	353
Total	127,346	126,681	134,780	129,870	132,805
Lands—					
Sales	430	526	402	484	690
Rents	1,416	1,609	1,739	1,886	1,824
Forestry	5,153	5,560	5,758	5,710	5,596
Other	933	959	1,074	1,064	1,237
Total	7,933	8,654	8,973	9,144	9,347
Interest, n.e.i.	19,064	20,735	22,694	24,137	26,493

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

Source of revenue	1964-65	1965-66	1966-67	1967-68	1968-69
Commonwealth grants—					
Financial Agreement Act	4,254	4,254	4,254	4,254	4,254
Financial assistance	171,750	191,922	208,790	228,254	250,563
Special revenue assistance	..	..	..	4,837	2,999
Colleges of advanced education	..	..	1,302	2,788	3,194
Water resources investigations	89	80	77	131	159
Total	176,094	196,256	214,424	240,264	261,170
Commonwealth national welfare fund payments—					
Tuberculosis—					
Maintenance expenditure	2,739	3,013	3,240	3,181	3,228
Pharmaceutical benefits—					
Mental institutions	237	280	110	193	301
Other	550	630	539	863	808
Total	3,526	3,923	3,889	4,237	4,337
Fees and fines	6,998	7,754	8,983	9,834	10,729
All other (b)	(c) 31,330	28,872	33,881	34,307	36,701
Grand total	480,668	508,554	559,595	601,328	664,183

(a) For details of total taxation collections see page 628.

(b) Includes repayments of advances by Housing Commission under the Commonwealth-State Housing Agreements.

(c) Includes \$3,138,000 transferred from Police Pensions Fund.

*Expenditure from Consolidated Revenue.* The principal items of expenditure during each of the years 1964-65 to 1968-69 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	1964-65	1965-66	1966-67	1967-68	1968-69
Public debt charges—					
Interest (including exchange)	73,259	78,994	84,942	91,690	98,993
Debt redemption	15,427	16,514	17,602	18,620	20,029
Other	371	431	456	464	491
Total	89,057	95,940	103,000	110,774	119,514
Less chargeable to railways	3,186	4,031	4,891	5,747	6,615
Total	85,872	91,909	98,109	105,027	112,899
Business undertakings—					
Railways (a)	96,377	98,909	101,937	104,219	110,937
Harbours, rivers, and lights	1,408	1,395	1,459	1,686	1,589
Water supply, sewerage, irrigation, and drainage	8,926	9,419	10,079	10,572	10,838
State Coal Mine	791	711	697	604	404
Other	449	437	339	274	289
Total	107,951	110,870	114,511	117,354	124,058

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

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
<b>Social expenditure—</b>					
<b>Education—</b>					
State schools	91,333	101,533	111,540	127,171	145,375
Technical schools	20,803	23,770	27,711	33,286	39,205
Universities	8,908	10,528	12,480	13,576	16,527
Libraries, art galleries, etc.	2,200	2,412	2,763	3,034	3,617
Agricultural education, research, etc.	1,841	1,936	1,936	1,849	2,304
Other	180	180	365	590	327
Public health and recreation	6,964	7,425	8,121	8,763	9,544
<b>Charitable—</b>					
<b>Hospitals—</b>					
General	36,865	40,650	44,800	46,305	53,354
Mental	16,914	18,506	19,819	21,254	22,732
Child welfare	4,392	4,865	5,339	5,956	6,767
Other	966	1,030	1,042	1,142	1,335
<b>Law, order, and public safety—</b>					
Justice	4,752	4,956	5,376	5,596	6,078
Police	20,068	21,038	23,009	25,024	26,488
Penal establishments	3,003	2,916	3,299	3,643	3,998
Public safety	62	74	62	68	83
<b>Total</b>	<b>219,250</b>	<b>241,818</b>	<b>267,664</b>	<b>297,256</b>	<b>337,733</b>
<b>All other expenditure—</b>					
Public works, n.e.i.	4,126	4,446	4,768	5,107	5,686
Lands and survey	3,522	3,775	4,094	4,281	4,453
Agriculture	5,398	5,702	6,318	6,729	7,248
Forestry	5,012	5,323	5,671	5,852	5,668
Legislature and general administration	14,519	14,755	17,069	17,206	19,375
Pensions and superannuation	10,338	11,294	12,184	13,248	14,509
Pay-roll tax	5,197	5,592	6,034	6,641	7,152
Miscellaneous (b)	19,483	21,206	23,174	25,419	27,863
<b>Total</b>	<b>67,595</b>	<b>72,092</b>	<b>79,312</b>	<b>84,485</b>	<b>91,954</b>
<b>Grand total</b>	<b>480,668</b>	<b>516,689</b>	<b>559,595</b>	<b>604,122</b>	<b>666,644</b>

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

(b) Includes interest and repayments of advances under the Commonwealth-State Housing Agreements.

### Taxation

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 616 the Commonwealth Government alone exercises the right to impose customs and excise duties, and taxation on personal and company incomes. It also has exclusive access to the important sales and pay-roll taxes. However, 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 628 for 1968-69 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 1964-65 to 1968-69 :

VICTORIA—TAXATION COLLECTIONS  
(\$'000)

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
<b>Motor—</b>					
Registration fees and taxes	25,721	34,486	36,491	39,812	46,062
Drivers' licences and fees	1,991	3,051	2,921	3,010	3,493
Other	12,276	15,347	16,467	18,694	20,072
<b>Total motor</b>	<b>39,988</b>	<b>52,884</b>	<b>55,879</b>	<b>61,516</b>	<b>69,627</b>
Probate duty	31,614	32,003	34,997	37,642	46,801
Stamp duties, n.e.i.	34,398	36,443	40,546	52,925	73,649
Land tax	19,725	19,881	21,132	20,976	21,839
Liquor tax	7,556	8,064	8,991	9,744	10,632
Lottery duty	6,717	6,294	6,410	6,085	5,990
Racing taxes	10,608	12,415	14,337	15,929	17,373
Licences, n.e.i.	1,224	1,280	1,386	1,683	1,958
Statutory corporation payments			5,730	6,300	6,825
Other taxes	302	300	317	353	328
<b>Grand total</b>	<b>152,133</b>	<b>169,563</b>	<b>189,726</b>	<b>213,154</b>	<b>255,021</b>
Paid to Consolidated Revenue	108,377	115,678	131,971	149,535	182,603
Paid to special funds	43,756	53,885	57,755	63,619	72,418
Per head of population	\$48·51	\$53·09	\$58·38	\$64·55	\$75·99

*Motor taxation*

Particulars of the total amount of motor taxation collected and credited to the various funds during 1968-69 were as follows :

Consolidated Revenue—	\$'000	
Motor car third party insurance tax	2,605	
Drivers licence fees (part)	1,613	
Stamp duty—motor vehicles	5,976	
	—————	10,193
Country Roads Board Fund—		
Motor registration fees, etc.	29,300	
Drivers licence fees (part)	828	
Drivers test fees	243	
Sale of log books	11	
Additional registration fees (part)	1,849	
Road charges—Commercial Goods Vehicles Act	7,842	
	—————	40,072
Level Crossings Fund—		
Additional registration fees (part)		924
Municipalities Assistance Fund—		
Drivers licence fees (part)		809
Transport Regulation Fund—		
Motor omnibus registration fees	10	
Licences, etc.	909	
Permits	892	
	—————	1,811

	\$'000
Hospitals and Charities Fund—	
Deductions from third party insurance premiums	1,837
Roads (Special Projects) Fund—	
Increase in registration fees (Act No. 7283)	13,979
	69,627
Total motor taxation, 1968-69	69,627

**Further reference, 1969***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	1,200 but does not exceed	1,200	Nil	Nil	Nil	Nil
"	3,000 " " " "	3,000	Nil	Nil	5	7·5
"	10,000 " " " "	10,000	Nil	Nil	10	10
"	12,000 " " " "	12,000	10	10	15	17·5
"	13,000 " " " "	13,000	10	10	15	17·5
"	20,000 " " " "	20,000	10	15	15	20
"	30,000 " " " "	30,000	10	10	12·5	17·5
"	48,000 " " " "	48,000	10	12·5	17·5	20
"	50,000 " " " "	50,000	12·5	12·5	17·5	20
"	60,000 " " " "	60,000	12·5	15	20	20
"	70,000 " " " "	70,000	17·5	20	20	20
"	90,000 " " " "	90,000	20	22·5	25	25
"	110,000 " " " "	110,000	22·5	27·5	30	37·5
"	120,000 " " " "	120,000	25	30	30	37·5
"	130,000 " " " "	130,000	30	30	32·5	37·5
"	150,000 " " " "	150,000	35	35	37·5	37·5
"	170,000 " " " "	170,000	37·5	37·5	40	42·5
"	170,000 " " " "	189,334 (a)	37·5	..	..	..
"	170,000 " " " "	194,332 (b)	..	40	..	..
"	170,000 " " " "	227,680 (c)	..	..	42·5	..
"	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 1968-69 was as follows : 1964-65, \$33,179,802 ; 1965-66, \$32,128,887 ; 1966-67, \$35,289,408 ; 1967-68, \$38,531,664 ; 1968-69, \$50,564,432.



*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 1968-69 was : 1964-65, \$41,530,722 ; 1965-66, \$36,124,380 ; 1966-67, \$41,533,748 ; 1967-68, \$54,716,655 ; 1968-69, \$60,725,780.

*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.

Under the provisions of the *Land Tax Act* 1968 which came into force on 1 January 1969, land used for primary production purposes is exempted from land tax.

As provided by the *Land Tax (Rates) Act* 1969 land not used for primary production purposes is taxed at the rate of 0.42 cents in the dollar on the unimproved value up to \$17,500 with a graduated increase in the rate to reach 3.21 cents in the dollar where the unimproved value exceeds \$170,000. However, tax is not levied on land with unimproved value up to \$6,000 while a partial exemption is allowed on land valued between \$6,000 and \$9,000.

The following table shows particulars, in specified groups of unimproved value of holdings, of land tax assessments for 1968. Tax was assessed on the basis laid down by the *Land Tax (Rates) Act* 1966.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1968  
(Based on unimproved value at 31 December 1967)

Unimproved value of holdings—	Number of taxpayers	Total unimproved value (a)	Tax payable
\$		\$'000	\$'000
6,001 to 7,000	19,509	116,456	129
7,001 „ 8,000	12,844	87,174	231
8,001 „ 9,000	7,699	65,861	236
9,001 „ 10,000	5,823	55,467	220
10,001 „ 12,000	12,683	138,842	395
12,001 „ 14,000	7,924	101,991	302
14,001 „ 16,000	6,554	97,548	319
16,001 „ 17,500	3,905	65,089	236
17,501 „ 20,000	5,304	96,590	384
20,001 „ 30,000	11,005	266,994	1,102
30,001 „ 40,000	4,333	148,278	771
40,001 „ 50,000	2,141	94,925	574
50,001 „ 60,000	1,168	64,102	428
60,001 „ 70,000	716	46,306	384
70,001 „ 80,000	527	39,446	330
80,001 „ 100,000	655	58,035	550
100,001 „ 150,000	730	88,582	1,073
150,001 „ 170,000	152	24,548	370
170,001 „ 200,000	173	31,783	522
200,001 „ 300,000	263	63,984	1,232
300,001 „ 400,000	110	38,203	867
400,001 „ 1,000,000	193	114,450	2,932
1,000,001 and over	89	256,144	7,675
Total	104,500	2,160,795	21,261

(a) Of land not exempted from land tax.

In the following table details are shown of the assessments made during each of the years 1964 to 1968. The raising of the amount of exemption from land tax is mainly responsible for the decrease in the number of taxpayers shown for each of the years 1965 to 1968, inclusive, as compared with previous years.

## VICTORIA—STATE LAND TAX ASSESSMENTS

Year	Number of taxpayers	Total tax payable	Average tax payable per taxpayer	Total unimproved value (a)
		\$'000	\$	\$'000
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
1967	100,471	20,585	204·88	2,064,136
1968	104,500	21,261	203·45	2,160,795

(a) 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 July 1970, on the principal dutiable classes of documents, etc., are shown in the following table :

Dutiable class	Duty payable
RECEIPTS (a)	\$10 or part 1c
BILLS OF EXCHANGE—	
Payable on demand (cheque, etc.)	5c
Others (including promissory notes)	5c
not above \$50	10c
to \$100	15c
to \$150	20c
to \$200	10c
for extra \$100 or part	10c
SHARE TRANSFERS—On sale for full value—	
Based on consideration	Up to \$100—per \$25 or part over \$100—per \$100 or part 10c 40c
TRANSFER OF REAL PROPERTY—Based on consideration	to \$7,000—for each \$100 above \$7,000—for each \$100 \$1.25 \$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

(a) Under the provisions of the *Stamps (Receipt Duty Abolition) Act* 1970, receipt duty on moneys received on or after 1 October 1970 was abolished.

Dutiable class— <i>continued</i>	Duty payable— <i>continued</i>
INSURANCE COMPANIES (OTHER THAN LIFE) —Annual licences	each \$200 (or part) of annual premium income \$10
LIFE ASSURANCE POLICIES—On the sum insured	up to \$2,000—per \$200 or part 10c over \$2,000—\$1 for first \$2,000 plus per \$200 or part of remainder 20c
MORTGAGES, BONDS, DEBENTURES AND COVENANTS—On amount secured	up to \$8,000 \$4 over \$8,000—\$4 for first \$8,000 plus per \$200 or part of remainder 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 of mortgage	
Discharge of mortgage of real property	
Discharge of mortgage of personal property (other than of a life policy)	
Appointment of trustee	
Discharge of mortgage of a life policy	50c
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	} 2c
(a) of the amount of the purchase money in respect of one head of cattle sold singly; or	
(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 \$5 and part of \$5	} 4c
(a) of the amount of the purchase money in respect of one pig sold singly; or	
(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 Liquor Control Commission, established under the provisions of the *Liquor Control Act 1968*, 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 Commission 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.

VICTORIA—LIQUOR TAX  
(\$'000)

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
Licences—					
Victuallers	5,529	5,836	6,543	7,272	7,706
Spirit merchants and grocers	1,449	1,603	1,814	1,820	2,158
Others	69	83	83	88	164
Club certificates	369	387	405	400	433
Permits—extended hours, etc.	108	122	114	129	134
Fees	32	32	31	34	37
Total	7,556	8,064	8,991	9,744	10,632

*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 1964-65 to 1968-69 :

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

Year	Subscriptions to consultations	Duty paid to consolidated revenue	Allocated to—	
			Hospitals and Charities Fund	Mental Hospitals Fund
1964-65	21,675	6,717	6,427	290
1965-66	20,396	6,294	5,994	300
1966-67	20,580	6,410	6,000	410
1967-68	19,420	6,085	5,585	500
1968-69	19,440	5,990	5,375	615

*Racing taxation*

The principal taxes levied on racing in Victoria are the percentage deducted from investments on the totalisator, the turnover tax on bookmakers' holdings, stamp duty on betting tickets, and tax on admissions to race meetings.

A deduction of 13 per cent is made from all on-course investments on the totalisator 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 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 totalisators. 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 totalisator the following commission is deducted:

(a) From any daily double investments with respect to horse races (other than trotting races and feature doubles)—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:

(a) From all off-course investments—

(i) to Consolidated Revenue—4½ per cent.

(ii) to the Totalizator Agency Board Trust Account (held at State Treasury)—¼ per cent.

(iii) to the Totalizator Agency Board to be expended in terms of the *Racing Act 1958*—8 per cent.

(b) From any daily double investments on horse races (other than trotting races and feature doubles)—to the Race-courses Development Fund (held at State Treasury)—1 per cent. This Fund was instituted on 1 July 1968: by the *Racing (Amendment) Act 1968*.

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

Year	Totalisator investments		Investments with licensed book-makers (a)	Racing taxation			
	On-course	Off-course		Totalisator	Book-makers' turnover	Other (b)	Total
1964-65	34,019	108,939	159,723	6,860	2,917	831	10,608
1965-66	34,828	129,109	160,453	8,686	2,921	809	12,415
1966-67	36,627	143,984	168,381	10,447	3,058	833	14,337
1967-68	37,383	162,870	172,603	11,969	3,132	829	15,929
1968-69	39,085	185,869	172,388	13,410	3,117	845	17,373

(a) Estimated.

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

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 totalisator facilities in any other State or Territory of the Commonwealth where such facilities may be provided.

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

#### *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.

Entertainments tax collected in Victoria on account of admissions to horse racing and trotting during each of the five years to 1968-69 was as follows: 1964-65, \$516,226; 1965-66, \$502,000; 1966-67, \$519,685; 1967-68, \$522,796; 1968-69, \$530,139.

#### *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 1969-70 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

AUSTRALIA—RATES OF INCOME TAX FOR INDIVIDUALS, 1969–70 (a)

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

(a) Additional tax equal to 2½ per cent of the tax at general rates is also payable for the 1969–70 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 table shows the number of taxpayers, taxable income, and income tax assessed during the year 1968–69 (based on incomes received during the year 1967–68). The particulars are classified according to grades of actual income and relate only to individuals resident in Victoria.

VICTORIA—INCOME TAX : INDIVIDUALS, 1968–69 (a)

Grade of actual income (b)	Taxpayers	Taxable income			Net income tax assessed
		Salaries and wages	Other	Total	
\$	number	\$'000	\$'000	\$'000	\$'000
417– 599	39,055	16,055	3,150	19,205	407
600– 799	46,516	24,704	5,484	30,188	983
800– 999	49,599	33,291	7,464	40,755	1,840
1,000– 1,199	58,257	47,850	9,958	57,808	3,280
1,200– 1,399	64,472	61,753	12,832	74,585	4,945
1,400– 1,599	74,300	83,430	16,261	99,691	7,662
1,600– 1,799	75,630	96,000	18,345	114,345	9,874
1,800– 1,999	75,544	106,100	20,610	126,710	12,057
2,000– 2,199	74,321	112,417	22,424	134,841	13,848
2,200– 2,399	74,067	120,881	23,019	143,900	15,751
2,400– 2,599	73,951	128,984	24,149	153,134	17,717
2,600– 2,799	74,946	139,943	24,855	164,799	20,037
2,800– 2,999	72,357	142,680	24,751	167,431	21,257
3,000– 3,999	291,243	677,882	110,839	788,721	114,281
4,000– 5,999	202,215	590,596	146,862	737,458	135,342
6,000– 7,999	46,523	163,374	82,825	246,199	58,605
8,000– 9,999	16,159	61,574	53,604	115,178	32,933
10,000–19,999	18,354	79,035	124,082	203,117	75,187
20,000–29,999	2,431	14,891	36,700	51,591	24,850
30,000–39,999	621	4,835	14,061	18,895	10,068
40,000–59,999	356	3,626	11,529	15,155	8,699
60,000–99,999	142	1,604	7,765	9,368	5,729
100,000 and over	75	434	12,740	13,174	8,578
Total	1,431,134	2,711,938	814,311	3,526,249	603,928

(a) Includes 6,783 taxpayers, resident in Victoria, who derived income from more than one State.

(b) Actual income is defined briefly as "Gross income, including exempt income, less expenses incurred in gaining that income".

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, Singapore, 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 1969–70 (income year 1968–69) :



AUSTRALIA—RATES OF INCOME TAX PAYABLE  
BY COMPANIES, 1969–70

Type of company	Rate per \$1 of taxable income	
	Up to \$10,000	Balance
	cents	cents
Private	(a) 30	(a) 40
Non-private—		
Co-operative	35	45
Life assurance—		
Mutual	30	40
Other life assurance—		
Resident—		
Mutual income	30	40
Other income	(b) 40	45
Non-resident—		
Mutual income	30	40
Dividend income	(b) 35	45
Other income	(c) 40	45
Non-profit (d)—		
Friendly society dispensary	35	35
Other	35	45
Other—		
Resident	40	45
Non-resident—		
Dividend income	35	45
Other income	(e) 40	45

(a) Further tax at 50c in the \$1 payable on undistributed amount.

(b) Maximum income subject to this rate is \$10,000 less mutual income.

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

(d) 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.

(e) Maximum income subject to this rate is \$10,000 less dividend income.

### State pensions and gratuities

The following table shows details of State Government expenditure on pensions, gratuities, etc., during each of the years 1964–65 to 1968–69 :

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

Particulars	1964–65	1965–66	1966–67	1967–68	1968–69
State Superannuation Fund—					
Railways	4,870	4,945	5,073	5,273	5,451
Other	5,061	5,618	6,357	7,257	8,443
Total State Superannuation Fund	9,931	10,562	11,431	12,530	13,894
Police Pensions Fund	100	380	380	380	380
Police Superannuation Fund	148	150	116	54	6
Coal Mine Workers Pensions Fund	113	136	139	105	30
Parliamentary Contributory Retirement Fund	108	104	105	103	42
Parliamentary Contributory Superannuation Fund	..	..	..	..	44
Married Women's Superannuation Fund	..	..	..	..	28
Married Women Teachers Pensions Fund	38	44	48	42	(a) 28
Other pensions, gratuities, etc.	43	63	77	85	86
Grand total	10,482	11,440	12,295	13,299	14,509

(a) Fund closed 31 January 1969. Amount due from consolidated revenue was paid to Married Women's Superannuation Fund.

*State 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 640), and in 1966, 1967, and 1968 amending Acts considerably increased the range of benefits available.

The main provisions of the Act current at 19 December 1969 were summarised in the *Victorian Year Book 1970* (pages 664 and 665). Further amending Acts in December 1969 and in 1970 introduced a number of changes including the following :

1. Liberalisation of right to convert part of pension entitlement to a lump sum.
2. The rate of pension for a child of a deceased contributor or pensioner was raised to \$208 per annum, provided that where both parents are deceased the amount is increased to \$416.
3. A contributor over the age of 54 years who is contributing at least 12 per cent of his gross salary (other than in respect of deferred payments, for optional units, or reserve units) to the Fund may elect to contribute for units to which he becomes entitled at a reduced rate of contribution, being one quarter of the normal rate. The Fund's share of pension for each such unit will be \$6.50 per annum, i.e., one quarter of its normal share. The Government share of pension, however, will not be reduced but will remain at \$65 per unit per annum.

The following table shows cash transactions of the State Superannuation Fund and other particulars for each of the years 1964-65 to 1968-69 :

## VICTORIA—STATE SUPERANNUATION FUND

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
<b>Receipts</b>	\$'000				
Contributions—					
Officers	7,639	8,332	13,333	14,297	16,278
Consolidated Revenue (a)	9,895	10,517	11,376	12,436	13,818
Interest	4,802	5,547	6,237	6,907	7,790
Transferred from Police Pensions Fund	..	(b) 4,719	..	..	..
Other	145	204	118	94	28
<b>Total</b>	<b>22,480</b>	<b>29,319</b>	<b>31,064</b>	<b>33,734</b>	<b>37,914</b>
<b>Disbursements—</b>					
Pension payments	13,006	13,918	14,990	16,203	17,772
Lump sum payments	14	86	2,271	2,893	3,549
Contributions refunded	885	1,062	1,218	1,399	1,686
Transfer to Pensions Supplementation Fund	..	..	909	1,028	1,057
Other	(c)	6	2	35	13
<b>Total</b>	<b>13,904</b>	<b>15,071</b>	<b>19,390</b>	<b>21,558</b>	<b>24,077</b>
<b>Balance in Fund at 20 June</b>	<b>98,749</b>	<b>112,584</b>	<b>124,258</b>	<b>136,435</b>	<b>150,272</b>

(a) These figures do not agree with those shown on page 638, as the latter include Consolidated Revenue's share of pensions accrued at the end of each year.

(b) Includes accrued interest \$262,000.

(c) Under \$500.

VICTORIA—STATE SUPERANNUATION FUND—*continued*

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
Contributors at 30 June—					
Males	43,622	(a)44,400	(a)45,200	45,911	(a)46,700
Females	8,025	(a) 8,050	(a) 8,070	8,087	(a) 8,100
Total	51,647	(a)52,450	(a)53,270	53,998	(a)54,800
Pensioners at 30 June—					
Ex-employees—					
Males	8,293	8,415	(a) 8,440	8,464	8,583
Females	1,477	1,541	(a) 1,600	1,662	1,752
Widows	6,893	7,093	(a) 7,240	7,397	7,533
Children	862	889	(a) 940	988	1,054
Total	17,525	17,938	(a)18,220	18,511	18,922

(a) Estimated.

*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 State 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 State 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 1968-69 amounted to \$1,117,689, comprising deductions from pay, \$52,646, special appropriation from Consolidated Revenue, \$380,000, and interest on investments, \$685,044. During the year, \$1,477,681 was paid in pensions, \$47,684 in gratuities, \$16,608 was returned to contributors on resignation, and \$211 was paid to the State Superannuation Fund. The balance in the Fund at 30 June 1969 was \$13,151,368. Of this amount, \$13,115,500 was invested in government and semi-government securities.

The number of contributors to the Fund at 30 June 1969 was 439 males and four 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 receipts of the Fund are made up of contributions from the State, damages awarded to members of the Police Force and certain penalties, and a statutory annual contribution from the Licensing Fund. Police contributions to the Fund ceased in 1940-41.

During the year 1968-69 the total receipts from all sources amounted

to \$5,560 while pension payments totalled \$17,559. The balance in the Fund at 30 June 1969 was \$20,855.

#### *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 before that date.

The scheme was reviewed at the end of 1969 to provide further supplementation of pensions with increases ranging up to 24 per cent for pensions to persons retired before August 1961, and with appropriate smaller increases for those whose pensions commenced at later dates.

Total income of the Fund during 1968-69 was \$1,114,857, made up of statutory transfers from the State Superannuation Fund, \$1,054,029, interest on investments, \$56,464, and other income \$4,364, while expenditure on pensions totalled \$1,263,606. At 30 June 1969 the net assets of the Fund were \$1,117,273.

#### *Coal Mine Workers Pensions Fund*

The *Coal Mine Workers Pensions Act* 1942 and subsequent legislation defined contributions and benefits in connection with the Coal Mine Workers Pensions Fund. Contributions to the Fund were payable by the State Government, the State Coal Mine, and by mine workers. With the passing of the *State Coal Mines (Winding Up) Act* 1968 (operative from 1 January 1969) and the consequent closure of the State Coal Mine, contributions to the Fund by the State Coal Mine and by mine workers ceased, the State Government henceforth being the only contributor. The winding up Act allowed early retirement for certain mine workers approaching retiring age at 1 January 1969. Benefits to these and other retired mine workers and their dependants will continue to be paid from the Fund. At 30 June 1969 the net assets of the Fund amounted to \$1,001,044.

#### *Parliamentary Contributory Superannuation Fund*

This Fund was established under the authority of the *Parliamentary Salaries and Superannuation Act* 1968, which came into operation on the 1 December 1968. Under the Act the amounts standing to the credit of the Parliamentary Contributory Retirement Fund, established under *The Constitution Act Amendment Act* 1958, and the Parliamentary Superannuation Fund, established under the *Parliamentary Contributory Superannuation Act* 1962, were paid into the new Fund.

On 22 April 1969 the *Parliamentary Salaries and Superannuation (Administration) Act* 1969 transferred responsibility for the administration of the Parliamentary Contributory Superannuation Fund from the Treasury to the State Superannuation Board of Victoria.

The Act provides that male members contribute to the Fund at the rate of 11½ per cent (female rate 10 per cent) of the gross amount of each salary instalment.

Every person who has ceased to be a member and has served as a member for at least fifteen years or, in certain circumstances, for at least eight years, is entitled to be paid out of the Fund a pension which is

determined in accordance with a formula set out in the Act. The formula takes into account length of service and amount of salary at date of retirement.

Provision is also made for payments of certain sums to ex-members who do not fulfil the conditions necessary for a pension. The widow of a deceased member or ex-member is also entitled to receive a pension calculated according to a formula laid down in the Act.

During 1968-69 receipts of the several Funds totalled \$208,509, made up of members' contributions, \$90,359, contribution from Consolidated Revenue, \$85,666, interest on investments, \$22,794, and other receipts, \$9,690. Pension payments totalled \$197,729 and other expenditure amounted to \$13,701.

The balance in the Parliamentary Contributory Superannuation Fund on 30 June 1969 was \$428,468 of which \$425,000 was invested.

#### *Married Women Teachers Pensions Fund*

This Fund was established under the provisions of the *Teaching Service (Married Women) Act* 1956 and operated during the period 1 July 1957 to 31 January 1969 when the Fund was closed and its assets transferred to the Married Women's Superannuation Fund.

#### *Married Women's Superannuation Fund*

The *Married Women's Superannuation Fund Act* 1968, proclaimed on 1 February 1969, established the Married Women's Superannuation Fund to which was credited the balance in the former Married Women Teachers' Pension Fund which ceased to exist as from 31 January 1969.

Teachers who were contributing to the Married Women Teachers Pension Fund automatically became contributors to the Married Women's Superannuation Fund, and a married woman employed on the permanent staff of any department or body whose officers contribute to the State Superannuation Fund may elect to become a contributor to the Fund provided she is not contributing to the State Superannuation Fund.

On retirement after attaining the age of 60 years, a contributor is entitled to receive a lump sum payment or she may convert all or part of the lump sum entitlement to an annuity payment. A contributor retiring on account of ill health is entitled only to a lump sum payment.

The balance in the Fund at 30 June 1969 was \$943,950.

#### **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. 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.

By an amending Act which came into operation on 4 June 1969 provision was made to enable any member under certain conditions to accept as, or convert to, non-contributory those units to which he has become entitled. On retirement (at age 65) or previous invalidity the amount payable for each unit is then only the Consolidated Revenue proportion (\$65 a year). Widows are entitled to pro rata payment in respect of non-contributory units.

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 5 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 30 June 1969 there were 151,500 contributors to the Superannuation Fund and 17,367 to the Provident Account, while the number of pensions in force was 25,997. At the same date, the net assets of the Fund (including those applicable to the Provident Account) were \$373.1m.

#### **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 1968-69 the debits of all trust funds or accounts amounted to \$659.1m, while credits totalled \$669.5m.

At 30 June 1969 the liability of the State on account of all trust funds or accounts amounted to \$144.2m. Of this total, \$64.3m was invested in Commonwealth stock or other securities, and cash advanced totalled \$13.9m. The balance—\$65.9m—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 1964-65 to 1968-69 are shown in the following table. The total expenditure from all sources to 30 June 1969, regardless of whether the loans have been repaid or are still in existence, was \$2,618m.

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

Expenditure on—	1964-65	1965-66	1966-67	1967-68	1968-69
<b>Public works—</b>					
Railways	15,331	16,220	16,336	16,541	16,863
Roads and bridges	2,464	2,390	1,672	1,841	4,476
Harbours and rivers	4,408	3,453	2,906	1,886	4,432
Water supply	17,896	17,953	18,280	18,380	18,156
Sewerage	1,210	986	966	1,166	1,754
Electricity supply	16,000	15,000	15,500	14,500	15,750
Gas and Fuel Corporation	80	60	60	70	80
<b>Public buildings—</b>					
Schools, etc.	31,553	31,900	35,928	39,718	42,192
Hospitals, etc.	14,960	16,752	16,964	17,336	17,260
Other	8,092	9,834	13,049	13,297	11,440
Municipalities—loans, grants, etc.	1,850	2,005	1,806	2,361	2,235
Housing	1,845	1,883	1,899	2,758	2,705
Other public works	1,015	591	583	610	547
<b>Primary production—</b>					
Land settlement	2,430	2,532	2,688	2,308	1,927
Soldier settlement	78	64	13	2	..
Wire netting advances	1	(a)	1	1	2
Drought, etc., relief	161	208	208	915	4,131
Forestry	2,092	2,077	2,152	2,759	3,020
Mining, n.e.i.	132	218	145	230	254
Cool stores	194	180	184	235	80
Destruction of vermin and noxious weeds	1,993	1,864	2,065	2,084	2,143
Other primary production (b)	2,558	2,711	3,233	3,852	3,538
Other purposes	1,514	1,965	923	1,532	1,721
<b>Total works, etc., expenditure</b>	<b>127,855</b>	<b>130,848</b>	<b>137,562</b>	<b>144,383</b>	<b>154,707</b>
<b>Funding of Consolidated Revenue deficits</b>	<b>..</b>	<b>..</b>	<b>4,000</b>	<b>4,000</b>	<b>..</b>
<b>Grand total</b>	<b>127,855</b>	<b>130,848</b>	<b>141,562</b>	<b>148,383</b>	<b>154,707</b>

(a) Under \$500.

(b) Includes allocations to the Rural Finance and Settlement Commission to enable the Commission to assist industries (principally primary) in country areas.

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: 1964-65, \$610,698; 1965-66, \$1,036,344; 1966-67, \$817,319; 1967-68, \$1,099,684; 1968-69, \$748,582. The aggregate expenditure to 30 June 1969 was \$38,920,929.

#### Public debt

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 95 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, soldier settlement, and drought relief are not included in the public debt statements in this *Year Book*. The total of such advances owing at 30 June 1969 was \$502.3m, of which \$483.4m was for housing, \$13.2m for soldier settlement, and \$5.7m for drought relief. 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 1964-65 to 1968-69. 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	1964-65	1965-66	1966-67	1967-68	1968-69
DEBT MATURING IN AUSTRALIA					
Debt outstanding at 1 July	1,411,589	1,518,481	1,626,901	1,755,151	1,896,159
New debt incurred—					
Commonwealth Government loan flotations	256,472	313,629	300,736	317,543	277,113
Domestic raisings	4,391	2,228	1,444	3,771	1,581
Less conversion and redemption loans	139,519	191,394	163,111	161,646	131,604
Total new debt incurred	121,344	124,463	139,070	159,668	147,089
Less repurchases and redemptions from National Debt Sinking Fund	14,452	16,043	10,820	18,660	10,181
Net increase in debt	106,892	108,420	128,250	141,008	136,908
Debt outstanding at 30 June	1,518,481	1,626,901	1,755,151	1,896,159	2,033,067
DEBT MATURING IN LONDON					
Debt outstanding at 1 July	115,151	112,201	105,505	94,705	62,151
New debt incurred—					
Commonwealth Government loan flotations	..	3,876	2,500	16,408	..
Less conversion and redemption loans	..	..	..	..	..
Total new debt incurred	..	-3,876	-2,500	-16,408	..
Less repurchases and redemption from National Debt Sinking Fund	2,950	2,820	8,300	2,616	2,486
Less adjustment due to variation in rate of exchange	..	..	..	13,530	..
Net increase in debt	-2,950	-6,696	-10,800	-32,554	-2,486
Debt outstanding at 30 June	112,201	105,505	94,705	62,151	59,665
DEBT MATURING IN NEW YORK, CANADA, SWITZERLAND, AND THE NETHERLANDS					
Debt outstanding at 1 July	50,981	48,656	49,138	43,213	40,301
New debt incurred—					
Commonwealth Government loan flotations	..	3,461	..	..	..
Less conversion and redemption loans	..	..	3,285	..	..
Total new debt incurred	..	3,461	-3,285	..	..
Less repurchases and redemptions from National Debt Sinking Fund	2,325	2,980	2,639	2,912	2,739
Net increase in debt	-2,325	481	-5,924	-2,912	-2,739
Debt outstanding at 30 June	48,656	49,138	43,213	40,301	(a) 37,562



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

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
TOTAL					
Debt outstanding at 1 July	1,577,721	1,679,338	1,781,543	1,893,069	1,998,611
New debt incurred—					
Commonwealth Government loan flotations	256,472	317,089	300,736	317,543	277,113
Domestic raisings	4,391	2,228	1,444	3,771	1,581
Less conversion and redemption loans	139,519	195,271	168,896	178,054	131,604
Total new debt incurred	121,344	124,047	133,284	143,260	147,089
Less repurchases and redemptions from National Debt Sinking Fund	19,727	21,842	21,759	24,188	15,406
Less adjustment due to variation in rate of exchange	..	..	..	13,530	..
Net increase in debt	101,617	102,205	111,525	105,542	131,683
Debt outstanding at 30 June	1,679,338	1,781,543	1,893,069	1,998,611	2,130,294

(a) Includes New York, \$A30,500,000; Canada, \$A2,678,000; Switzerland, \$A2,600,000; and Netherlands, \$A1,784,000.

Particulars concerning the due dates of loans outstanding at 30 June 1969 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 1969  
(\$A'000)

Due date (financial year)	Amount maturing—				Total
	In Australia	In London	In New York	Elsewhere overseas	
1969-70	216,989	13,050	1,363	..	231,401
1970-71	201,479	..	678	..	202,157
1971-72	111,384	..	2,609	..	113,993
1972-73	108,818	13,534	2,940	..	125,292
1973-74	71,294	..	..	..	71,294
1974-75	94,731	..	..	..	94,731
1975-76	119,072	600	..	(a) 2,600	122,272
1976-77	72,112	..	..	..	72,112
1977-78	78,117	5,269	..	..	83,386
1978-79	28,903	20,370	2,346	..	51,619
1979-80	51,291	..	2,784	..	54,075
1980-81	46,940	..	2,857	(b) 2,678	52,475
1981-82	55,939	6,199	4,599	(c) 1,784	68,522
1982-83	18,104	..	7,274	..	25,378
1983-84	88,725	643	..	..	89,368
1984-85	117,705	..	..	..	117,705
1985-86	72,179	..	3,051	..	75,230
1986-87	57,700	..	..	..	57,700
1987-88	98,790	..	..	..	98,790
1988-89	62,489	..	..	..	62,489
1989-90	107,890	..	..	..	107,890
1994-95	8,985	..	..	..	8,985
1999-2000	6,911	..	..	..	6,911
2001-02	48,305	..	..	..	48,305
2003-04	84,314	..	..	..	84,314
Not yet fixed	3,901	..	..	..	3,901
Total	2,033,067	59,665	30,500	7,062	2,130,294

(a) Maturing in Switzerland.

(b) Maturing in Canada.

(c) 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 1964-65 to 1968-69 :

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
	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A
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
1968	1,896,159	62,151	33,060	2,721	2,600	1,921	1,998,611	601.38
1969	2,033,067	59,665	30,500	2,678	2,600	1,784	2,130,294	629.50

The following table shows the rates of interest which were payable on the public debt at 30 June 1969, and the amounts of the debt at each rate maturing in Australia, London, New York, and elsewhere overseas, respectively:

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT 30 JUNE 1969

Rate of interest	Amount maturing—				Total
	In Australia	In London	In New York	Elsewhere overseas	
per cent	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000
6.0	..	1,243	..	..	1,243
5.75	..	..	3,051	(a) 2,678	5,729
5.5	..	45,373	11,873	..	57,246
5.4	93,925	..	..	..	93,925
5.375	67,305	..	..	..	67,305
5.3	10,186	..	..	..	10,186
5.25	474,687	..	5,641	..	480,328
5.2	19,178	..	..	..	19,178
5.0	788,588	..	4,954	(b) 1,784	795,326
4.9	40,316	..	..	..	40,316
4.8	79,688	..	..	..	79,688
4.75	142,145	..	2,940	..	145,085
4.625	14,150	..	..	..	14,150
4.6	10,579	..	..	..	10,579
4.5	181,098	..	678	(c) 2,600	184,375
4.4	10,553	..	..	..	10,553
4.25	92,340	..	..	..	92,340
3.875	106	..	..	..	106
3.75	..	..	1,363	..	1,363
3.4875	1	..	..	..	1
3.25	..	13,050	..	..	13,050
3.1	553	..	..	..	553
3.0	1,857	..	..	..	1,857
2.7125	225	..	..	..	225
2.325	1,158	..	..	..	1,158
1.0	4,429	..	..	..	4,429
Total	2,033,067	59,665	30,500	7,062	2,130,294
Average rate of interest	% 4.97	% 5.02	% 5.22	% 5.08	% 4.97

(a) Maturing in Canada. (b) Maturing in the Netherlands. (c) 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 1964-65 to 1968-69. 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'000	\$A'000	\$A	per cent
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
1968	92,892	5,180	98,072	29·50	4·91
1969	100,963	4,948	105,911	31·29	4·97

The actual interest and expenses paid on the public debt of Victoria for each of the years 1964-65 to 1968-69 are shown in the following table :

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

Year	Interest paid on loans maturing—				Total interest	Exchange on payment of interest overseas	Commission on payment of interest of overseas, expenses of conversion loans, etc.	Grand total (a)
	In Australia	In London	In New York	Elsewhere overseas				
1964-65	66,189	3,963	998	210	71,361	2,398	300	74,059
1965-66	72,058	3,877	1,007	209	77,150	2,344	353	79,847
1966-67	78,450	3,566	984	205	83,204	2,238	376	85,818
1967-68	86,369	3,163	879	199	90,611	1,579	376	92,567
1968-69 (b)	94,295	3,082	1,743	(c) 373	99,493	(b)	400	99,893

(a) Includes \$A4,254,000 contributed each year by the Commonwealth Government in accordance with the provisions of the Financial Agreement (see page 617), but excludes interest paid on advances received from the Commonwealth Government for housing and soldier settlement.

(b) For the year 1968-69, exchange on payments of interest overseas has been included with interest paid in overseas countries.

(c) Includes Canada, \$A158,000; Switzerland, \$A118,000; and The Netherlands, \$A97,000.

*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 1964-65 to 1968-69, 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	1964-65	1965-66	1966-67	1967-68	1968-69
Contributed under Financial Agreement—					
Victoria	15,333	16,437	17,522	18,613	20,031
Commonwealth	3,937	4,225	4,524	4,885	5,189
Total contributions under Financial Agreement	19,271	20,662	22,046	23,498	25,220
Interest on investments	Dr. 12	5	Dr. 10	5	30
Special contributions by Victoria	102	102	102	25	25
Interest accrued on securities	..	..	..	..	Dr. 109
Total	19,361	20,769	22,138	23,528	25,167
Total to date	229,295	250,064	272,202	295,730	320,897

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

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
Australia—					
Face value	14,452	16,043	10,820	18,660	10,181
Net cost	14,447	16,027	10,807	18,652	10,180
London—					
Face value	2,950	2,820	8,300	2,616	2,486
Net cost	2,727	2,667	8,302	2,783	2,357
New York—					
Face value	2,235	2,783	2,464	2,598	2,560
Net cost	2,246	2,765	2,408	2,410	2,323
Canada—					
Face value	90	197	175	177	42
Net cost	90	197	172	160	37
Netherlands—					
Face value	..	..	..	137	137
Net cost	..	..	..	138	139
Total—					
Face value	19,727	21,842	21,759	24,188	15,406
Net cost	19,511	21,656	21,689	24,142	15,036
Total to date—					
Net cost	228,197	249,853	271,542	295,684	310,720

Further reference, 1964

PRIVATE FINANCE

*Foreign exchange*

Australia is a member of the International Monetary Fund. The par value of Australian currency established with the Fund is 0.995310 gram of fine gold per Australian dollar or \$A1 = \$US1.12.

The Banking (Foreign Exchange) Regulations made under the *Banking Act 1959* vest authority in the Reserve Bank of Australia to control foreign exchange transactions in Australia. Australian banks have been authorised to conduct a wide range of foreign exchange transactions without reference

to the Reserve Bank. With the exception of the exchange rate between Australian currency and sterling, which is fixed by the Reserve Bank, the banks may determine their own exchange rates for spot and forward transactions in foreign currencies.

### **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 in 1969**

#### *General*

During the second half of 1968, the liquidity of the private sector of the economy rose strongly. In order to temper this growth, the Reserve Bank increased the proportion of deposits that the major trading banks were to hold in the Statutory Reserve Deposit (S.R.D.) accounts, and raised the maximum overdraft interest rate that trading banks could charge.

Rural credit advances rose sharply during the first quarter of 1969 as a result of the record wheat harvest. International reserves also increased in January and February, because of the reduced trade deficit and the sustained inflow of capital. Consequently, the liquidity of the private sector continued to expand during 1969, despite the measures to reduce spending power introduced in the previous year. It was apparent that further monetary or fiscal measures would be required to restrain the economy during 1969. The restrictive measures adopted in 1969 fall under three main headings.

First, the Federal Budget for 1969-70 provided for a surplus of government receipts over expenditure within Australia. Allowing for revenue proposals announced in the Budget Speech, total receipts were estimated to increase by 13.5 per cent in 1969-70. Expenditures were estimated to increase by only 7.2 per cent, the major reduction being expenditure for defence services (estimated to decline by 5.2 per cent). The estimates implied that the surplus within Australia would increase by a further \$300m in 1969-70, following a surplus of almost \$200m in 1968-69.

Second, the Reserve Bank announced a tightening of monetary policy in July 1969. From 1 August the maximum interest rate payable by trading banks on fixed deposits was raised to 5 per cent per annum. The maximum overdraft rate was increased by 0.25 per cent to 7.75 per cent per annum.

Third, the proportion of deposits which the major trading banks were to hold in the Statutory Reserve Deposit accounts of the Reserve Bank was raised in two one-half per cent stages, from 9 per cent to 10 per cent, in August and October.

#### *Deposits*

Total deposits of the major trading banks increased by 10.6 per cent between December 1968 and December 1969, compared with an increase of 6.9 per cent for the previous twelve months. The average level of deposits during 1969 increased by \$575m to \$6,373m. The rate of growth in fixed deposits continued to exceed that for current deposits, the former averaging 42 per cent of all deposits with the major trading banks over 1969.

The most significant development in deposit facilities during 1969 was the introduction of Certificates of Deposit. For the first time, Australian trading banks were able to issue an interest-bearing deposit certificate which was a marketable security, capable of being readily converted into cash at any time, and transferable by delivery. The terms range from three months to two years and the minimum deposit is \$50,000. Initially the maximum yield was set at 4.75 per cent per annum, but in line with other fixed deposit rates, this was raised to 5 per cent from 1 August 1969.

The first Certificates were issued during March and, by December 1969, the total outstanding was \$234m, accounting for 8.3 per cent of all major trading bank term deposits. The majority of Certificates of Deposit issued up to December 1969 were for terms ranging from three to six months.

#### *Advances*

The desired effect of a restrictive monetary policy on trading banks is to reduce the growth in total advances either by restricting the rate at which new lending commitments are undertaken by the banks, or by reducing bank customers' use of existing overdraft limits.

Raising the maximum interest rate chargeable on overdraft affects both these variables, in so far as an increase in cost reduces the demand for bank credit. Increasing the Statutory Reserve Deposit ratio, by requiring that an increased proportion of trading bank liquid assets must be held with the Reserve Bank, reduces the banks' scope to undertake new lending to the private sector. Despite the imposition of both these measures during the final quarter of 1968, and a further tightening in the third quarter of 1969, there was only a slight decline in the rate at which advances by major trading banks increased during 1969.

Reflecting an overall growth of bank liquidity and a high demand for credit from customers, total advances increased by \$421.9m between December 1968 and December 1969 to a total of \$4,139.5m. This represented an increase of 11.3 per cent for the year, compared with 12.4 per cent for the previous year. During 1969 as a whole, average advances equalled 61.4 per cent of total deposits held by the major trading banks, compared with 61.3 per cent and 58.2 per cent, respectively, during 1968 and 1967.

The average weekly rate at which new and increased lending commitments were undertaken during 1969 was \$33m, 6.2 per cent greater than in 1968. This compares with an increase of only 2.6 per cent for the year before. By way of comparison, total outstanding overdraft limits for major trading banks increased by only 6.4 per cent between June 1968 and June 1969 and by 9.6 per cent during the previous year.

The decline in the growth rate of overdraft limits, despite an increased rate of new and increased lending commitments during 1969, indicated a substantial cancellation rate and/or reduction of existing overdraft limits.

An important factor contributing to the continued growth of trading bank lending has been the establishment of the Australian Resources Development Bank. It commenced lending in March 1968, having been established by the trading banks to re-finance large, longer term loans,

especially for national resource development projects. One objective has been to assist Australian companies maintain a reasonable equity in these ventures. The initial capital was contributed by the Reserve Bank and the trading banks.

Most A.R.D.B. funds have been obtained through public issues of Transferable Deposits, which were pioneered (as far as Australia was concerned) by the A.R.D.B. in April 1968. At 30 September 1969 Transferable Deposits accounted for \$70m of the Bank's total funds of almost \$92m.

In December 1969 major trading bank advances totalled \$4,139.5m, of which \$113.7m had been re-financed by A.R.D.B. term loans.

#### *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 ; certificates of deposit ; periodical payments ; special arrangements for accounts of charitable and non-profit organisations.

*Credit* : Loans on overdraft ; 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**

### **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 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.

*Financial statements*

The Bank's liabilities and assets, for each of the years 1964-65 to 1968-69, together with net profits and their distribution are shown in the following tables :

AUSTRALIA—RESERVE BANK :  
CENTRAL BANKING BUSINESS (INCLUDING NOTE ISSUE  
DEPARTMENT) : AVERAGE LIABILITIES AND ASSETS  
(\$m)

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
<b>Liabilities—</b>					
Capital and reserve funds	65	70	74	72	61
Australian notes on issue	887	872	909	990	1,071
Statutory Reserve Deposit—					
Accounts of trading banks	702	608	476	480	523
Other deposits of trading banks	62	67	93	73	83
Deposits of savings banks	434	437	456	505	568
Other liabilities	284	274	278	227	225
<b>Total</b>	<b>2,435</b>	<b>2,328</b>	<b>2,286</b>	<b>2,348</b>	<b>2,531</b>
<b>Assets—</b>					
Gold and foreign exchange	1,491	1,208	1,174	1,042	1,090
Australian notes and coin	16	22	24	18	14
Cheques and bills of other banks	6	8	6	5	5
Australian Government securities—					
Redeemable in Australia—					
Treasury bills and Treasury notes	193	295	314	187	300
Other	534	539	440	728	713
Other securities	(a)	..	..	..	..
Bills receivable and remittances in transit	19	24	29	31	35
Loans, advances, and all other assets	176	232	300	336	374
<b>Total</b>	<b>2,435</b>	<b>2,328</b>	<b>2,286</b>	<b>2,348</b>	<b>2,531</b>

(a) Under \$500,000.

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

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
<b>Liabilities (excluding capital and contingencies)</b>	<b>133.9</b>	<b>167.7</b>	<b>215.7</b>	<b>250.4</b>	<b>284.7</b>
<b>Assets—</b>					
Loans, advances, etc.	159.6	195.8	245.7	283.0	319.8
Other assets	0.7	0.2	0.1	(a)	0.1
<b>Total assets</b>	<b>160.4</b>	<b>196.0</b>	<b>245.8</b>	<b>283.1</b>	<b>319.9</b>

(a) Under \$50,000.



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

Department	1964-65	1965-66	1966-67	1967-68	1968-69
Central banking	15.3	8.7	7.9	4.5	5.7
Note issue	30.5	31.1	34.3	23.0	23.8
Rural credits	1.0	1.2	1.3	1.5	1.6
Total	46.8	41.0	43.6	29.0	31.1

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

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
Commonwealth of Australia	41.0	35.8	38.8	26.2	26.6
Reserve Bank reserve fund	4.8	4.0	3.5	1.3	2.9
Rural Credits Department—					
Reserve fund	0.5	0.6	0.7	0.7	0.8
Development fund	0.5	0.6	0.7	0.7	0.8
Total	46.8	41.0	43.6	29.0	31.1

Further reference, 1966

**Trading banks**

The following table shows the number of branches and agencies in Victoria conducted by individual trading banks at 30 June 1969 :

VICTORIA—TRADING BANKS : NUMBER  
OF BRANCHES AND AGENCIES

Bank	At 30 June 1969	
	Branches	Agencies
Major trading banks—		
Commonwealth Trading Bank of Australia	136	88
Australia and New Zealand Bank Ltd	216	94
The Bank of Adelaide	2	..
Bank of New South Wales	172	13
The Commercial Bank of Australia Ltd	168	61
The Commercial Banking Co. of Sydney Ltd	139	39
The English, Scottish, and Australian Bank Ltd	158	30
The National Bank of Australasia Ltd	240	78
Total major trading banks	1,231	403
Other trading banks—		
Bank of New Zealand	1	..
Banque Nationale de Paris	1	..
Total other trading banks	2	..
Total all trading banks	1,233	403
Metropolitan area	705	195
Remainder of State	528	208

The following tables show particulars of the averages of deposits with, and advances by, trading banks in Victoria during the month of June 1969. 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—MAJOR TRADING BANKS : AVERAGES OF DEPOSITS  
AND ADVANCES, MONTH OF JUNE 1969  
(\$'000)

Bank	Deposits repayable in Australia			Loans (a), advances, and bills discounted
	Not bearing interest	Bearing interest	Total	
Commonwealth Trading Bank of Australia	111,724	151,770	263,494	168,036
Private trading banks—				
Australia and New Zealand Bank Ltd	187,883	182,945	370,827	213,497
The Bank of Adelaide	3,450	4,273	7,722	4,090
Bank of New South Wales	120,497	116,787	237,284	157,889
The Commercial Bank of Australia Ltd	121,303	118,934	240,237	158,945
The Commercial Banking Co. of Sydney Ltd	66,158	82,545	148,703	80,943
The English, Scottish, and Australian Bank Ltd	123,940	104,295	228,234	130,691
The National Bank of Australasia Ltd	171,637	216,555	388,190	189,457
Total	906,590	978,101	1,884,690	1,103,548

(a) Excludes loans to authorised dealers in the short-term money market.

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

Month of June—	Deposits repayable in Australia			Loans (a), advances, and bills discounted
	Not bearing interest	Bearing interest	Total	
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
1968	891,749	850,568	1,742,317	1,026,653
1969	906,590	978,101	1,884,690	1,103,548

(a) Excludes loans to authorised dealers in the short-term money market.

A classification of persons and authorities in receipt of trading bank advances for each of the years 1965 to 1969 is given in the following table. Business advances are classified according to the main industry of the borrower.

VICTORIA—MAJOR TRADING BANKS : CLASSIFICATION OF ADVANCES  
(\$m)

Classification	At second Wednesday of July—				
	1965	1966	1967	1968	1969
Resident borrowers—					
Business advances—					
Agriculture, grazing, and dairying	110.2	119.2	150.7	193.1	207.6
Manufacturing	196.6	212.6	225.7	240.4	226.0
Transport, storage, and communication	15.4	16.6	19.3	19.1	23.4
Finance	49.1	49.4	46.3	65.1	58.5
Commerce	136.0	151.9	164.9	168.1	193.2
Building and construction	24.3	25.5	32.2	38.0	41.4
Other businesses	55.5	75.5	88.2	114.1	133.5
Unclassified	6.8	7.3	12.6	9.7	17.7
Total business advances	594.0	658.1	739.9	847.6	901.3
Advances to public authorities	10.1	14.9	12.0	15.3	17.7
Personal advances	110.0	119.4	140.3	165.6	184.4
Advances to non-profit organisations	11.0	12.9	14.2	16.9	17.4
Total advances to resident borrowers	725.1	805.4	906.4	1,045.4	1,120.8
Non-resident borrowers	0.4	0.3	0.5	1.2	1.2
Grand total	725.5	805.7	906.9	1,046.6	1,121.9

The above classification for 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 1959-60 to 1968-69, the average weekly amounts debited by trading banks to customers' accounts. Particulars relate to the operation of all trading banks transacting business in Victoria (as set out in the last table on page 654) 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 Commonwealth and State Government accounts at Melbourne city branches are excluded from the table.

**VICTORIA—TRADING BANKS (a) : AVERAGE  
WEEKLY DEBITS TO CUSTOMERS' ACCOUNTS  
(\$m)**

Year	Average weekly debits	Year	Average weekly debits
1959-60	529·1	1964-65	825·3
1960-61	565·9	1965-66	847·7
1961-62	590·0	1966-67	940·0
1962-63	650·5	1967-68	1,041·8
1963-64	733·2	1968-69	1,214·1

(a) Also includes the Rural Credits Department of the Reserve Bank and the Commonwealth Development Bank.

**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, issues Certificates of Deposit, and provides cheque account facilities, a wide range of loans, and the usual trading bank services including the acceptance of safe custody lodgments.

The Commonwealth Trading Bank is now one of the largest trading banks. At June 1969 advances to customers were \$718m; customers' accounts were \$1,280m or over 20.4 per cent of the total deposits of all major Australian trading banks; customers' accounts numbered 1,054,000; and it had 1,110 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.

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
1965	403	443	846	440	878
1966	469	454	923	493	938
1967	517	497	1,014	561	972
1968	580	542	1,122	667	1,008
1969	683	597	1,280	718	1,054

*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 at June 1969 of \$2,950m.

At the end of June 1969 amounts on deposit with the Savings Bank within Australia totalled \$2,817m and it was conducting 7,038,000 active accounts. The Savings Bank's depositors' balances are widely invested in the development of Australia; apart from advances (mainly for housing) of \$927m outstanding in June 1969, investments in Commonwealth and State Government securities totalled \$1,228m and in local and semi-governmental securities amounted to \$420m.

Between 1946 and June 1969 over \$1,360m has been provided for housing, assistance having been provided to more than 250,000 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.

**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	Common- wealth and other securities held
	'000	\$m		
1965	6,120	2,200	546	1,442
1966	6,346	2,318	640	1,475
1967	6,582	2,493	742	1,515
1968	6,822	2,645	838	1,577
1969	7,038	2,817	927	1,648

*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.

Details of financial assistance approved by the Commonwealth Development Bank during the period 14 January 1960 to 18 March 1970 are set out in the following tables :

**AUSTRALIA AND VICTORIA—COMMONWEALTH DEVELOPMENT BANK :  
LOANS APPROVED, 14 JANUARY 1960 TO 18 MARCH 1970**

Particulars	Rural loans		Industrial loans		Total	
	No.	Amount	No.	Amount	No.	Amount
		\$'000		\$'000		\$'000
Australia	23,308	267,548	2,522	80,398	25,830	347,946
Victoria	3,924	41,315	587	20,720	4,511	62,035

AUSTRALIA AND VICTORIA—COMMONWEALTH  
DEVELOPMENT BANK : EQUIPMENT FINANCE  
UNDER HIRE PURCHASE ARRANGEMENTS,  
14 JANUARY 1960 TO 18 MARCH 1970

Particulars	Number of transactions	Amount financed
		\$'000
Australia	133,350	395,634
Victoria	26,401	86,680

Outstanding loans by the Commonwealth Development Bank to rural and other industries in Australia at 30 June 1969 were as follows :

AUSTRALIA—COMMONWEALTH DEVELOPMENT BANK : LOANS TO  
RURAL AND OTHER INDUSTRIES OUTSTANDING  
AT 30 JUNE 1969  
(\$'000)

Rural industries		Non-rural industries	
Type of industry	Loans outstanding	Type of industry	Loans outstanding
Sheep	78,923	Building materials and fittings	1,481
Cattle	23,582	Chemical products	1,222
Dairying	16,787	Electrical manufacturing	540
Wheat and other grain crops	24,691	Foodstuffs and preservation	6,948
Fruit	4,943	Engineering	4,763
Poultry	3,180	Other manufacturing	7,198
Miscellaneous	9,706	Transport, storage and communication	1,825
		Miscellaneous	6,393
Total	161,812	Total	30,370

Further reference, 1966 ; Australian Resources Development Bank Limited, 1970

### 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, 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 \$1,199m at 30 June 1969. The deposits of its 2.7m operative accounts, held at 506 branches and 677 agencies, amounted to \$1,104m which represented approximately 49 per cent of all savings bank balances in Victoria.

#### *Changes in savings banking*

In matters of accounting procedures, range of services, and architectural style of premises, the State Savings Bank of Victoria has made major changes in the past thirteen years. Some of these changes have been evolutionary, but others have been dictated by external circumstances.

Competition among banks for savings was greatly accentuated by the Federal Government's decision in 1956 to grant licences to savings bank subsidiaries of private trading banks. In consequence there are now nine savings banks actively competing in Victoria whereas the State Savings Bank had only one competitor before 1956.

Under a 1957 amendment to the State Savings Bank Act, the bank was empowered to conduct cheque accounts which, except in the case of non-profit organisations, do not bear interest. At 30 June 1969 the bank held 200,258 cheque accounts with balances of \$51.2m.

The activities of permanent building societies grew in 1965 when the Federal Government established the Housing Loans Insurance Corporation which insures housing loans made by approved lenders. This again increased competition for savings.

The traditional pattern of savings has also been altered by a marked increase in social services which have lessened the trend towards self-provision for illness and old age, by a general increase in living standards, and by the continued development of a consumer goods market.

Among the steps taken to adapt to this changed environment have been radical changes in accounting procedures. The bank pioneered in Australia the use of punched cards and centralised accounting in connection with savings bank transactions. The installation of a computer in 1962, the first computer in any Australian bank, made it possible to centralise the transactions of large branches at the data processing centre at the bank's head office. At 30 June 1969, 194 branches and sub-branches were operating with tellers' machines, and the pass-book accounts for thirty-three offices were maintained by the computer which also processed many head office transactions. The computer made it possible for the bank to introduce a "Christmas club" in November 1964. This is a form of saving for a specific purpose, by a method not previously available in Australia, by means of a book of coupons rather than by the conventional pass-book. Members choose from books of 25 or 50 coupons in denominations of \$1 to \$10, pre-punched with account and serial numbers for computer processing. The "Christmas club" has been well received and the idea has spread. For the year ending 30 November 1969, \$13m was paid out to members.

Introduction of secured and unsecured personal loans in November

1963 was a departure from historical savings bank practice which had previously provided for loans to individuals on the security of a mortgage over freehold land only. The initial ceiling limit of \$720 for secured loans has been lifted to \$2,880 and the maximum term is five years. The bank, in special cases, grants larger loans. A wide range of securities is acceptable and the purposes include the purchase of land or property, the carrying on of farms and small businesses, the purchase of all types of motor vehicles, improvements to property, medical, education and travelling expenses, rates and taxes. Unsecured loans for a restricted range of purposes are also available up to a maximum of \$720 (including interest) for terms up to three years. At 30 June 1969, 7,322 borrowers owed \$6,372,962.

To meet other changing circumstances the State Savings Bank Act was amended in 1969 to give the bank power to lend on residence area rights and residence licences under the Land Act ; flexibility in the terms on which it can accept deposits ; and greater administrative flexibility in dealing with loans. The first amendment corrected an anomaly in the existing legislation which precluded the bank lending on area titles, and made provision for the bank to make loans on the security of liens over residence area rights and residence licences under the Land Act. This applies mainly to old mining areas. The second amendment allows the bank to accept term deposits at variable rates of interest, and to issue negotiable Certificates of Deposits in respect of term deposits of \$50,000 and upwards by multiples of \$10,000. It also permits the bank to hold funds with banks anywhere, thereby simplifying the procedures for arranging settlements for overseas remittances on behalf of depositors. The third section deals with the limit on the bank's powers to make unsecured personal loans. It removes the restrictions imposed by the present Act, so the conditions may now be varied by the Governor in Council on the recommendation of the Commissioners.

To provide banking facilities for a rapidly expanding population, and to replace agencies formerly conducted by private banks, the State Savings Bank increased the number of its branches and sub-branches from 267 in 1956 to 506 in 1969. In the same period many of the bank's older branches were re-built or modernised to provide attractive premises for clients and staff.

In the face of increased competition, the State Savings Bank has greatly expanded the volume of its advertising and other forms of publicity, in the press, and on radio and television. Advertising has been extended to the foreign language press for migrant depositors ; and to establish a personal contact with new settlers, the bank recruits staff with linguistic ability. In 1969 the bank's staff included almost 300 officers who collectively spoke over twenty foreign languages. The bank also sends promotion officers into places of employment and schools.

Depositors' balances have increased from \$528.6m at 30 June 1956, the year in which private banks entered the savings field, to \$1,104.3m at 30 June 1969.

#### *Housing and farm loans*

The State Savings Bank has been the largest single source of housing finance in Victoria 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 210,000 Victorian families to purchase their own homes. At 30 June 1969, 68,954 housing loan borrowers owed a total debt of \$361m.

In less direct ways, the bank provides further assistance to home seekers. Overdraft accommodation has been provided to co-operative housing societies and, at 30 June 1969, \$13.7m was owed to the bank by 107 societies. The bank also provides funds to the Home Finance Trust which, at 30 June 1969, owed the bank \$9.6m.

Rural interests are well served by long-term mortgage loans or short-term personal loans. Advances to farmers totalled \$3.6m in 1968-69 and at 30 June 1969, \$18.8m was outstanding from 1,645 borrowers.

#### *Loans for housing services*

Houses require such services as water, power, and sewerage, while such amenities as made roads, nearby 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 1969 was \$364m.

#### *Loans to churches, schools, social organisations, etc.*

The bank has always been a source of finance for the erection of churches, school buildings, and community halls and for the provision of associated amenities. The advances to borrowers during the year ended 30 June 1969 totalled \$1.1m.

#### *Industrial savings facilities*

The original form of banking-at-work introduced to Australia in 1927 by the State Savings Bank of Victoria enables employees to lodge deposits in strong-boxes situated conveniently at their place of work. Three allied forms of saving are National Savings Groups, Pay Roll Savings Plan, and Employees Savings Groups, all of which provide an easy and convenient method of saving.

#### *School banking*

The State Savings Bank's school bank system was introduced in 1912. At 30 June 1969 banking was provided at 2,552 schools for 463,713 depositors where balances totalled \$9.1m. An additional service for secondary schools is the student-operated bank, staffed, as the name implies, by the students themselves.

#### *Facilities for travellers*

Travellers' cheques are obtainable at any branch and can be cashed at any bank in Australia free of charge. They are available also for overseas use. Depositors travelling in Victoria may arrange withdrawals on a pass-book account at any of the bank's branches. Withdrawals interstate can be made at any branch of any bank, subject to prior arrangement with the depositor's own branch. Visitors to and migrants from the United Kingdom may use pass-book accounts at the bank's London Office.

Remittances to most countries in the world can be arranged at any branch of the Bank.

*Miscellaneous facilities*

Depositors may arrange for payments from government departments (child endowment, military pay, and other allotments), dividends on shares, interest on stocks and debentures, in some cases salaries, and other special credits to be made direct to their accounts. Full facilities are provided at all branches for the acceptance of cash and conversion applications for government, semi-government and public authority loans. The State Savings Bank accepts amounts due to the State Electricity Commission, and several other Victorian public utilities.

**Further reference, 1970**

The following table shows the number of accounts open and the amount remaining on deposit for each year from 1964-65 to 1968-69 :

VICTORIA—STATE SAVINGS BANK: ACCOUNTS AND DEPOSITS (a)

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
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
1968	1,962	863,568	41	155,781	451	8,759
1969	2,012	911,658	54	176,429	464	9,124

(a) Excluding Christmas club accounts. At 30 June 1969 the amount at credit of 165,000 Christmas club members was \$7,042,000.

The following table shows the transactions of the bank for each year from 1964-65 to 1968-69 :

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

Year	Deposits	Withdrawals	Interest paid	Amount at credit of depositors
1964-65	1,170,668	1,132,970	22,008	839,575
1965-66	1,357,131	1,327,491	24,387	893,602
1966-67	1,390,326	1,343,254	25,633	966,307
1967-68	1,568,130	1,533,657	27,408	1,033,823
1968-69	1,800,632	1,767,385	30,479	1,104,253

The following table shows the amount advanced by the State Savings Bank during each of the years 1965-66 to 1968-69 and the balances outstanding at the end of each year :

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

Year	Advances					Balances outstanding at end of year	
	Savings bank			Credit foncier		Savings bank	Credit foncier
	Housing (b)	Farms	Churches, etc.	Housing	Farms		
1965-66	26.9	2.8	1.8	26.1	0.3	88.8	192.8
1966-67	39.3	3.7	1.5	19.3	0.3	123.2	193.4
1967-68	52.5	3.3	1.4	11.6	0.3	166.5	184.9
1968-69	56.6	3.6	1.1	12.9	0.1	211.7	176.4

(a) Excludes personal loans and loans to finance the extension of electric power lines in rural areas.

(b) 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 1968-69 were : 1964-65, \$33.1m ; 1965-66, \$35.1m ; 1966-67, \$36.8m ; 1967-68, \$40.4m ; 1968-69, \$42.1m.

**History of the State Savings Bank, 1961 ; Further references, 1970**

#### 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 1965 to 1969, 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
1965	401,458	24.8
1966	447,865	25.7
1967	517,608	26.9
1968	577,647	27.7
1969	634,767	28.3

At 30 June 1969 private savings banks had 1,095 branches and 1,127 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 1964-65 to 1968-69. The total amount of deposits per head of population is also shown.

**VICTORIA—SAVINGS BANKS : DEPOSITS**

Savings bank	Depositors' balances at 30 June—				
	1965	1966	1967	1968	1969
	\$'000				
State Savings Bank of Victoria (a)	839,390	893,410	966,056	1,033,644	1,104,088
Commonwealth Savings Bank of Australia	379,560	404,704	443,049	474,238	505,480
Private savings banks—					
Australia and New Zealand Savings Bank Ltd	115,634	123,859	138,241	152,339	166,107
The Bank of Adelaide Savings Bank Ltd	580	671	911	1,057	1,270
Bank of New South Wales Savings Bank Ltd	100,660	109,993	123,892	135,893	147,369
The Commercial Savings Bank of Australia Ltd	34,938	41,840	50,896	58,305	66,345
C.B.C. Savings Bank Ltd	50,102	53,743	59,669	64,504	69,463
E.S. and A. Savings Bank Ltd	43,098	49,474	59,977	68,797	76,655
The National Bank Savings Bank Ltd	56,446	68,285	84,022	96,752	107,558
<b>Total deposits</b>	<b>1,620,408</b>	<b>1,745,979</b>	<b>1,926,713</b>	<b>2,085,529</b>	<b>2,244,335</b>
	\$				
Deposits per head of population	512·08	542·19	588·42	627·37	663·07

(a) 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 1968 there were forty-five companies transacting life business in Victoria, compared with twenty in 1946, with assets throughout Australia of more than \$4,700m.

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 1,287,951 at the end of 1968, and the total sum insured increased during the same period from \$379m to \$5,774m.

The following table gives some indication of the growth and volume of life insurance business conducted in Victoria during the period 1964 to 1968:

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

Year	Premiums received (including single premiums)	Payments			
		Claims	Surrenders	Annuities and cash bonuses	Total
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
1967	150,452	49,549	22,495	2,084	74,128
1968	165,691	54,300	26,833	2,160	83,292

The following table contains summarised information about new business written in Victoria by all life insurance companies during each of the five years 1964 to 1968:

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

Particulars	1964	1965	1966	1967	1968
<b>Ordinary business—</b>					
Number of policies	90,853	91,577	90,534	99,900	109,475
Sum insured \$'000	434,089	453,798	477,124	543,700	634,683
Annual premiums ,,	9,292	9,867	10,180	11,807	14,952
<b>Superannuation business—</b>					
Number of policies	18,045	19,598	19,295	17,785	17,624
Sum insured \$'000	253,089	307,483	290,222	348,803	423,265
Annual premiums ,,	4,975	6,045	7,440	8,385	9,629
<b>Industrial business—</b>					
Number of policies	34,713	34,482	34,661	34,427	34,037
Sum insured \$'000	32,811	33,610	35,866	38,311	39,643
Annual premiums ,,	1,245	1,273	1,350	1,438	1,515

Sums insured under new policies issued during 1968 averaged \$5,798 in the ordinary department, \$24,016 in the superannuation department, and \$1,106 in the industrial department.

The following table gives particulars of the policies which were discontinued or reduced during each of the years 1966 to 1968:

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

Cause of discontinuance	1966		1967		1968	
	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	5,592	11,038	5,789	11,513	5,997	12,850
Maturity, expiry, etc.	21,548	32,596	19,867	44,278	20,439	44,861
Surrender	23,233	65,138	23,191	71,031	26,047	82,419
Forfeiture	15,530	72,554	14,558	66,463	14,766	72,364
Other (a)	332	2,209	—50	8,690	—355	15,999
<b>Total</b>	<b>66,235</b>	<b>183,535</b>	<b>63,355</b>	<b>201,976</b>	<b>66,894</b>	<b>228,494</b>
<b>SUPERANNUATION BUSINESS</b>						
		\$'000		\$'000		\$'000
Death or disability	565	4,357	498	4,863	510	5,024
Maturity, expiry, etc.	1,909	19,672	1,549	20,964	1,944	24,356
Surrender	6,712	67,908	9,244	76,268	8,204	99,990
Forfeiture	390	4,518	459	5,444	395	7,751
Other (a)	9,443	73,875	8,792	43,463	3,710	34,970
<b>Total</b>	<b>19,019</b>	<b>170,331</b>	<b>20,542</b>	<b>151,003</b>	<b>14,763</b>	<b>172,092</b>
<b>INDUSTRIAL BUSINESS</b>						
		\$'000		\$'000		\$'000
Death or disability	3,804	761	3,752	798	3,962	900
Maturity, expiry, etc.	47,578	6,204	22,550	3,154	21,239	3,279
Surrender	16,719	7,756	16,600	7,849	17,207	9,426
Forfeiture	7,521	8,952	6,929	9,121	7,652	10,208
Other (a)	665	328	843	325	502	454
<b>Total</b>	<b>76,287</b>	<b>24,000</b>	<b>50,674</b>	<b>21,248</b>	<b>50,562</b>	<b>24,266</b>

(a) 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 1964 to 1968, particulars of life insurance business in existence in the relevant departments of the companies :

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

Particulars		1964	1965	1966	1967	1968
<b>Ordinary business—</b>						
Number of policies		1,032,722	1,062,297	1,086,596	1,123,141	1,165,722
Sum insured	\$'000	2,648,718	2,936,951	3,230,539	3,572,264	3,978,453
Annual premiums	„	70,432	76,272	82,189	89,437	99,502
<b>Superannuation business—</b>						
Number of policies		118,939	121,849	122,125	119,368	122,229
Sum insured	\$'000	1,063,808	1,226,995	1,346,885	1,544,686	1,795,859
Annual premiums	„	23,553	26,823	33,777	38,914	44,586
<b>Industrial business—</b>						
Number of policies		863,683	830,578	788,952	772,705	756,180
Sum insured	\$'000	250,225	264,161	276,027	293,090	308,467
Annual premiums	„	10,601	10,979	11,261	11,085	12,325

In 1968 the average amount of policy held in the Ordinary Department was \$3,413, in the Superannuation Department, \$14,693, and in the Industrial Department, \$407.

**Further references, 1962, 1964, 1967**

### Fire, marine, and general insurance

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.

In Victoria, over 240 companies, many with overseas affiliations, now provide a range of policies and services comparable to 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 ; and
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 among others :

All risks	Motor vehicle (physical damage)
Baggage	Motor vehicle—third party (compulsory)
Boiler explosion	Personal accident
Burglary	Plate glass
Cash in transit	Pluvius
Crop (fire and hail)	Public liability
Fidelity guarantee	Tourists and travellers personal accident
Fire and loss of profits	Wool ("sheep's back to store")
Houseowners and householders	Workers compensation (compulsory)
Livestock	
Marine	

#### *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 1964-65 to 1968-69 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	1964-65	1965-66	1966-67	1967-68	1968-69
<b>PREMIUMS (LESS RETURNS, REBATES, AND BONUSES)</b>					
Fire	24,597	25,728	27,182	29,699	31,485
Householders' comprehensive	10,819	11,939	13,372	15,535	17,137
Sprinkler leakage	69	77	74	83	94
Loss of profits	3,293	3,555	4,031	5,181	5,875
Hailstone	945	820	1,011	574	1,030
Marine	7,286	7,692	8,653	9,331	11,514
Motor vehicles (other than motor cycles)	44,944	47,797	53,011	56,173	58,426
Motor cycles	43	39	47	55	78
Compulsory third party (motor vehicles)	18,214	20,848	24,654	27,492	31,615
Employers' liability and workers compensation (a)	35,744	49,064	54,315	56,766	58,566
Personal accident	5,792	6,173	7,291	8,239	8,783
Public risk third party	2,864	3,049	3,848	4,860	5,496
General property	331	295	286	358	397
Plate glass	871	927	1,000	1,102	1,146
Boiler	128	122	232	301	298
Livestock	225	249	307	397	459
Burglary	2,719	3,005	3,623	3,984	4,925
Guarantee	330	386	420	601	597
Pluvius	48	51	46	42	43
Aviation	209	231	435	499	574
All risks	1,475	1,793	1,866	2,348	2,657
Contractors' all risks	..	..	1,127	1,187	1,548
Television	94	55	37	28	27
Other	2,368	2,509	2,652	3,051	4,354
<b>Total premiums</b>	<b>163,408</b>	<b>186,402</b>	<b>209,519</b>	<b>227,886</b>	<b>247,124</b>

(a) See references pages 183 to 186.



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

Class of business	1964-65	1965-66	1966-67	1967-68	1968-69
OTHER REVENUE (NET OF EXPENSES)					
Interest, dividends, rents, etc.	8,635	9,511	11,482	12,654	13,666
TOTAL REVENUE					
Grand total	172,043	195,913	221,001	240,540	260,790

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

Class of business	1964-65	1965-66	1966-67	1967-68	1968-69
GROSS CLAIMS (LESS AMOUNTS RECOVERABLE)					
Fire	7,677	10,351	10,356	11,473	13,416
Householders' comprehensive	2,598	3,306	3,663	4,106	5,828
Sprinkler leakage	71	51	40	60	50
Loss of profits	716	1,292	1,034	1,523	2,885
Hailstone	701	489	1,701	615	483
Marine	4,037	4,711	4,930	5,632	7,908
Motor vehicles (other than motor cycles)	33,148	34,681	36,284	38,974	42,371
Motor cycles	33	27	27	25	48
Compulsory third party (motor vehicles)	18,721	21,497	24,192	29,920	29,321
Employers' liability and workers compensation	26,173	31,007	32,960	36,250	36,960
Personal accident	2,519	2,821	3,159	3,311	3,912
Public risk third party	1,343	1,600	2,303	2,667	2,042
General property	171	268	153	161	300
Plate glass	477	479	594	638	694
Boiler	— 12	24	58	77	56
Livestock	148	115	153	256	290
Burglary	1,742	2,096	3,103	2,625	3,079
Guarantee	50	96	119	126	87
Pluvius	21	12	21	13	16
Aviation	157	208	259	360	435
All risks	920	1,121	1,292	1,403	1,743
Contractors' all risks	..	..	568	888	1,620
Television	27	18	12	8	6
Other	1,008	960	852	1,262	1,453
Total claims	102,443	117,228	127,833	142,374	155,001
OTHER EXPENDITURE					
Contributions to fire brigades	3,680	4,168	4,842	5,542	6,078
Commission and agents' charges	16,870	18,232	20,227	22,071	24,106
Expenses of management	26,193	29,004	33,073	36,000	38,723
Taxation	3,727	4,505	5,216	7,288	7,749
Total other expenditure	50,470	55,909	63,358	70,901	76,656
TOTAL EXPENDITURE					
Grand total	152,913	173,138	191,191	213,275	231,658

NOTE. Minus sign ( - ) denotes a credit.

The percentage of claims to premium income for each of the years 1964-65 to 1968-69 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	1964-65	1965-66	1966-67	1967-68	1968-69
Fire	31·21	40·23	38·10	38·63	42·61
Householders' comprehensive	24·01	27·69	27·39	26·43	34·01
Sprinkler leakage	102·61	66·23	54·05	72·75	53·19
Loss of profits	21·74	36·34	25·65	29·39	49·11
Hailstone	74·12	59·63	168·25	107·05	46·89
Marine	55·40	61·25	56·97	60·36	68·68
Motor vehicles ( other than motor cycles)	73·75	72·56	68·45	69·38	72·52
Motor cycles	76·44	69·23	57·45	46·17	61·54
Compulsory third party (motor vehicles)	102·79	103·11	98·13	108·83	92·74
Employers' liability and workers compensation	73·22	63·20	60·68	63·86	63·11
Personal accident	43·49	45·70	43·33	40·18	44·54
Public risk third party	46·88	52·48	59·85	54·87	37·15
General property	51·57	90·85	53·50	44·97	75·57
Plate glass	54·71	51·67	59·40	57·91	60·56
Boiler	..	19·67	25·00	25·69	18·79
Livestock	65·80	46·18	49·84	64·50	63·18
Burglary	64·08	69·75	85·65	65·88	62·52
Guarantee	15·31	24·87	28·33	20·97	14·57
Pluvius	42·95	23·53	45·65	31·47	37·21
Aviation	75·06	90·04	59·54	72·14	75·78
All risks	62·36	62·52	69·24	59·77	65·60
Contractors' all risks	..	..	50·40	74·79	104·65
Television	28·33	32·73	32·43	29·77	22·22
Other	42·56	38·26	32·13	41·37	33·37
All classes	62·69	62·89	57·84	59·18	59·44

*Motor vehicle insurance (compulsory third party)*

The *Motor Car (Third Party Insurance) Act 1939* (now embodied in the *Motor Car Act 1958*) 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.

## VICTORIA—MOTOR VEHICLE INSURANCE (COMPULSORY THIRD PARTY) : NUMBER OF MOTOR VEHICLES INSURED, 1968-69

Class of motor vehicle	Motor cars usually garaged—		Total
	Within a radius of 20 miles of the G.P.O., Melbourne	Outside a radius of 20 miles of the G.P.O., Melbourne	
Private and business	656,040	359,170	1,015,210
Goods carrying	90,230	123,767	213,997
Hire	4,251	2,656	6,907
Hire and drive yourself	776	72	848
Passenger transport	266	215	481
Miscellaneous	9,545	54,688	64,233
Motor cycle	8,784	7,851	16,635
Total	769,892	548,419	1,318,311

*State Motor Car Insurance Office*

The State Motor Car Insurance Office was established under the *Motor Car (Third Party Insurance) Act 1939* 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 1968-69 represented 8.3 per cent of comprehensive and 42.0 per cent of third party premiums received in Victoria.

The following table shows the trading results for each of the five years 1964-65 to 1968-69 :

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
1964-65	8,574	393	8,648	643	(a) 1,111
1965-66	11,154	1,428	10,195	771	(a) 1,240
1966-67	13,555	1,098	12,242	1,020	(a) 805
1967-68	14,665	629	15,745	1,136	(a) 2,846
1968-69	17,880	1,472	15,724	1,241	(a) 558

(a) Loss.

At 30 June 1969 accumulated losses were \$4,051,583.

*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 55 years of operation and, for the year ended 30 June 1969, its premium income represented 17.7 per cent of the total premiums received by all insurance companies in Victoria on account of employers' liability and workers compensation insurance.

The following table shows the trading results for each of the five years 1964-65 to 1968-69 :

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

Year	Premiums received less reinsurances, rebates, etc.	Increase in unearned premium provision	Claims paid and outstanding	Expenses	Underwriting profit
1964-65	6,780	164	5,372	449	794
1965-66	9,200	694	6,949	558	999
1966-67	9,250	546	5,680	651	2,373
1967-68	9,155	-471	7,079	673	1,874
1968-69	9,911	- 23	8,204	691	1,040

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

The amount transferred to consolidated revenue in 1968-69 was \$1,000,000, while the accumulated funds at 30 June 1969 were: General Reserve, \$7,470,000; Bonus Equalisation Reserve, \$2,092,520; and Building and Other Reserves, \$216,490.

### Export Payments Insurance Corporation

The Corporation was established under the *Export Payments Insurance Corporation Act 1956* to "promote trade with countries outside Australia by providing insurance against certain risks arising out of that trade not normally insured with commercial insurers and to give certain guarantees in connection with that trade". Its liabilities are guaranteed by the Commonwealth up to \$300m at any one time.

It commenced writing business in Sydney in the latter half of 1957, and in March 1958 its first branch was opened in Melbourne, responsible for the Corporation's business in Victoria and Tasmania. Branches have subsequently been opened in Adelaide, Perth and Brisbane. The head office of the Corporation is in Sydney. It is a corporate body which can sue or be sued and is constituted by a commissioner who may refer matters for advice to a consultative council.

The Corporation is a member of the Union D'Assureurs Des Cr dit Internationaux, the international association of credit insurers, commonly known as the Berne Union. This is one of the main sources through which the Corporation obtains information on international trends in credit terms. Many problems associated with the granting of credit, including the economic outlook and payment performances of the trading nations, are discussed at regular meetings of the Union.

Among the more recent additions to the facilities provided by the Corporation have been the introduction of unconditional guarantees to banks and other lending institutions to facilitate the financing of export transactions of \$1,000 or more sold on terms in excess of 180 days, and the insurance, on behalf of the Commonwealth Government, of certain investments overseas against risks of loss due to expropriation of property, inability to transfer earnings or repatriate capital to Australia, and damage to property resulting from war, insurrection, or similar happenings.

The following table shows particulars of the business of the Corporation for each of the years 1965-66 to 1968-69:

## AUSTRALIA—EXPORT PAYMENTS INSURANCE CORPORATION

Particulars	1965-66	1966-67	1967-68	1968-69
<b>Business on Corporation's account—</b>				
Number of policies and guarantees	559	613	692	746
	\$'000	\$'000	\$'000	\$'000
Face value of policies and guarantees current	180,969	238,648	271,075	298,829
Maximum contingent liability	94,070	123,966	141,108	158,966
Premium income	463	598	651	730
Operating costs	259	348	388	426
Claims paid (gross)	325	446	854	388
Recoveries	84	111	591	263
Underwriting reserve	955	1,126	1,420	1,897
<b>Business on Government's account—</b>				
Overseas investment insurance—				
Number of policies	..	15	29	41
	\$'000	\$'000	\$'000	\$'000
Face value of policies current	..	4,699	12,097	19,813
Maximum contingent liability	..	4,229	10,887	17,832
<b>National interest insurance—</b>				
Number of policies	(a) 4	(a) 4	(a) 5	1
	\$'000	\$'000	\$'000	\$'000
Face value of policies current	(a)2,660	(a)1,931	(a)2,278	1,208
Maximum contingent liability	(a)2,205	(a)1,741	(a)2,007	1,087

(a) Includes warehousing insurance.

The facilities provided by the Corporation compare favourably with those made available by the credit insurance organisations in other countries, thereby enabling Australian exporters to be competitive in matching the payment terms offered by their overseas competitors.

**Further reference, 1970**

### 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 30 June 1969 the number of societies that had been registered was 212 and of these, 36 societies were still operating in 1968-69.

The following table shows details of the operations of building societies in Victoria for the financial year 1968-69.

### VICTORIA—PERMANENT BUILDING SOCIETIES (a), 1968-69

Particulars	Permanent societies
Number of societies	40
Number of shareholders	11,385
Number of borrowers	(b) 18,044

VICTORIA—PERMANENT BUILDING  
SOCIETIES (a), 1968-69—continued

Particulars	Permanent societies
Transactions during the year—	\$'000
Income—	
Interest on mortgage loans	5,206
Other	515
Total	5,721
Expenses—	
Interest payable	2,999
Administration, etc.	743
Total	3,742
Loans and advances—	
Paid	27,545
Repaid	11,103
Deposits—	
Received	58,494
Repaid	35,115
Liabilities—	
Investing members' funds—	
Paid-up capital	19,511
Reserves, etc.	4,210
Borrowing members' funds—	
Share subscriptions	149
Other	27
Deposits	52,234
Loans (including bank overdraft)	5,821
Other	2,108
Total	84,059
Assets—	
Loans on mortgage	78,832
Land and house property	875
Other investments	2,778
Cash and deposits	1,136
Other	437
Total	84,059

(a) Excludes Starr-Bowkett Societies.

(b) Includes 720 shareholders holding borrowers' shares.

### 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 among which are the production, marketing and distribution of goods, and in the provision of finance for home building. In recent years, a considerable 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.

Particulars of producer and consumer societies for the year 1968-69 are given in the following table :

VICTORIA—CO-OPERATIVE ORGANISATIONS : PRODUCER AND CONSUMER SOCIETIES, 1968-69

Particulars	Societies—			Total all societies
	Producers	Consumers	Producers and consumers	
Number of societies	94	52	9	155
Number of members	80,648	41,125	22,365	144,138
Transactions during the year—	\$'000			
Income—				
Sales	73,525	13,089	54,346	140,959
Other income	6,189	405	327	6,921
Total	79,714	13,493	54,673	147,881
Expenditure—				
Purchases	51,141	10,990	43,288	105,419
Working expenses, etc.	23,314	2,087	9,663	35,065
Interest on loans, etc.	1,180	134	402	1,716
Rebates and bonuses	1,227	132	32	1,390
Total	76,861	13,343	53,385	143,590
Dividend on share capital	888	20	507	1,415
Liabilities—				
Share capital	15,905	1,876	6,732	24,513
Loan capital	4,226	1,660	2,886	8,772
Bank overdraft	16,726	567	1,899	19,192
Accumulated profits	1,598	603	569	2,771
Reserve funds	15,430	788	4,645	20,863
Sundry creditors	13,020	967	6,290	20,278
Other	5,002	411	1,582	6,995
Total	71,907	6,874	24,603	103,384
Assets—				
Land and buildings	} 27,565	3,085	15,198	45,848
Fittings, plant, and machinery				
Stock	11,287	1,634	2,909	15,830
Sundry debtors	22,198	1,577	5,795	29,569
Cash in bank, on hand, or on deposit	1,449	262	458	2,169
Profit and loss account	3,147	84	..	3,231
Other	6,262	232	243	6,737
Total	71,907	6,874	24,603	103,384

Further reference, 1966

*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 1964-65 to 1968-69 :

## VICTORIA—CO-OPERATIVE ORGANISATIONS : CREDIT SOCIETIES

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
Number of societies	113	133	146	153	159
Number of members	18,890	22,496	26,641	31,363	35,905
Transactions during the year—	\$'000				
Income—					
Interest	222	318	421	541	725
Other income	9	16	20	28	44
Total	231	334	440	570	769
Expenditure—					
Interest on deposits	122	177	237	314	408
Working expenses	75	106	146	201	293
Total	197	283	383	515	701
Liabilities—					
Share capital	193	214	244	294	342
Reserves	44	61	63	85	112
Depositors	2,903	4,080	5,481	7,094	9,444
Sundry creditors	76	47	53	74	71
Other	138	188	185	213	408
Total	3,354	4,590	6,027	7,761	10,377
Assets—					
Loans to members	2,941	3,962	5,209	6,571	8,947
Cash at bank or on hand	306	378	346	384	402
Other	106	250	472	806	1,028
Total	3,354	4,590	6,027	7,761	10,377

**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 1964-65 to 1968-69 :

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

Particulars	1964-65	1965-66	1966-67	1967-68	1968-69
Proceeds of realisations, rents, interest, etc.	10,392	10,558	11,792	12,181	13,064
Investments, distributions, claims, etc.	8,752	8,850	9,344	10,700	10,244
Cash variation	1,640	1,708	2,448	1,481	2,820
Balance at 1 July	14,286	15,926	17,634	20,082	21,563
Balance at 30 June	15,926	17,634	20,082	21,563	24,383

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 1959-60 to 1968-69 are shown in the following table :

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

Year	Number	Year	Number
1959-60	919	1964-65	1,098
1960-61	1,084	1965-66	1,018
1961-62	994	1966-67	1,120
1962-63	1,005	1967-68	1,058
1963-64	1,087	1968-69	1,050

The number of wills (under which the Public Trustee was appointed executor) lodged for the safe custody during each of the five years to 1968-69 was as follows : 1964-65, 2,875 ; 1965-66, 3,145 ; 1966-67, 2,555 ; 1967-68, 2,465 ; 1968-69, 2,659.

**Trustee companies**

A special Act of Parliament specifically authorises the seven Victorian trustee companies to act, among 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.

The value of assets in estates committed to the care of Victorian trustee companies at 30 June 1964 and 1969 was as follows:

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

Particulars	Value at 30 June 1964	Value at 30 June 1969
Stock and debentures	108.2	127.0
Advances on mortgages	38.2	62.9
Property and livestock	74.6	77.5
Shares	159.2	226.5
Fixed and other deposits	12.7	20.7
Cash at bank	11.4	13.9
Other	19.6	23.1
Total	423.9	551.6

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 in connection with which probate or letters of administration, etc., were finally completed during each of the years 1965 to 1969. 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	\$'000			
MALES						
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
1968	11,721	77,742	148,078	24,969	200,851	17,136
1969	12,457	103,052	177,966	32,163	248,855	19,977
FEMALES						
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
1968	8,668	44,154	82,960	8,145	118,969	13,725
1969	8,631	47,137	84,678	8,597	123,218	14,276
TOTAL						
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
1968	20,389	121,896	231,038	33,114	319,820	15,686
1969	21,088	150,189	262,643	40,760	372,072	17,644

The number and value of estates dealt with in each of the years 1967 to 1969, 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	1967		1968		1969	
	Number	Net value	Number	Net value	Number	Net value
		\$'000		\$'000		\$'000
\$						
MALES						
Under 200	428	40	418	39	364	36
200— 599	785	305	799	309	763	290
600— 999	526	417	544	427	572	453
1,000— 1,999	1,194	1,775	1,212	1,778	1,187	1,741
2,000— 3,999	1,607	4,686	1,692	4,977	1,677	4,927
4,000— 5,999	1,206	5,944	1,247	6,159	1,127	5,572
6,000— 7,999	969	6,771	959	7,048	958	6,690
8,000— 9,999	871	7,810	864	7,795	882	7,915
10,000— 19,999	1,759	24,337	1,823	25,154	2,052	28,424
20,000— 29,999	640	15,896	648	15,865	745	18,125
30,000— 49,999	657	25,304	657	25,679	723	28,043
50,000— 99,999	541	38,300	550	37,921	679	46,764
100,000—199,999	217	29,993	221	29,415	305	41,411
200,000 and over	74	28,741	87	38,284	111	36,567
Total males	11,474	190,317	11,721	200,851	12,145	226,962

VICTORIA—NUMBER AND NET VALUE OF ESTATES OF  
DECEASED PERSONS—*continued*

Group	1967		1968		1969	
	Number	Net value	Number	Net value	Number	Net value
		\$'000		\$'000		\$'000
\$						
FEMALES						
Under 200	226	25	216	21	201	19
200- 599	561	218	548	215	520	205
600- 999	428	341	425	337	382	304
1,000- 1,999	868	1,277	856	1,272	871	1,284
2,000- 3,999	1,248	3,688	1,283	3,793	1,228	3,597
4,000- 5,999	904	4,442	960	4,741	946	4,664
6,000- 7,999	808	5,621	846	5,975	817	5,716
8,000- 9,999	699	6,277	727	6,529	740	6,658
10,000- 19,999	1,343	18,506	1,434	19,984	1,553	21,383
20,000- 29,999	451	11,049	526	12,806	508	12,436
30,000- 49,999	389	14,619	411	15,985	418	16,186
50,000- 99,999	262	18,129	311	21,127	301	20,676
100,000-199,999	82	10,929	88	12,458	107	13,807
200,000 and over	25	8,775	37	13,726	39	16,283
Total females	8,294	103,896	8,668	118,969	8,631	123,218
Grand total	19,768	294,213	20,389	319,820	20,776	350,179

**Transfer of land**

In Victoria there are two distinct types of title to land which has been alienated by the Crown. One is commonly known as a "General Law" title; the other as a "Torrens" or "Transfer of Land Act" title.

*General Law Titles*

The General Law system operated from the time of the first land transactions in the Port Phillip District. Although the Torrens system was introduced into Victoria in 1862 there are still 1,770,349 acres under the General Law system—mainly situated in the early settled areas. Dealings in land under this system are carried out by deeds which operate to pass the title to the land on being executed by the conveying or granting party, and delivered to the purchaser or grantee. These deeds may be registered under the Property Law Act. This legislation provides for the mere recording of deeds and not for their certification. The State does not certify to the title as it does with the Torrens system. The only purpose of registration is to govern priority. Deeds are registered by filing a memorial (an extract of the relevant particulars) of the deed in the Registrar-General's Office.

Under the General Law system the title to a particular piece of land consists of a whole bundle of documents known as a chain of title. On any transaction with General Law land it is necessary for the solicitor for the purchaser or mortgagee to make a thorough study of the deeds in the chain of title and to search in the office of the Registrar-General to make sure that there are no conflicting deeds which have priority by virtue of their registration.

*Transfer of Land Act*

The Torrens system was introduced in Victoria by the *Real Property Act 1862*. All land alienated in fee by the Crown after 2 October 1862 (and leasehold granted by the Crown after 9 September 1863) is under the operation of the Transfer of Land Act. Before 1862, 5,142,321 acres had been alienated by the Crown and were being dealt with under the General Law system. Since that date some 26 million acres have been alienated and all of this land automatically came under the Transfer of Land Act on the issue and registration of the relevant Crown grants and leases. Provision is made for the bringing of land alienated before 1862 under the operation of the Transfer of Land Act, by voluntary application. The present Transfer of Land Act contains provisions for the voluntary conversion of General Law titles and also provides that land may be brought under the Act by direction of the Registrar. So far little use has been made of the compulsory provisions.

The Torrens system is based on the fundamental principle that the title to land and to interests in land (such as the interest of mortgagees, annuitants, etc.) depends upon registration of written instruments signed by the parties to the respective transactions and not upon the written deeds themselves.

The document of title to land under the Transfer of Land Act consists of a certificate of title setting out a description identifying the land and a statement certifying who is the registered proprietor. This statement is conclusive evidence and is guaranteed by the Government. On the registration of each new transfer the State certifies the title anew and this certificate operates in favour of a person dealing without fraud and for value as if it were a new grant of the land from the Crown. Certificates of title and Crown grants are in duplicate, the original being retained in the Office of Titles and the duplicate being held by, or on behalf of, the registered proprietor. The title is said to be indefeasible or incapable of being challenged or upset except in certain specified events, the chief among these being actual fraud.

Certain interests in land under the Act can be created by a registered proprietor of that land and registered on the title. These include mortgages, leases, charges, easements, and restrictive covenants.

Any certificate of title can be searched at the Titles Office for a small fee, and any person intending to deal with the registered proprietor of the land is not concerned to go behind any of the entries shown on that title. The certainty and accuracy of these particulars can be assumed.

Since 1953 there has existed in Victoria a method for the subdivision of land in strata and the issue of individual titles to flats (see page 684 of the *Victorian Year Book 1966*). The *Strata Titles Act 1967* introduced into Victoria a further method for the subdivision of land in strata. Existing methods can still be used as registration of a plan under Part II of the Strata Titles Act is not compulsory. The Act (except as to Part IV) came into operation on 1 July 1967. Part IV of the Act operated as from 1 December 1967. Further information about the Strata Titles Act is set out on pages 695 and 696 of the *Victorian Year Book 1968*. During the year ended 30 June 1969, 742 plans were lodged for registration under the new Act.

*Assurance Fund*

Complementary to the certification of title there is an Assurance Fund. Out of this fund, persons who sustain 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 1968-69, receipts of the fund comprised contributions of \$18,833 and interest on stock of \$6,538. Claims of \$9,455 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 and \$20,000 was loaned to the Victoria Institute of Colleges. The balance at the credit of the Assurance Fund at 30 June 1969 was \$395,429. The total amount paid to 30 June 1969, as compensation and for judgments recovered, including costs, was \$43,474 in respect of 145 claims.

**Further reference, 1968**

*Titles of land issued*

The following table shows the number of titles of land issued during each of the years 1965 to 1969 :

## VICTORIA—TITLES OF LAND ISSUED

Year	Number of—			
	Certificates of title	Crown grants	Crown leases	Total titles
1965	69,027	1,254	397	70,678
1966	53,660	1,063	315	55,038
1967	49,476	1,221	461	51,158
1968	53,422	1,223	256	54,901
1969	51,002	834	229	52,065

*Land transfers, mortgages, etc.*

A summary of dealings lodged at the Titles Office under the Transfer of Land Act is given in the following table for each of the years 1965 to 1969 :

## VICTORIA—DEALINGS LODGED AT THE TITLES OFFICE UNDER THE TRANSFER OF LAND ACT

Year	Number of transfers	Mortgages (a)		Number of—				
		Number	Amount	Entries of executor, administrator, or survivor	Plans of subdivision	Caveats	Other dealings	Total dealings
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
1968	113,358	63,891	578,989	15,682	4,370	19,184	76,561	293,046
1969	116,413	63,510	638,163	15,899	4,566	20,645	80,698	301,731

(a) 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 1965 to 1969 in the following table :

VICTORIA—DEALINGS UNDER THE PROPERTY LAW ACT

Year	Mortgages (a)		Reconveyances		Conveyances	
	No.	Amount	No.	Amount (b)	No.	Amount
		\$'000		\$'000		\$'000
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
1968	1,205	14,727	1,456	3,064	2,888	28,749
1969	1,280	14,890	1,472	3,677	3,027	45,010

(a) Excluding certain mortgages, principally to trading banks to secure overdrafts on current accounts.

(b) Excluding repayments designated "Principal and Interest".

*Mortgages of real estate*

Details of mortgages lodged for registration under the Transfer of Land Act 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 1967 to 1969, classified according to type of mortgagee, are as follows :

VICTORIA—MORTGAGES OF REAL ESTATE LODGED FOR REGISTRATION

Type of mortgagee	Mortgages (a)					
	1967		1968		1969	
	Number	Amount	Number	Amount	Number	Amount
		\$'000		\$'000		\$'000
Banks	19,604	140,150	23,448	174,783	22,616	179,356
Building societies	2,455	15,591	3,331	24,817	4,010	32,903
Co-operative housing societies	4,671	30,642	3,685	25,538	2,966	20,725
Insurance companies	2,327	44,537	2,615	58,181	2,675	55,427
Government institutions	3,837	29,274	5,009	31,005	4,441	33,247
Trustee institutions	367	8,098	479	10,246	534	14,962
Hire purchase and finance companies, etc.	7,811	89,142	8,814	101,646	9,655	118,949
Other mortgages	18,175	157,281	17,715	167,501	17,893	197,484
Total	59,247	514,717	65,096	593,716	64,790	653,053

(a) 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 1965 to 1969 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 mortgages of stock secure themselves by a registered release.

## VICTORIA—STOCK MORTGAGES AND LIENS ON WOOL AND CROPS

Security		1965	1966	1967	1968	1969
Stock mortgages—						
Number		370	301	468	494	484
Amount	\$'000	1,064	790	1,366	1,529	1,629
Liens on wool—						
Number		45	31	15	15	29
Amount	\$'000	220	116	139	178	323
Liens on crops—						
Number		97	87	71	429	429
Amount	\$'000	296	195	174	526	459
Total—						
Number		512	419	554	938	942
Amount	\$'000	1,580	1,101	1,679	2,233	2,411

*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 1965 to 1969 :

## VICTORIA—BILLS OF SALE

Security		1965	1966	1967	1968	1969
Bills of sale—						
Number		6,390	9,360	17,248	22,265	26,773
Amount	\$'000	13,338	15,679	24,194	30,077	36,755

**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.

**Further references, 1967, 1969**

The following table shows details of companies registered during each of the years 1965 to 1969 :

## VICTORIA—COMPANIES REGISTERED, ETC.

Particulars	1965	1966	1967	1968	1969
	No.				
New companies registered—					
Victorian	3,182	3,089	3,304	4,138	4,751
Other	283	285	333	345	429
Total	3,465	3,374	3,637	4,483	5,180
	\$'000				
Nominal capital of new companies—					
Victorian	121,051	130,379	122,276	162,878	212,023
Other	276,477	201,363	205,366	307,795	450,731
Total	397,529	331,742	327,642	470,673	662,754



VICTORIA—COMPANIES REGISTERED, ETC.—*continued*

Particulars	1965	1966	1967	1968	1969
	No.				
Existing companies (at end of year)—					
Victorian	42,968	44,371	46,854	50,345	53,701
Other	3,177	3,312	3,525	3,744	4,134
Total	46,145	47,683	50,379	54,089	57,835
	\$'000				
Increase in nominal capital of Victorian companies during year	278,136	210,726	217,980	268,159	536,469

**Stock Exchange of Melbourne**

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

*Functions*

The basic function of the Stock Exchange is to provide the means by which investment securities, stocks, bonds, shares, etc., may be conveniently bought and sold. The type of market has varied over the years from the "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 168 members. It is governed by a chairman and committee (twelve including the chairman) elected by the members. In April members agreed to the admission of non-member partners and so far twenty-three have been appointed.

*Official list*

At 30 September 1969, 3,237 separate securities (including options) with a nominal value of \$16,023m and a market value of \$30,468m were quoted on the Exchange. The market value was an all-time record, being 8 per cent higher than the previous year. The market value of \$8,926m in Commonwealth loans represented 29 per cent of all securities listed.

Seventy-one companies, including forty-eight new mining companies were added to the official list during 1969 and their combined nominal capital was a record of \$228m. In addition new capital issues made by companies already listed rose to a record of \$577m. At the end of the year, the official list comprised 903 companies—745 commercial and industrial and 158 mining companies. Because of take-overs and mergers, thirty-five companies were removed from the official list during the year.

In the following table, the number of issues (including options) and their nominal value are classified according to type of security. Particulars are shown as at 30 September for each of the years 1966 to 1969.

MELBOURNE STOCK EXCHANGE—ISSUES LISTED (a) AND  
NOMINAL VALUE

Class of security	Listed at 30 September—							
	1966		1967		1968		1969	
	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	50	7,358	53	8,031	51	8,269	65	9,099
Semi-government loans	798	783	} 822	888	906	887	946	969
Foreign government loans	14	18						
Industrial company securities—								
Debentures	642	729	684	854	687	963	778	1,209
Unsecured notes	265	216	211	222	188	213	162	204
Preference shares	279	169	244	144	240	141	235	149
Ordinary shares	809	3,155	775	3,237	776	3,516	790	3,691
Mining company securities	121	363	130	445	155	527	261	702
<b>Total</b>	<b>2,978</b>	<b>12,791</b>	<b>2,919</b>	<b>13,821</b>	<b>3,003</b>	<b>14,516</b>	<b>3,237</b>	<b>16,023</b>

(a) Includes options.

*Turnover*

For the year ending 30 September 1969, the volume of turnover of all loan securities (measured in units of one dollar) was 2 per cent higher at 221.2m units, sales of Commonwealth loans increasing by 4 per cent to 187.6m. The volume of turnover of share securities increased by 24 per cent to 623.5m shares. Sales of mining shares increased by 45 per cent to 360.8m, July being the highest month for the volume of mining shares with a turnover of 52.8m shares.

The following table shows details of the volume of turnover of stocks and shares during each of the years 1964–65 to 1968–69 :

MELBOURNE STOCK EXCHANGE—VOLUME OF TURNOVER  
OF STOCKS AND SHARES  
(Million units)

Class of security	Year ended 30 September—				
	1965	1966	1967	1968	1969
Commonwealth loans	114.4	242.0	194.0	180.5	187.6
Semi-government loans	16.0	14.7	17.5	11.4	14.5
Company debentures, unsecured notes	14.2	10.4	17.0	24.8	19.1
<b>Total loan securities</b>	<b>144.6</b>	<b>267.1</b>	<b>228.5</b>	<b>216.7</b>	<b>221.2</b>
Preference shares	1.7	2.6	2.0	2.7	3.0
Ordinary shares, rights, and options	111.4	120.4	152.1	250.0	259.7
Mining	29.4	46.6	81.0	248.6	360.8
<b>Total share securities</b>	<b>142.5</b>	<b>169.6</b>	<b>235.1</b>	<b>501.3</b>	<b>623.5</b>

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

The turnover value of share securities declined by 19 per cent to \$823.5m, the highest turnover value for both mining and industrial shares occurring in February 1969 when sales amounted to \$53m for mining shares and \$43m for industrials.

In the following table the number of transactions and value of turnover of stocks and shares are shown for each of the years 1965–66 to 1968–69 :

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

Class of security	Year ended 30 September—							
	1966		1967		1968		1969	
	Trans- actions	Value	Trans- actions	Value	Trans- actions	Value	Trans- actions	Value
	'000	\$m	'000	\$m	'000	\$m	'000	\$m
Commonwealth loans	16.5	241.5	14.5	195.2	11.5	181.3	12.7	188.6
Semi-government loans	4.3	14.7	4.9	17.4	4.2	11.3	4.3	14.3
Debentures, notes	8.2	9.5	8.4	16.4	6.9	14.0	7.0	18.7
Total loan securities	29.0	265.7	27.8	229.0	22.6	206.6	24.0	221.6
Preference shares	3.7	4.3	4.3	2.5	4.7	3.3	4.0	3.8
Ordinary shares, rights, options	272.2	179.1	297.8	236.5	447.3	512.1	404.4	429.8
Mining shares	99.5	45.0	179.3	128.1	559.2	510.4	445.2	389.9
Total share securities	375.4	228.4	481.4	367.1	1,011.2	1,025.8	853.6	823.5
Grand total	404.4	494.1	509.2	596.1	1,033.8	1,232.4	877.6	1,045.1

*Share Price Index*

The Melbourne Share Price Index, which comprises a series of indexes, was introduced in June 1963 with statistics commencing in January 1960 for fifteen industrial groups. The 50 Leaders Index dates back to 1948. In 1964 three additional groups (Preference Shares, Gold, and Oil and Gas), which are not included in the All Ordinaries Index were added, but in June 1967 the Gold Index was discontinued and merged into the Metals and Minerals Group. The Indexes measure changes in Aggregate Market Value (AMV), the base AMV being derived by multiplying the number of shares issued by their prices at the base date. The 50 Leaders Index is calculated twice daily, once in the morning and once in the afternoon.

In June 1969 the All Ordinaries Index stood at 199.64 as against 215.37 in June 1968, reaching its highest point for the year 1968-69 at 221.34 in August. The 50 Leaders Index recorded 230.41 in June 1969, compared with 242.60 in June 1968, the highest point for 1968-69 being 251.67 in January.

At 30 September 1969 the total market value of ordinary shares on the Official List was \$19,101m. At that date, the market value of ordinary shares of all companies included in the All Ordinaries and Oil and Gas Indexes was \$18,203m or 95 per cent of the total.

*Computer*

Planning continued during 1968-69 for the introduction of computer communications, and subscriber testing of the system commenced at the beginning of 1970. Arrangements for the installation of Quotron inquiry units and Telex machines were well advanced.

*Conclusion*

Recent budget decisions likely to affect the share market were the restoration of tax deductibility for interest on convertible securities (subject to new conditions) and the decision to amend the income tax law so that dealers in shares will be allowed only one deduction for capital subscribed to mining or afforestation companies. The Government also laid down certain guide lines concerning overseas investment in Australia and

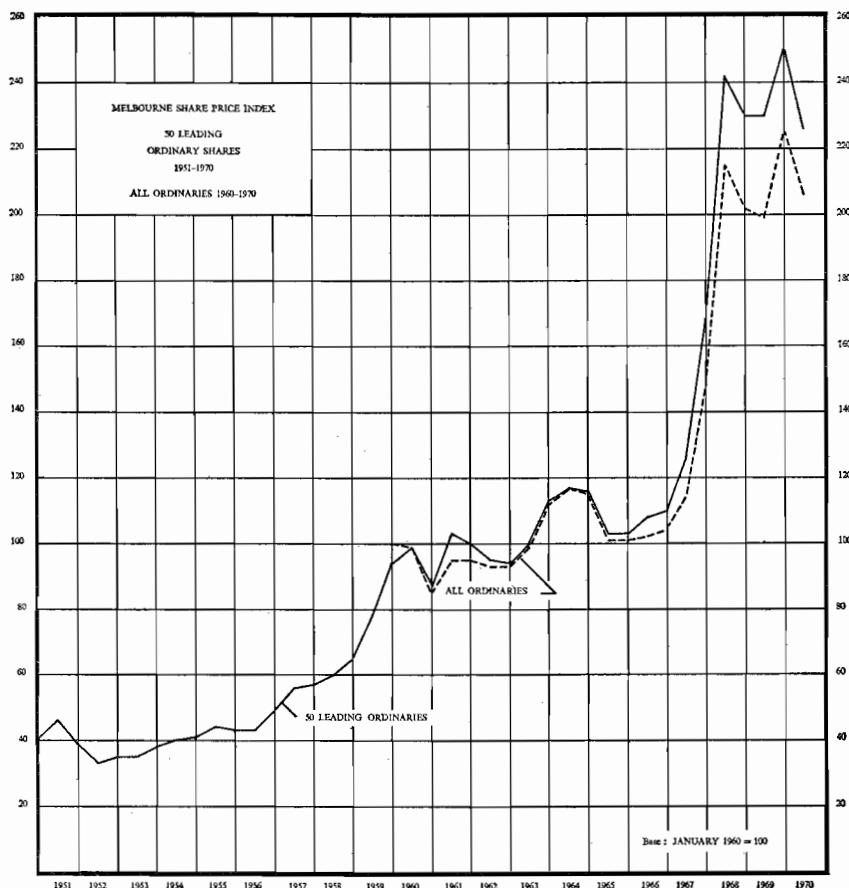


Figure 16. Melbourne Share Price Index  
(To June 1963 Index calculated at end of June and December;  
thereafter the monthly average for June and December.)

re-affirmed the policy aimed at encouraging Australian participation in foreign owned enterprises. During 1968–69 the greatest market interest lay in the mining sector, particularly that related to the search for nickel in Western Australia.

#### Short-term money market

The short-term money market in Australia consists of nine dealer companies which specialise in the business of borrowing money, investing borrowed funds in an approved range of assets, and buying and selling such assets. Five of these companies have head offices in Melbourne and four in Sydney but there are representatives in all other State capitals, Canberra, Launceston, Darwin and Port Moresby.

Known as authorised dealers, each of these dealer companies has been accredited by the Reserve Bank. Such accreditation has significance both for the dealers and for their clients, the most important aspect being that by acting as “lender of last resort” the Bank provides liquid funds to dealers, in that they can borrow from the Bank against the bulk of their

assets. The Bank does not, however, accept responsibility for the repayment of a dealer's individual loans or for solvency generally.

The Bank also trades in Commonwealth Government securities with dealers and provides a range of other facilities which contribute to the efficient operation of the market. The Bank maintains special clearing accounts for dealers, by means of which funds can be quickly transferred from one point in Australia to another, and a safe custody system for dealers' holdings of Commonwealth Government securities, which makes possible the safe and rapid movement of security for loans from one lender to another.

Each dealer company is required by the Reserve Bank to have capital paid up in cash of not less than \$400,000 and to limit the amount of loans it accepts to a specified multiple of its shareholders funds. Dealers accept loans overnight, at call, or for fixed periods, in minimum amounts of \$50,000. They must provide lenders with full security for loans, the onus being on each lender to satisfy himself that the security accepted by him is adequate. The determination of an appropriate margin of value of the security over the amount of any loan is a matter for negotiation solely between lender and dealer.

Lenders to the dealers include trading banks, savings banks, public authorities, and a wide variety of companies. The availability of funds from different groups is seasonal and highly variable, some of which is offsetting. The weekly average volume of loans accepted by the nine dealers is of the order of \$300m and such loans turn over very frequently.

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

Clients	At 30 June—			
	1966	1967	1968	1969
All trading banks	91.1	121.5	117.6	90.0
Savings banks	35.6	56.2	26.5	36.0
Insurance offices	12.5	10.8	20.1	32.4
Superannuation, pension, and provident funds	6.2	11.7	4.6	8.9
Hire purchase and other instalment credit companies	6.3	5.9	2.8	2.4
Companies (not elsewhere included)	95.1	120.2	156.8	140.3
Commonwealth and State Governments	30.4	57.4	78.1	62.3
Local and semi-government authorities (not elsewhere included)	51.0	56.5	72.2	75.3
All other lenders (including marketing boards and trustee companies)	18.4	33.6	20.6	45.9
Total	346.5	473.7	499.3	493.4

(a) Liabilities to Reserve Bank as lender of last resort are excluded.

The rates of interest paid by dealers for funds of different maturities vary not only from dealer to dealer but also from day to day—and even during the day—depending on the general funds position and the judgment of individual dealers as to future trends in interest rates, the availability of funds, fluctuations in the value of their security portfolios, etc.

The margin between the interest outgoings on borrowed money and the income earned on investments, together with the income earned in the course of security dealing, needs to be sufficient to cover operating costs, profits, and the accumulation of reserves.

AUSTRALIA—SHORT-TERM MONEY MARKET : AUTHORISED DEALERS :  
INTEREST RATES  
(Per cent per annum)

Month	Interest rates on loans accepted during month				Weighted average interest rate on loans outstanding (a)
	At call		For fixed periods		
	Minimum	Maximum	Minimum	Maximum	
June 1965	1.50	6.00	2.00	5.53	4.16
June 1966	3.00	6.10	4.25	5.80	4.73
June 1967	2.00	6.50	3.00	5.50	4.46
Sept. 1967	2.00	6.75	3.75	6.10	4.22
Dec. 1967 (b)	2.00	6.50	3.30	5.75	4.16
Mar. 1968	1.00	6.50	3.25	5.75	4.10
June 1968	3.00	6.75	3.75	5.40	4.29
Sept. 1968	0.50	6.50	3.25	5.75	4.07
Dec. 1968 (b)	1.00	6.25	3.25	6.00	4.18
Mar. 1969	1.00	7.00	2.50	6.00	4.52
June 1969	2.00	7.50	4.00	6.75	4.59

(a) Weighted average of weekly figures.

(b) Excludes one Wednesday.

The Bank closely supervises the range of assets which dealers may acquire; the great bulk of each dealer's assets must comprise Commonwealth Government securities (including Treasury notes) maturing within five years. However, dealers may also deal in and hold bank-endorsed or accepted commercial bills (without formal limit as to maturity) and banks' Certificates of Deposit maturing within five years. A very small part of a dealer's funds may be held in Government securities with more than five years to maturity, non-bank bills maturing within 180 days, and such other assets as it chooses.

Dealers stand ready to buy and sell securities; aggregate figures of turnover of Commonwealth Government bonds and notes range between \$50m and \$100m per week over the year for the market as a whole.

AUSTRALIA—SHORT-TERM MONEY MARKET : AUTHORISED DEALERS :  
SELECTED ASSETS (a)  
(\$m)

Month	Commonwealth Government Securities (face value)			Commercial bills	Banks' Certificates of Deposit
	Treasury notes	Other	Total		
June 1965	8.4	335.0	343.4	7.6	(c)
June 1966	10.7	362.0	373.3	25.2	(c)
June 1967	13.7	454.1	467.7	32.8	(c)
Sept. 1967	58.8	408.1	466.9	23.8	(c)
Dec. 1967 (b)	148.7	326.1	474.8	22.8	(c)
Mar. 1968	257.4	278.6	536.0	18.8	(c)
June 1968	116.2	375.1	491.3	35.7	(c)
Sept. 1968	148.6	389.9	538.5	29.6	(c)
Dec. 1968 (b)	132.1	412.2	544.3	23.0	(c)
Mar. 1969	181.0	399.1	580.2	17.0	5.4
June 1969	46.4	459.2	505.6	28.9	15.0

(a) Average of weekly figures.

(b) Excludes one Wednesday.

(c) Not applicable.

### Finance companies

A comprehensive account of the scope of statistics relating to the lending operations of finance companies and fuller details of the transactions of finance companies are provided in the bulletin *Finance Companies*, 1969. Finance companies, like other financial institutions, are distinguishable from non-financial institutions in that they deal mainly in financial assets as opposed to physical goods and non-financial services. However, while the various classes of financial institutions are commonly acknowledged as being different in some way or other, one from another, it is difficult to formulate precise and mutually exclusive definitions in respect of each class. For the purpose of these statistics, finance companies are defined as companies which are engaged mainly in providing to the general public (businesses as well as persons in their private capacity) credit facilities of the following types: hire purchase and other instalment credit for retail sales, wholesale hire purchase, other consumer and commercial loans, and factoring. The finance companies covered in these statistics, insofar as they provide instalment credit for retail sales, are also included in the statistics of instalment credits for retail sales (see pages 693-696). The statistics exclude those finance companies which are not subsidiaries of other finance companies and those which have total balances outstanding of less than \$100,000.

In general, companies which are engaged both in financing activities and other activities come within the scope of these statistics, provided that the major portion of their assets consists of financial assets of the types listed above or a major portion of their income is derived from such assets. Companies are excluded if the major portion of their balances outstanding consists of agreements written for the purpose of financing their own sales. Companies which are engaged mainly in financing, in any way, the operations of related companies ("related" as defined in the Companies Act) are also excluded from these statistics, as are unincorporated finance businesses. Also excluded are the following classes of financial and quasi-financial institutions: banks; life insurance companies; fire, marine, and general insurance companies; short-term money market companies; pastoral finance companies; investment companies; unit trusts, land trusts, mutual funds and management companies for the foregoing trusts and funds; pension and superannuation funds; building

VICTORIA—FINANCE COMPANIES: AMOUNTS FINANCED (a)  
(\$m)

Year	Instalment credit for retail sales	Wholesale hire purchase	Other consumer and commercial loans	Factoring	Total
1964-65	155.7	105.9	134.4	46.8	442.8
1965-66	147.7	108.1	148.2	40.1	444.1
1966-67	159.7	165.9	163.3	35.8	524.6
1967-68	193.1	190.5	198.8	34.7	617.1
1968-69	224.5	210.2	242.0 (b)	30.7	707.3

(a) The actual amount of cash provided. It excludes interest, insurance, hiring and other charges and initial deposits. For purchases of existing agreements and trade debts purchased, it represents the amount of cash paid to the seller.

(b) Other consumer and commercial loans in the year ended 30 June 1969 included \$37.8m personal loans, \$71.1m mortgage loans and \$133.1m commercial loans.

and friendly societies including credit unions ; and all companies engaged in leasing and bill of exchange financing other than finance companies (as defined above) and their related companies.

Statistics are also collected on loans by finance companies to related non-finance companies ; leasing of business equipment and plant by finance companies and their related companies ; and the drawing and discounting of bills of exchange by finance companies and their related companies.

**VICTORIA—FINANCE COMPANIES: BALANCES  
OUTSTANDING AT END OF PERIOD (a)  
(\$m)**

At 30 June—	Instalment credit for retail sales	Wholesale hire purchase	Other consumer and commercial loans	Factoring	Total
1965	237.1	12.9	161.0	10.5	421.6
1966	237.6	17.9	179.9	8.6	443.9
1967	253.7	25.5	201.2	8.2	488.6
1968	292.4	28.0	228.5	9.7	558.6
1969	338.2	34.6	261.9	9.6	644.3

(a) Relates to amounts owing on all finance agreements as at 30 June.

**VICTORIA—FINANCE COMPANIES: COLLECTIONS AND OTHER  
LIQUIDATIONS OF BALANCES (a)  
(\$m)**

Year	Instalment credit for retail sales	Wholesale hire purchase	Other consumer and commercial loans	Factoring	Total
1964-65	175.7	107.3	148.4	52.5	438.8
1965-66	187.9	104.4	153.8	46.8	493.0
1966-67	200.5	159.1	174.4	39.5	573.4
1967-68	209.4	189.2	200.7	36.7	635.9
1968-69	240.3	205.5	250.9	34.4	731.0

(a) Covers cash collections of capital repayments, hiring charges, interest and insurance, and also other liquidations such as bad debts written off and rebates for early payouts.

**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 retail sale of goods, 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.

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 may also 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 1968-69, in Australia, classified by States and by groups of commodities financed. It also shows the balances outstanding at 30 June 1969 for each State.

AUSTRALIA—INSTALMENT CREDIT FOR RETAIL SALES, 1968-69  
(Retail businesses plus non-retail finance businesses)  
(\$m)

State	Amount financed (a)				Balances outstanding at 30 June 1969 (e)
	Motor vehicles, tractors, etc. (b)	Plant and machinery (c)	Household and personal goods (d)	Total all goods	
New South Wales (f)	279.3	45.4	153.8	478.5	673.1
Victoria	188.4	23.3	94.5	306.3	419.3
Queensland	108.3	20.6	49.2	178.1	265.5
South Australia (g)	74.2	7.4	28.2	109.8	153.6
Western Australia	81.9	17.3	25.4	124.6	171.0
Tasmania	22.8	4.0	9.8	36.5	52.2
Australia	754.9	118.1	360.9	1,233.9	1,734.7

- (a) Includes amounts financed on both hire purchase and other instalment credit schemes. Amount financed is cash value of goods less deposit, interest, hiring charges, and insurance.
- (b) Includes new and used motor cars, motor cycles, commercial vehicles, tractors, caravans, and motor parts and accessories.
- (c) Includes farm machinery and implements, earthmoving equipment, aircraft, industrial plant and machinery, business machines and equipment (including commercial refrigeration equipment), etc.
- (d) Includes furniture and furnishings, domestic refrigerators, electrical goods, television and accessories, radios, musical instruments, bicycles, and other household and personal goods.
- (e) Includes hiring charges, interest and insurance.
- (f) Includes Australian Capital Territory.
- (g) 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 for the years 1964-65 to 1968-69 :

VICTORIA—INSTALMENT CREDIT FOR RETAIL SALES: AMOUNTS  
FINANCED BY COMMODITY GROUPS (a)  
(\$m)

Year	Motor vehicles, tractors, etc. (b)	Plant and machinery (c)	Household and personal goods (d)	Total all goods
RETAIL BUSINESSES				
1964-65	5.9	1.0	77.3	84.1
1965-66	4.6	1.2	69.9	75.7
1966-67	5.0	0.9	69.3	75.2
1967-68	5.3	0.5	71.3	77.1
1968-69	6.4	0.8	75.9	83.1
NON-RETAIL FINANCE BUSINESSES				
1964-65	140.9	14.9	15.3	171.1
1965-66	130.7	15.1	13.3	159.1
1966-67	131.2	17.1	14.5	162.8
1967-68	158.3	17.5	17.2	193.0
1968-69	182.0	22.5	18.6	223.2
ALL BUSINESSES				
1964-65	146.7	15.8	92.6	255.2
1965-66	135.3	16.3	83.2	234.8
1966-67	136.3	18.0	83.8	238.1
1967-68	163.6	18.0	88.5	270.1
1968-69	188.4	23.3	94.5	306.3

(a) Includes amounts financed on both hire purchase and other instalment credit schemes. Amount financed is cash value of goods less deposit, interest, hiring charges, and insurance.

(b) Includes new and used motor cars, motor cycles, commercial vehicles, tractors, caravans, and motor parts and accessories.

(c) Includes farm machinery and implements, earthmoving equipment, aircraft, industrial plant and machinery, business machines and equipment (including commercial refrigeration equipment), etc.

(d) 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 1965 to 1969, and the relationship between retail and non-retail finance businesses in this respect:

VICTORIA—INSTALMENT CREDIT FOR RETAIL SALES:  
BALANCES OUTSTANDING (a)  
(\$m)

At 30 June—	Retail businesses	Non-retail finance businesses	Total all businesses
1965	100.8	253.7	354.5
1966	91.4	253.3	344.7
1967	86.8	254.5	341.4
1968	82.5	291.3	373.7
1969	84.9	334.4	419.3

(a) Includes amounts owing on both hire purchase and other instalment credit combined.

At 30 June 1965, of the total balances outstanding in Victoria for all instalment credit (\$354.5m), hire purchase comprised 60.7 per cent and other instalment credit 39.3 per cent. The latter has grown since then and at 30 June 1969, totalled \$237.4m or 56.6 per cent of the total instalment credit outstanding balances of \$419.3m. This increase has continued.

*Retail hire purchase operations*

The following table shows the main features of hire purchase operations in Victoria for the years 1964-65 to 1968-69.

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

## VICTORIA—RETAIL HIRE PURCHASE OPERATIONS

Class of goods	1964-65	1965-66	1966-67	1967-68	1968-69
NUMBER OF AGREEMENTS MADE					
Motor vehicles, tractors, etc. (a)	72,357	58,254	51,685	48,865	47,606
Plant and machinery (b)	10,570	10,540	9,250	8,564	8,633
Household and personal (c)	368,772	294,300	283,290	273,271	275,632
Total agreements	451,699	363,094	344,225	330,700	331,871
VALUE OF GOODS PURCHASED (d) (\$m)					
Motor vehicles, tractors, etc. (a)	113.9	89.9	78.7	83.0	82.9
Plant and machinery (b)	21.3	21.6	23.5	23.4	28.0
Household and personal (c)	55.8	46.2	45.8	47.7	52.3
Total value	190.9	157.6	148.1	154.1	163.3
AMOUNT FINANCED UNDER AGREEMENTS (e) (\$m)					
Motor vehicles, tractors, etc. (a)	75.2	60.0	53.8	56.8	59.0
Plant and machinery (b)	14.5	14.7	16.5	16.4	20.0
Household and personal (c)	46.8	38.6	38.0	39.1	42.9
Total amount financed	136.4	113.3	108.2	112.3	121.9
BALANCES OUTSTANDING AT END OF YEAR (f) (\$m)					
All classes of goods	215.2	189.1	174.7	173.0	181.9

(a) Includes new and used motor cars, motor cycles, commercial vehicles, tractors, caravans, and motor parts and accessories.

(b) Includes farm machinery and implements, earthmoving equipment, aircraft, industrial plant and machinery, business machines and equipment (including commercial refrigeration equipment), etc.

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

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

(e) Excludes hiring charges and insurance.

(f) Includes hiring charges and insurance.