

## SECTION XXI.

## PRIVATE FINANCE.

## § 1. Currency.

1. **The Three Australian Mints.**—Soon after the discovery of gold in Australia steps were taken for the establishment of a branch of the Royal Mint in Sydney. The formal opening took place on the 14th May, 1855, the mint being located in the southern part of the building once known as the "rum hospital," where it has remained up to the present. It is now proposed, however, to erect more suitable buildings for its accommodation in some other part of the city. The Melbourne branch of the Royal Mint was opened on the 12th June, 1872, and the Perth branch on the 20th June, 1899. The States of New South Wales, Victoria, and Western Australia provide an annual endowment, in return for which the mint receipts are paid into the respective State Treasuries, and it may be said that, apart from expenditure on buildings, new machinery, etc., the amounts paid into the Treasuries fairly balance the mint annuities.

2. **Receipts and Issues in 1911.**—(i.) *Assay of Deposits Received.* The number of deposits received during 1911 at the Sydney Mint was 1471, of a gross weight of 741,882 ozs.; at the Melbourne Mint, 3403, of a gross weight of 758,693 ozs.; and at the Perth Mint, 5003, of a gross weight of 1,494,180 ozs. The average composition of these deposits in Sydney was, gold 883.8, silver 80.1, base 36.1 in every 1000 parts; Melbourne, gold 919.6, silver 41.4, base 39.0 in every 1000 parts; and Perth, gold 808.8, silver 125.0, base 66.2 in every 1000 parts. As many parcels have, however, undergone some sort of refining process before being received at the mint, the average assay for gold shews higher in these figures than for gold as it naturally occurs.

(ii.) *Receipts.* Practically all the gold coined at the Australian mints is the produce of either the Commonwealth or of the Dominion of New Zealand. The following table shews the origin of the gold received at the three mints during 1911:—

## ORIGIN OF GOLD RECEIVED AT MINTS DURING 1912.

Origin of Gold.	Sydney Mint.	Melbourne Mint.	Perth Mint.
	ozs.	ozs.	ozs.
New South Wales ... ..	125,498.96	4,934.02	...
Victoria ... ..	245.03	551,996.61	...
Queensland... ..	371,127.31	4,999.28	...
South Australia ... ..	...	11,378.23	...
Western Australia ... ..	147.49	11,864.75	1,493,728
Tasmania ... ..	1,227.16	26,101.24	...
Northern Territory ... ..	3,285.41	...	76
New Zealand ... ..	237,031.58	133,209.94	...
Other countries, origin not stated, and light gold coin ... ..	3,319.43	14,208.84	376
Total ... ..	741,882.37	758,692.91	1,494,180

It will be seen that practically all gold produced in New South Wales and Queensland, and about five-eighths of that produced in New Zealand, found its way to the Sydney Mint, while the Melbourne Mint received all Victorian and South Australian gold, together with nearly all of the Tasmanian and about three-eighths of the New Zealand production, and the Perth Mint coined practically all Western Australian gold with the exception of a small portion sent to Sydney and Melbourne.

(iii.) *Issues.* The Australian mints, besides issuing gold coin in the shape of sovereigns and half-sovereigns, also issue gold bullion, partly for the use of local manufacturers (jewellers and dentists), and partly for export, India taking annually a considerable quantity of gold cast into 10-oz. bars. The issues during 1911 are shown in the table below:—

#### ISSUES OF GOLD FROM MINTS DURING 1912.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	2,519,000	126,000	2,645,000	83,311	2,728,311
Melbourne ...	2,851,451	...	2,851,451	113,429	2,964,880
Perth ...	4,373,165	65,186	4,438,351	693,030	5,131,381
Total ...	9,743,616	191,186	9,934,802	889,770	10,824,572

In addition to the issue of gold the Mints are also charged with the issue of silver and bronze coin struck in London. There was, however, no issue of silver coin in 1911. The value of bronze coin issued was £1200, viz., £600 in pence, and £600 in half-pence.

(iv.) *Withdrawals of Worn Coin.* The mints receive light and worn coin for recoinage, gold being coined locally, while silver is forwarded to London. The value of gold coin so received in 1911 amounted to £28,100, viz.—Sydney, £11,467; Melbourne, £16,558; and Perth, £75. The value of worn silver coins received during 1911 was £45,310, viz.—Sydney, £22,958; Melbourne, £13,411; and Perth, £8941. This last amount includes £400 shillings and £800 sixpences exchanged for Australian coin.

**3. Total Receipts and Issues.** (i.) *Receipts.* The total quantities of gold received at the three mints since their establishment are stated in the gross as follows:—Sydney, 35,090,950 ozs.; Melbourne, 34,362,440 ozs.; and Perth, 16,271,579 ozs. As the mints pay for standard gold (22 carats) at the rate of £3 17s. 10½d. per oz., which corresponds to a value of £4 4s. 11½d. per oz. fine (24 carats), it is possible to arrive at the number of fine ounces received from the amounts paid for the gold received. These amounts were:—Sydney, £129,413,156; Melbourne, £135,322,068; Perth, £57,390,345; corresponding to—Sydney, 30,466,446 ozs. fine; Melbourne, 31,857,522 ozs. fine; and Perth, 13,510,836 ozs. fine. Silver found in assaying is paid for if it exceeds 8 per cent.; in Sydney it has been paid for at the rate of one shilling and sixpence per oz. fine since 12th May, 1902; in Melbourne the price is fixed monthly by the Deputy-master of the Mint; and in the Perth accounts it has been taken at one shilling per oz.

(ii.) *Issues.* The total values of gold coin and bullion issued by the three mints were as shown in the table on page 842. It may be said that about one-half of the total gold production of Australasia has passed through the three Australian mints, the production of the Commonwealth States to the end of 1911 being valued at £536,196,981, and that of New Zealand at £78,109,897, or a total of £614,306,878.

## TOTAL ISSUES OF GOLD FROM MINTS TO END OF 1911.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ...	119,130,500	3,811,000	122,941,500	6,443,536	129,385,036
Melbourne ...	124,163,083	883,948	125,047,031	10,276,855	135,323,886
Perth ...	52,079,022	189,235	52,268,257	5,108,984	57,377,241
Total ...	295,372,605	4,884,183	300,256,788	21,829,375	322,086,163

The total issues of silver coins to the end of 1911 were £2,415,200, viz.:—Crowns, £3500; double florins, £4585; half-crowns, £722,600; florins, £528,215; shillings, £606,200; sixpences, £253,220; and threepences, £296,880.

Bronze coins to the value of £180,150 were issued, viz.:—Pence, £126,640; halfpence, £53,310; and farthings, £200.

(iii.) *Withdrawals of Worn Coin.* Complete figures as to the withdrawal of gold coin can be given for the Sydney Mint, where they amounted to £1,070,166; at the Melbourne Mint the coins withdrawn since 1890 were worth £497,712. In the case of Perth the withdrawal of worn gold coin since the opening of the Mint amounted to £419.

Withdrawals of worn silver coin amounted to £303,534 in Sydney, to £362,124 in Melbourne, and to £8,650 in Perth.

**4. Standard Weight and Fineness of Coinage.**—The coinage of the Commonwealth is the same as that of the United Kingdom, and the same provisions as to legal tender hold good, viz., while gold coins are legal tender to any amount, silver coins are only so for an amount not exceeding forty shillings, and bronze coins up to one shilling. As will be seen from the table below, the standard weights of the sovereign and half-sovereign are respectively 123.27447 grains and 61.63723 grains, but these coins will pass current if they do not fall below 122.5 grains and 61.125 grains respectively.

## STANDARD WEIGHT AND FINENESS OF COMMONWEALTH COINAGE.

Denomination.	Standard Weight.	Standard Fineness.
<b>GOLD—</b>	Grains.	
Sovereign ...	123.27447	Eleven-twelfths fine gold, viz.:— Gold ... 0.91667 } 1.00000 Alloy ... 0.08333 }
Half-sovereign ...	61.63723	
<b>SILVER—</b>		
Crown ...	436.36363	Thirty-seven-fortieths fine silver, viz.:— Silver ... 0.925 } 1.000 Alloy ... 0.075 }
Double florin ...	349.09090	
Half-crown ...	218.18181	
Florin ...	174.54545	
Shilling ...	87.27272	
Sixpence ...	43.63636	
Threepence ...	21.81818	
<b>BRONZE—</b>		Mixed metal, viz.:— Copper ... 0.95 } 1.00 Tin ... 0.04 Zinc ... 0.01 }
Penny ...	145.83333	
Half-penny ...	87.50000	
Farthing ...	43.75000	

5. **Prices of Silver and Australian Coinage.**—(i.) *Prices of Silver.* The value of silver has greatly decreased since its demonetisation and restricted coinage in almost the whole of Europe. Its average price in the London market is shewn in the subjoined table:—

**AVERAGE PRICE OF SILVER IN LONDON MARKET, 1873 to 1911.**

Year.	Price per Standard Oz.	Year.	Price per Standard Oz.	Year.	Price per Standard Oz.
	d.		d.		d.
1873 ...	59.2500	1886 ...	45.3750	1899 ...	27.5000
1874 ...	58.3125	1887 ...	44.6250	1900 ...	28.3125
1875 ...	56.8125	1888 ...	42.8750	1901 ...	27.2500
1876 ...	53.0000	1889 ...	42.6875	1902 ...	24.1250
1877 ...	54.7500	1890 ...	47.7500	1903 ...	24.7500
1878 ...	52.5625	1891 ...	45.0625	1904 ...	26.3750
1879 ...	51.1875	1892 ...	39.8125	1905 ...	27.8125
1880 ...	52.2500	1893 ...	35.6250	1906 ...	30.8750
1881 ...	51.7500	1894 ...	29.0000	1907 ...	30.1875
1882 ...	51.8125	1895 ...	29.8750	1908 ...	24.3750
1883 ...	50.5625	1896 ...	30.7500	1909 ...	23.6875
1884 ...	50.6875	1897 ...	27.5625	1910 ...	24.6875
1885 ...	48.6250	1898 ...	26.9375	1911 ...	24.5625

The monthly fluctuations during the year 1911 were as follows:—

**AVERAGE PRICE OF SILVER IN LONDON MARKET, 1911.**

Month.	Price per Standard Oz.	Month.	Price per Standard Oz.	Month.	Price per Standard Oz.
	d.		d.		d.
January ...	24.8750	May ...	24.5625	September ...	24.1875
February ...	24.0625	June ...	24.5000	October ...	24.5625
March ...	24.3125	July ...	24.3125	November ...	25.6250
April ...	24.5625	August ...	24.0625	December ...	25.3750

(ii.) *Profits on Coinage of Silver.* As sixty-six shillings are coined out of one pound troy of standard silver, the silver required to produce £3 6s. of coin was only worth £1 4s. 7d. during 1911; the difference of £2 1s. 5d. represents, therefore, the gross profit or seigniorage made on the coinage of every £3 6s. This gross profit is equivalent to over 62 per cent., but from it the expenses of coining (including interest on cost of machinery) and of withdrawals of worn coin must be deducted. Still, given a large annual demand for new silver coin, even the net profit amounts to a considerable sum. Negotiations, therefore, took place for a number of years between the Imperial authorities and the Governments of New South Wales and Victoria, which in 1898 resulted in permission being granted to the two Governments named to coin silver and bronze coin at the Sydney and Melbourne Mints for circulation in Australia. No steps were, however, taken in the matter, and as section 51 of the Commonwealth Constitution makes legislation concerning "currency, coinage, and legal tender" a federal matter, the question remained in abeyance until the latter part of 1908, when the Commonwealth Treasurer announced his intention of initiating the coinage of silver in the near future.

(iii.) *Coinage Bill.* In 1909 a coinage bill was introduced in the Commonwealth Parliament, which provided that the future Australian coinage should consist of the following coins:—In gold, £5, £2, £1, and 10s.; in silver, 2s., 1s., 6d., and 3d.; and in bronze, 1d. and  $\frac{1}{2}$ d. Gold was to be legal tender up to any amount, silver up to 40s., and bronze up to 1s. Ultimately the coinage was to be undertaken in Australia, but for

the time an agreement was made with the authorities of the Royal Mint in London, under the terms of which the coinage was to be done in London on account of the Commonwealth Government. Orders were given for the immediate coinage of £200,000 worth of silver, viz., one million florins, one million shillings, one million sixpences, and two million threepences. The coins bear on the obverse H.M. the King's head, with the Latin inscription which appears on the British coins, and on the reverse the Australian coat-of-arms, with the denomination and the date. The Imperial authorities undertook to withdraw £100,000 worth of the present silver coinage per annum at its face value. The first consignment of the new coinage arrived in Australia early in 1910, and in a short time all the silver coins contracted for were supplied to the Royal mints, Australia. Copper coins of the value of £10,000, viz., 1,560,000 pennies and 1,680,000 half-pennies, of a design similar to that of the silver coins, were ordered. It is not, however, intended to withdraw any of the present copper coins, but merely to make good the "leakage," which is considerable. Possibly the time is not far distant when the copper coinage will be replaced by a nickel coinage.

**6. Decimal Coinage.**—Considered apart from the cognate subject of decimal weights and measures, the introduction of a decimal coinage would present no great difficulties. Of the various systems that have been advocated from time to time, the one that appears to meet with most favour and presents the maximum advantage, would retain the sovereign as the unit, but would divide it into a thousand parts instead of the present 960 farthings. In such a system there would be the following coins (adopting the name of "cent" for the hundredth part of the sovereign):—Sovereign = 100c. (gold); half-sovereign = 50c. (gold); 20c. = 4s. (gold or silver); 10c. = 2s. (silver); 5c. = 1s. (silver); 2c. = 4.8d. (silver); 1c. = 2.4d. (silver or nickel); 0.5c. or 5 mils. = 1.2d. (nickel or bronze); 0.2c. or 2 mils. = 0.48d. (nickel or bronze); 0.1c. or 1 mil. = 0.24d. (bronze). As only the subdivisions of the present shilling would be altered, such a system could be introduced with less disturbing effects on the arrangements of trade than other proposals, e.g., one which would make the present farthing its unit. It will be seen from the terms of the Coinage Act, as quoted in the preceding paragraph, that no provision has been made for the introduction of a decimal coinage, apart from the omission of the half-crown.

**7. Circulation of Specie.**—Many conflicting estimates have from time to time been made as to the amount of coin in private hands. In 1892 the general manager of one of the Sydney banks estimated the coin in private hands in New South Wales at only £725,000, while the estimate of the Deputy-master of the Mint for the same period was £4,416,000, the truth lying, no doubt, somewhere between those two estimates. In 1906 the Deputy-master of the Perth Mint conducted an enquiry with the object of obtaining information on the condition of the currency in Australia. His estimate was—sovereigns, £2,500,000; half-sovereigns, £500,000; silver and bronze coin, £1,200,000. This estimate appears, however, very low, amounting only to a little over £1 per head of population. In this connection it may be of interest to notice that two similar estimates have recently been made in England and Germany respectively. The report for 1910 of the Comptroller of the British Imperial Mint contains an estimate of the amount of gold coin in active circulation in the United Kingdom in 1910, which is put at £113,000,000 or £2 10s. per head. More recently still, a German economist, Dr. Arnold, of the Reichsbank, estimated the amount of gold coin in active circulation in Germany at about £110,000,000, or £1 15s. per head. If the German ratio is supposed to prevail in Australia (the British ratio is almost certainly too high), this would lead to an estimate of about £8,000,000 for the amount of gold coin in active circulation in the Commonwealth. The coin in private hands amounts, however, only to a comparatively small part of the total in the country, the value of coin held by the banks during the quarter ended 30th June, 1912, being £27,581,368, whilst the Commonwealth Treasury at the same date held £4,279,007. To the active currency must be added the notes in circulation, which for the same period amounted to £536,984, exclusive of Queensland Treasury notes. For particulars relative to Australian notes, see page 802.

For information concerning the imports into the Commonwealth and exports from the Commonwealth of coin and bullion during the year 1911, the enquirer is referred to the tables on pages 615 and 616.

## § 2. Banking.

1. **Banking Facilities.**—(i.) *Head Offices of Banks.* Of the twenty-three banks trading in the Commonwealth, four have their head offices in London, viz., the Bank of Australasia; the Union Bank of Australia Limited; the English, Scottish and Australian Bank Limited; and the London Bank of Australia Limited. The head offices of the following four banks are in Sydney—The Bank of New South Wales, the Commercial Banking Company of Sydney Limited, the Australian Joint Stock Bank Limited (now the Australian Bank of Commerce Limited), and the City Bank of Sydney. Five banks have their head offices in Melbourne, viz., the National Bank of Australasia Limited, the Commercial Bank of Australia Limited, the Bank of Victoria Limited, the Colonial Bank of Australasia Limited, and the Royal Bank of Australia Limited. Brisbane is the headquarters of three banks, viz., the Queensland National Bank Limited, the Royal Bank of Queensland Limited, and the Bank of North Queensland Limited. Only one bank has at present its head office in Adelaide, viz., the Bank of Adelaide; and one in Perth, viz., the Western Australian Bank. Of the two Tasmanian banks, the Commercial Bank of Tasmania Limited has its head office in Hobart, and the National Bank of Tasmania Limited in Launceston. The Bank of New Zealand has its headquarters in Wellington. Of the two remaining banks—included for the first time—the Comptoir National d'Escompte has its head office in Paris, and the Ballarat Banking Company in Ballarat. It is proposed, in the few instances where the banks are referred to by name, to arrange them in the order just given.

(ii.) *Establishments in Different States.* Only four of the banks have establishments in all six States of the Commonwealth, the total number of their branches and sub-branches being 791. Two with 341 branches are established in four States. One bank has 61 branches distributed over three States, but has now also opened a branch in a fourth State, while another bank with 76 branches trades in three States only. Seven banks with a total of 421 branches confine their operations to two States. The remaining eight banks, with 350 branches, trade only within the State where their head offices are located. Two banks also have each a branch in the Northern Territory. Of this total of 2043 banking establishments, New South Wales contains 629, Victoria 666, Queensland 281, South Australia 236, Western Australia 172, Tasmania 57, and Northern Territory 2. In addition to the branches in the Commonwealth, four of the banks have a total of 304 establishments in New Zealand, while seventeen have each an office in London. Only three of the banks are established in the Pacific Islands, with a total of eight branches. The total for the Commonwealth amounts to about one bank to every 2250 inhabitants, which does not appear out of proportion when the general sparseness of the Australian population is taken into consideration. There is, however, a difference between the various States which is not easy of explanation, but which seems to be due chiefly to the desire of a few of the banks to open up branches wherever there is a prospect of a small amount of business, while other banks are more conservative in this respect. Thus the proportion in New South Wales is about 2760 inhabitants per bank, while in Victoria it is only 2030. This is probably owing to the fact that in Victoria, with its closer settlement, there are more centres where business can be made profitable. In Western Australia, where the proportion is lowest and amounts to about one in 1750, there are, of course, exceptional circumstances which explain this apparent overbanking.

2. **Banking Legislation.**—Under Section 51 of the Commonwealth Constitution Act the Commonwealth Parliament has power to legislate with respect to "Banking, other than State banking, also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money." Until quite

recently the only Commonwealth banking legislation passed was Act No. 27 of 1909, "An Act relating to Bills of Exchange, Cheques, and Promissory Notes," which came into force on the 1st of February, 1910. In the session of 1910, however, two Acts relating to banking were passed by the Federal Parliament. The first was the Australian Notes Act No. 11 of 1910, assented to on the 16th September, 1910, and proclaimed 1st November, 1910; and the second the Bank Notes Tax Act No. 14 1910, assented to on 10th October, 1910, and proclaimed 1st July, 1911. Under the first of these Acts the Commonwealth Treasurer is empowered to issue notes which shall be legal tender throughout the Commonwealth, and redeemable at the seat of Federal Government. The notes are issued in denominations of 10s., £1, £5, £10, or any multiple of £10. The Act directs the Treasurer to hold the following reserve of gold coin:—

- (a) An amount not less than one-fourth of the amount of Australian notes issued up to seven million pounds;
- (b) An amount equal to the amount of Australian notes issued in excess of seven million pounds;

For the purpose of estimating the reserve, notes which have been redeemed are not included amongst those issued.

The portion of the Act relating to the reserve has been amended by Act No. 21 of 1911, which was assented to on 22nd December, 1911. According to this amending Act the clause relating to the reserve now reads as follows:—"The Treasurer shall hold in gold coin a reserve of not less than one-fourth of the amount of Australian notes issued." It was intended that this amendment should come into force on 1st July, 1912, but the Federal Treasurer has since announced that its operation will be deferred until after the Commonwealth elections of 1913.

The Australian Notes Act prohibits the circulation of notes issued by a State six months after the commencement of the Act, and such notes will then cease to be legal tender. In addition the Bank Notes Act imposes a tax of 10 per cent. per annum in respect of all bank notes issued or re-issued by any bank in the Commonwealth after the commencement of this Act and not redeemed.

The Notes Act and the Bank Notes Act were supplemented in the following year by the passing of No. 18 of 1911, "An Act to provide for a Commonwealth Bank," which passed both Houses and was assented to on 22nd December, 1911. The bank thus authorised has no power to issue notes, but in every other respect it has the functions of an ordinary bank of issue. It is managed by a governor and a deputy-governor, who are appointed by the Governor-General and will hold office during good behaviour for a period of seven years, after which they will be eligible for reappointment. A novel feature is the establishment of a department dealing with savings bank business only. No further reference need be made here to this department; the framers of the Act have largely followed the lines laid down by the respective State Savings Bank Acts, particularly the Western Australian Act No. 9 of 1906. The capital of the bank is one million pounds, to be raised by the issue and sale of debentures. These debentures are for ten pounds or some multiple of ten pounds and redeemable at par, the Commonwealth guaranteeing interest and principal. All expenses incidental to the establishment of the bank are met by an advance from the Consolidated Revenue Fund, such advance to be ultimately repaid with interest at the rate of three-and-a-half per cent.

The first step in the organisation of the Bank was the appointment as Governor, from 1st June, 1912, of Mr. Denison Miller, of the Bank of New South Wales. Mr. James Kell, of the Bank of Australasia, was subsequently appointed Deputy-Governor, and the Bank was formally opened on 20th January, 1913, for the transaction of all general banking business. The result of the first day's operations was the deposit of £2,341,720, the bulk of which consisted of funds belonging to various departments of the Commonwealth Government. The opening of branches simultaneously at Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Townsville, Canberra, and London, marked the accomplishment of the provisions of the Commonwealth Bank Act of 1911. The Savings Bank Department, which came into existence six months previously, is dealt with in detail in the section on Savings Banks.

Under the existing laws banks are required to furnish quarterly statements of their average assets and liabilities, but these statements are not equally complete in all the States. Until the close of 1907 these quarterly statements, together with the periodical balance-sheets of the banks (generally half-yearly, but in a few cases yearly), were the only information available in regard to banking business. During the year 1908 the Commonwealth Statistician, under the provisions of the Census and Statistics Act, asked the banks for quarterly returns giving slightly more detailed information than had previously been obtained. As, however, a few of the banks have found it impossible up to the present to give all the particulars required, while promising to do so in future, the returns for the years 1908, 1909, 1910, 1911, and 1912 have been practically left in the same condition as those for 1907 and previous years.

The Acts under which the various banks are incorporated are not all of the same nature, but it may be stated that while most of the older banks were incorporated by special Acts, *e.g.*, the Bank of New South Wales, by Act of Council 1817; the Bank of Australasia, by Royal Charter; the Bank of Adelaide, by Act of the South Australian Parliament; and the Bank of New Zealand, by Act of the General Assembly of New Zealand, the newer banks are generally registered under a "Companies Act," or some equivalent Act. This is also the case with those banks which, after the crisis of 1893, were reconstructed.

**3. Capital Resources of Banks.**—The paid-up capital of the twenty-three banks, together with their reserve funds, and the rate per cent. and the amount of their last dividends, is shewn in the table hereunder. The information relates to the balance-sheet last preceding the 30th June, 1912. In regard to the reserve funds it must be stated that in the case of some of the banks these are invested in Government securities; while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business.

#### CAPITAL RESOURCES OF ORDINARY BANKS.

Bank.	Paid-up Capital.	Rate per cent. per annum of last Dividend and Bonus.	Amount of last ½-yrly. Dividend & Bonus.	Amount of Reserved Profits.
	£	%	£	£
Bank of Australasia ... ..	1,600,000	14&12/-bonus ps.	136,000	1,926,073
Union Bank of Australia Limited ... ..	1,500,000	14	105,000	1,412,510
English, Scottish and Australian Bank Limited ... ..	539,438	7	37,761 <sup>7</sup>	246,594
London Bank of Australia Limited ... ..	548,228 <sup>4</sup>	{ 7 Preferen. 5 Ordinary }	30,440 <sup>7</sup>	145,043
Bank of New South Wales ... ..	3,000,000	10	150,000	2,085,000
Commercial Banking Company of Sydney Limited ... ..	1,718,894	10	75,000	1,594,540
Australian Bank of Commerce Limited ... ..	1,194,899	2½	14,850	16,222
City Bank of Sydney ... ..	400,000	4½	9,000	20,594
National Bank of Australasia Limited ... ..	1,498,220 <sup>2</sup>	6	44,947	10,617
Commercial Bank of Australia Limited ... ..	2,212,969 <sup>3</sup>	3 Preference	31,760	4,877
Bank of Victoria Limited ... ..	1,478,010 <sup>4</sup>	6	44,340	287,765
Colonial Bank of Australasia Limited ... ..	439,280	7	15,375	183,710
Royal Bank of Australia Limited ... ..	300,000	8	12,000	173,943
Queensland National Bank Limited ... ..	413,591 <sup>5</sup>	...	...	...
Royal Bank of Queensland Limited ... ..	542,315	5	13,421	77,407
Bank of North Queensland Limited ... ..	100,000	6	3,000	23,357
Bank of Adelaide ... ..	500,000	10	25,000	507,084
Western Australian Bank ... ..	250,000	20	25,000	651,084
Commercial Bank of Tasmania Limited ... ..	175,000	14	12,250	209,604
National Bank of Tasmania Limited ... ..	152,040	7	5,321	3,619
Bank of New Zealand ... ..	2,000,000 <sup>6</sup>	{ 4 Preferen. 6 & 3 bonus Ordinary }	65,000	1,240,587
Comptoir National d'Escompte de Paris ... ..	8,000,000	7	560,000	1,520,303
Ballarat Banking Company Limited ... ..	85,000	7½	3,187	78,000
<b>Total</b> ... ..	<b>28,647,884</b>	<b>...</b>	<b>...</b>	<b>12,419,733</b>

1. £171,930 preferential, £376,298 ordinary. 2. £305,780 preferential, £1,192,440 ordinary. 3. £2,117,350 preferential, £95,298 ordinary. 4. £416,760 preferential, £1,061,250 ordinary. 5. After deducting £47,156 paid on forfeited shares. 6. £500,000 preference shares issued to the Crown under the "Bank of New Zealand Act 1903." £500,000 ordinary shares, and £1,000,000 guaranteed stock. 7. For 12 months.



4. **Liabilities and Assets of Banks.**—(i.) *Liabilities of Banks for Quarter ended 30th June, 1912.* As already stated, the banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, which contains the averages of the weekly statements prepared by the bank for that purpose, and they have, during the years 1908, 1909, 1910, 1911, and 1912, furnished quarterly statements to the Commonwealth Statistician. As all other financial returns in this work embrace, so far as possible, a period ended 30th June, 1912, it seems advisable to give the banking figures for the quarter ended on that date, and, where they are shewn for a series of years, similarly to use the figures for the June quarter of each year. The liabilities are those to the general public, and are exclusive of the banks' liabilities to their shareholders, which are shewn in the preceding table:—

**AVERAGE LIABILITIES OF BANKS IN EACH STATE OF THE COMMONWEALTH AND THE NORTHERN TERRITORY FOR THE QUARTER ENDED 30th JUNE, 1912.**

State.	Notes in Circulation, not bearing interest.	Bills in Circulation, not bearing interest.	Balances Due to other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
New South Wales	226,150	418,503	177,132	27,937,494	30,292,077	58,229,571	59,051,356
Victoria ...	164,992	256,786	275,331	17,897,544	30,556,264	48,453,808	49,150,917
Queensland ...	...	216,568	122,289	8,859,715	11,452,192	20,311,907	20,650,764
South Australia	74,612	22,513	71,961	4,720,117	6,880,063	11,600,180	11,769,266
West. Australia	45,821	69,637	225,461	3,728,537	3,172,221	6,900,758	7,241,667
Tasmania ...	25,409	18,046	765	2,214,894	2,021,313	4,236,207	4,280,427
North. Territory	...	19	7	50,540	23,626	74,166	74,192
Commonwealth	536,984	1,002,062	872,946	65,408,841	84,397,756	149,806,597	152,218,589

\* In Queensland, Treasury notes were used instead of bank notes.

(ii.) *Assets of Banks for Quarter ended 30th June, 1912.* The average assets of the banks are shewn in the following table:—

**AVERAGE ASSETS OF BANKS IN EACH STATE OF THE COMMONWEALTH AND THE NORTHERN TERRITORY FOR THE QUARTER ENDED 30th JUNE, 1912.**

State.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Government and Municipal Securities.	Landed and House Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	Discounts Over-drafts, and all other Assets.	Australian Notes.	Total Assets.
	£	£	£	£	£	£	£	£	£
N.S.W.	12,116,947	196,110	3,840,522	1,930,319	*293,103	488,697	43,575,784	1,992,521	64,434,003
Victoria	7,583,187	307,370	233,662	1,642,971	677,969	506,014	37,843,360	1,216,648	50,011,681
Q'land	3,207,316	98,609	250,170	719,581	†93,364	395,316	17,765,880	904,791	23,435,027
S. Aust.	2,141,243	1,641	118,359	318,526	61,036	109,110	8,565,340	589,048	11,904,303
W. Aust.	1,734,517	497,714	147,897	217,530	40,289	53,179	8,360,993	516,080	11,568,199
Tas. ...	794,037	65	197,338	126,466	5,744	209,385	2,857,565	205,834	4,396,434
Nor. Ter.	4,121	2,635	...	1,200	1	...	3,755	9,897	21,609
Cwlth.	27,581,368	1,104,644	4,787,948	4,956,593	1,171,506	1,761,701	118,972,677	5,434,819	165,771,266

\* Including Queensland Treasury Notes, £15.

† " " " " " £2533.

(iii.) *Liabilities of Banks for June Quarter, 1903 to 1912.* In the subjoined table, which shows the average liabilities of the banks for the quarters ended 30th June, 1903 to 1912, for the Commonwealth as a whole, it will be seen that the growth in total liabilities is almost entirely due to an increase in the deposits, and that deposits not bearing interest and deposits bearing interest have shared in that increase very equally:—

**AVERAGE LIABILITIES OF BANKS IN THE COMMONWEALTH FOR THE QUARTER  
ENDED 30th JUNE IN THE YEARS 1903 to 1912.**

Year.	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances due to other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest.	Total.	
	£	£	£	£	£	£	£
1903 ... ..	3,315,747	539,132	407,947	37,056,187	54,701,047	91,757,234	96,020,060
1904 ... ..	3,133,268	521,267	290,441	35,630,255	55,917,848	91,548,103	95,493,079
1905 ... ..	3,036,879	555,256	446,555	36,847,610	61,295,775	98,143,385	102,182,075
1906 ... ..	3,244,256	568,670	577,094	41,036,116	65,479,150	106,515,266	110,905,286
1907 ... ..	3,563,151	801,878	444,460	46,781,234	65,916,735	112,697,969	117,507,488
1908 ... ..	3,536,227	707,903	796,447	46,015,448	67,678,940	113,694,388	118,734,965
1909 ... ..	3,510,629	720,853	555,806	46,812,632	70,945,623	117,758,255	122,545,543
1910 ... ..	3,748,482	821,758	570,115	55,233,862	74,657,274	129,891,136	135,031,491
1911 ... ..	3,718,458	928,663	741,188	62,226,897	81,220,013	143,446,910	148,835,219
1912 ... ..	536,984	1,002,062	872,946	65,408,841	84,397,756	149,806,597	152,218,589

(iv.) *Assets of Banks for June Quarter, 1903 to 1912.* A similar table shewing the average assets of the banks for the June quarters of each of the years 1903 to 1912 is shewn below. Bullion, in the case of the Tasmanian banks, is included with coin in the years 1903 to 1907.

**AVERAGE ASSETS OF BANKS IN THE COMMONWEALTH FOR THE QUARTER  
ENDED 30th JUNE IN THE YEARS 1903 to 1912.**

Year.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Landed and other Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	All other Debts Due to the Banks.*	Total Assets.
	£	£	£	£	£	£	£
1903	18,513,784	1,507,825	5,289,440	741,977	1,115,369	93,901,160	120,469,555
1904	17,910,771	1,447,698	5,245,312	692,688	781,368	87,705,222	113,783,059
1905	19,988,465	1,501,890	5,212,799	705,089	809,929	85,766,259	113,984,431
1906	21,268,679	1,412,763	5,160,875	802,225	1,234,921	87,889,121	117,768,584
1907	22,420,395	1,291,033	5,028,379	840,217	1,170,276	94,990,435	125,740,735
1908	23,578,293	1,353,267	4,938,212	889,377	1,131,612	101,647,044	133,537,805
1909	24,943,910	1,353,933	4,852,471	932,354	1,153,611	98,481,421	131,717,700
1910	28,826,729	1,322,899	4,919,991	973,161	1,343,669	101,371,817	138,758,266
1911	32,330,705	1,140,065	4,937,437	1,279,714	1,698,097	118,179,425	159,565,443
1912	27,581,368	1,104,644	4,956,593	1,168,958	1,761,701	129,197,992	165,771,256

\* Including Queensland Treasury notes, Government and Municipal securities, and Australian notes.

The figures do not call for much comment. As the table shews, the increase in the total amount of assets is partly due to an increase in the amount of specie held by the banks against liabilities at call, and partly to advances.

**5. Percentage of Coin, Bullion, and Australian Notes to Liabilities at Call.—**

(i.) *Commonwealth.* Although it is not strictly correct to assume that the division of deposits into those bearing interest and not bearing interest would in every case coincide with a division into fixed deposits and current accounts, the division, in default of a better one, must be adopted, and in the following table "liabilities at call" are therefore understood to include the note circulation of the banks and the deposits not bearing interest:—

**PERCENTAGE OF COIN, BULLION AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1903 to 1912.**

Year.				Liabilities at Call.	Coin, Bullion, and Australian Notes.	Percentage to Liabilities at Call.
				£	£	%
1903	...	...	...	40,371,934	20,021,609	49.59
1904	...	...	...	38,763,523	19,358,469	49.94
1905	...	...	...	39,884,489	21,490,355	53.88
1906	...	...	...	44,280,372	22,681,442	51.22
1907	...	...	...	50,344,415	23,711,428	47.10
1908	...	...	...	49,551,675	24,931,560	50.31
1909	...	...	...	50,323,261	26,297,843	52.26
1910	...	...	...	58,982,344	30,149,628	51.12
1911	...	...	...	65,945,355	33,470,770	50.76
1912	...	...	...	65,945,825	34,120,831	51.74

It would appear from the figures just given that the banks generally consider it advisable to hold about half the amount of liabilities at call in coin and bullion. The drop to 47.10 per cent. in 1907 was due to the very large increase in the amount of deposits during the year, and to the fact that the increase in the coin and bullion held, considerable though it was, did not keep pace therewith.

(ii.) *Queensland Treasury Notes.* No bank-notes are issued by any of the banks in Queensland, where a Treasury note has taken the place of bank-notes since 1893. These Treasury notes are disregarded in the quarterly statements of the banks; according to Treasury returns the amount outstanding on 30th June, 1912, was £61,018, partly in circulation, and the balance held by the banks. Under the Australian Notes Act, the issue of notes by a State is now prohibited.

(iii.) *States.* The proportion of coin, bullion and Australian Notes to liabilities at call varies considerably in the different States, and is generally highest in Western Australia, and lowest in Queensland and Tasmania. A table is appended shewing the percentages for each State for the quarter ended 30th June in each of the years 1903 to 1912:—

**PERCENTAGE OF COIN, BULLION AND AUSTRALIAN NOTES TO LIABILITIES AT CALL, COMMONWEALTH BANKS, 1903 to 1912.**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	C'wealth.
	%	%	%	%	%	%	%	%
1903	47.47	50.58	46.33	50.12	61.83	42.20	...	49.59
1904	48.67	52.92	39.66	51.45	58.70	46.41	...	49.94
1905	50.51	58.01	45.78	55.66	67.35	44.25	...	53.88
1906	48.49	53.55	40.43	51.25	73.98	42.39	...	51.22
1907	44.81	49.17	37.20	46.73	71.14	39.84	...	47.10
1908	47.70	54.68	41.09	45.63	76.09	40.06	...	50.31
1909	50.38	56.57	39.68	46.90	83.29	41.48	...	52.26
1910	51.33	51.66	39.78	48.27	81.09	37.77	...	51.12
1911	52.28	45.05	43.60	51.64	86.55	35.13	16.27	50.76
1912	50.79	50.42	47.53	56.98	72.82	44.63	32.95	51.74

**6. Deposits and Advances.**—(i.) *Total Deposits.* The total amount of deposits held by the banks shews a steady advance during the period under review, although the totals for 1903 and 1904, when the country was slowly recovering from the effects of the drought, were slightly below those for 1902:—

## TOTAL DEPOSITS IN COMMONWEALTH BANKS, 1903 to 1912.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	C'wealth.
	£	£	£	£	£	£	£	£
1903	33,309,691	30,719,334	12,645,725	6,603,225	4,785,839	3,693,420	...	91,757,234
1904	33,058,342	31,188,971	12,626,184	6,375,267	4,726,158	3,573,181	...	91,548,103
1905	35,972,265	33,642,092	12,987,859	6,892,103	4,999,650	3,649,416	...	98,143,385
1906	39,099,630	36,764,392	13,665,110	7,513,802	5,645,701	3,826,631	...	106,515,266
1907	41,967,265	38,393,179	14,852,584	8,247,366	5,500,112	3,737,463	...	112,697,969
1908	43,616,984	37,538,732	15,328,056	8,644,346	4,894,639	3,671,641	...	113,694,388
1909	44,626,194	38,611,731	16,138,931	9,727,879	4,987,894	3,665,626	...	117,758,255
1910	50,018,585	41,809,706	17,420,034	10,782,800	6,129,668	3,729,951	...	129,891,136
1911	55,232,458	46,363,615	19,633,309	11,128,300	7,280,392	3,759,486	59,350	143,446,910
1912	58,229,571	48,453,808	20,311,907	11,600,180	6,900,758	4,236,207	74,166	149,806,597

(ii.) *Deposits per Head of Population.* To shew the extent to which the population makes use of the banking facilities afforded to it, a table is given hereunder shewing the amount of total deposits per head of mean population for each of the years 1903 to 1912. The figures must not be taken as representative of the savings of the people, as a large proportion of the deposits is non-interest-bearing and therefore presumably used in the business of the banks' customers, together with a small part of the interest-bearing deposits.

## DEPOSITS PER HEAD OF POPULATION IN COMMONWEALTH BANKS, 1903 to 1912.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Northern Territory.	C'wealth.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1903	23 12 3	25 9 7	24 12 7	18 7 6	21 18 10	20 10 7	...	23 15 1
1904	23 0 6	25 18 11	24 4 10	17 13 5	20 6 8	19 11 1	...	23 5 4
1905	24 10 7	27 18 6	24 12 1	18 19 0	20 7 1	19 16 4	...	24 11 8
1906	26 1 4	30 6 8	25 10 10	20 10 1	22 5 0	20 15 8	...	26 5 10
1907	27 5 8	31 7 2	27 9 1	22 5 0	21 10 8	20 6 6	...	27 7 11
1908	27 15 6	30 6 8	27 15 0	22 14 11	19 0 8	19 12 10	...	27 3 5
1909	28 0 4	30 14 0	28 8 6	24 17 5	19 0 4	19 6 1	...	27 12 8
1910	30 13 5	32 14 9	29 11 6	27 1 2	22 14 10	19 11 0	...	29 16 5
1911	33 9 1	35 1 10	32 2 2	27 3 7	25 11 0	19 7 7	17 17 0	32 1 8
1912	34 15 5	35 11 1	32 13 0	27 14 10	23 9 2	21 17 11	22 16 8	32 15 10

(iii.) *Total Advances.* In the quarterly statements furnished by the banks the column headed "all other debts due to the banks," which usually average from 75 to 80 per cent. of the total assets, is made up of such miscellaneous items as bills discounted, promissory notes discounted, overdrafts on personal security, overdrafts secured by deposit of deeds or by mortgage, etc. The quarterly returns furnished to the Commonwealth Statistician in 1908 and 1909 provided for a division of the amounts contained under this heading into a number of sub-headings, but all the banks were not in a position to make the necessary division, so that under present circumstances it is impossible to separate these items, and the total amounts contained in the column must, therefore, be treated as advances. The following table shews the totals for each State during the years 1903 to 1912:—

## ADVANCES BY COMMONWEALTH BANKS, 1903 to 1912.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania	Northern Territory.	C'wealth.
	£	£	£	£	£	£	£	£
1903	38,653,565	29,905,949	14,082,725	4,428,983	3,683,451	2,541,487	...	93,301,160
1904	33,237,755	29,426,052	13,974,233	4,401,991	3,955,108	2,710,083	...	87,705,222
1905	31,965,017	28,593,201	13,590,333	4,793,936	4,172,983	2,630,789	...	85,766,259
1906	32,057,192	29,699,683	13,850,921	5,053,184	4,635,624	2,592,517	...	87,889,121
1907	34,460,963	31,894,070	15,076,455	5,545,346	5,140,911	2,872,660	...	94,990,435
1908	37,948,889	33,254,780	15,245,537	5,805,575	5,581,001	3,008,237	...	100,844,019
1909	34,853,220	31,455,141	14,499,669	5,699,546	5,384,518	2,715,648	...	94,607,742
1910	34,809,345	33,064,881	14,167,480	6,426,809	5,889,061	2,722,645	...	97,080,221
1911	39,001,933	35,792,928	15,639,657	8,018,597	7,327,529	2,796,045	2,085	108,578,774
1912	43,575,784	37,843,360	17,765,880	8,565,340	8,360,993	2,857,565	3,755	118,972,677

(iv.) *Proportion of Advances to Deposits.* The percentage borne by advances to total deposits shews to what extent the needs of one State have to be supplied by the resources of another State, and where the percentage for the Commonwealth as a whole exceeds 100, as it did in 1901, 1902, and 1903, the banks must have supplied the deficiency from their own resources, or from deposits obtained outside the Commonwealth. The following figures shew, however, that the banking business of the Commonwealth has been practically self-contained during the period under review :—

**PERCENTAGE OF ADVANCES TO TOTAL DEPOSITS, COMMONWEALTH BANKS,  
1903 to 1912.**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	C'wealth.
	%	%	%	%	%	%	%	%
1903	116.06	97.35	111.36	67.07	76.97	68.81	...	101.68
1904	100.54	94.35	110.68	69.05	83.69	75.85	...	95.80
1905	88.86	84.99	104.64	69.56	83.47	72.64	...	87.39
1906	81.99	80.78	101.36	67.25	82.11	67.75	...	82.51
1907	82.11	83.07	101.51	67.24	93.47	76.86	...	84.29
1908	87.00	88.59	99.46	67.16	114.00	81.93	...	88.70
1909	78.10	81.47	89.84	58.59	107.95	74.08	...	80.34
1910	69.59	79.08	81.33	59.60	96.07	72.99	...	74.74
1911	70.63	77.20	79.66	72.06	100.65	74.37	3.51	75.69
1912	74.83	78.10	87.47	73.84	121.16	67.46	5.06	79.42

**7. Clearing Houses.**—The Sydney Banks' Exchange Settlement and the Melbourne Clearing House, at which two institutions settlements are effected daily between the banks doing business in New South Wales and Victoria respectively, publish figures of the weekly clearances effected. From these figures it appears that in 1912 the total clearances in Sydney amounted to £330,621,000, and in Melbourne to £303,463,000. These figures represent in both cases an increase on those for 1911, the increase in Sydney amounting to £26,133,000, and in Melbourne to £13,350,000. Owing to the different distribution of the banking business in the two cities these figures do not, however, afford a fair comparison of the volume of banking business transacted in Sydney and Melbourne.

### § 3. Companies.

**1. General.**—Returns in regard to registered companies are defective, and, with few exceptions, are not available for Tasmania. They embrace (a) Returns relating to Trustees, Executors and Agency Companies; (b) Returns relating to Registered Building and Investment Societies; and (c) Returns relating to Registered Co-operative Societies.

**2. Trustees, Executors and Agency Companies.**—Returns are available of seven Victorian, two New South Wales, one Queensland, one South Australian, one Western Australian, and two Tasmanian companies. The paid-up capital of these fourteen companies amounted to £453,922; reserve funds and undivided profits to £355,082; other liabilities, £100,239; total liabilities, £909,243. Among the assets are included :—Deposits with Governments, £140,100; other investments in public securities, fixed deposits, etc., £236,947; loans on mortgage, £123,641; property owned, £259,735; other assets, £148,820. The net profits for the year were £72,702, and the amount of dividends and bonuses £39,680. Returns as to the amount at credit of estates represented by assets are available for only six companies, viz.:—Two Victorian, one New South Wales, one Queensland, one South Australian, and one Western Australian, the total shewn being £26,652,614.

Probably nearly £20,000,000 would have to be added to this amount for the remaining eight companies, so that the total amount would not be far short of £45,000,000. None of these companies receive deposits, and advances are only made under exceptional circumstances, and to a very limited extent, the total so shewn in the last balance-sheets being but £47,271.

3. **Registered Building and Investment Societies.**—Returns have been received of a total of 191 societies, viz., 99 in New South Wales, 36 in Victoria, 14 in Queensland, 27 in South Australia, 11 in Western Australia, and 4 in Tasmania. The balance-sheets cover various periods ended during the second half of 1911 and the first half of 1912, so that the returns may be assumed to roughly correspond to the financial year 1911-12. The liabilities of the societies are stated as follows:—

**LIABILITIES OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1911-12.**

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Over-drafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales	419,500	407,471	473,910	67,162	1,368,043
Victoria ...	1,290,075	228,506	695,307	303,130	2,517,018
Queensland ...	409,983	28,249	96,818	31,581	566,631
South Australia ...	344,778	7,464	2,908	9,107	364,257
Western Australia	104,884	...	7,992	14,069	126,945
Tasmania ...	91,553	51,325	155,378	6,446	304,702
Commonwealth ...	2,660,773	723,015	1,432,313	431,495	5,247,596

The assets of the companies for the same period were as follows:—

**ASSETS OF REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1911-12.**

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	1,263,909	65,396	116,358	1,445,663
Victoria ...	1,730,780	626,525	146,083	2,503,388
Queensland ...	544,084	14,145	17,249	575,478
South Australia ...	351,210	3,792	23,737	378,739
Western Australia ...	121,161	25	5,759	126,945
Tasmania ...	278,608	7,990	18,104	304,702
Commonwealth ...	4,239,752	717,873	327,290	5,334,915

Statistical information, so far as is available, is furnished in the following table:—

**REGISTERED BUILDING AND INVESTMENT SOCIETIES, 1911-12.**

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	C'wlth.
Number of societies ...	99	36	14	27	11	4	191
Number of shareholders ...	*	11,206	4,831	9,572	2,825	2,276	30,710†
Number of shares ...	*	*	683,715	22,382‡	8,010	10,679	724,786‡
Number of borrowers ...	*	9,335	3,746	2,268	946	1,464	17,759†
Income for year from interest ...	*	130,421	35,060	15,511	§	18,183	199,175†
Working expenses for year ...	*	61,745	6,308	6,576	2,441	3,394	80,464†
Amount of deposits during year ...	*	495,062	64,659	26,680	25,370	40,732	652,503†
Repayment of loans during year ...	*	496,748	154,539	85,776	39,843	69,445	846,351†
Loans granted during year ...	*	455,288	205,369	128,623	30,442	57,064	876,786†

\* Not available. † Exclusive of New South Wales. ‡ Exclusive of New South Wales and Victoria. § Included in repayment of loans.

4. **Registered Co-operative Societies.**—Returns are available of 95 societies, of which 36 were in New South Wales, 41 in Victoria, 5 in Queensland, 8 in South Australia, and 5 in Western Australia. As in the case of Building and Investment Societies, so in the case of Co-operative Societies do the balance-sheets cover various periods ended during the financial year 1911-12. The liabilities of the 95 societies are shewn in the following table :—

#### LIABILITIES OF REGISTERED CO-OPERATIVE SOCIETIES, 1911-12.

State.	Paid-up Capital.	Reserve Funds.	Bank Over-drafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, &c	Total Liabilities.
	£	£	£	£	£
New South Wales ...	138,201		86,672	...	224,873
Victoria ...	128,512	17,356	143,895	40,248	330,011
Queensland ...	8,017	2,073	2,445	192	12,727
South Australia ...	125,285	12,934	15,147	23,344	176,710
Western Australia ...	6,426	1,144	49,123	34,432	91,125
Commonwealth*	439,948		297,282	98,216	835,446

\* Exclusive of Tasmania.

The assets of the societies are shewn hereunder :—

#### ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES, 1911-12.

State.	Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	£	£	£	£
New South Wales ...	144,972	181,372	...	326,344
Victoria ...	137,237	97,916	104,243	339,396
Queensland ...	9,932	5,253	...	15,185
South Australia ...	98,030	37,108	51,843	186,981
Western Australia ...	70,857	20,154	114	91,125
Commonwealth*	461,028	341,803	156,200	959,031

\* Exclusive of Tasmania.

The following table gives statistical information, so far as available :—

#### REGISTERED CO-OPERATIVE SOCIETIES, 1911.

	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	C'wlth.
Number of societies on 31st Dec., 1911	36	41	5	8	5	*	95†
Total No. of members on 31st Dec., 1911	23,083	20,651	13,879	10,248	742	*	68,603†
Total income for year 1911 ... £	*	527,006	20,423	388,881	264,107	*	1,200,417†
Working expenses for year ended 31st December, 1911 ... £	*	96,973	19,225	55,998	273,427	*	445,623‡

\* Not available. † Exclusive of Tasmania. ‡ Exclusive of Tasmania and New South Wales.

### § 4. Savings Banks.

1. **General.**—The total number of savings banks, with their branches and agencies, in the Commonwealth, closely approximates to that of ordinary banks, and at the middle of 1912, numbered 1941, distributed as follows:—New South Wales, 677; Victoria, 422; Queensland, 288; South Australia, 247 (exclusive of 232 school penny savings banks); Western Australia, 162 (exclusive of 221 school penny savings banks); and Tasmania, 145.

In the following tables the figures for Victoria, Queensland, South Australia and Western Australia refer to financial years ended 30th June, and those of New South Wales to calendar years ended 31st December next preceding. In the case of Tasmania figures for the two joint-stock savings banks are made up to the last day of February in each year, and those for the Government Savings Bank to the 30th June, except in the years prior to 1906, where they relate to the year ended 31st December.

2. **Depositors.**—The total number of depositors, *i.e.*, of persons having accounts open, not of those making deposits, in each of the last ten years is shewn in the following table:—

NUMBER OF DEPOSITORS IN SAVINGS BANKS, 1902-3 to 1911-12.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
1902-3	323,212	418,511	80,043	137,147	48,008	46,451	1,053,372
1903-4	331,956	432,867	80,959	141,572	54,873	47,904	1,090,131
1904-5	355,824	447,382	84,165	146,366	59,764	49,438	1,142,939
1905-6	364,039	466,752	88,026	152,487	63,573	50,731	1,185,608
1906-7	392,050	491,318	92,912	161,855	66,737	53,817	1,258,689
1907-8	421,928	511,581	100,324	174,289	72,178	55,620	1,335,920
1908-9	436,029	532,425	106,627	187,482	77,748	58,145	1,398,456
1909-10	460,251	560,515	114,720	201,275	86,166	60,646	1,483,573
1910-11	498,658	595,424	127,219	216,480	99,017	63,314	1,600,112
1911-12	544,023	641,736	139,091	232,971	111,078	67,105	1,736,004

\*Inclusive of 2011 depositors in school penny savings banks.

† 2645

‡ 4607

§ 4590

" in 1909, 6881 in 1910, 8436 in 1911, and 9983 in 1912.

" 6781

" 9578

" 12,399

The subjoined table shews the above figures in relation to the population of the States; it must, of course, be borne in mind that savings bank accounts are not restricted to the adult population, but that it is, on the contrary, a very usual practice to open accounts in the names of children. Even so, the proportion is a large one, amounting in the case of the Commonwealth to more than one-third, and rising in Victoria to nearly one-half, and in South Australia to more than one-half.

DEPOSITORS IN SAVINGS BANKS PER 1000 OF POPULATION, 1902-3 to 1911-12.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wealth.
1902-3	231	346	156	379	226	259	272
1903-4	233	359	156	392	244	262	278
1904-5	244	371	160	403	250	267	288
1905-6	245	386	166	416	254	272	294
1906-7	258	403	172	437	262	290	303
1907-8	270	415	184	462	284	293	321
1908-9	275	426	191	481	299	303	330
1909-10	285	439	199	503	324	314	343
1910-11	303	458	212	528	358	327	362
1911-12	325	471	224	553	378	347	380

3. **Administration of Savings Banks.**—The following table, relating to the Government Savings Banks of the several States, gives information on such points as administration, maximum and minimum deposits, rate of interest allowed, investment of funds, etc.



## PARTICULARS RELATING TO

State, Bank and Acts in Force.	Administration and Management.	Appointment of Administrators or Managers.	Payment of Administrators or Managers.	Quorum.	Departments and Branches.	Minimum and Maximum Deposits.
<b>New South Wales</b> <i>Savings Bank of N.S.W.</i> Acts Nos. 53 & 99 of 1902.	Managed by trustees, not exceeding 18, in addition to the Governor as President.	Trustees appointed by Governor, who also nominates the Vice-President. The managing Trustee is appointed by Governor on the nomination of the Trustees.	The managing Trustee is paid out of the funds of the Bank. Other Trustees and district Trustees may not receive emolument.	Four Trustees.	The Trustees may appoint an Accountant for each district for which district Trustees are appointed.	From 1s. to £200.
<b>Government Savings Bank.</b> Act No. 48 of 1906.	Administered, governed, and managed by 3 Commissioners, of whom one is President.	Appointed by the Governor by commission in His Majesty's name; to hold office during ability and good behaviour. Provision to appoint deputies in case of illness, suspension, or absence.	The President is paid £1200 per annum; each of the other Commissioners £300 per annum.	Two Commissioners	(i.) Savings Bank Department. (ii.) Advances Department. Commissioners may establish branches and agencies; these may be at post-offices, subject to such terms as may be agreed upon between Governor and Governor-General.	(Not specified in Act.)
<b>Victoria—</b> <i>The Savings Bank.</i> Acts Nos. 1138 of 1890, 1481 of 1896, 1709 and 1722 of 1900, 1778 of 1901, 1878 of 1903, and 2280 of 1910.	General control of administration and the sole investment of funds in the hands of 5 Commissioners. General management is in hands of Inspector-General.	Commissioners appointed by Governor-in-Council; the Chairman is also appointed annually by the Governor-in-Council on the nomination of a majority of the Commissioners. The Inspector-General is appointed by the Commissioners with the approval of the Governor-in-Council. Commissioners to hold office during good behaviour; provision for appointment of deputy Chief Commissioner in case of illness, etc.	Each Commissioner is paid 2 guineas and the Chief-Commissioner 3 guineas for each attendance, but the amount paid to any one Commissioner must not exceed £210 per annum, nor to the Chief Commissioner, £315 per annum. The salary of the Inspector-General may not exceed £1500 per annum.	Three Commissioners.	(i.) Savings Bank Department. (ii.) Advances Department. Commissioners may establish banks at any place in Victoria; each bank to be a separate and independent institution having separate and distinct Trustees and officers. Trustees (two or more in number) are appointed by Commissioners.	From 1s. to £1000.

## ADMINISTRATION OF SAVINGS BANKS.

Interest.		Management and Investment of Funds.	Loans on Mortgage.	Reserve and other Funds.	Borrowing and Security of Depositors.
Rate.	Amount on which Payable.				
To be fixed from time to time by Trustees.	Any sum over £1, but the Trustees may limit the interest so as not to be payable on the surplus over £100.	The Trustees may (i.) deposit funds either (a) in the Colonial Treasury or (b) in any bank in N.S.W., or (ii.) may invest funds in debentures and other securities, or (iii.) may purchase bills of exchange drawn on any bank in N.S.W. to an amount not exceeding one-quarter of the funds.	Trustees may lend money on mortgage provided (i.) no mortgage to any one person may exceed £24,000, and (ii.) not more than three-fourths of the total deposits may be lent on mortgage. The land must be held in fee-simple and unencumbered.	The Trustees must set aside annually out of the profits such sum, being not less than one-twentieth nor more than one-fifth of the total interest produced during the year, as they think proper, towards the establishment of a security fund, to equalise rate of interest and meet losses or deficiency.	The Trustees may borrow the amount required to meet the demands of depositors and the Governor may guarantee its repayment. The amount borrowed and outstanding at any time so guaranteed may not exceed £50,000, without the previous consent of the Legislative Assembly. Special loans to meet any sudden demand upon the funds, may be raised upon the security of the property and revenues of the bank.
Commissioners must fix rate of interest, and may fix differential rates according to amount of deposit.	Any sum from £1 to £500, and over the latter amount in case of accounts of (i.) Friendly Societies, etc., and (ii.) the Advance Department.	All moneys received to be invested and held (i.) as to 15% to consist of cash and deposits at Treasury and in banks of issue in N.S.W. available at call or short notice, and (ii.) as to the balance to be invested in business premises of the Commissioners, mortgages, Government securities of any State of the Commonwealth, debentures of the Advance Dept., debentures of any municipality in N.S.W.	Loans may be on first mortgage from £50 to £25,000 to any one person. Any one loan may not exceed three fifths of the value of the interest of the borrower in the lands and buildings. The mortgage must be registered and dates must be fixed for repayment of principal and interest.	Same provisions as above, provided that the Governor may suspend the operations of such provisions.	The Commissioners may borrow, and the Governor may guarantee repayment of, moneys required to meet demands of depositors; the Governor shall obtain from Commissioners such security as he may deem necessary. The Governor may, upon like security, direct advances to be made out of Consolidated Revenue. Such advances must be reported to both Houses of Parliament.
To be fixed from time to time by the Commissioners but may not exceed 5 per cent.	Interest allowed on sums from £1 to £350, and is added yearly on 30th June. (Acts provide that interest may not be paid on surplus over £500, or such other less sum as the Commissioners may appoint.)	All deposits must within one week of their receipt be paid into the appointed bank in Melbourne. Deposits in the country banks must be remitted to the Commissioners. Funds must be invested as follows:—(i.) Not more than 15% to be deposited with the Government Bankers. (ii.) Not more than three-tenths of the balance in mortgages or municipal loans. (iii.) As nearly as possible seven-tenths of such balance in Treasury Bills, mortgage bonds, and debentures.	The Commissioners may lend any sum on first mortgage of fee-simple lands, and may lend to corporations of Melbourne or Geelong and to the council of any shire or borough any sums not exceeding in the aggregate the average revenues for the period of three years. The amount lent to any one person is limited to £25,000, and may not exceed three fifths of the value of property mortgaged.	No provision except in regard to Advances Dept.	The Governor with the advice of the Executive Council may guarantee the repayment of any loan necessary to meet the demands of depositors, but the loans outstanding at any time may not exceed £100,000.

## PARTICULARS RELATING TO

State, Bank and Acts in Force.	Administration and Management.	Appointment of Administrators or Managers.	Payment of Administrators or Managers.	Quorum.	Departments and Branches.	Minimum and Maximum Deposits.
<b>Queensland—</b> <i>Government Savings Bank.</i> Acts Nos. 24 of 1853 (N.S.W.), 25 of 1854 (N.S.W.), 8 of 1861, 2 of 1864, 17 of 1865, 10 of 1870, 6 of 1872, 2 of 1882, 31 of 1894, 20 of 1895, 4 of 1896, and 8 of 1897.	Administration controlled by the Colonial Treasurer. The actual management in hands of a "manager."	Appointed by Governor.	Not specified.	...	On the application of ten or more house or landholders, the Governor - in - Council may by a proclamation establish a Savings Bank in any town in Queensland having not less than 500 inhabitants. Police magistrates and other officers may be directed by the Governor - in - Council to receive deposits of not less than 5 shillings.	From 1s. upwards.
<b>South Australia—</b> <i>Government Savings Bank.</i> Acts Nos. 22 of 1875, 824 of 1903, and 925 of 1907.	Managed by 6 Trustees, 2 of whom retire every 2 years.	Appointed by the Governor. Chairmen elected by Trustees. The Board must meet at least once in each week except in the month of December.	Each Trustee is paid 2 guineas for each meeting attended, provided that no Trustee may receive more than one fee for any one week.	Four Trustees.	(i.) Trustees may establish branches at such places in the State as they may select. (ii.) They are also empowered to establish a department designated "The Penny Bank Department."	From 1s. to £500, but deposits of Friendly Societies are unlimited. In the Penny Bank Dept. any sum not less than one penny may be deposited.
<b>Western Australia</b> <i>Government Savings Bank.</i> Act No. 9 of 1906	Managed by a "Manager" under the control of the Treasurer	Appointed by Governor.	Not specified.	...	Governor may arrange with Governor - General for performance of duties in respect of the Savings Bank by officers of the P.M.G.'s Dept. and the Governor may authorise such officers, or any other person, to receive deposits for remittance to the head office.	From 1s. to £1000, but a Friendly Society may in any one year deposit any amount not exceeding £1000.
<b>Tasmania—</b> <i>Government Savings Bank*</i> Act No. 9 of 1910	Managed by an "Actuary" under the control of the Treasurer	Actuary and other officers subject to the Public Service Act.	No provision.	...	Same as W.A.	Not less than 1s. No maximum is specified.

\* There are also the Hobart Savings Bank and the Launceston

## ADMINISTRATION OF SAVINGS BANKS—Continued.

Interest.		Management and Investment of Funds.	Loans on Mortgage.	Reserve and other Funds.	Borrowing and Security of Depositors.
Rate.	Amount on which Payable.				
To be fixed by Governor-in-Council, but not to be more than 5 per cent.	No interest on deposits exceeding £500, except in case of funds of registered Friendly Societies or any other Society or Corporation excepted by the Governor-in-Council.	Deposits must be paid within 24 hours into the appointed bank in Brisbane. (i.) Two-thirds at least of the funds must be invested in Government Debentures or Treasury bills. (ii.) The remaining third to be retained by Colonial Treasurer to carry on business of the Bank. Debentures and bills to vest in President of Legislative Council, Speaker of Legislative Assembly, and the Colonial Treasurer. The Governor may authorise the issue of 3½ per cent. (or less) Savings Bank Stock to an amount up to £2,000,000, redeemable in 1945.	...	...	The Governor may guarantee upon the security of the general revenue of the State the repayment of any money, the loan of which is necessary to meet the demands of depositors. Loans outstanding may not exceed £10,000 without previous consent of the Legislative Council.
To be fixed by Trustees.	No interest on deposits exceeding £250, but in case of Friendly Societies interest at a rate not exceeding one-half the ordinary rate is paid on the surplus over £250.	Funds may be invested in (i.) Government securities of any State or the Commonwealth. (ii.) Securities of any Municipal Corporation in S.A. (iii.) Deposits in any other bank in S.A. (iv.) Deposits in the Treasury.	Trustees may lend money on mortgage of estates in fee-simple, but no new mortgage may be taken by Trustees, so long as one-half of funds of the bank are invested on mortgage.	Trustees may set apart annually any sum not exceeding one-fifth of the net profits to a reserve fund (which may not exceed 4 per cent. of the total deposits) for the purpose of meeting any loss or deficiency. Appropriations may be made from this fund to meet depreciations in the investments. Trustees may also use the fund for purpose of carrying on business of Bank.	...
To be fixed by Governor.	To be fixed by Governor.	All funds, except such portion as the Treasurer deems sufficient to meet withdrawals, must be invested: (i.) On deposits in any bank in W.A. (ii.) In securities of the Government of W.A. (iii.) In debentures issued by any local authority in W.A. (iv.) Upon first mortgages of any lands in W.A.	The aggregate amount invested on mortgage may not exceed one-third of the total of funds; no more than three-fifths of the amount of valuation may be advanced; and the interest must be not less than 5 per cent.	After payment of interest to depositors and of expenses of maintenance and administration, any surplus income forms part of the Consolidated Revenue Fund.	Deposits are charged upon the Consolidated Revenue Fund. If moneys received are not sufficient to meet the lawful claims of depositors the Governor may authorise the issue of the amount of the deficiency out of the Consolidated Revenue Fund.
To be fixed by Governor.	No interest to be paid in excess of deposits over £250.	All funds not required to meet withdrawals must be invested in Tasmanian Government securities or deposited in a bank in Tasmania.	...	After providing for payment of interest due to depositors the surplus income forms part of the Consolidated Revenue.	Same as in W.A.

Bank for Savings, both under control of Trustees.

4. **Deposits.**—The total amount of deposits in the savings banks of the six States reaches the large sum of nearly sixty-seven million pounds, and would no doubt be even larger if the banks did not restrict interest-bearing deposits to certain limits. It must be remembered that though not granting him facilities to draw cheques, the Australian savings banks practically afford the small tradesman all the advantages of a current account, in addition to which they also allow him interest on his minimum monthly balance, instead of charging him a small fee for keeping his account, as the ordinary banks do. The rates of interest allowed, and the limits of interest-bearing deposits, are as follows:—New South Wales, Government Savings Bank, 3 per cent. up to £500; Savings Bank of New South Wales, 4 per cent. up to £200; Victoria, 3½ per cent. on first £100, and 3 per cent. on excess from £101 to £350; Queensland, 3 per cent. up to £500; South Australia, 2½ per cent. on accounts closed during the year, and 3¼ per cent. up to £250 on accounts remaining open; Western Australia, 3 per cent. up to £1000; Tasmania, Government Savings Bank, 3 per cent. up to £250; Hobart Trustees' Savings Bank, 4 per cent. up to £50, 3½ per cent. on the excess from £50 to £150; Launceston Trustees' Savings Bank, 3½ per cent. up to £150. The savings banks of five of the States—New South Wales (Government Savings Bank), Victoria, Queensland, South Australia, and Western Australia—have, for the further benefit of depositors, entered into a reciprocity arrangement, under which money deposited in one State may be drawn out in another State, and even by telegraph.

The table below shews the total amounts at credit of depositors in each of the last ten years:—

#### DEPOSITS IN SAVINGS BANKS, 1902-3 to 1911-12.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£	£	£	£	£	£	£
1902-3 ...	12,425,464	10,341,857	3,772,686	4,187,590	1,968,624	1,194,157	33,910,378
1903-4 ...	12,344,623	10,562,808	3,741,967	4,217,836	2,079,763	1,249,760	34,216,757
1904-5 ...	12,962,648	10,866,741	3,875,197	4,398,041	2,207,296	1,263,542	35,623,465
1905-6 ...	13,963,635	11,764,179	4,142,791	4,766,907	2,316,161	1,332,546	38,286,219
1906-7 ...	15,320,532	12,792,500	4,543,104	5,320,672	2,633,135	1,488,056	42,086,289
1907-8 ...	17,530,157	13,428,676	4,921,881	5,820,344	2,885,463	1,560,951	46,147,473
1908-9 ...	18,905,082	14,101,710	5,158,219	6,347,371	3,059,738	1,605,919	49,077,939
1909-10 ...	20,150,574	15,417,688	5,692,966	6,791,320	3,481,764	1,652,966	53,117,498
1910-11 ...	22,453,924	17,274,423	6,376,969	7,435,772	4,092,504	1,760,090	59,393,682
1911-12 ...	25,361,338	19,662,465	7,342,811	8,248,396	4,408,320	1,933,448	66,956,778

A comparison between the tables shewing the number of depositors and the amount of deposits reveals the fact that the average amounts to the credit of each depositor are considerably larger in some States than in others; in other words, that in one State a comparatively larger proportion of the population makes use of the savings banks, and that the natural result is a smaller amount to the credit of the individual depositor. Within the same State there is little variation in the figures from year to year.

#### AVERAGE AMOUNT PER DEPOSITOR IN SAVINGS BANKS, 1902-3 to 1911-12.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1902-3 ...	38 8 10	24 14 3	47 2 8	30 10 8	41 8 5	25 14 2	32 3 10
1903-4 ...	37 3 9	24 9 0	46 4 5	29 15 10	37 18 0	26 1 9	31 7 9
1904-5 ...	36 9 9	24 7 2	46 0 10	30 1 0	36 18 8	25 11 2	31 3 4
1905-6 ...	38 7 2	25 4 1	47 1 3	31 5 3	36 8 8	26 5 4	32 5 10
1906-7 ...	39 1 7	26 0 9	48 17 11	32 17 6	39 9 1	27 13 0	33 8 11
1907-8 ...	41 10 11	26 5 0	49 1 2	33 7 11	39 19 6	28 1 4	34 10 10
1908-9 ...	43 11 2	26 9 9	48 7 6	33 17 1	39 7 1	27 12 5	35 4 1
1909-10 ...	43 15 8	27 10 1	49 0 4	33 14 10	40 8 2	27 5 1	35 16 1
1910-11 ...	45 0 7	29 0 3	50 2 6	34 7 0	41 6 7	27 16 0	37 2 4
1911-12 ...	46 12 4	30 12 9	52 15 10	35 8 1	39 13 9	28 16 3	38 11 4

The average amount deposited per head of population shews a satisfactory increase during the period under review. In 1902-3 it ranged from £11 11s. 8d. in South Australia to £6 13s. 1d. in Tasmania, while in 1911-12 the amount in South Australia had risen to £19 8s. 11d. and in Tasmania to £10 3s. 6d. The following table gives the figures for each year:—

**SAVINGS BANKS DEPOSITS PER HEAD OF POPULATION, 1902-3 to 1911-12.**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	C'wealth.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1902-3 ...	8 17 3	8 11 2	7 7 4	11 11 8	9 7 7	6 13 1	8 15 0
1903-4 ...	8 13 3	8 15 8	7 4 7	11 13 6	9 5 1	6 16 8	8 14 9
1904-5 ...	8 18 5	9 0 9	7 7 8	12 1 11	9 4 5	6 16 6	8 19 3
1905-6 ...	9 7 8	9 14 5	7 15 11	13 0 0	9 5 2	7 3 0	9 9 10
1906-7 ...	10 1 4	10 9 9	8 8 7	14 7 3	10 6 5	8 0 6	10 5 9
1907-8 ...	11 4 6	10 17 10	9 0 4	15 8 5	11 6 9	8 4 8	11 1 9
1908-9 ...	11 17 5	11 5 6	9 5 2	16 6 0	11 15 8	8 7 6	11 11 11
1909-10 ...	12 9 8	12 1 6	9 14 7	17 2 8	13 2 1	8 11 2	12 5 8
1910-11 ...	13 13 2	13 5 6	10 12 11	18 2 7	14 15 8	9 1 9	13 8 5
1911-12 ...	14 11 7	14 10 5	11 11 8	19 8 11	14 11 7	10 3 6	14 8 4

5. **Annual Business.**—The annual volume of business transacted by the Australian savings banks is very large when compared with the total amount of deposits. This is mainly due to the fact already pointed out of many accounts being used as convenient current accounts. Thus, during the last year of the period under review, the total amount deposited and withdrawn (exclusive of interest added) amounted to about 150 per cent. of the total amount of deposits at the end of the previous year, while the amount at credit of depositors (inclusive of interest added) increased by only 12½ per cent. during the same year. The following table shews the business transacted during the year 1911-12:—

**SAVINGS BANKS TRANSACTIONS DURING THE YEAR 1911-12.**

State.	Total Deposits at End of Year 1910-11.	Amounts Deposited during Year 1911-12.	Interest Added during Year 1911-12.	Total	Amounts Withdrawn during Year 1911-12.	Total Deposits at End of Year 1911-12.
	£	£	£	£	£	£
N.S. Wales ...	22,453,924	18,394,208	690,738	41,538,870	16,177,532	25,361,338
Victoria ...	17,274,423	16,858,710	543,242	34,676,375	15,013,910	19,662,465
Queensland ...	6,376,969	4,431,173	185,084	10,993,226	3,650,415	7,342,811
South Australia ...	7,435,772	5,176,258	244,287	12,856,317	4,607,921	8,248,396
West. Australia ...	4,092,504	3,514,008	119,245	7,725,757	3,317,437	4,408,320
Tasmania ...	1,760,090	1,113,956	57,938	2,931,984	998,536	1,933,448
Commonwealth	59,393,682	49,488,313	1,840,534	110,722,529	43,765,751	66,956,778

6. **Classification of Deposits.**—The appended table shews the classification of depositors' balances under the following heads. Sums under £20: sums between £20 and £50: sums between £50 and £100: sums above £100. This classification has been adopted, since it was the only one which would include all the banks making returns under this head. Incomplete as the table is, it throws some light on a question sometimes raised: i.e., to what extent do depositors use a savings bank for the purpose of keeping a current account?

## SAVINGS BANKS CLASSIFICATION OF DEPOSITORS' BALANCES.

	Under £20.		From £20 to £50.		From £50 to £100.		Above £100.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£		
New South Wales ...	351,330	1,290,558	67,040	2,141,763	43,634	3,012,816	82,019	18,886,201
Victoria ...	467,185	1,357,867	65,023	2,091,391	43,647	3,045,381	65,881	13,167,824
Queensland (a) ...	...	...	...	...	...	...	...	...
South Australia ...	123,667	558,779	24,030	765,391	16,276	1,140,479	25,874	5,758,611
Western Australia...	64,695	236,499	12,224	391,807	7,682	539,262	11,622	3,220,072
Tasmania ...	12,581	52,888	2,613	88,144	1,858	138,512	2,304	350,059
Total (b) ...	1,019,458	3,496,591	170,930	5,478,496	113,097	7,906,450	190,700	41,382,767

(a) Not available. (b) Exclusive of Queensland.

It must be pointed out in using this table that the return for South Australia is exclusive of Penny Savings Banks; the return for Western Australia is exclusive of Penny Savings Banks, and Depositors' Unclaimed Balances; and the return for Tasmania relates to one trustee bank only.

**7. Commonwealth Savings Bank.**—A most important recent event has been the opening of the Savings Bank department of the Commonwealth Bank. This started operations in Victoria on 15th July, 1912, in Queensland on 16th September, 1912, in the Northern Territory on 21st October, 1912, and in the States of New South Wales, South Australia, and Western Australia on 13th January, 1913. Business is being carried out on the usual Savings Bank lines, interest at the rate of 3 per cent. per annum being allowed on deposits up to £300. Extensive use is being made of the country post-offices as local agencies, the several States having received notice that their Savings Banks would have to be removed from the post-offices by the end of 1912. Victoria and Queensland withdrew at a very early stage.

At the conference of State Premiers, held at Melbourne on 19th January, 1912, and following days, the Commonwealth Prime Minister submitted certain proposals as the basis upon which the States might become partners in the Commonwealth Bank. One of the proposals was that the Commonwealth should take over the Savings Banks of each State, whether Government or trustee. After this had happened the State Government was to have first call on any loan which the Commonwealth Bank should repay to the State Bank in redemption of loans existing when it was taken over; and also first call on three-fourths of the amount of deposits in the State available for investment. The Premiers, feeling unwilling to agree to this, submitted a counter proposal [the Victorian Treasurer dissenting], that the Commonwealth Bank should refrain from embarking on Savings Bank business, and that the States, in consideration thereof, should lend to the Bank an amount equal to one-fourth of the excess of deposits over withdrawals. This arrangement was to come into force on 1st June, 1913, and last for five years. The Prime Minister, in reply, intimated that his original proposals were still open for acceptance. On 23rd January the Premiers' Conference passed the following resolution [the representatives from Victoria and Queensland dissenting]: "that this conference expresses its readiness to accept the proposals submitted by the Prime Minister, subject to a satisfactory arrangement being arrived at for giving the States an equitable share in the management of the Commonwealth Bank." The matter then remained for some months in abeyance.

Almost from the time of the opening of the Savings Bank department the Governor of the Bank made proposals to the various State Governments which might form a basis for the transfer of the various State Savings Banks to the Commonwealth. The Government of Tasmania ultimately accepted the offer, and the State Savings Bank of Tasmania was formally transferred to the Commonwealth as from the 1st January, 1913, and opened for business under the new régime on 3rd January. At the time of writing, the Western Australian Government is engaged in negotiations, which will very possibly result in the transfer of the Western Australian Savings Bank also. The remaining States' Governments have announced their intention of retaining their Savings Banks as separate institutions, and their example has been followed by the Savings Bank of New South Wales, and the two trustee Savings Banks of Tasmania. It will be of interest to give a summary of the agreement between the Commonwealth Bank and the State Savings Bank of Tasmania. The following is condensed from a statement by the Governor of the Commonwealth Bank:—

"The Commonwealth Bank is to take over all the liabilities to depositors, etc., amounting to £788,031, leaving the profit and loss balance, amounting to £5659, in the hands of the State. The assets, amounting to £793,690, are dealt with as follows: the securities to be retained by the State Government, and debentures to be issued to the Commonwealth Bank, Savings Bank Department, in lieu of same. Three per cent. stock totalling £19,000, and  $3\frac{1}{2}$  per cent. stock totalling £420,961, to be exchanged for  $3\frac{1}{2}$  per cent. debentures at 95, and  $3\frac{3}{4}$  per cent. stock amounting to £204,000, and 4 per cent. stock amounting to £146,700 to be exchanged for 4 per cent debentures. The total debentures, amounting to £784,133, will mature in 20 yearly instalments of £39,207 per annum, the first payment to be made on 30th June, 1932. The Government will provide a sinking fund of 1 per cent., to be a charge on the consolidated revenue of the State, and to be deposited in the Commonwealth Bank in reduction of debentures in even thousands, in the proportion of  $3\frac{1}{2}$  per cent. and 4 per cent debentures issued. The remaining items on the balance sheet, amounting to £31,229, will be handed over to the Commonwealth Bank as cash."

"The State is to have first call for State requirements on 75 per cent. of the increased deposits at current rates, and should the State at any time not require the amount, the Governor of the Commonwealth Bank will be at liberty to invest the same, either in the business of the Bank, or in the Commonwealth or in municipal securities. The whole of the staff at present exclusively engaged in savings bank business will be retained."

## § 5. Life Assurance.

1. **General.**—Under section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament is empowered to legislate in regard to "insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned." With the exception of Act No. 12 of 1905, "an Act relating to assurance on the lives of children by life assurance companies or societies," no legislation relating to life insurance has been passed by the Commonwealth Parliament, and life insurance companies carry on their business under State laws where such laws are in existence, or otherwise under the provisions of various companies or special Acts. A Royal Commission consisting of the Honourable J. H. Hood, one of the judges of the Supreme Court of Victoria, and G. H. Knibbs, Esquire, Commonwealth Statistician, was, however, appointed in 1908, "to inquire into and report upon the law relating to and the methods of operating, Fire, Life, Industrial, and other Insurance in Australia." The Commission



was originally required to report the result of its inquiry before the 30th June, 1909. A progress report was issued before that date, and the time for the final report extended to the 30th June, 1910. The report relating to Life Assurance was published on 15th March, 1910, and that relating to Fire Insurance on 15th October, 1910. On the conclusions contained in these reports future Commonwealth legislation will probably be based. In fact, a bill embodying some of the conclusions was introduced into the Federal Parliament on December 20th, 1912, but, owing to lack of time, did not reach its second reading. An additional report on Social Insurance was prepared by the Commonwealth Statistician and issued on 9th September, 1910.

Returns for the year 1911 have been directly collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. Figures for 1911 refer to business in the Commonwealth only, and do not include New Zealand business.

**2. Companies Transacting Business in the Commonwealth.**—The total number of companies at present established in the Commonwealth is fifteen, of which the following five have their head offices in New South Wales:—The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the City Mutual Life Assurance Society Limited, the Australian Metropolitan Life Assurance Company Limited, and the People's Prudential Assurance Company Limited. The Standard Life Association Limited is now omitted, since a controlling interest in it has been purchased by the Colonial Mutual Life Assurance Society, and almost all its policy-holders have transferred themselves to the latter corporation. The Mutual Life and Citizen's Assurance Company Limited was formed in 1908 by the amalgamation of the Mutual Life Association of Australasia and the Citizens' Life Assurance Company Limited. During 1910 it increased in size by amalgamating with the Australian Widows' Fund Life Assurance Society Limited, which is therefore no longer included in the list of independent corporations. Five companies have their head offices in Victoria, viz.—The Australian Alliance Assurance Company, the National Mutual Life Association of Australasia Limited, the Victoria Life and General Insurance Company, the Colonial Mutual Life Assurance Society Limited, and the Australasian Temperance and General Mutual Life Assurance Society Limited. The head office of the Provident Life Assurance Company is in New Zealand, and that of the Liverpool and London and Globe Insurance Company in England. The remaining three societies belong to the United States, viz.—The Equitable Life Insurance Society of the United States, the Mutual Life Insurance Company of New York, and the New York Life Insurance Company.

Most of the Australian companies are purely mutual; the Victoria Life and General (which takes no new life business), the Mutual Life and Citizens', the Metropolitan, and the Prudential, are the only companies which are partly proprietary, the shareholders' capital amounting to £40,000, £56,788, £11,740 and £4791 respectively. Of foreign companies transacting business in the Commonwealth, the Liverpool and London and Globe, the Provident, and the Equitable are partly proprietary, the shareholders' capital amounting to £245,640, £10,000 and £20,550 respectively.

**3. Ordinary and Industrial Business.**—Of the societies enumerated in the preceding paragraph the following five in 1911 transacted both ordinary and industrial business:—The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the Australasian Temperance and General Mutual Life Assurance Society Limited, the Australian Metropolitan Life Assurance Company Limited, and the Colonial Mutual Life Assurance Society.

The People's Prudential Assurance Company Limited and the Provident Life Assurance Company formerly restricted their operations to industrial business, but have now established an ordinary department.

The remaining nine societies transacted ordinary life assurance business only, with the exception of those companies which have fire and accident branches, etc.

It has been attempted in this section to keep returns relating to ordinary and to industrial business apart, so far as it is possible to do so, and figures relating to companies whose head offices are in New Zealand or in Europe or America refer to the Australian business only of those companies.

**4. Ordinary Business: Australian Business in Force, 1911.**—The subjoined table shews the ordinary life business in force at the latest dates available in the fifteen societies conducting operations in the Commonwealth:—

**ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1911.**

Society.	Policies in force, exclusive of Annuities.	Amount Assured, exclusive of Bonus Addition, etc.	Annual Premium Income, exclusive of Annuities.
	No.	£	£
Australian Mutual Provident Society ...	212,795	58,433,603	1,878,249
Mutual Life and Citizens' Assurance Company Limited ...	93,753	16,674,556	579,059
City Mutual Life Assurance Society ...	18,629	2,608,228	104,199
Australian Metropolitan Life Assurance Company ...	2,600	260,161	11,156
Australian Alliance Assurance Company ...	459	161,264	8,240
National Mutual Life Association of Australasia ...	68,956	15,087,746	535,555
Victoria Life and General Insurance Company ...	117	77,240	1,468
Colonial Mutual Life Assurance Society ...	32,806	6,107,290	194,823
People's Prudential ...	3,039	162,960	19,962*
Australasian Temperance & General Mutual Life Assurance Society ...	34,374	3,583,011	136,062
Liverpool and London and Globe Insurance Company (Life Branch) ...	326	146,663	4,415
Provident Life ...	119	16,928	497
Equitable Life Assurance Society of United States ...	6,214	2,133,871	87,840
Mutual Life Insurance Company of New York ...	4,028	1,561,808	51,065
New York Life Insurance Company ...	5,673	2,191,551	78,037

\* Including industrial.

**5. Industrial Business: Australian Business in Force, 1911.**—Similar information in regard to the industrial business of the seven societies transacting that kind of business is given in the following table:—

**INDUSTRIAL ASSURANCE.—AUSTRALIAN BUSINESS IN FORCE, 1911.**

Society.	Policies in Force.	Amount Assured.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society ...	59,996	1,982,141	106,492
Mutual Life and Citizens' Assurance Company ...	213,105	3,951,551	201,211
Australian Metropolitan Life Assurance Company ...	18,278	407,774	22,391
Colonial Mutual Life Assurance Society ...	45,117	1,118,246	51,524
People's Prudential Assurance Company ...	5,131	105,970	*
Aust. Temperance and General Mutual Life Ass. Society ...	121,056	2,366,077	142,858
Provident Life Assurance Company ...	4,559	118,009	5,138

\* Included in ordinary.

**6. Receipts and Expenditure of Insurance Societies, 1911.**—(i.) *Ordinary Business.* The following returns refer to the Australian business of all societies doing business in the Commonwealth. The People's Prudential Assurance Company, whose accounts do

not distinguish between revenue and expenditure on account of ordinary and industrial business, has been included among the companies doing industrial business.

### ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1911.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society ...	2,974,184	1,873,196	1,100,988
Mutual Life and Citizens' Assurance Company ...	829,642	516,381	313,261
City Mutual Life Assurance Society ...	151,337	108,860	42,477
Australian Metropolitan Life Assurance Company ...	12,582	7,863	4,719
Australian Alliance Assurance Company ...	16,061	44,578	28,517*
National Mutual Life Association of Australasia ...	794,456	483,580	310,876
Victoria Life and General Insurance Company ...	9,015	32,972	23,957*
Colonial Mutual Life Assurance Society ...	321,995	226,277	95,718
Aust. Temperance & General Mutual Life Ass. Socy.	166,180	76,290	89,890
Liverpool and London and Globe (Life Branch) ...	4,415	16,338	11,923*
Provident Life ...	497	153	344
Equitable Life Assurance Society ...	114,193	138,281	24,088*
Mutual Life Insurance Company of New York ...	64,927	88,485	23,558*
New York Life Insurance Company ...	83,828	61,090	22,738

\* Decrease.

(ii.) *Industrial Business.* A similar return for those societies which transact industrial business is given below. The figures for the Prudential, as stated above, are included therein.

### INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1911.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds)
	£	£	£
Australian Mutual Provident Society ...	113,040	57,976	55,064
Mutual Life and Citizens' Assurance Company ...	239,854	157,718	82,136
Australian Metropolitan Life Assurance Company ...	22,946	21,477	1,469
Colonial Mutual ...	51,881	43,911	7,970
People's Prudential Assurance Company ...	21,165	17,735	3,430
Aust. Temperance & General Mutual Life Ass. Soc.	158,687	109,286	49,401
Provident Life Assurance Company ...	5,314	5,162	152

7. *Liabilities and Assets of Insurance Societies, 1911.*—The liabilities of the Australasian societies consist mainly of their assurance funds; as already mentioned, only five of the societies are partly proprietary, viz., the Mutual Life and Citizens', with a paid-up capital of £56,788; the Metropolitan, with a paid-up capital of £11,740; the Prudential, with a paid-up capital of £4791; the Victoria Life and General, with a paid-up capital of £40,000; and the Provident, with a paid-up capital of £10,000. With the exception of the Victoria Life and General, this paid-up capital belongs in every case to the industrial branch of the respective societies. The capital of the Provident (£10,000) is held in New Zealand, that of the Liverpool and London and Globe (£245,640) in England, and that of the Equitable Life (£20,550) in the United States. None of these three amounts appears, therefore, in the two subjoined tables where the capital of the Australian societies is included with the assurance funds. The assets consist mainly of loans on mortgage and policies, Government, municipal, and similar securities, shares, freehold property, etc. As in some cases the Australian liabilities exceed the Australian assets, it

may be pointed out that this table should be taken in connection with the table on page 868, which sets out the total liabilities and assets. Loans on personal security are granted by only very few of the Australian societies.

(i.) *Ordinary Business.* The following table shows the liabilities and assets of the societies transacting ordinary life business:—

### ORDINARY LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1911.

Society	Liabilities.			Assets.		
	Total Funds including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£	£	£	£	£	£
Australian Mutual Provident Society* ...	23,363,037	292,096	23,655,133	11,999,723	8,824,960	20,824,703
Mutual Life and Citizens' Assurance Co. ...	5,438,314	70,657	5,508,971	2,713,402	3,115,760	5,829,162
City Mutual Life Assurance Society ...	519,235	27,369	546,604	316,817	220,787	546,604
Australian Metropolitan Life Assurance Co. ...	36,636	6,544	43,180	5,253	37,927	43,180
Australasian Alliance Assurance Company ...	145,424	12,405	157,829	102,172	55,657	157,829
National Mut. Life Assoc. of Australasia ...	5,408,601	83,368	5,491,969	3,779,483	1,712,466	5,491,969
Victoria Life and General Insurance Co. ...	183,540	21,696	205,236	34,159	170,501	204,960
Colonial Mutual Life Assurance Society ...	2,521,507	20,434	2,541,941	1,348,702	1,193,239	2,541,941
Aust. Temp. & Gen. Mut. Life Assur. Soc.*	1,075,382	8,807	1,084,189	470,705	613,464	1,064,189
Liverpool & London & Globe (Life Branch) Provident Life ...	†	†	†	†	†	†
Equitable Life Assurance Society ...	644	...	644	...	237	237
Mutual Life Insurance Society of New York	261,774	22	261,796	149,354	399,642	548,998
New York Life Insurance Society ...	†	†	†	89,691	161,709	251,400
	773,000	5,212	778,212	93,756	31,289	127,045

\* Including industrial business. As the business of these two societies is mainly ordinary life business they have been included in this table. † Not available. ‡ Several life offices have a considerable portion of their assets invested outside the Commonwealth (see table on page 868).

(ii.) *Industrial Business.* As stated in the footnote to the preceding table, the Australian Mutual Provident Society and the Australasian Temperance and General Mutual Life Assurance Society, which transact a certain amount of industrial business, but whose business is mainly ordinary life business, have been included with those societies doing only ordinary life business. On the other hand, the People's Prudential Assurance Company, in whose case industrial business greatly predominates over ordinary life business, has been included in the following table. Incomplete as the table is, it shows that the funds appropriated to industrial business are very insignificant in comparison with those pertaining to ordinary life business. Taking the table in conjunction with the statements of revenue and expenditure, the question may well be asked whether in the case of some of the societies industrial business is worth catering for at all.

### INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1911.

Society.	Liabilities.			Assets.		
	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£	£	£	£	£	£
Mutual Life & Citizens' Assurance Company	873,881	19,830	893,711	605,811	318,051	923,862
Australian Metropolitan Life Assurance Co.	36,113	580	36,693	764	35,929	36,693
Colonial Mutual ...	59,486	39,337	99,323	1,287	97,470	98,757
People's Prudential Assurance Company* ...	32,998	398	33,396	15,427	17,969	33,396
Provident Life Assurance Company ...	3,267	...	3,267	10	5,525	5,535

\* Including ordinary business.

(iii.) *Total Liabilities and Assets.* It has been thought advisable to confine the figures relating to life assurance to business in the Commonwealth. Several of the companies whose head offices are in Australia transact, however, a large amount of business elsewhere, viz., in New Zealand, in South Africa, and in the United Kingdom, while in the case of the foreign companies, the Australian business is insignificant compared with that done elsewhere. Particulars as to this foreign business of both Australian and foreign companies will be found in "Finance Bulletin, No. 6," and a short table only is inserted here, shewing the total liabilities and assets (which balance in every case) of the various companies, so that the deficiencies in the Australian assets shewn in the previous tables for those companies doing business elsewhere may not be misunderstood:—

#### TOTAL LIABILITIES AND ASSETS OF INSURANCE COMPANIES, 1911.

Society.	Liabilities and Assets.	Society.	Liabilities and Assets.
ORDINARY BUSINESS.	£		£
*Australian Mutual Provident Soc. ...	28,848,335	Provident Life ... ..	16,312
Mutual Life and Citizens' Assur. Co. ...	6,789,729	Equitable Life Assurance Society ...	103,944,496
City Mutual Life Assurance Society ...	546,604	Mutual Life Ins. Society of New York	120,560,629
Aust. Metropolitan Life Assur. Co. ...	43,180	New York Life Insurance Society ...	140,708,060
Australian Alliance Assurance Co. ...	157,829	INDUSTRIAL BUSINESS.	
National Mutual Life Association ...	6,881,925	Mutual Life and Citizens' Assur. Co.	963,532
Victoria Life and General Insur. Co.	205,236	Aust. Metropolitan Life Assur. Co. ...	36,693
Colonial Mutual Life Assurance Soc.	3,413,873	Colonial Mutual Life Assurance Soc.	109,870
*Aust. Temp. & Gen. Mut. Life A. Soc.	1,199,148	†People's Prudential Assurance Co.	33,396
Liverpool & London & Globe (Life) ...	11,674,284	Provident Life Assurance Company	50,866

\* Including industrial business.

† Including ordinary business.

### § 6. Fire Insurance.

1. **General.**—Returns as to fire insurance are very defective, and only for Sydney and Melbourne and the country districts of Victoria have some figures been given which are worth reproducing. The Royal Commission mentioned above under "Life Assurance" has reported upon fire insurance matters, and Commonwealth legislation may, therefore, be expected at an early date. Legislation concerning fire insurance was in fact contained in the bill to which reference has already been made. [§ 5, paragraph 1.]

2. **Sydney.**—Under the Fire Brigades Act 1902 the cost of the Metropolitan Fire Brigade is defrayed by equal payments on the part of the Colonial Treasurer, the municipal councils within the area under the jurisdiction of the Fire Brigades Board, and the insurance companies represented in Sydney. The companies divide their share proportionately to the amount held at risk. Under this arrangement the amount payable by the companies for the year 1909 was £19,100, divided amongst sixty-five companies, of which not more than six had their head office in Sydney. The amounts thus held at risk at the close of the last four years for which returns are available were, in 1905, £78,108,749; in 1906, £81,364,129; in 1907, £86,563,304; and in 1908, £89,071,992. A new Act, which came into force on the 1st January, 1910, was passed in 1909. This Act substituted a Board of Fire Commissioners for New South Wales for the original Metropolitan Fire Brigades Board, and divides the whole State into eight fire districts for the greater facilitation of working.

3. **Melbourne.**—In Melbourne the Metropolitan Fire Brigades Board assesses the amount payable by the insurance companies on the amount of premiums returned. These premiums for the last four years averaged about £350,000 per annum, while

the contributions paid by the companies amounted to about £18,000, or about £5 for every £100 of premiums. It may be said, therefore, that the companies have to devote about 5 per cent. of their premium income from metropolitan insurances to the maintenance of the fire brigade.

The annual value of ratable property is nearly £5,650,000, and the amounts contributed by the municipalities—as in the case of the insurance companies, one-third of the amount required by the Fire Brigades Board, the remaining one-third being contributed by the State Treasurer—are equal to about  $\frac{4}{3}$ d. per £1 of ratable value. In addition to this contribution, insurance companies doing business in Victoria have to take out an annual license at a cost of  $1\frac{1}{2}$  per cent. of the gross premium income, which is probably equal to about  $1\frac{1}{3}$  per cent. on net income.

**4. Country Districts of Victoria.**—The country districts are divided into nine areas for fire insurance purposes, and the contributions to be paid vary in these areas according to the actual requirements of the Country Fire Brigades Board. The annual values of ratable property for the last four years were slightly over £1,500,000. The premium income of the insurance companies from country business during the year 1912 was about £182,000, and the contributions of the companies £4700, equal to about  $2\frac{1}{2}$  per cent. of the premium income.

**5. Brisbane.**—A similar arrangement holds good in Brisbane, under which the cost of the Fire Brigade Board, amounting to about £6000 per annum, is paid in equal shares by the Government, the Brisbane City Council, and the insurance companies.

**6. Adelaide.**—The Fire Brigades Board of South Australia is incorporated under “The Fire Brigades Act 1904”; “The Fire Brigades Act Amendment Act 1905”; and “The Fire Brigades Act Further Amendment Act 1910.” The cost is distributed as follows:—Three-ninths to the Government; four-ninths to the insurance companies; and two-ninths to the municipalities and districts which come under the operations of the board. The insurance companies are assessed in proportion to that portion of their premium incomes derived from the insurance of property (re-insurance within the State excepted) situated within the limits of the municipalities and districts coming under the operations of the board. The respective contributions for 1911 were as follows:—The Government, £6942; the companies, £9256; the municipalities, £4628.

**7. Perth.**—A District Fire Brigades Bill was reported on by a committee of the Legislative Assembly during 1909, and it was recommended that all brigades should in future be controlled by one board, and that the expense should be met by contributions at the following rate:—By Government, two-eighths; by the municipalities, three-eighths; and by the insurance companies, three-eighths. These provisions were incorporated in an Act, “The District Fire Brigades Act 1909,” which was assented to on 21st December, 1909, and came into force on the 1st day of January, 1910. This Act, however, does not apply to Perth or the other districts in which the Fire Brigades Act 1898 is still operative. According to the provisions of the latter Act the expenditure is allocated as follows:—One-ninth to the Government; four-ninths to the insurance companies; and four-ninths to the municipalities. It is provided that the Governor may, at any time, on the petition of the council of any municipality, declare by proclamation that the provisions of the Act of 1898 shall cease to be in force in that municipal district.

**8. Australian Fire Insurance Business.**—Returns are available shewing the revenue and expenditure, assets and liabilities, and investments of eighteen insurance companies having their head offices either in the Commonwealth or in New Zealand. These companies are:—(a) with head-office in Sydney—the Australian Mutual Fire Insurance Company, the City Mutual Fire Insurance Company, the Mercantile Mutual Fire Insurance Company, the Queensland Insurance Company Limited, the United Insurance

Company, and the Insurance Office of Australia Limited; (b) with head-office in Melbourne—the Australian Alliance Assurance Company, the Colonial Mutual Fire Insurance Company, the Commonwealth Insurance Company Limited, the Victoria Insurance Company, and the Victoria General Insurance and Guarantee Company Limited; (c) with head-office in Hobart—the Derwent and Tamar Fire and Marine Assurance Company Limited; (d) with head-office in Launceston—the Mutual Fire Insurance Company of Tasmania; (e) with head-office in Auckland—the New Zealand Insurance Company, and the South British Fire and Marine Insurance Company of New Zealand; (f) with head-office in Dunedin—the National Fire and Marine Insurance Company of New Zealand, and the Standard Fire and Marine Insurance Company of New Zealand; (g) with head-office in Wellington—the New Zealand State Fire Insurance office; and (h) with head-office in Christchurch—the Farmers' Co-operative Insurance Association of New Zealand. As their names imply, the majority of these companies transact marine insurance and in some cases guarantee and other business in addition to fire insurance business, and the returns relating to the latter cannot be separated from the former.

The accounts cover two periods of one year, the second year ending at various dates from 30th June, 1911, to 31st March, 1912. The figures for the first year are put in brackets.

The premiums, less reinsurances and returns, amounted to £2,088,120 (£1,861,915), losses were £1,029,801 (£1,018,987). Expenses and commission came to £725,806 (£624,540), and there was, therefore, a profit on trade operations of £332,513 (£218,388). As, however, interest, rent, fees, etc., amounted to £176,172 (£152,214), the total profit was £508,685 (£370,602). Dividends and bonuses came to £241,777 (£198,476). The ratio to premium income of losses was, therefore, 49.32 per cent. (54.73 per cent.), and of expenses and commissions, 34.76 per cent. (33.54 per cent.). The resulting ratio of trade surplus to premium income was 15.92 per cent. (11.73 per cent.).

The paid-up capital of the sixteen companies was £1,575,036 (£1,310,347); reserve and reinsurance funds, £2,375,255 (£2,176,027); undivided profits, £201,718 (£177,781). The total paid-up capital and reserves were, therefore, £4,152,009 (£3,664,155). In addition to these liabilities there were others, viz.:—Unsettled losses, £225,402 (£191,918); sundry creditors, £230,141 (£155,918); dividend to pay, £135,920 (£125,887); and, in the case of one company, a life assurance fund, £141,591 (£170,109), thus bringing the total liabilities to shareholders and to the general public up to £4,885,063 (£4,307,987).

The corresponding amount of assets is made up of investments, £4,324,017 (£3,738,341), viz.:—Loans on mortgage, £1,272,841 (£1,141,440); Government securities, debentures, shares, etc., £1,140,732 (£1,038,897); landed and other property, including furniture, £891,968 (£799,123); fixed deposits, £916,178 (£652,935); in the case of one company doing a mixed business—loans on its own life policies, etc., £11,654 (£14,055); other investments, £90,644 (£91,891). The balance of assets consisted of cash in bank, on hand, and bills receivable, £217,876 (£176,438); and sundry debtors, etc., £343,170 (£357,100).

The financial position of the companies is undoubtedly a strong one, owing to the steady accumulation of reserves, and the high ratio borne by capital and reserves to premium income must be a cause of satisfaction to policyholders.

## § 7. Marine Insurance.

No returns are available in regard to Marine Insurance. It may, however, be stated that the Commonwealth Parliament in 1909 passed an Act (No. 11 of 1909, "An Act relating to Marine Insurance") which was assented to on the 11th November, 1909. This

Act materially alters some of the conditions under which marine policies have heretofore been issued.

### § 8. Friendly Societies.

1. **General.**—Friendly societies are an important factor in the social life of the community, as probably nearly one-third of the total population of the Commonwealth comes either directly or indirectly under their influence. Their total membership is about 400,000, but as certain benefits, such as medical attendance and free medicine and in many cases funeral expenses, are granted to members' families as well as to members themselves, this figure must, even when due allowance is made for young and unmarried members, be multiplied by four at the least to arrive at the total number of persons more or less connected with these societies. Legislation has conferred certain privileges on friendly societies, but, on the other hand, it insists on their registration, and it is the duty of the Registrars in the various States, prior to registering a new society, to see that its rules are conformable to the law, and that the scale of contributions is sufficiently high to enable the promised benefits to be conferred on members. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and elaborate reports are published in most of the States dealing with the returns thus received.

In the following tables the figures refer to the year 1911, except those for South Australia, which refer to the quinquennium 1905-9.

2. **Number of Societies, Lodges, and Members.**—The total number of societies registered in New South Wales is 66; in Victoria, 48; in Queensland, 16; in South Australia, 16; in Western Australia, 16; and in Tasmania, 11. No total is given of these figures for the Commonwealth, as the societies shewn in one State are in most cases represented in all the other States. The number of different lodges, the total number of benefit members at the end of the year, and their average number during the year are shewn in the following table:—

#### FRIENDLY SOCIETIES.—LODGES AND MEMBERS, 31st DECEMBER, 1911.\*

State.	Number of Lodges.	Benefit Members at End of Year.	Average No. of Benefit Members during Year.
New South Wales ... ..	1,769	146,636	138,521
Victoria ... ..	1,498	148,603	145,439
Queensland ... ..	513	45,190	43,755
South Australia ... ..	529	58,292	†
Western Australia ... ..	269	17,637	17,017
Tasmania ... ..	180	21,708	†
Commonwealth ... ..	4,758	438,066	†

\* See, however, paragraph 1, above.

† Not available.

3. **Sickness and Death.**—Sick pay is generally granted for a number of months at full rates, then for a period at half rates, and in some societies is finally reduced to quarter rates. The following table shews the total number of members who received sick pay during the year, the number of weeks for which they received pay in the



aggregate, and the average per member sick, and further the number of benefit members who died during the year, together with the proportion of deaths per thousand average members :—

**FRIENDLY SOCIETIES.—SICKNESS AND DEATH, 1911.\***

State.	Number of Members who received Sick Pay.	Total Number of weeks Sick Pay granted.	Average No. of weeks per Member sick.	Deaths of Benefit Members and Wives.	Proportion of Deaths to 1000 average Benefit Members.
New South Wales	32,282	192,422	5.96	1,071	7.73
Victoria ...	27,695	214,310	7.74	1,689	11.61
Queensland ...	9,230	47,511	5.15	294	6.72
South Australia ...	8,971	86,768	9.67	497	†
Western Australia	2,645	14,190	5.36	143	8.40
Tasmania ...	4,161	24,593	5.91	159	†
Commonwealth	84,984	579,794	6.82	3,853	†

\* See, however, paragraph 1. † Not available.

4. **Revenue and Expenditure.**—The financial returns are not prepared in the same way in each State, but an attempt has been made in the subjoined table to group the revenue under the main headings :—

**FRIENDLY SOCIETIES.—REVENUES, 1911.\***

State.	Entrance Fees. Members' Contributions, and Levies.	Interest, Dividends, and Rents.	All other Income.	Total Revenue.
	£	£	£	£
New South Wales ...	412,933	64,261	38,043	515,237
Victoria ...	422,039	88,605	48,941	559,585
Queensland ...	148,366	22,267	...	170,633
South Australia ...	†130,096	31,167	†65,293	226,556
Western Australia ...	49,591	9,146	28,681	87,418
Tasmania ...	54,925	6,788	11,790	73,503
Commonwealth ...	1,217,950	222,234	192,748	1,632,932

\* See, however, paragraph 1. † Excluding levies. ‡ Including levies.

The returns relating to expenditure are more complete than those relating to revenue, and can be shewn in full for every State. The figures shew that the excess of revenue, amounting in the aggregate to £319,680, was divided amongst the six States as follows :— New South Wales, £86,653; Victoria, £123,794; Queensland, £46,445; South Australia, £37,588; Western Australia, £16,237; and Tasmania, £8963. The revenue exceeded the expenditure by about fifteen shillings and tenpence per average benefit member, a margin which cannot be called very large.

## FRIENDLY SOCIETIES.—EXPENDITURE, 1911.\*

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members & Members' Wives.	Administration.	All other Expenditure.	Total Expenditure.
	£	£	£	£	£	£
New South Wales	148,576	143,040	31,838	59,141	45,989	428,584
Victoria ...	146,866	146,303	29,378	70,023	43,221	435,791
Queensland ...	36,106	50,377	12,211	25,494	†	124,188
South Australia ...	50,979	28,305	22,998	24,526	62,160	188,968
Western Australia	11,742	17,058	2,440	12,839	27,102	71,181
Tasmania ...	19,821	18,210	9,950	10,739	5,820	64,540
Commonwealth	414,090	403,293	108,815	202,762	184,292	1,313,252

\* See, however, paragraph 1. † Included in "Administration."

It appears from the above figures that sick pay averaged about fourteen shillings and threepence per week, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given must be taken for what it is worth. Medical attendance and medicine came to about one pound and eightpence per average benefit member, or to nearly £4 15s. per member who received sick pay during the year. Funeral expenses averaged £27 1s. 11d. per death of a member or wife of a member during the year, but this average also must be taken for what it is worth, as the funeral expenses allowed in the case of the death of a member are generally much higher than those allowed in the case of the death of a member's wife.

5. **Funds.**—The two foregoing tables shew that the surplus of revenue over expenditure amounted to £319,680 for the year, and a small surplus must, of course, result annually in every society which levies adequate contributions to enable it to meet all possible claims. These accumulations of profits are generally invested, and the subjoined table shews for all of the six States the division into invested and uninvested funds :—

## FRIENDLY SOCIETIES.—FUNDS, 31st DECEMBER, 1911.\*

State.	Invested Funds.	Uninvested Funds.	Total Funds.
	£	£	£
New South Wales ...	1,416,068	90,280	1,506,348
Victoria ...	2,134,175	112,221	2,246,396
Queensland ...	552,344	26,011	578,355
South Australia ...	887,318	35,287	922,605
Western Australia ...	164,732	9,782	174,514
Tasmania...	195,465	11,825	207,290
Commonwealth ...	5,350,102	285,406	5,635,508

\* See, however, paragraph 1.

The total funds amounted, therefore, to £12 17s. 3d. per member at the close of the year under review.

## § 9. Probates.

**1. Number of Probates and Letters of Administration and Value of Estates.—**  
The value of the estates left by deceased persons gives a fair view of the distribution of property among the general population. There occurred in 1911 the deaths of 33,835 adult persons, while the total number of probates and letters of administration granted during the same period was 10,972. It would therefore appear that about one in every three adults who died during the year was possessed of sufficient property to necessitate the taking out of probate. The details for each State are shown in the table hereunder:—

### PROBATES AND LETTERS OF ADMINISTRATION, 1911.

State	Number of Estates.			Value of Estates.		
	Probates.	Letters of Administration.	Total.	Probate.	Letters of Administration.	Total.
				£	£	£
New South Wales	2,421	1,168	3,589	12,257,228	880,840	13,138,068
Victoria ...	3,181	1,433	4,614	8,469,163	*	8,469,163
Queensland ...	500	229	729	2,111,364	298,131	2,409,495
South Australia ...	854	203	1,057	2,729,829	125,260	2,855,089
Western Australia	344	240	584	703,663	140,488	844,151
Tasmania ...	335	64	399	555,634	41,236	596,870
Commonwealth	7,635	3,337	10,972	26,826,881	1,485,955	28,312,836

\* Included with Probates.

Intestate estates to the value of £146,227 were placed under the control of the Curator during the year, and £21,526 unclaimed money paid into Consolidated Revenue. The details for each State are shewn hereunder:—

### INTESTATE ESTATES, 1911.

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	C'wlth.
Intestate estates placed under control of Curator during 1911							
Number ...	656	368	623	127	300	88	2,162
Value ...	£ 46,293	29,831	43,328	19,598	*	7,177	146,227 †
Unclaimed money paid into consolidated revenue by Curator during 1911 ...	£ 7,921	7,031	4,361	539	1,094	580	21,526

\* Not available.    † Exclusive of Western Australia.

This would make the average value of each estate £2580, and the average value of property left by each adult who died in 1911, £837.