

# Part 9

## FINANCE

### *Public Finance*

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

##### *Financial Transactions*

During the last thirty or so years, governments have come to accept new and wider responsibilities for economic stability and growth and for the social welfare of their peoples. They are now in a position where their actions have far-reaching economic and social effects. This applies not only to their regulatory activities but also to their financial transactions. These transactions may be classified in the following ways :—

##### *Purchases of Goods and Services*

Governments are important purchasers of goods and services which they require to provide current services, e.g., defence services, health and educational facilities ; and capital assets such as office buildings, power installations, and railway track and rolling stock. Expenditure of this kind generates income and, consequently, rises or falls in its level affect the purchasing power of the community. In addition, governmental requirements determine the allocation of national resources and the composition of national capital assets.

##### *Transfers of Income between Sections of the Community*

Governments are also agents for the redistribution of incomes throughout the community. Their role of tax-gatherers permits them to do this by compulsorily withdrawing purchasing power from one section of the community and transferring it to another in the form, for example, of social service benefits or subsidies to producers. The receipt and payment of interest is another way in which governments redistribute income.

##### *Production and Trading*

As well as providing a considerable volume of services free (or at nominal charges), governments also engage in trading activities in which they produce and sell goods and services at prices designed substantially to cover costs. These services are usually of the public utility type, e.g., the supply of gas and electricity, transport services, and water supply and sewerage, of which governments are usually the sole providers. Their distinguishing characteristic is that they are, to a certain extent, subject to market forces.

*Borrowing and Lending*

Governments acquire funds for their own purposes and for lending to others by borrowing the savings of those with surplus funds. They are also in a position to influence the amount of saving in the community by varying rates of taxation and their own expenditures.

Victorian governmental activity is carried out by :—

- (1) The legislative, executive, and judicial organs of the State ;
- (2) semi-governmental bodies being statutory authorities created to carry out specific activities, e.g., the provision of gas, electricity, water supply, and sewerage facilities on behalf of the State Government or bodies in which the State Government has a controlling interest ; and
- (3) local government bodies set up under the Local Government Act to carry out the functions of local government in defined areas (known as municipalities), and which are elected by the residents or property owners or both in the area. This category also includes authorities created or acquired by local government authorities.

Although this Part of the Year Book is concerned solely with the financial transactions of the State Government of Victoria (particulars of local and semi-governmental activity being found in Part 5 and other appropriate Parts), it is informative, in this context, to summarize total public authority activity in the State.

Particulars of Commonwealth and State receipts and outlay classified so as to facilitate economic analysis are included in the "Estimates of National Income and Expenditure" presented annually to the Commonwealth Parliament by the Treasurer. The following summary of Victorian governmental transactions represents the Victorian component of Tables IX, X, and XI (Receipts, Outlay, and Net Increase in Indebtedness of Public Authorities) of that document for 1959–60. It is a consolidation (necessarily approximate) of the activities of the major public funds and authorities in the State.

Particulars in the table were compiled from financial statements published by the authorities concerned which, in some instances, did not contain all the information desired. For this reason, the figures shown in the table must be regarded as estimates only and subject to revision as fuller investigation proceeds. A large proportion of governmental financial transactions are in the nature of transfers between funds, e.g., transfers from the Consolidated Revenue Fund to the Hospitals and Charities Trust Fund, and between authorities, e.g., transfers from the Loan Fund to the State Electricity Commission. Where they could be identified, such transfers have been cancelled out. In some cases, different bases of classification from those used in succeeding sections of this Part were adopted for national income purposes.

## VICTORIA—STATE, LOCAL, AND SEMI-GOVERNMENTAL BODIES : RECEIPTS AND OUTLAY

(£ Million)

Particulars	1954-55	1955-56	1956-57	1957-58	1958-59
<b>RECEIPTS</b>					
Taxation—					
Indirect Taxes .. ..	36	40	47	52	56
Less Subsidies .. ..	— *	— *	— 1	— *	— *
Net Indirect Taxes .. ..	36	40	46	52	56
Estate and Gift Duties .. ..	6	7	7	8	8
Total Taxation .. ..	42	47	53	60	64
Surplus of Public Authority Business Undertakings .. ..	13	14	16	18	27
Allowances for Depreciation .. ..	3	4	4	7	8
Rent and Interest Received .. ..	6	7	7	9	9
Grants from the Commonwealth Government .. ..	45	48	56	63	68
Borrowing—					
Advances from the Commonwealth Government (Net of Repayments) .. ..	9	11	11	11	11
Commonwealth Bonds—Australia†	35	34	35	35	36
Commonwealth Loans—Overseas†	— 1	1	*	2	2
Local and Semi-Governmental Securities† .. ..	30	23	32	32	28
Less Increase in Holdings of Commonwealth Bonds and Local and Semi-Governmental Securities .. ..	— 1	— *	1	— 4	— 2
Other Funds Available (Including Errors and Omissions) .. ..	— *	*	2	1	— 2
Total Receipts .. ..	181	189	217	234	249
<b>OUTLAY</b>					
Net Purchase of Goods and Services—					
Public Works—					
Railways .. ..	9	8	8	8	10
Roads .. ..	16	20	22	27	29
Other Transport .. ..	4	4	4	4	4
Fuel and Power .. ..	26	27	23	29	26
Water Supply, Sewerage, and Irrigation .. ..	15	13	15	14	17
Forestry, Land Development, &c. .. ..	4	5	4	4	4
Schools, &c. .. ..	6	7	7	8	9
Hospitals .. ..	5	6	6	6	6
All Other (Office Buildings, Plant and Equipment <i>n.e.i.</i> , Court Houses and Penal Establishments, Welfare Institutions, Rental Dwellings, &c.) .. ..	14	16	12	13	10
Total Public Works .. ..	99	106	101	113	115
Increase in Stocks .. ..	1	1	— 3	— 2	— 2
Law, Order, and Public Safety .. ..	7	8	9	10	11
Education .. ..	19	23	26	29	32
Health and Welfare .. ..	14	16	19	20	21
Development and Conservation of National Resources .. ..	3	3	4	4	4
All Other .. ..	12	13	14	15	16
Total Net Purchase of Goods and Services .. ..	155	170	170	189	197

\* Under £500,000.

† Net of redemption.

VICTORIA—STATE, LOCAL, AND SEMI-GOVERNMENTAL BODIES :  
RECEIPTS AND OUTLAY—*continued*  
(£ Million)

Particulars	1954-55	1955-56	1956-57	1957-58	1958-59
Cash Social Service Benefits ..	1	1	1	1	1
Capital Transfers to Persons ..	*	*	*	*	*
Interest Paid .. .. .	24	28	32	36	40
Lending &c.—					
Net Purchases of Existing Real Assets .. .. .	2	— 1	— *	*	— 3
Net Advances for Housing ..	*	3	7	6	11
Other Net Advances, &c. ..	1	1	*	— *	— 1
Increase in Cash and Bank Deposits .. .. .	— 2	— 13	7	2	4
Total Outlay .. .. .	181	189	217	234	249

\* Under £500,000.

### Financial Relations with the Commonwealth

#### *General*

The Federal Constitution enumerates the matters regarding which the Commonwealth Parliament has power to legislate. They include defence, external affairs, trade and commerce with other countries and between the States, customs and excise, posts and telegraphs, navigation, lighthouses, quarantine, census and statistics, currency and banking, insurance, copyright and trade marks, naturalization, immigration, invalid and old age pensions, social services, industrial relations where disputes extend beyond the boundaries of a State, taxation that does not discriminate between States or parts of States, the taking over by the Commonwealth of the public debts of the States, and the borrowing of money by the Commonwealth for the States. Some of these powers are given exclusively to the Commonwealth, e.g., defence and customs and excise, but, in the majority of matters, the Commonwealth and State Governments have concurrent powers, Commonwealth law prevailing where there is conflict. Matters, other than those enumerated in the Constitution, remain the concern of the States. Governmental activity at the State level embraces education, health and welfare services, the development of internal resources, e.g., irrigation and water supply, land settlement, soil conservation, maintenance of law and order, and the provision of public utility services, e.g., roads, electricity and gas, public transport, water supply and sewerage. These activities are carried out by State Departments and by statutory and local governing bodies created by the State Governments. The States have direct access to a small proportion only of moneys required for revenue and capital purposes. This has come about in three ways :—

- (1) Through the surrender, under the Constitution, of the right to levy customs and excise duties ;

- (2) through the Financial Agreement of 1927, between the Commonwealth and State Governments, under which the Commonwealth became the borrowing agent for the States ; and
- (3) through the Commonwealth exercising its right to impose taxation in the field of personal and company income.

The lack of balance between the spending functions and the sources of revenue available to the Commonwealth and the States respectively has given rise to a system of grants from the Federal Government to the States. These grants may be unconditional or may be earmarked for specific purposes such as roads and universities. Important examples of the former are the tax reimbursement grants payable under the uniform tax system and special grants payable under section 96 of the Constitution, which provide assistance to those States experiencing difficulty in raising revenue or providing services on a comparable level with the other States.

Commonwealth fiscal superiority is supported by present day acceptance of the role of governments as agents of economic control and providers of social services on a large scale. In order to carry out these functions, the central government, to whom the tasks fall, must have a substantial measure of control over taxation revenue and the level of public investment.

#### *Financial Agreement between the Commonwealth and the States*

The Financial Agreement of 12th December, 1927, between the Commonwealth and the States came into being because it was thought desirable to adopt a co-ordinated approach to the loan market instead of independent approaches by the several governments and because of the necessity of establishing sound sinking fund arrangements. It also provided for the sharing of State debt charges by the Commonwealth. The following is a summary of the main provisions :—

##### *(1) Consolidation of Public Debt*

On 1st July, 1929, the Commonwealth took over the existing public debts of the States and assumed responsibility for the payment of related interest. This interest is reimbursed by the States, less the sum of £7,584,912 per annum which the Commonwealth agreed to contribute for a period of 58 years. Of this amount, Victoria receives £2,127,159 annually. This payment compensates the States for relinquishing, after Federation, the right to levy customs and excise duties.

##### *(2) Regulation of Government Borrowing*

The Australian Loan Council was set up to co-ordinate the public borrowings of the Commonwealth and the States. It consists of the Prime Minister (or his nominee) as Chairman, and the State Premiers (or their nominees). Each financial year, the Commonwealth and the several States submit to the Loan Council programmes setting out the amounts they desire to raise by loan during the ensuing year. Revenue deficits to be funded are included in the borrowing programmes, but borrowings for "temporary purposes" need not be included. Borrowing by the Commonwealth for defence purposes is outside the Agreement.

If the Loan Council considers that the total amount of the programmes cannot be borrowed at reasonable rates and conditions, it determines what amount shall be borrowed and may, by unanimous decision, allocate such amount between the Commonwealth and the States. In default of a unanimous decision, the allocation is determined by means of a formula written into the Agreement. Subject to the decisions of the Loan Council, the Commonwealth arranges all borrowings including those for conversions, renewals, and redemptions. However, the Commonwealth or a State may borrow for "temporary purposes" by way of overdraft or fixed deposit, subject to limits fixed by the Loan Council. In addition, the Commonwealth may borrow within the Commonwealth, or a State within its territory, from authorities, bodies, or institutions, or from the public by counter sales of securities, subject to Loan Council approval. Commonwealth securities are issued for moneys borrowed in this way and amounts so borrowed are treated as part of the borrowing programme for the year.

### (3) *Sinking Fund Provisions*

The Financial Agreement also provided for the creation of sinking funds for debt existing at 30th June, 1927, and incurred subsequently. Contributions to these are made jointly by the Commonwealth and the States on bases laid down. The sinking funds established under the Agreement are under the control of the National Debt Commission, an Authority constituted under Commonwealth legislation and consisting of the Treasurer of the Commonwealth, the Chief Justice of the High Court, the Secretary to the Commonwealth Treasury, the Governor of the Commonwealth Bank, the Solicitor-General for the Commonwealth, and a representative of the States.

Sinking fund moneys are used to redeem unconverted securities at maturity and to re-purchase securities on the stock market.

### (4) *Borrowing by Semi-Government Authorities*

Although they are not legally bound by the Agreement, it was realized at the outset that, in the interests of co-ordinated borrowing, the Loan Council should have some control over the loan raising activities of semi-governmental bodies. In May, 1936, all resolutions passed by the Loan Council in connexion with semi-governmental borrowings were consolidated into one set of rules. This "gentlemen's agreement" provided for the submission of annual loan programmes of semi-governmental (including local government) authorities proposing to raise £100,000 or more in a year; for the consideration of such programmes in conjunction with the loan programme of the Government concerned; and for the fixing of the terms of individual semi-governmental loans coming within the scope of the annual programme.

### (5) *Commonwealth Influence on Supply of Loan Moneys*

The Commonwealth is in a position to control the supply of local loan moneys through the influence of Commonwealth policy on the banking system, indirectly through alterations in rates of taxation (which affect personal savings), and through the money it is prepared to make available from its own trust funds. This last factor has assumed considerable importance in recent years because of the

inability of the loan market to meet governmental capital expenditure programmes and the consequent need for Commonwealth support. From 1st July, 1951, to 30th June, 1959, the Commonwealth has provided this support from the Australian currency proceeds of overseas loans and from budget surpluses to the extent of £730·4 mill. out of loan programmes amounting to £1,641·5 mill.

### Grants to the States

#### (1) General

The following table shows particulars of amounts paid to Victoria as grants for the several purposes referred to in subsequent paragraphs :—

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

Particulars	1954-55	1955-56	1956-57	1957-58	1958-59
Financial Agreement—					
Interest on State Debt ..	2,127	2,127	2,127	2,127	2,127
Sinking Fund on State Debt† ..	880	972	1,054	1,155	1,230
Tax Reimbursement Grant ..	32,397	36,044	40,228	43,996	46,475
Special Financial Assistance ..	4,960	3,399	5,826	6,405	8,104
Additional Financial Assistance ..				1,061	
Commonwealth Aid Roads ..	3,771	4,660	5,495	6,264	6,543
Tuberculosis Act 1948—Reimbursement of Capital Expenditure ..	46	74	120	76	45
Mental Institutions — Contribution to Capital Expenditure ..		446	527	545	620
Coal Mining Industry Long Service Leave ..	1	1	1	1	1
Imported Houses—Grants ..			2		
Grants to University ..	367	415	522	664	1,313
Tobacco Industry Assistance ..	2	2	5	3	3
Dairy Industry Extension Grant ..	60	60	60	60	80
Expansion of Agricultural Advisory Services ..	39	51	61	69	60
Total .. ..	44,650	48,251	56,028	62,426	66,601

\* Excludes subsidies and bounties to primary producers and payments for medical research, social services, &c.

† Paid to National Debt Sinking Fund.

#### (2) Financial Agreement

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

#### (3) Tax Reimbursement Grant

The States were supplanted by the Commonwealth as income taxing authorities during the Second World War when the Commonwealth needed to exploit this field of taxation to the full to meet its wartime obligations. Under the uniform taxation scheme, the Commonwealth became the sole authority levying taxes upon income. In return for vacating that field of taxation, the States received an annual payment from the Commonwealth as reimbursement for the loss of income tax revenue. A similar arrangement was made for entertainments tax, but this tax is no longer levied by the Commonwealth Government. Although challenged by the States, the system was continued after the war and is still in existence. In 1957, the High Court ruled that

while the Commonwealth could not prejudice the rights of the States to levy taxes on incomes, it could make grants to the States conditional on the non-levy of income taxes.

Full particulars of the *States Grants (Income Tax Reimbursement) Act 1942* and the *States Grants (Tax Reimbursement) Act 1946–48* may be found in the Official Year Book of the Commonwealth of Australia No. 37, pages 635 to 637, and No. 40, page 696. The allocation of moneys under the original Act was based on the State's own income tax collections prior to the introduction of uniform taxation. From 1946–47, grants under this Act were replaced by grants under the *States Grants (Tax Reimbursement) Act 1946–48*. This Act provided for reimbursement grants of certain specified amounts to be paid to the States during 1946–47 and 1947–48. For 1948–49 and subsequent years, the grants were assessed in accordance with a formula based on increases in population and average wages. Within a few years, heavy additions to the financial needs of the States made necessary the supplementing of the grant calculated on the basis of the formula by a series of special or additional assistance grants, the size of which was largely arbitrary.

The whole question of Commonwealth–State financial relations was reviewed in 1959 and this resulted in the enactment of the *States Grants Act 1959* (operative until 1964–65). The amount of financial assistance payable to each State during 1959–60 was specified (Victoria's share was £60,625,000) and a formula prescribed for calculating the grant payable in the subsequent years. Under the formula, the amount payable to each State is calculated by expressing the amount of the grant payable to that State in the preceding year on a per capita basis, varying it in a prescribed manner by the increase in average wages for Australia as a whole, and multiplying it by the population of the State in the year of review. It was envisaged that Western Australia and Tasmania would, as a result of this legislation, be the only continuing claimant States under Section 96 of the Constitution, although Queensland and South Australia would have some right of access to the Grants Commission in special circumstances.

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

The Commonwealth has made grants to the States for roads purposes for some considerable time. Particulars of Acts (commencing with the *Main Roads Development Act 1923–25*) under which these payments were made are given in the annual Commonwealth Finance Bulletin—Part 1, Public and Private Finance (issued by the Commonwealth Statistician).

The *Commonwealth Aid Roads Act 1954* provided for payment to the States, for five years from 1st July, 1954, of an amount equivalent to 7d. a gallon on all petrol (except aviation spirit) entered for home consumption and which was subject to customs or excise duties as specified in certain Customs Tariff Items. Out of this amount, the following grants were made to the States for construction and maintenance of roads and the purchase of roadmaking plant :—

- (a) 60 per cent. of the amount, less £900,000 per annum, for expenditure on roads, and
- (b) 40 per cent. of the amount for expenditure on roads in rural areas other than highways, trunk, or main roads.



The States were entitled to spend from the Commonwealth road grants up to £1 mill. per annum on works connected with transport by road or water. 5 per cent. of the grants was payable to Tasmania and the remainder was divided among the other five States, three-fifths according to population and two-fifths according to area. In addition, the Commonwealth could spend each year £800,000 on strategic roads and £100,000 on the promotion of road safety practices. An amendment to the Act increased the allocation for road safety purposes to £150,000 a year from 1st July, 1955, and the allocation to the States from 7d. to 8d. a gallon from 1st July, 1956. The grant was further supplemented by the *Commonwealth Aid Roads (Special Assistance) Act 1957* under which an extra £3 mill. was appropriated for each of the years 1957–58 and 1958–59. Of this amount, £2,950,000 was made available to the States and £50,000 to the Commonwealth.

The *Commonwealth Aid Roads Act 1959* established a new scheme of Commonwealth assistance which superseded the Acts mentioned above. Under the new scheme which is to operate for a period of five years, the Commonwealth will make available to the States a total amount of up to £250 mill. for the construction, reconstruction, maintenance, and repair of roads. Of this amount, £220 mill. will be payable as basic grants, which will increase from £40 mill. in 1959–60 to £48 mill. in 1963–64, and which will be distributed each year among the States on the basis that Tasmania will receive 5 per cent. and that, of the remainder, one-third will be shared by the other States in proportion to their respective populations at the date of the last preceding Census, one-third in proportion to their respective areas, and one-third in proportion to the number of motor vehicles registered in those States at 31st December preceding the year of payment.

The balance of £30 mill. takes the form of matching assistance. The amount available for this purpose will increase from £2 mill. in 1959–60 to £10 mill. in 1963–64. Each State may participate in the matching assistance for each year, up to the share of the assistance for which it is eligible. Its share is determined by allocating the amount of matching assistance available each year in the same proportions in which the basic grant for that year is distributed. Up to this limit, each State qualifies for £1 of matching assistance for every £1 by which the amount it allocates in that year from its own resources for roads is greater than the amount so allocated in 1958–59. In 1959–60, Victoria will receive about £8·4 mill. by way of basic grant and matching assistance. The Commonwealth will make a special payment in 1959–60 to any State to the extent to which its share of the basic grant of £40 mill. falls short of the amount received from the Commonwealth as road grants in respect of 1958–59. In addition to the amounts that are payable to the States in 1959–60 under the *Commonwealth Aid Roads Act 1959*, an amount, estimated at approximately £2·1 mill., will be paid to complete the payments under the *Commonwealth Aid Roads Act 1954–1956*. The total grant payable to Victoria for 1959–60 is estimated at £8·7 mill.

(5) *Tuberculosis Hospitals—Reimbursement of Capital Expenditure*

Under the *Tuberculosis Act* 1948 the Commonwealth undertook to reimburse the States for capital expenditure on buildings, furnishings, equipment, and plant for the diagnosis, treatment, and control of tuberculosis. In addition to recouping capital expenditure, the Commonwealth also contributes from the National Welfare Fund to maintenance expenditure incurred by the States (the amount paid to Victoria for 1958–59 was £1,046,000), and reimburses administration expenses.

(6) *Mental Institutions—Contribution to Capital Expenditure*

The *States Grants (Mental Institutions) Act* 1955 provides for financial assistance to the States for capital expenditure on mental institutions to a maximum amount of £10 mill. Each State is entitled to recover one-third of its expenditure on buildings and equipment incurred on or after 1st July, 1955.

(7) *Coal Mining Industry—Long Service Leave*

In the States in which coal miners have been awarded long service leave by industrial tribunals, the State Governments concerned have agreed to reimburse employers for the costs they incur in granting this leave. The Commonwealth in turn has agreed to reimburse the States for the amounts paid and related administrative costs. In order to provide the funds required for these purposes, the Commonwealth imposed an excise duty on coal.

(8) *Imported Houses—Grants*

The Commonwealth pays a subsidy to the States for houses imported by a State or a housing authority of a State after 12th October, 1949. The amount of the subsidy is the amount by which the cost of imported houses exceeds the cost of building comparable houses from local materials, with a limit of £300 per house.

(9) *Grants to Universities*

Payments to the States for universities were first introduced in 1951–52 under the *States Grants (Universities) Act* 1951 and were continued under similar legislation passed in 1953, 1955, 1956, and 1957. Following on the Commonwealth's acceptance of the main recommendations of the Committee on Australian Universities, the provisions of the 1957 Act relating to financial assistance for 1958 were superseded by the *States Grants (Universities) Act* 1958, which operated from 1st January, 1958.

The new legislation authorized the Commonwealth to make payments of up to £21·4 mill. to the States for universities over the three calendar years 1958 to 1960, inclusive, where certain conditions are satisfied. These payments include increased contributions towards the current expenses of universities, new grants for capital works and equipment, and emergency grants.

(10) *Tobacco Industry Assistance*

The Commonwealth makes a grant for tobacco research of up to £15,000 per annum, paid to the tobacco producing States on a £1 for £1 basis.

(11) *Dairy Industry Extension Grant*

The Commonwealth provides financial assistance to promote improved farm practices in the dairy industry.

(12) *Expansion of Agricultural Advisory Services*

These payments were introduced in 1952–53 to encourage the expansion of agricultural advisory services by the State Departments of Agriculture and to promote increased farm efficiency.

In addition to the grants mentioned above, Victoria also benefits under the *Railway Standardization (New South Wales and Victoria) Agreement Act 1958*. Under this Act, the Commonwealth is financing the construction of a standard gauge rail link between Albury and Melbourne estimated to cost £10,726,000. Each State is to repay 15 per cent. of the total cost, by instalments, over a period of 50 years. Expenditure by the Commonwealth to 30th June, 1959, amounted to £2,097,000.

**Revenue and Expenditure***General*

The financial transactions of the State of Victoria are concerned with (a) Consolidated Revenue, (b) Trust Funds, and (c) Loan Fund. Payments from Consolidated Revenue are made either under the authority of an annual Appropriation Act or by a permanent appropriation under a special Act.

In the following tables details of Consolidated Revenue and Expenditure are shown for each of the years 1954–55 to 1958–59. The figures are not comparable, in all cases, with those shown in previous issues of the Year Book in which the Public Revenue and Expenditure of certain special funds were added to Consolidated Revenue and Expenditure, while recoups by the Treasury to the Victorian Railways for specified purposes were excluded from the tables.

*Consolidated Revenue Fund*

The following table shows, for each of the years 1954–55 to 1958–59, the Consolidated Revenue and Expenditure of Victoria, the surplus or deficit, and the accumulated deficit at the end of each year :—

**VICTORIA—CONSOLIDATED REVENUE FUND: REVENUE,  
EXPENDITURE, SURPLUS OR DEFICIT  
(£'000)**

Year Ended 30th June—	Revenue	Expenditure	Surplus + or Deficit —	Accumulated Deficit to End of Each Year (i.e., 30th June)
1955 .. .. .	116,789	115,452	+ 1,337	13,245
1956 .. .. .	123,152	126,398	— 3,246	16,491
1957 .. .. .	133,254	137,565	— 4,311	20,802
1958 .. .. .	142,336	145,549	— 3,213	24,015
1959 .. .. .	151,248	153,796	— 2,548	26,563*

\* Of this amount, £22,139,984 was provided from Loan Fund and £4,423,173 from the Public Account.

Consolidated Revenue : Details of the principal sources of revenue are shown in the following table for each of the years 1954-55 to 1958-59 :—

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

Source of Revenue	Year Ended 30th June—				
	1955	1956	1957	1958	1959
Taxation* .. .. .	20,861	22,904	25,433	28,387	30,332
Business Undertakings—					
Railways .. .. .	37,695	37,300	37,463	35,948	38,142
Harbors, Rivers, and Lights .. .. .	561	571	503	543	575
Water Supply, Sewerage, Irrigation, and Drainage .. .. .	2,745	3,061	3,186	3,893	4,001
Electricity Supply (Interest and Recoups of Sinking Funds &c.)	1,946	2,103	2,216	2,431	2,654
State Coal Mines .. .. .	654	684	500	476	414
Other .. .. .	437	441	525	484	472
Total .. .. .	44,038	44,160	44,393	43,775	46,258
Lands—					
Sales .. .. .	97	85	169	111	167
Rents .. .. .	272	294	334	393	422
Forestry .. .. .	2,279	2,166	2,294	2,227	2,033
Other .. .. .	91	85	130	122	179
Total .. .. .	2,739	2,630	2,927	2,853	2,801
Interest <i>n.e.i.</i>	3,664	4,108	4,571	5,075	5,585
Commonwealth Grants—					
Financial Agreement Act .. .. .	2,127	2,127	2,127	2,127	2,127
Tax Reimbursement .. .. .	32,397	36,044	40,228	43,996	46,475
Special Financial Assistance .. .. .	4,959	3,399	5,826	7,467†	8,104
Total .. .. .	39,483	41,570	48,181	53,590	56,706
Commonwealth National Welfare Fund Payments—					
Tuberculosis—					
Maintenance Expenditure .. .. .	1,102	1,111	842	1,295	1,060
Pharmaceutical Benefits—					
Mental Institutions .. .. .	54	13	8	19	32
Total .. .. .	1,156	1,124	850	1,314	1,092
Fees and Fines .. .. .	890	947	1,302	1,764	1,895
All Other .. .. .	3,958	5,709	5,597	5,578	6,579
Grand Total .. .. .	116,789†	123,152	133,254	142,336	151,248

\* For details of total taxation collections see page 602.

† Excludes £2,148,060 interest subsidy paid by Treasury to Victorian Railways.

‡ Includes £1,061,169 additional financial assistance.

Expenditure from Consolidated Revenue : The principal items of expenditure during each of the years 1954-55 to 1958-59 are shown in the following table. Public debt charges, pensions and gratuities, and pay-roll tax have not been allotted to the respective heads of expenditure and are shown as separate items.

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

Particulars	Year Ended 30th June—				
	1955	1956	1957	1958	1959
<b>Public Debt Charges—</b>					
Interest .. .. .	12,972	15,125	16,789	19,157	20,844
Exchange .. .. .	533	492	480	492	597
Debt Redemption .. .. .	3,187	3,475	3,686	4,169	4,689
Other .. .. .	90	68	125	100	86
<b>Total .. .. .</b>	<b>16,782</b>	<b>19,160</b>	<b>21,080</b>	<b>23,918</b>	<b>26,216</b>
<b>Business Undertakings—</b>					
Railways .. .. .	35,618	36,199	37,154	35,932	35,908
Harbors, Rivers, and Lights ..	441	442	494	568	464
Water Supply, Sewerage, Irriga- tion, and Drainage .. .. .	2,669	2,823	3,054	3,305	3,433
State Coal Mines .. .. .	775	708	753	724	607
Other .. .. .	289	309	364	262	255
<b>Total .. .. .</b>	<b>39,792</b>	<b>40,481</b>	<b>41,819</b>	<b>40,791</b>	<b>40,667</b>
<b>Social Expenditure—</b>					
<b>Education—</b>					
State Schools .. .. .	16,470	19,757	22,334	24,822	27,242
Technical Schools† .. .. .	1,317	1,708	1,670	1,708	1,778
University .. .. .	671	773	874	939	1,037
Libraries, Art Galleries, &c. ..	468	505	551	608	651
Agricultural Education, Re- search, &c. .. .. .	443	478	519	547	580
Other .. .. .	54	55	59	55	57
Public Health and Recreation ..	1,200	1,341	1,671	1,879	2,056
<b>Charitable—</b>					
<b>Hospitals—</b>					
General .. .. .	9,824	10,701	11,893	12,619	13,155
Mental .. .. .	4,750	4,745	5,046	5,474	6,114
Child Welfare .. .. .	533	643	758	970	1,123
Other .. .. .	3,026	3,329	3,545	3,973	4,645
<b>Law, Order, and Public Safety—</b>					
Justice .. .. .	1,127	1,315	1,566	1,745	1,901
Police .. .. .	4,463	5,102	5,899	6,426	6,742
Penal Establishments .. .. .	628	681	831	907	917
Public Safety .. .. .	10	7	7	8	7
<b>Total .. .. .</b>	<b>44,984</b>	<b>51,140</b>	<b>57,223</b>	<b>62,680</b>	<b>68,005</b>
<b>All Other—</b>					
Public Works <i>n.e.i.</i> .. .. .	1,117	1,272	1,389	1,555	1,572
Lands and Survey .. .. .	912	973	1,152	1,250	1,363
Agriculture .. .. .	1,868	2,172	2,440	2,240	2,382
Forestry .. .. .	1,906	1,915	2,013	1,969	1,822
Legislation and General Adminis- tration .. .. .	3,187	3,574	4,342	4,591	4,794
Pensions and Superannuation ..	2,755	3,466	3,602	3,823	4,116
Pay-roll Tax .. .. .	1,299	1,430	1,539	1,633	1,713
Miscellaneous .. .. .	850	815	966	1,099	1,146
<b>Total .. .. .</b>	<b>13,894</b>	<b>15,617</b>	<b>17,443</b>	<b>18,160</b>	<b>18,908</b>
<b>Grand Total .. .. .</b>	<b>115,452*</b>	<b>126,398</b>	<b>137,565</b>	<b>145,549</b>	<b>153,796</b>

\* Excludes £2,148,060 interest subsidy paid by Treasury to Victorian Railways.

† Maintenance Grants, &c.

## Taxation

## General

In this section some particulars are given of the principal taxes collected in Victoria by the State Government and the Commonwealth Government.

As mentioned on pages 592 and 595, the Commonwealth Government alone exercises the right to impose customs and excise duties and taxation on personal and company incomes. Sales and pay-roll taxes are other important sources of taxation revenue exploited by the Commonwealth exclusively. For the most part, the field now left to the States comprises motor taxation, stamp duties, liquor, land, lottery, racing, and entertainments taxes. Estate duties are shared between the two Governments.

In Victoria, taxation collections by the State Government are allocated by Statute either to Consolidated Revenue or to special funds. The principal item of Victorian taxation which finds its way to special funds is motor taxation which is credited to a number of funds as set out on page 603.

In the following table, particulars of taxation collected in Victoria by the State Government, also the total amounts paid to Consolidated Revenue and to special funds, are shown for each of the years 1954-55 to 1958-59 :—

**VICTORIA—TAXATION COLLECTIONS**  
(£'000)

Particulars	Year Ended 30th June—				
	1955	1956	1957	1958	1959
<b>Motor—</b>					
Registration Fees and Taxes .. .. .	4,533	4,887	6,240	7,953	8,192
Drivers' Licences .. .. .	363	400	416	439	570
Other .. .. .	1,433	1,491	2,534	2,975	3,295
<b>Total Motor ..</b>	<b>6,329</b>	<b>6,778</b>	<b>9,190</b>	<b>11,367</b>	<b>12,057</b>
<b>Probate and Succession Duties .. .. .</b>	<b>6,305</b>	<b>7,102</b>	<b>7,005</b>	<b>8,065</b>	<b>7,839</b>
<b>Stamp Duties <i>n.e.i.</i> .. .. .</b>	<b>4,172</b>	<b>4,380</b>	<b>5,249</b>	<b>6,253</b>	<b>8,485</b>
Land .. .. .	2,625	3,250	4,170	4,607	4,661
Income (Arrears) .. .. .	22	24	9	4	3
Liquor .. .. .	2,108	2,310	2,515	2,817	2,908
Tattersall Duty .. .. .	2,598	2,793	2,979	2,835	2,849
Racing .. .. .	2,116	2,084	2,175	2,405	2,320
Entertainments (Excl. Racing Admission Tax)	979	1,037	1,410	1,505	1,370
Licences <i>n.e.i.</i> .. .. .	243	245	258	253	285
<b>Grand Total ..</b>	<b>27,497</b>	<b>30,003</b>	<b>34,960</b>	<b>40,111</b>	<b>42,777</b>
<b>Paid to Consolidated Revenue .. .. .</b>	<b>20,861</b>	<b>22,904</b>	<b>25,433</b>	<b>28,387</b>	<b>30,332</b>
<b>Paid to Special Funds .. .. .</b>	<b>6,636</b>	<b>7,099</b>	<b>9,527</b>	<b>11,724</b>	<b>12,445</b>
<b>Per Head of Population</b>	<b>£11/1/1</b>	<b>£11/14/0</b>	<b>£13/4/10</b>	<b>£14/16/4</b>	<b>£15/8/3</b>

*Motor Taxation*

The principal source of motor taxation is the amount collected by the Motor Registration Branch of the Police Department by way of fees for the registration of motor vehicles and for the issue of drivers' licences and owners' certificates. In addition, the Transport Regulation Board's charges for the issue of licences, &c., and the amount collected by the Country Roads Board under the provisions of the Commercial Goods Vehicles Act, are included in motor taxation.

The fees collected by the Motor Registration Branch are not paid to Consolidated Revenue, but are credited to various funds as directed by the Motor Car Act and other Acts. Costs of collection are apportioned between the participating funds with the exception that, in respect of amounts credited to the Level Crossings Fund, the relevant costs of collection are borne by the Country Roads Board Fund.

The amounts credited to the several accounts during the year 1958-59 were as follows :—

	£'000	£'000
Country Roads Board Fund—		
Motor Registration Fees .. ..	8,192	
Drivers' Licence Fees (half) .. ..	285	
Owners' Certificates (two-thirds) .. ..	538	
Road Charges — Commercial Goods Vehicles Act .. ..	1,873	10,888
		<hr/>
Level Crossings Fund—		
Owners' Certificates (one-third) .. ..		269
Municipalities Assistance Fund—		
Drivers' Licence Fees (half) .. ..		285
Transport Regulation Fund—		
Motor Omnibus Registration Fees .. ..	6	
Licences, &c. .. ..	293	
Permits .. ..	316	615
		<hr/>
Total Motor Taxation 1958-59 .. ..		12,057

*Probate Duties*

The *Administration and Probate Acts* 1958 fixed the rates of duty payable on the estates of deceased persons leaving property, whether real or personal, in the State of Victoria, and personal property wherever situated if the deceased was domiciled in Victoria at the date of death. The Acts provide for discriminatory rates of duty in favour of estates passing to close relatives. Categories of beneficiaries are :—

- A. Widow, widower, children under 21 years of age, wholly dependent adult children, or wholly dependent widowed mother.
- B. Children over the age of 21 years not being wholly dependent, or grandchildren.
- C. Brothers, sisters, parents.
- D. Other beneficiaries.

The following is a brief summary of the rates applicable to estates passing to beneficiaries in the various categories. The rates were effective from 1st December, 1958. For rates prior to that date, see previous issues of Victorian Year Book.

On that part of the final balance which—				The rate of duty per £1 shall be where the final balance passes to—			
				A	B	C	D
	£	Does not exceed	£	<i>d.</i>	<i>d.</i>	<i>d.</i>	<i>d.</i>
Exceeds	600	but does not exceed	600	Nil	Nil	Nil	Nil
"	1,500	"	1,500	Nil	Nil	12	18
"	5,000	"	5,000	Nil	Nil	24	24
"	5,000	"	6,500	18	24	36	42
"	6,500	"	10,000	30	36	36	48
"	10,000	"	15,000	18	24	30	42
"	15,000	"	25,000	24	30	42	48
"	25,000	"	30,000	30	36	48	48
"	30,000	"	35,000	42	48	60	60
"	35,000	"	45,000	48	54	60	60
"	45,000	"	55,000	54	66	72	90
"	55,000	"	60,000	60	72	72	90
"	60,000	"	65,000	72	72	78	90
"	65,000	"	75,000	84	84	90	90
"	75,000	"	85,000	90	90	96	102
"	85,000	"	94,667 (a)	90	..	..	..
"	85,000	"	97,166 (b)	..	96	..	..
"	85,000	"	113,840 (c)	..	..	102	..
"	85,000	"	116,625 (d)	..	..	..	108
When the final balance exceeds (a), (b), (c), or (d), then the whole of the final balance is subject to a duty of				£22 10s. per £100	£25 per £100	£30 per £100	£33 per £100

The amount of probate duty assessed in Victoria during each of the five years to 1958–59 was as follows:—1954–55, £6,520,694; 1955–56, £7,624,745; 1956–57, £7,213,556; 1957–58, £8,143,299; 1958–59, £7,911,320.

### Commonwealth Estate Duty

The Commonwealth Government also levies probate and succession duties. The amount of duty collected throughout Australia during each of the five years to 1958–59 was:—1954–55, £9,613,948; 1955–56, £10,119,760; 1956–57, £12,712,152; 1957–58, £13,773,826; 1958–59, £13,308,744.

### Land Tax

The *State Land Tax Act 1928* provided for a tax on the unimproved value of land. For the purpose of this Act, unimproved value is the estimated selling value of the land assuming that improvements, if any, had not been made. Thus tax is levied on land even if built on or otherwise improved, at a rate, for every £1 of unimproved value, declared for each year by Act of Parliament.

The *Land Tax (Exemptions and Rates) Act 1953* provided for a rate of tax of one penny in the pound on the unimproved value of land not exceeding £8,750, and for a graduated increase in the rate on unimproved values in excess of £8,750. This rate has remained unaltered since 1953.

Under the provisions of the *Land Tax (Exemptions and Rates) Act 1955*, land not used primarily for primary production was exempted from land tax if the unimproved value of such land was not more than £1,000, and a partial exemption was allowed up to £1,200. The



*Land Tax (Exemptions and Rates) Act 1958* extended the exemption to £1,250, and the partial exemption to £1,500. On land used primarily for primary production the exemption is £3,000 with partial exemption up to £6,000.

The following table shows particulars, in specified groups of unimproved values of holdings, of Land Tax assessments for 1958 :—

VICTORIA—ANALYSIS OF STATE LAND TAX  
ASSESSMENTS, 1958

(Based on Unimproved Values at 31st December, 1957)

Unimproved Values of Holdings Ranging between—				Number of Taxpayers	Total Unimproved Values*	Tax Payable
£	£					
1,001 and	1,200	..	..	17,794	19,856	51
1,201 „	1,500	..	..	19,072	25,604	103
1,501 „	2,000	..	..	17,300	30,247	118
2,001 „	3,000	..	..	14,577	35,491	132
3,001 „	4,000	..	..	12,298	26,033	103
4,001 „	5,000	..	..	8,469	35,016	120
5,001 „	6,000	..	..	5,994	31,435	122
6,001 „	7,000	..	..	3,964	25,757	105
7,001 „	8,000	..	..	3,175	22,554	95
8,001 „	9,000	..	..	1,591	13,184	54
9,001 „	10,000	..	..	2,237	20,792	87
10,001 „	15,000	..	..	4,269	50,870	252
15,001 „	20,000	..	..	1,605	27,292	159
20,001 „	25,000	..	..	901	20,052	131
25,001 „	30,000	..	..	493	12,875	94
30,001 „	35,000	..	..	323	10,284	89
35,001 „	40,000	..	..	226	8,280	74
40,001 „	50,000	..	..	252	11,029	118
50,001 „	75,000	..	..	338	20,182	265
75,001 „	100,000	..	..	149	12,893	220
100,001 „	150,000	..	..	105	12,837	258
150,001 „	200,000	..	..	52	8,903	208
200,001 and Over		..	..	133	62,327	1,672
Total	..	..	..	115,317	543,793	4,630

\* Of land not exempted from land tax.

In the following table details are shown of the assessments made during each of the years 1954 to 1958 :—

VICTORIA—STATE LAND TAX ASSESSMENTS

Year Ended 31st December—				Number of Taxpayers	Total Tax Payable	Average Tax Payable per Taxpayer	Total Unimproved Values*
1954	..	..	..	116,307	2,633	22 12 8	392,573
1955	..	..	..	137,077	3,249	23 14 1	463,459
1956	..	..	..	89,816	3,433	38 4 4	438,324
1957	..	..	..	98,808	3,944	39 18 3	478,797
1958	..	..	..	115,317	4,630	40 3 0	543,793

\* Of land not exempted from land tax.

*Stamp Duties*

The *Stamps Act 1958* imposes a stamp duty on a considerable number of legal and commercial documents. The rates of duty vary with the nature of the document or the type of transaction which such a document records. In certain instances, a document of a particular kind must be brought into existence for the purpose of stamping. Various exemptions are provided according to the nature of the individual document.

The rates of duty payable in 1960 on the principal dutiable classes were as follows :—

<i>Document</i>	<i>Duty Payable</i>
RECEIPTS .. .. .	3d.
BILLS OF EXCHANGE—	
Payable on demand (cheque, &c.) .. .. .	3d.
Others (including promissory notes) .. .. .	6d.
	not above £25
	to £50 .. .. . 1s.
	to £75 .. .. . 1s. 6d.
	to £100 .. .. . 2s.
	for extra £50 or part 1s.
SHARE TRANSFERS—On sale for full value—Based on consideration } .. .. .	9d.
	to £10 .. .. .
	above £10 .. .. . $\frac{3}{8}\%$
TRANSFER OF REAL PROPERTY—Based on consideration } .. .. .	12s. 6d. for £50
	above £3,500—15s. for £50
LEASES AND ASSIGNMENTS OF LEASES .. .. .	Variable scale according % to nature
GIFTS AND SETTLEMENTS .. .. .	2
	Up to £1,000 .. .. .
	Over £1,000 to £5,000 3
	" £5,000 ,, £10,000 4
	" £10,000 ,, £25,000 5
	" £25,000 ,, £50,000 6
	" £50,000 ,, £100,000 8
	" £100,000 .. .. . 10
INSURANCE—Based on premium income .. .. .	5
INSTALMENT PURCHASE—Including hire-purchase .. .. .	Scale based on .. 2

In addition, stamp duty is also appropriated to funds for cattle and swine compensation (see *Victorian Year Book 1928–29*, page 80).

The Act also provides for the collection, by way of stamp duty, of certain imposts on betting, principally through a turnover tax on bookmakers' holdings and a tax on betting tickets. The duty collected in connexion with these taxes is included under the heading "Racing Taxation" in the table shown on page 608 of this Year Book.

*Liquor Tax*

The Licensing Court controls the issue of liquor licences in Victoria. The principal sources of taxation are the fees received for liquor licences and club certificates. All receipts of the Licensing Court are paid into the Licensing Fund. After payments have been made to municipalities and the Police Superannuation Fund, and costs for

compensation, administration, &c., have been met, the excess of receipts is transferred each year from the Licensing Fund to Consolidated Revenue.

The following table shows the amount of liquor tax paid into the Licensing Fund during each of the years 1954-55 to 1958-59 :—

**VICTORIA—LIQUOR TAX**  
(£'000)

Particulars	Year Ended 30th June—				
	1955	1956	1957	1958	1959
Licences—					
Victuallers .. .. .	1,739	1,884	2,050	2,295	2,340
Spirit Merchants and Grocers ..	258	293	316	353	381
Australian Wine .. .. .	16	15	15	15	16
Others .. .. .	11	8	7	8	7
Club Certificates .. .. .	64	79	94	111	127
Permits—Extended Hours, &c. ..	20	31	33	35	37
<b>Total .. .. .</b>	<b>2,108</b>	<b>2,310</b>	<b>2,515</b>	<b>2,817</b>	<b>2,908</b>

#### *Lottery (Tattersall) Duty*

With the object of providing additional finance for hospitals and other charitable institutions, the trustees of the will and estate of the late George Adams, founder of Tattersall's Consultations, were granted a licence to promote and conduct sweepstakes in Victoria in accordance with the provisions of the *Tattersall Consultations Act 1953*.

The Act provides that, within seven days after the drawing of each consultation, duty equivalent to 31 per cent. of the total amount of subscriptions to the consultation, shall be paid to Consolidated Revenue. Each year, an equivalent amount is paid out of Consolidated Revenue, in such proportions as the Treasurer determines, into the Hospitals and Charities Fund and the Mental Hospitals Fund.

Subscriptions to consultations drawn in 1958-59 totalled £8,750,000. The duty paid to revenue, after allowing for adjustments for exchange on balances held in New Zealand and for amounts due for consultations drawn but payable in July of the succeeding year, amounted to £2,848,896. Of this amount, £2,400,423 was paid to the Hospitals and Charities Fund, and £448,473 to the Mental Hospitals Fund.

*Racing Taxation*

The principal sources of revenue from racing taxation are turnover tax on bookmakers' holdings, the percentage received from investments on the totalizator, stamp duty on betting tickets, and tax on admissions to race meetings.

In Victoria, a deduction of 12 per cent. is made from all investments on the totalizator at horse races (including trotting), and at dog races. In the case of city racing clubs, the percentage derived from doubles and quinella investments is divided—4 per cent. being paid to revenue and 8 per cent. to the club, while from win and place investments, 7 per cent. is paid to revenue and 5 per cent. to the club. In respect of country race meetings, 2 per cent. is paid to revenue and 10 per cent. to the club.

Government receipts from the totalizator, including fractions and unclaimed dividends, is specially appropriated to the Hospital and Charities Fund.

*Entertainments Tax*

A tax payable on admissions to entertainments was levied by the Victorian Government up to 31st August, 1943, when legislation was passed making the Commonwealth Government the sole authority for levying this tax. In 1953, the Commonwealth vacated this field of taxation and the Victorian Government reimposed a tax on entertainments as from 8th October, 1953, under the provisions of the *Entertainments Tax Act 1953*.

In the following table, the number of admissions and the amount of tax payable, are shown for each of the years 1956-57 to 1958-59 according to the various classes of entertainments :—

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

Class of Entertainment	1956-57		1957-58		1958-59	
	Number of Admissions	Tax Payable	Number of Admissions	Tax Payable	Number of Admissions	Tax Payable
	'000	£'000	'000	£'000	'000	£'000
Admissions Taxable at Reduced Rates—						
Theatres .. .. .	1,241	76	1,119	76	1,228	86
Sports .. .. .	417	11	604	27	731	29
Miscellaneous .. .. .	581	31	379	25	401	25
Periodical or Season Ticket ..	3	*	4	*	3	*
Admissions Taxable at Full Rates—						
Motion Pictures .. .. .	33,992	1,148	28,591	1,192	21,507	1,000
Racing (Horse, Trotting, Dog) ..	2,175	195	2,134	224	2,184	230
Dancing and Skating .. .. .	2,109	119	1,845	125	1,734	116
Miscellaneous .. .. .	337	34	402	44	299	32
Periodical or Season Ticket ..	230	24	165	23	247	34
<b>Total .. .. .</b>	<b>41,085</b>	<b>1,638</b>	<b>35,243</b>	<b>1,736</b>	<b>28,334</b>	<b>1,552</b>

\* Under £500.

*Commonwealth Income Tax and Social Services Contribution*

With the introduction of Social Services Contribution from 1st January, 1946, the levy of taxation on the incomes of individuals was divided into two separate taxes—Income Tax and Social Services Contribution. Both taxes were based upon the same definitions of assessable income and both were assessed and collected concurrently. Company income was not subject to Social Services Contribution except with regard to the undistributed income of private companies. The two taxes have since been merged into a single levy known as “Income Tax and Social Services Contribution”, and this title now refers to the tax imposed on the incomes of both individuals and companies. It first applied to the tax imposed on incomes derived by individuals during the year ended 30th June, 1951, and by companies during the year ended 30th June, 1950.

Certain types of income are exempt from tax in Australia. These include income from gold-mining, uranium-mining, war, invalid, age, and widows' pensions, child endowment, and unemployment and sickness benefits.

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

For the income year 1959–60, Income Tax and Social Services Contribution is payable on the incomes of individuals commencing at a taxable income of £105. However, certain limitations apply to the tax payable by aged persons, over 65 years of age in the case of a male and 60 years in the case of a female. Concessional deductions are allowed to taxpayers on account of dependants, certain medical and dental expenses, life insurance premiums, superannuation, medical or hospital benefits fund payments, education expenses, &c., and are deductible from income to calculate taxable income. Dependants include spouse, parents, parents-in-law, children under sixteen years of age, student children under 21 years of age, invalid (child, brother, or sister) over sixteen years of age, or daughter-housekeeper for widow or widower. A concessional deduction may be allowed in respect of a housekeeper having the care of children under sixteen years of age or of an invalid relative where the taxpayer did not contribute to the maintenance of a spouse or daughter-housekeeper. The amount of a concessional deduction allowable in respect of each type of dependant and housekeeper is :—

	£
Spouse . . . . .	143
Parent or parent-in-law . . . . .	143
Child under sixteen years of age—	
One child . . . . .	91
Other children . . . . .	65 each dependant
Student child under 21 years of age . . . . .	91 each dependant
Invalid relative not less than sixteen years of age . . . . .	91 each dependant
Housekeeper or daughter-housekeeper . . . . .	143

The following table shows the rates of Income Tax and Social Services Contribution for individuals for the income year 1959-60.

### INDIVIDUALS—RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION, 1959-60

The rates of tax and contribution payable, as set out in the *Income Tax and Social Services Contribution Act 1959* are as follows :—

#### BASIC RATE OF TAX AND CONTRIBUTION

The rate of income tax and social services contribution for every £1 of each part of the taxable income specified in the first column of the following table is the rate set out in the second column of the table opposite to the reference to that part of the taxable income. A rebate of 5 per cent. is deductible from the amount of tax and contribution calculated by reference to the table.

First Column						Second Column
Parts of Taxable Income						Rates
						pence in £
The part of the taxable income which—						
Does not exceed £100 .. .. .						1
Exceeds	£		£			
	100 but does not exceed		150			3
..	150 .. .. .		200			7
..	200 .. .. .		250			11
..	250 .. .. .		300			15
..	300 .. .. .		400			20
..	400 .. .. .		500			26
..	500 .. .. .		600			30
..	600 .. .. .		700			34
..	700 .. .. .		800			38
..	800 .. .. .		900			42
..	900 .. .. .		1,000			46
..	1,000 .. .. .		1,200			52
..	1,200 .. .. .		1,400			59
..	1,400 .. .. .		1,600			65
..	1,600 .. .. .		1,800			71
..	1,800 .. .. .		2,000			77
..	2,000 .. .. .		2,400			85
..	2,400 .. .. .		2,800			92
..	2,800 .. .. .		3,200			99
..	3,200 .. .. .		3,600			105
..	3,600 .. .. .		4,000			111
..	4,000 .. .. .		4,400			117
..	4,400 .. .. .		5,000			124
..	5,000 .. .. .		6,000			132
..	6,000 .. .. .		8,000			139
..	8,000 .. .. .		10,000			145
..	10,000 .. .. .		16,000			152
..	16,000 .. .. .		..			160

Basic Tax and Contribution is payable on the whole of a person's taxable income, if that taxable income exceeds £104.

A deduction is available to individuals who reside in certain remote areas of the Commonwealth or its Territories. The areas are divided into two Zones—A and B. A resident of Zone A is allowed a deduction of £270 plus one-half of the deductions allowable for dependants. A resident of Zone B is allowed a deduction of £45 plus one-twelfth of the deductions allowable for dependants. "Resident" for this purpose means a person who resides, whether continuously or not, in the relevant area for more than one-half of the year of income.

A deduction of £270 plus one-half of the deductions allowable for dependants, is allowable to members of the Defence Forces who serve in certain specified overseas localities for a period of more than half of the year of income. A proportionate deduction is allowed if the service is of less duration than one-half of the year.

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

The following table shows the number of taxpayers, taxable income, and Income Tax and Social Services Contribution assessed during 1957-58 (based on incomes received during 1956-57). The particulars are classified according to grades of actual income and relate only to individuals resident in Victoria whose income was derived entirely in Victoria.

### VICTORIA—INCOME TAX AND SOCIAL SERVICES CONTRIBUTION, 1957-58\*

Grade of Actual Income†		Taxpayers	Taxable Income			Net Income Tax and Social Services Contribution Assessed
			Salaries and Wages	Other	Total	
£	£	No.	£'000	£'000	£'000	£'000
105-	199 ..	44,584	5,579	1,046	6,625	55
200-	299 ..	53,123	10,299	2,222	12,521	234
300-	399 ..	67,196	18,070	3,633	21,703	684
400-	499 ..	74,523	24,718	5,613	30,331	1,314
500-	599 ..	89,914	36,881	7,358	44,239	2,426
600-	699 ..	86,951	40,670	8,527	49,197	3,150
700-	799 ..	94,600	49,614	9,475	59,089	4,174
800-	899 ..	114,489	68,603	10,154	78,757	6,122
900-	999 ..	113,489	74,123	10,368	84,491	7,097
1,000-	1,099 ..	93,249	65,795	10,291	76,086	6,921
1,100-	1,199 ..	68,251	50,985	9,741	60,726	5,940
1,200-	1,299 ..	48,697	37,674	9,228	46,902	4,910
1,300-	1,399 ..	36,159	28,883	8,868	37,751	4,221
1,400-	1,499 ..	25,859	21,059	8,062	29,121	3,450
1,500-	1,999 ..	62,108	50,473	33,045	83,518	11,387
2,000-	2,999 ..	32,788	23,655	41,745	65,400	11,855
3,000-	3,999 ..	11,054	8,648	24,300	32,948	7,831
4,000-	4,999 ..	5,120	4,580	15,578	20,158	5,737
5,000-	9,999 ..	5,970	7,736	27,865	35,601	12,250
10,000-	14,999 ..	809	1,861	6,946	8,807	4,180
15,000 and over	..	380	1,622	6,375	7,997	4,459
Total ..		1,129,313	631,528	260,440	891,968	108,397

\* Excludes 6,049 Victorian taxpayers who derived income from more than one State.

† Actual Income is defined briefly as "Gross income, including exempt income, less expenses incurred in gaining that income".

## Company Tax

The following table shows the rates of tax and contribution payable by companies on incomes derived during the year ended 30th June, 1960 :—

Type of Company	Rate per £1 of Taxable Income—	
	Up to £5,000	Balance
Private .. .. .	s. d. 4 6*	s. d. 6 6*
Non-private—		
Co-operative .. .. .	5 6	7 6
Life Assurance—		
Mutual .. .. .	4 6	6 6
Other Life Assurance—		
Resident—		
Mutual Income .. .. .	4 6	6 6
Other Income .. .. .	6 6†	7 6
Non-resident—		
Mutual Income .. .. .	4 6	6 6
Dividend Income .. .. .	5 6†	7 6
Other Income .. .. .	6 6‡	7 6
Non-profit—		
Friendly Society Dispensary .. .. .	5 6	5 6
Other .. .. .	5 6	7 6
Other—		
Resident .. .. .	6 6	7 6
Non-resident—		
Dividend Income .. .. .	5 6	7 6
Other Income .. .. .	6 6§	7 6
All Companies—		
Interest   (Section 125) Rate per £ .. .. .		7s. 6d.

\* Further tax at 10s. in the £ payable on undistributed amount.

† Maximum income subject to this rate is £5,000 less mutual income.

‡ Maximum income subject to this rate is £5,000 less the sum of mutual income and dividend income.

§ Maximum income subject to this rate is £5,000 less dividend income.

|| Interest paid to non-residents.

## Pensions and Gratuities

## General

During the year 1958–59, the State Government expended a sum of £4,210,366 on pensions, gratuities, &c. Of this amount, £7,983 was spent on pensions of a non-contributory nature.

The following table shows particulars of expenditure on pensions for each of the years 1954–55 to 1958–59 :—

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

Particulars	Year Ended 30th June—				
	1955	1956	1957	1958	1959
Non-contributory Pensions, &c.—					
Railways .. .. .	11,449	7,643	6,224	3,511	2,367
Judges .. .. .	3,863	2,574	2,981	4,276	3,019
Civil Service .. .. .	380	128	..	..	..
Public Service .. .. .	..	..	..	..	..
Education Department .. .. .	8,356	6,706	4,296	2,470	1,955
Officers Transferred to Commonwealth Service .. .. .	540	521	194	..	..
Various Allowances, &c. .. .. .	669	613	571	705	642
Total Non-contributory Pensions, Gratuities, &c. .. .. .	25,257	18,185	14,266	10,962	7,983



VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS,  
GRATUITIES, ETC.—*continued*  
(£)

Particulars	Year Ended 30th June—				
	1955	1956	1957	1958	1959
Contributory Pensions—					
Police Superannuation Fund—					
Government Subsidy .. .. .	9,373	6,045	2,000	2,000	2,000
Transferred from Licensing Fund .. .. .	23,000	23,000	23,000	23,000	23,000
Fines .. .. .	48,832	52,694	53,640	61,019	70,998
Total .. .. .	81,205	81,739	78,640	86,019	95,998
Police Pensions Fund .. .. .	619,378	722,675	758,700	782,000	785,750
Superannuation Fund—					
Railways .. .. .	1,204,077	1,571,488	1,614,730	1,709,112	1,842,786
Other .. .. .	818,941	1,069,957	1,126,412	1,222,712	1,366,424
Total .. .. .	2,023,018	2,641,445	2,741,142	2,931,824	3,209,210
Coal Mine Workers Pensions Fund .. .. .	69,839	62,329	67,625	66,640	70,339
Parliamentary Contributory Retirement Fund .. .. .	8,191	15,586	17,796	18,632	28,576
Teaching Service (Married Women) .. .. .	..	..	..	10,433	12,379
Public Service Act .. .. .	..	..	..	..	131
Total Contributory Pensions .. .. .	2,801,631	3,523,774	3,663,903	3,895,548	4,202,383
Grand Total .. .. .	2,826,888	3,541,959	3,678,169	3,906,510	4,210,366

### *Police Superannuation Fund*

Pensions are payable out of this fund to those who joined the police force prior to 25th November, 1902. There are now no members of the police force contributing to the Fund.

The Fund is maintained by an annual subsidy of £2,000 from the Consolidated Revenue ; by a moiety of the fines inflicted by the Court of Petty Sessions ; by transfers from the Licensing Fund under the provisions of the Licensing Act and, should the foregoing sources prove insufficient, by a further grant in aid from Consolidated Revenue.

During the year 1958–59, the total receipts of the Fund from all sources amounted to £95,998, while pension payments totalled £31,508. There was a balance of £241,999 in the Fund at 30th June, 1959.

### *Police Pensions Fund*

This fund was established by the *Police Pensions Act* 1923 which came into operation on 1st January, 1924, and applied to all members who joined the police force on or after 25th November, 1902. The *Police Regulation Act* 1958, consolidating the law dealing with the police force in Victoria, was passed in September, 1958, and a further amending Act was passed in December, 1958.

Under the provisions of these Acts, the Fund provides pensions on retirement, either at maximum ages, which vary according to rank, or on account of ill health. Widows are entitled to proportionate pensions, and allowances are paid for children up to sixteen years of age.

Each year, the Government Actuary is required to certify what amount should be appropriated from Consolidated Revenue to ensure the solvency of the Fund.

The number of contributors to the Fund at 30th June, 1959, was 3,699 males and 51 females.

The receipts of the Police Pensions Fund during 1958–59 amounted to £1,316,682, comprising deductions from pay, £180,604; special appropriation from Consolidated Revenue, £785,750; interest on investments, £349,746; and other receipts, £582. During the year, £529,651 was paid in pensions, £8,253 in gratuities, and £12,685 represented deductions from pay returned. There was a balance of £9,262,950 in the Fund at 30th June, 1959.

#### *State Superannuation Fund*

On 24th November, 1925, legislation was enacted by the State Parliament making provision, on a contributory basis, for superannuation benefits for public servants, teachers, and railway employees.

An Act consolidating the Superannuation Acts was passed in September, 1958, and further amending Acts passed in November, 1958, and November, 1959. The principal provisions of these Acts are as follows :—

- (1) The maximum age for retirement is 65 years for males and 60 or 65 years for females, at their option.
- (2) The amount (units) of pension for which an officer may contribute is regulated by his salary and varies from two units (£104 pension) to 36 units (£1,638 pension).

Of the total pension payable, £13 per unit is charged to the contributions paid, on a fortnightly basis, by the officer during his service, and the remainder is paid from Consolidated Revenue from the date the pension becomes payable.

The widow and children of a deceased contributor or pensioner are entitled to the following benefits :—

*Widow.*—Five-eighths of the rate of pension for which the officer was contributing or five-eighths of the rate of pension being drawn (as the case may be) at date of death, subject to a minimum of £65 per annum.

*Children.*—£52 per annum in respect of each child until the age of sixteen years, provided that, if both parents are deceased, this amount is increased to £104.

In the event of retirement on account of ill health of a normal contributor, a full pension is payable according to the number of units for which contributions were paid.

All officers are required to pay fortnightly contributions to the Superannuation Fund according to the age next birthday at which they become entitled to contribute for each unit of superannuation.

The number of contributors to the Fund at 30th June, 1959, was 37,111 males and 6,038 females.

During the year 1958-59, the receipts of the Superannuation Fund amounted to £7,097,770, consisting of contributions from officers, £2,614,773 ; from Consolidated Revenue, £3,190,979\* ; interest on investments, £1,286,018 ; and other receipts, £6,000. The total payments from the Fund during the year were £4,314,441, and comprised pensions, £4,101,740 ; refund of contributions, £206,799 ; and other expenditure, £5,902. The balance in the Fund at 30th June, 1959, was £29,560,628.

#### *Coal Mine Workers Pensions Fund*

This fund was established under the *Coal Mine Workers Pensions Act* 1942. The *Coal Mines Act* 1958 consolidated the law relating to coal mines and coal mine workers, and, together with the amending Acts of December, 1958, and November, 1959, define contributions and benefits in connexion with the Coal Mine Workers Pensions Fund. The annual contribution to the Fund is fixed by the Government Actuary after an actuarial examination once in every three years. The Treasurer of Victoria is required to make a payment of three-sevenths of this amount. The mine workers and the mine owners pay one-seventh and three-sevenths respectively. A pension is payable to a mine worker on attaining the maximum age for retirement which, in most cases, is 60 years, provided certain conditions as to length of service in the mining industry are satisfied. A pension is also payable to those qualified mine workers who are totally or partially incapacitated by an injury arising out of, and in the course of, their employment as mine workers. A widow of a pensioner or a widow of a mine worker whose death was due to an injury as a mine worker is entitled to pension until death or remarriage. Allowances to children under age sixteen are also provided under the Act.

During 1958-59, the Government contributed £45,589 to the Fund and the State Coal Mine (as owners) £24,750.

#### *Parliamentary Contributory Retirement Fund*

This fund was established under authority of the *Parliamentary Contributory Retirement Fund Act* 1946 to provide pensions for ex-members of the Victorian Parliament. Current legislation affecting this fund is embodied in the *Constitution Act Amendment Act* 1958. This Act is included in the Consolidated Statute Law of Victoria.

Members contribute to the Fund an amount of £6 per fortnight. Any further sums required to pay pensions, &c., are paid from Consolidated Revenue.

Every person who has ceased to be a member and has served as a member for at least fifteen years, or for at least three Parliaments, is entitled to be paid out of the Fund a pension fortnightly at the rate of the basic wage payable in Melbourne.

Provision is also made for payments of certain sums to ex-members who do not fulfil the conditions necessary for a pension, and the payment of a pension to the widow of a deceased member or ex-member at a rate equivalent to the amount that would have been paid or was being paid to the deceased.

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\* This figure does not agree with those shown on page 613 which includes Consolidated Revenue's share of pension accrued to 30th June.

All payments out of the Fund are subject to the approval of trustees appointed to administer the Fund.

During the year ended 30th June, 1959, receipts of the Fund amounted to £44,236, made up of contributions from members, £15,660, and Special Appropriations from Consolidated Revenue, £28,576. Pensions and lump sum payments from the Fund amounted to £44,236.

#### *Married Women Teachers' Pension Fund*

This fund was established under the provisions of the *Teaching Service (Married Women) Act 1956* and came into operation on 1st July, 1957. This Act was repealed in 1958 and included in the *Teaching Service Act 1958* which consolidated all laws relating to the teaching service in the Education Department.

The Act provides, *inter alia*, for retirement benefits for married women who are permanently employed in the teaching service and not eligible to contribute to the Superannuation Fund. A deduction of 5 per cent. is made from the salary of each contributor and paid into the Fund together with a similar amount from Consolidated Revenue. On reaching the retiring age (60 or 65 at her option), a pension is payable according to the amount accumulated to her credit (including interest).

Receipts for 1958–59 amounted to £25,902, consisting of teachers' contributions, £12,620; contribution from Consolidated Revenue, £12,379; and interest on investments, £903. Refunds of contributions, &c., amounting to £825 were paid from the Fund during the year.

#### **Trust Funds and Special Accounts**

Under the provisions of the Constitution Act, revenues of the State are payable to Consolidated Revenue with the exception of certain revenues which have been set aside by various Acts of Parliament for specified purposes and are payable into special funds or accounts kept at the State Treasury. Numerous funds or accounts consisting of moneys collected for, or held for expenditure on behalf of the Commonwealth Government, moneys provided for specified purposes by outside bodies, and amounts held in trust for Government Departments and for other accounts are also included in trust funds. The balances of all funds or accounts are held by way of investment or on general account and the operations of many are regulated by statute.

The transactions recorded annually are numerous and of considerable magnitude. During 1958–59, the debits of all trust funds or accounts amounted to £96,413,427, while credits totalled £100,632,737.

At 30th June, 1959, the liability of the State on account of all trust funds or accounts amounted to £40,489,329. Of this total, £19,069,301 was invested in Commonwealth Stock or other securities, and cash advanced totalled £7,220,205. The balance—£14,199,823—was at the credit of the Public Account.

## Expenditure from Loan Fund

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from loans and on account of loan fund. The figures in the following table represent all such expenditure whether the loans have been repaid or are still in existence. The table shows the details for each of the years 1955-56 to 1958-59 and the total to 30th June, 1959.

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

(£'000)

Expenditure on—	Year Ended 30th June—				Total to 30th June, 1959
	1956	1957	1958	1959	
<b>Public Works—</b>					
Railways*—					
As Reduced .. .. .	7,867	7,407	7,049	7,432	127,400‡
Transferred .. .. .	..	..	..	..	29,135
Country Roads .. .. .	1,105	626	739	116	21,397
Bridges .. .. .	†	107	845	1,265	2,714
Harbors and Rivers .. .. .	403	299	290	295	4,202
Water Supply—					
Country .. .. .	7,374	6,590	6,960	7,903	110,444§
Metropolitan .. .. .	..	..	..	..	3,143
Sewerage .. .. .	406	1,008	500	482	3,181
Electricity Supply .. .. .	1,000	3,400	3,200	3,500	54,189
Gas and Fuel Corporation .. .. .	1,170	130	150	110	12,149
Public Buildings—					
Schools .. .. .	6,885	7,440	7,858	9,040	61,808
Hospitals .. .. .	5,124	5,901	5,900	6,090	46,112
Other .. .. .	1,215	1,345	1,584	1,643	12,371
Immigration .. .. .	2	..	..	..	240
Municipal Endowment .. .. .	..	..	..	..	698
Municipalities, Loans, Grants, &c. .. .. .	121	164	283	369	3,154
Housing .. .. .	105	320	330	517	11,233
Unemployment Relief .. .. .	..	..	..	..	13,147
Other Public Works .. .. .	291	371	299	361	4,034
<b>Primary Production—</b>					
Land Settlement .. .. .	..	..	..	..	41,571
Soldier Settlement .. .. .	3,900	3,580	3,599	3,646	57,877
Wire Netting Advances .. .. .	..	..	3	¶	1,045
Agriculture .. .. .	..	..	..	..	211

\* Reduced under the authority of the Railways (Finances Adjustment) Act of 1936.

† Under £500.

‡ Includes expenditure of £1,804,420 transferred to State Electricity Commission.

§ Includes expenditure of £176,870 transferred to State Electricity Commission.

|| Excludes expenditure mentioned in the two preceding notes.

¶ Under £500 (credit).

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

(£'000)

Expenditure on—	Year Ended 30th June—				Total to 30th June, 1959
	1956	1957	1958	1959	
<b>Primary Production (<i>continued</i>)—</b>					
Settlers' Advances—					
Cultivation .. .. .	..	..	..	..	2,621
Other .. .. .	..	..	..	..	120
Bulk Handling of Wheat .. .. .	..	..	..	..	1,404
Forestry .. .. .	800	750	617	637	16,784
Mining <i>n.e.i.</i> .. .. .	12	143	22	75	751
Mining—State Coal Mine .. .. .	..	..	..	..	353
Primary Products—					
Advances to Companies .. .. .	..	..	..	..	331
Cool Stores—Advances to Companies .. .. .	..	..	..	..	658
Drought, Flood, &c., Relief .. .. .	..	50	121	113	1,308
Destruction of Vermin and Noxious Weeds .. .. .	69	69	80	57	804
Other Primary Production .. .. .	..	7	<i>Cr.</i> 2	77	250
Other Purposes .. .. .	1,281	1,243	911	693	12,953
Total Works Expenditure .. .. .	39,130	40,950	41,338	44,421	659,792
In Aid of Revenue .. .. .	..	3,246	4,315	3,000	26,016
Grand Total .. .. .	39,130	44,196	45,653	47,421	685,808

The figures in the table above do not include discounts and flotation expenses, nor have they been adjusted on account of premiums received. The net aggregate outlay on these items to 30th June, 1959, was £10,265,413.

### Public Debt

#### *General*

In the tables in this section relating to the public debt of Victoria, loans raised in London are shown in sterling which has been converted to Australian currency at the mint par of exchange prevailing on 1st July, 1927, viz., £1A. = £1Stg., while loans raised in New York have been converted to Australian currency at \$4.8665 to £1. Repayment, when made, will be in sterling or dollars, as the case may be, at rates of exchange then current.

Advances made by the Commonwealth Government to Victoria, under the Commonwealth—State agreements relating to housing and soldier settlement, are not included in the public debt statements in this Year Book. The total of such advances owing at 30th June, 1959, was £116,165,221, of which £110,030,169 was for housing, and £6,135,052 for soldier settlement. These liabilities should be taken into account when considering the total debt position of Victoria.

## Public Debt Transactions

The following table shows particulars of the loans raised and redeemed during, and the amount outstanding at the end of, each of the years 1954-55 to 1958-59. Separate particulars are shown for loans raised in Australia, London, and New York.

## VICTORIA—STATE PUBLIC DEBT: SUMMARY OF TRANSACTIONS

Particulars	1954-55	1955-56	1956-57	1957-58	1958-59
<b>DEBT MATURING IN AUSTRALIA</b> (£A'000)					
Debt Outstanding at 1st July .. ..	328,456	363,246	397,577	439,555	475,104
New Debt Incurred—					
Commonwealth Government Loan Flotations	86,942	55,641	83,941	107,911	64,485
Domestic Raisings .. ..	903	3,396	805	700	745
Less Conversion and Redemption Loans ..	49,812	20,398	37,870	67,804	27,106
Total New Debt Incurred .. ..	38,033	38,639	46,876	40,807	38,124
Repurchases and Redemptions from National Debt Sinking Fund .. ..	3,243	4,308	4,898	5,258*	5,042
Net Increase in Debt .. ..	34,790	34,331	41,978	35,549	33,082
Debt Outstanding at 30th June .. ..	363,246	397,577	439,555	475,104	508,186
<b>DEBT MATURING IN LONDON</b> (£ Stg.'000)					
Debt Outstanding at 1st July .. ..	44,908	44,777	44,705	38,760	38,572
New Debt Incurred—					
Commonwealth Government Loan Flotations	23,222	23,222	..	..	16,042
Less Conversion and Redemption Loans ..	23,222	23,222	5,801†	..	12,720
Total New Debt Incurred .. ..	..	..	— 5,801	..	3,322
Repurchases and Redemptions from National Debt Sinking Fund .. ..	131	72	144	188	641‡
Net Increase in Debt .. ..	— 131	— 72	— 5,945	— 188	2,681
Debt Outstanding at 30th June .. ..	44,777	44,705	38,760	38,572	41,253
<b>DEBT MATURING IN NEW YORK</b> (£'000)					
Debt Outstanding at 1st July .. ..	3,600	3,176	3,431	3,504	4,537
New Debt Incurred—					
Commonwealth Government Loan Flotations	669	277	1,014	1,090	1,081
Less Conversion and Redemption Loans ..	669	..	890	..	..
Total New Debt Incurred .. ..	..	277	124	1,090	1,081
Repurchases and Redemptions from National Debt Sinking Fund .. ..	424	22	51	57	45
Net Increase in Debt .. ..	— 424	255	73	1,033	1,036
Debt Outstanding at 30th June .. ..	3,176	3,431	3,504	4,537	5,573
<b>TOTAL</b> (£'000)					
Debt Outstanding at 1st July .. ..	376,964	411,199	445,713	481,819	518,213
New Debt Incurred—					
Commonwealth Government Loan Flotations	110,833	79,140	84,955	109,001	81,608
Domestic Raisings .. ..	903	3,396	805	700	745
Less Conversion and Redemption Loans ..	73,703	43,620	44,561	67,804	39,826
Total New Debt Incurred .. ..	38,033	38,916	41,199	41,897	42,527
Repurchases and Redemptions from National Debt Sinking Fund .. ..	3,798	4,402	5,093	5,503*	5,728‡
Net Increase in Debt .. ..	34,235	34,514	36,106	36,394	36,799
Debt Outstanding at 30th June .. ..	411,199	445,713	481,819	518,213	555,012

\* Includes £330,870 discount expenses on conversion loans met from National Debt Sinking Fund.  
† Debt repatriated to Australia.

‡ Includes £161,508 discount expenses on conversion loans met from National Debt Sinking Fund

Particulars concerning the due dates of loans outstanding at 30th June, 1959, are given in the following table. Where the Government had the option of redemption during a specified period, the loans have been classified according to the latest date of maturity.

VICTORIA—DUE DATES OF LOANS AT 30TH JUNE, 1959  
(£'000)

Due Date (Financial Year)	Amount Maturing in—			Total
	Australia	London	New York	
1959-60 .. ..	30,138	..	..	30,138
1960-61 .. ..	58,840	638	..	59,478
1961-62 .. ..	27,676	..	665	28,341
1962-63 .. ..	50,910	..	..	50,910
1963-64 .. ..	23,535	..	..	23,535
1964-65 .. ..	65,420	..	..	65,420
1965-66 .. ..	47,095	1,859	..	48,954
1966-67 .. ..	33,921	5,696	864	40,481
1967-68 .. ..	38,140	8,368	..	46,508
1968-69 .. ..	55,277	..	..	55,277
1969-70 .. ..	120	8,650	594	9,364
1970-71 .. ..	10,154	..	265	10,419
1971-72 .. ..	131	..	1,014	1,145
1972-73 .. ..	19,547	..	1,090	20,637
1973-74 .. ..	143	6,441	..	6,584
1974-75 .. ..	13,125	..	..	13,125
1975-76 .. ..	20,715	..	..	20,715
1976-77 .. ..	163	..	..	163
1977-78 .. ..	171	..	..	171
1978-79 .. ..	178	3,160	1,081	4,419
1979-80 .. ..	9,117	6,441	..	15,558
1980-81 .. ..	195	..	..	195
1981-82 .. ..	204	..	..	204
1982-83 .. ..	154	..	..	154
Not Yet Fixed .. ..	3,117	..	..	3,117
Total .. ..	508,186	41,253	5,573	555,012

In the subsequent tables "interest payable" does not include the cost of paying interest overseas. Particulars of exchange paid in each of the years 1954-55 to 1958-59 are shown on page 623.

The following table shows the amount of loans outstanding in Australia, London, and New York at the end of each of the years 1949-50 to 1958-59, and the annual interest payable thereon :—

VICTORIA—PUBLIC DEBT AND INTEREST PAYABLE IN  
AUSTRALIA, LONDON, AND NEW YORK  
(£'000)

At 30th June—	Amount of Loans Maturing in—			Annual Interest Payable in—		
	Australia	London	New York	Australia	London	New York
1950 .. ..	167,356	45,540	4,517	5,464	1,444	183
1951 .. ..	201,151	45,296	4,486	6,210	1,437	182
1952 .. ..	252,818	45,225	4,456	7,456	1,463	181
1953 .. ..	290,072	45,023	4,424	9,059	1,456	180
1954 .. ..	328,456	44,908	3,600	10,874	1,452	139
1955 .. ..	363,246	44,777	3,176	13,254	1,448	110
1956 .. ..	397,577	44,705	3,431	14,886	1,446	121
1957 .. ..	439,555	38,760	3,504	17,306	1,282	141
1958 .. ..	475,104	38,572	4,537	19,275	1,276	191
1959 .. ..	508,187	41,252	5,573	20,938	1,690	244



The following table shows the rates of interest which were payable on the public debt at 30th June, 1959, and the portions of the debt at each rate in Australia, London, and New York respectively :—

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT  
30TH JUNE, 1959

(£'000)

Rate of Interest	Amount Maturing in—			Total
	Australia	London	New York	
per cent.				
5.5 .. .. .	.. .. .	16,042	.. .. .	16,042
5.0 .. .. .	99,459	.. .. .	2,096	101,555
4.75 .. .. .	15,711	.. .. .	1,090	16,801
4.5 .. .. .	160,474	.. .. .	265	160,739
4.0 .. .. .	76,549	.. .. .	.. .. .	76,549
3.875 .. .. .	702	.. .. .	.. .. .	702
3.75 .. .. .	16,001	.. .. .	594	16,595
3.625 .. .. .	107	.. .. .	.. .. .	107
3.5 .. .. .	5	5,696	863	6,564
3.4875 .. .. .	*	.. .. .	.. .. .	*
3.375 .. .. .	.. .. .	.. .. .	665	665
3.25 .. .. .	23,354	9,287	.. .. .	32,641
3.125 .. .. .	110,484	.. .. .	.. .. .	110,484
3.1 .. .. .	285	.. .. .	.. .. .	285
3.0 .. .. .	1,108	10,228	.. .. .	11,336
2.7125 .. .. .	124	.. .. .	.. .. .	124
2.5 .. .. .	2	.. .. .	.. .. .	2
2.325 .. .. .	656	.. .. .	.. .. .	656
1.0 .. .. .	3,165	.. .. .	.. .. .	3,165
Total .. .. .	508,186	41,253	5,573	555,012
Average Rate of Interest %	4.12	4.10	4.37	4.12

\* £500

The following table illustrates the growth of the public debt of Victoria since 1855. Also shown is the annual interest payable, the average rate per cent., and the amount of debt and interest payable per head of population.

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST

Financial Year Ending in—	Loans Outstanding—			Amount per Head of Population—	
	Amount	Annual Interest Payable—		Debt	Annual Interest Payable
		Total	Average Rate per cent		
	£'000	£'000	%	£ s. d.	£ s. d.
1855* .. .. .	1,180	71	6.00	3 4 9	0 3 11
1860 .. .. .	5,643	338	5.99	10 9 10	0 12 7
1870* .. .. .	12,100	699	5.78	16 13 1	0 19 3

\* Including outstanding liabilities of the Melbourne and Geelong Corporations Guarantee Loans.

**VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST**  
(continued)

Financial Year Ending in—	Loans Outstanding—			Amount per Head of Population—	
	Amount	Annual Interest Payable—		Debt	Annual Interest Payable
		Total	Average Rate per cent		
	£'000	£'000	%	£ s. d.	£ s. d.
1880 .. ..	20,568	1,030	5·01	24 9 4	1 4 6
1890 .. ..	41,378	1,649	3·99	36 19 11	1 9 6
1900 .. ..	49,326	1,887	3·83	41 6 8	1 11 8
1910 .. ..	55,577	1,980	3·56	43 6 8	1 10 10
1920 .. ..	87,648	3,540	4·04	57 19 1	2 6 10
1925 .. ..	131,170	6,319	4·82	78 9 11	3 16 3
1930 .. ..	162,289	8,057	4·96	90 18 7	4 10 7
1935 .. ..	174,161	6,581	3·78	94 15 2	3 11 8
1940 .. ..	180,550	6,898	3·82	95 0 5	3 12 5
1945 .. ..	179,405	6,357	3·54	89 7 9	3 3 2
1950 .. ..	217,413	7,091	3·26	98 9 3	3 4 5
1955 .. ..	411,199	14,812	3·60	162 19 7	5 19 1
1956 .. ..	445,713	16,453	3·69	171 1 11	6 8 4
1957 .. ..	481,819	18,729	3·89	180 4 5	7 1 11
1958 .. ..	518,213	20,742	4·00	189 0 8	7 13 3
1959 .. ..	555,012	22,872	4·12	197 3 11	8 4 10

The following table shows the capital liability of the State at 30th June, 1959, in respect of its public works and services. The apportionment of the State's equity in the National Debt Sinking Fund is also shown.

**VICTORIA—SUMMARY OF CAPITAL LIABILITY UNDER THE VARIOUS WORKS AND SERVICES, TOGETHER WITH THE APPORTIONMENT OF THE STATE'S EQUITY IN THE NATIONAL DEBT SINKING FUND AT 30TH JUNE, 1959**  
(£'000)

Works or Services	Liability	Deduction on Account of National Debt Sinking Fund	Net Liability
Railways*			
As Reduced .. ..	126,877	13,920	112,957
Transferred .. ..	30,825	7,245	23,580
Country Waterworks .. ..	108,431	9,371	99,060
Electricity Supply .. ..	57,301	5,622	51,679
Land Settlement .. ..	22,937	7,814	15,123
Soldier Settlement .. ..	43,826	2,014	41,812
Grain Elevators Board .. ..	1,072	126	946
Housing Commission .. ..	1,162	162	1,000
Country Roads .. ..	17,296	3,038	14,258
Public Works, Buildings, &c. .. ..	143,213	5,676	137,537
Gas and Fuel Corporation of Victoria (Including Shares) .. ..	12,168	435	11,733
Forests .. ..	13,722	841	12,881
Unemployment Relief .. ..	11,967	2,319	9,648
Rural Finance Corporation .. ..	7,942	208	7,734
In Aid of Revenue .. ..	22,225	4,621	17,604
Unapportioned .. ..	1,068	..	1,068
	622,032	63,412	558,620
Deduct—Exchange Premiums .. ..	3,736	..	3,736
Total .. ..	618,296	63,412†	554,884

\* The Railways (Finances Adjustment) Act provided for the reduction of railway loan liability by the sum of £30,000,000 on 1st July, 1937, and for the transfer of that amount to the "Reduction of Railway Loan Liability Account".

† Includes cash at credit of National Debt Sinking Fund at 30th June, 1959, and discount expenses on conversion loans met from the Fund.

The interest and expenses associated with the public debt of Victoria during each of the years 1954–55 to 1958–59 are shown in the following table :—

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT  
(£'000)

Year Ended 30th June—	Interest Paid on Loans in—		Interest Paid on Temporary Loans	Commission on Payment of Interest in London, Expenses of Conversion Loans, &c.	Exchange on Payment of Interest in London†	Total‡
	London*	Melbourne				
1955 ..	1,597	11,375	19	71	533	13,595
1956 ..	1,558	13,567	16	52	492	15,685
1957 ..	1,447	15,342	14	111	480	17,394
1958 ..	1,424	17,733	21	79	492	19,749
1959 ..	1,587	19,257	13	73	597	21,527

\* Including interest paid on loans raised in New York—£144,670 for 1954–55 ; £109,832 for 1955–56 ; £121,795 for 1956–57 ; £141,740 for 1957–58 ; £218,499 for 1958–59.

† Includes exchange paid in respect of loans raised in New York—£169,246 for 1954–55 ; £129,964 for 1955–56 ; £142,865 for 1956–57 ; £163,830 for 1957–58 ; £254,002 for 1958–59.

‡ Includes £2,127,159 contributed each year by the Commonwealth in accordance with the provisions of the "Financial Agreement", see page 593.

*National Debt Sinking Fund*

Under the Financial Agreement of 1927 between the Commonwealth and the States, it was arranged that the Commonwealth assume responsibility for the public debt of the States. The securities covering these debts would be redeemed or repurchased by payments from the National Debt Sinking Fund (which had been in existence from 1923) and the Commonwealth and States were to make annual contributions to the Fund for this purpose. The intention was to extinguish within a period of 58 or 53 years debt incurred by the States for normal works and services. The longer period applies to the debt existing at 30th June, 1927, and to this the State contributes 5s. per £100 and the Commonwealth 2s. 6d. per £100 per annum, whilst the shorter period applies to loans raised after 30th June, 1927, the State and the Commonwealth each contributing 5s. per £100 per annum.

The first of the following tables gives a summary of Victorian transactions in the National Debt Sinking Fund for the years 1954–55 to 1958–59, and the remaining tables show details of receipts and expenditure together with particulars of face value of securities repurchased and redeemed during the same period :—

VICTORIA—NATIONAL DEBT SINKING FUND : SUMMARY OF TRANSACTIONS  
(£'000)

Particulars	1954–55	1955–56	1956–57	1957–58	1958–59
Balance at 1st July .. ..	593	410	584	255	60
Receipts .. ..	4,074	4,463	4,751	5,333	5,933
Expenditure .. ..	4,257	4,289	5,080	5,528	5,865
Balance at 30th June .. ..	410	584	255	60	128

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

Particulars	1954-55	1955-56	1956-57	1957-58	1958-59
Contributed under Financial Agreement—					
Victoria .. .. .	3,182	3,469	3,681	4,164	4,647
Commonwealth .. .. .	880	972	1,054	1,155	1,230
Interest from Victoria on Cancelled Securities .. .. .	3	10	4	3	1
<b>Total Contributions under Financial Agreement .. .. .</b>	<b>4,065</b>	<b>4,451</b>	<b>4,739</b>	<b>5,322</b>	<b>5,878</b>
Interest on Investments .. .. .	4	7	7	6	13
Special Contributions by Victoria .. .. .	5	5	5	5	42
<b>Total .. .. .</b>	<b>4,074</b>	<b>4,463</b>	<b>4,751</b>	<b>5,333</b>	<b>5,933</b>
<b>Total to Date .. .. .</b>	<b>45,337</b>	<b>49,800</b>	<b>54,551</b>	<b>59,884</b>	<b>65,817</b>

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

Particulars	1954-55	1955-56	1956-57	1957-58	1958-59
Australia—					
Face Value £ (A.) .. .. .	3,243	4,308	4,898	4,928	5,042
Net Cost £ (A.) .. .. .	3,176	4,156	4,829	5,221	5,020
London—					
Face Value £ (stg.) .. .. .	131	72	144	188	480
Net Cost £ (A.) .. .. .	160	84	145	189	752
New York—					
Face Value £ (\$4.8665 = £1) .. .. .	424	22	51	57	45
Net Cost £ (A.) .. .. .	922	49	106	118	93
<b>Total—</b>					
Face Value £ .. .. .	3,798	4,402	5,093	5,173	5,567
Net Cost £ (A.) .. .. .	4,258	4,289	5,080	5,528	5,865
<b>Total to Date—</b>					
Face Value £ .. .. .	42,591	46,993	52,086	57,259	62,826
Net Cost £ (A.) .. .. .	44,927	49,216	54,296	59,824	65,689

## *Private Finance*

### **Banking in Victoria**

#### *Introduction*

When the Port Phillip District of New South Wales was separated in 1851 to become the Colony of Victoria, the modern pattern of the banking system was already evolving. Not only was branch banking, as distinct from unit banking, becoming established, but some banks were extending their connexion over several colonies, even to New Zealand, already recognizing this policy as a source of strength when seasonal conditions varied between the various regions of the Continent, and demands for accommodation by particular industries, even under "normal" circumstances, reached their seasonal peaks in different months of the year.

During the 1830's, when Melbourne was settled, largely as a port and commercial centre for the pastoral boom, Australia was emerging from a mere gaol to a mixed economy, where free enterprise was financed by British capital. There was no provision to repatriate time-expired convicts. In the Port Phillip District, with few convicts, the private sector was dominant, and this supported demands for political and economic independence.

In this dawn of private enterprise, banking functions were largely provided by the Government Commissariat, which paid local suppliers by bills drawn on the British Treasury, thus providing foreign exchange in sterling to pay for imports. In the same way, salaries of Her Majesty's officers were often paid in sterling which could be used to purchase imports. From its establishment, therefore, Victoria was virtually on a sterling exchange standard, "local" currency sometimes exchanging at a discount on sterling as represented by bills on the United Kingdom Treasury.

#### *Melbourne's First Bank*

The first bank in Melbourne was a branch of the Derwent Bank (Head Office, Hobart). It was opened in February, 1838, but was taken over by the Union Bank of Australia in the following October. During the same year, the Commercial Banking Company of Sydney operated an agency for a time, and the Bank of Australasia opened a branch. The first locally sponsored bank was the Port Phillip Bank, extant from 1839 to 1842. It failed during one of those slumps which Australia experienced last century following bad seasons or falling export prices. The resultant withdrawal of British capital aggravated these slumps, especially because most banks accepted deposits (as well as capital) from Britain. This process had been facilitated by an Act of 1834 removing any fears that interest rates in Australia were subject to the limitations of English usury laws.

The Savings Bank of Port Phillip, an offshoot of the New South Wales Savings Bank, opened in 1842 and soon operated several branches. Geelong and Portland had trading bank branches by 1846.

In 1851, the year of separation, Victoria acquired its third bank, the Bank of New South Wales, in addition to the two above-mentioned which had London head offices.

The colony was transformed by the discovery of gold, although Melbourne suffered temporarily from the exodus to the goldfields. Banks set up branches of gold buying agencies near the diggings, and the purchase, shipment, and sale of gold became important and profitable. Diggers retiring from the gold rush turned to farming, grazing, shopkeeping, or manufacturing, challenging the banks to adjust their patterns of lending.

The banks' business, hitherto, had been mainly financing merchants, especially importers, exporters, and wholesalers who enjoyed good credit in the cities and borrowed on bills. Such a method met the bankers' ideal of security and liquidity. Although the Derwent Bank has been given credit for introducing, in 1834, the overdraft system which became a distinguishing feature of Australian banking, bills remained the popular instrument for lending for many years. Under this procedure, the growing demand for rural credit was not provided directly by the banks. Farmers borrowed, instead, from merchants, who in turn had access to bank credit, and who also sold the farmers' produce on commission and supplied their provisions and equipment.

Apart from the fact that few graziers had title to land or equipment to serve as security for a bank loan, the banks suffered legal disabilities in lending to farmers. But one good result of a lengthy controversy about remedying the slump of the 1840's was a New South Wales Act, enabling the banks to lend on preferable liens on wool and by mortgages on stock. Despite the Colonial Office's failure to appreciate such legislation, it remained to assist Australian banks in meeting the new demands of a developing pastoral country. Today, a large proportion of bank lending is for rural industry, while import-export finance also remains important, but manufacturing needs have grown with industrialization, and rising living standards generate more personal accounts and justify a multitude of service industries.

Some goldfields branches survived the gold rush, and then the networks followed farmers as they established pastoral, wheat, dairy, fruit, and other activities. Not only did branches spread from Australia's capital cities, but, by deliberate merger and amalgamation policies, most banks spread their interests over several Colonies. In a vast country where bad seasonal conditions or weak export markets could rapidly depress large regions, such a spread of interests was essential. A depressed area was often supported through its difficulties by funds drawn from prospering regions through the nation wide branch system.

New banks were established in Melbourne to serve the growing colony, so that by the late 1870's there were twelve of them—several with London head offices. The number rose to sixteen by the end of the 1880's. In that decade, English capital had flowed rapidly into Victoria, and Melbourne's population grew from about 300,000 to

500,000. But with the collapse of the boom in the early 1890's, several banks disappeared, others were reconstructed and most had to close their doors for a period.

During this century, bank numbers declined further because of amalgamations, a major effect being to make most Australian banks nation wide institutions.

In 1911, the Commonwealth Bank of Australia was established by the Federal Government as a trading, savings, and central bank, all of which functions have gradually strengthened over the years; the Savings Bank operates through all post offices as well as its own branches. The evolution of central banking is a story for pages other than these, but from January, 1960, the central bank functions were completely separated under the new Reserve Bank of Australia, leaving to the Commonwealth Banking Corporation the supervision of the Commonwealth Trading Bank, the Commonwealth Savings Bank, and the Commonwealth Development Bank. The main trading banks in Victoria thus comprise one Federal Government bank, five banks operated by Australian public companies, and two by London public companies. Three of these trade in New Zealand and several have branches in Fiji, Papua, and New Guinea.

In 1956, three of the trading banks established savings bank subsidiaries, trading at all their Victorian branches. The State Savings Bank of Victoria subsequently extended its trading facilities and its branch network, so that it now compares more nearly in scope of operations with the other trading banks. Foreign banks have never been important in Victoria. Apart from the Bank of New Zealand, there is only one—a French bank.

Today, Victorian banks provide the full range of banking and related services. They accept deposits for safe keeping and for cheque facilities, paying no interest but charging for such "current" accounts. They accept deposits for defined periods at interest, transfer money within the Australian banking system and with agent banks throughout the world, provide working capital for trade and industry, mainly on overdraft with interest charged on the daily balance outstanding, and finance oversea trade by such means as the bill of exchange. They also offer special services such as trade introductions, market appraisals, economic reports and specialized publications, and act as nominees, registrars, and travel agents. All banks are associated with hire purchase companies and some with unit trusts, branches acting as agents for these businesses.

### *Currency*

The Victorian unit of currency, for practical purposes, has always been the pound—originally, the English pound. In the early days, this standard was established by the fact that the Government issued bills in sterling on the British Treasury in settlement of its debts, and these became the source of oversea funds available to pay for imports. The great variety of foreign coins which circulated together with local paper currency, such as notes issued by Australian banks, was valued by relation to the English pound, but was not legal tender. Other notes, such as those issued by private individuals or storekeepers, which abounded in the form of I.O.U's., promissory notes, store receipts, or notes of foreign banks, often circulated at a discount on

sterling. In effect, Victoria had a sterling exchange standard in colonial days. The unit was not explicitly defined for the colony by statute, and, on occasions, experts were unable to define "legal tender". From the 1860's, locally minted Imperial coins were recognized as legal tender, although a distinctive Australian coinage was not provided until 1910, following exercise by the Commonwealth of its powers over currency and coinage in the *Coinage Act* 1909. The States have not exercised authority in this field since Federation.

The pound note received official recognition only after the Federal Government took responsibility for the note issue under the *Australian Notes Act* 1910 (passing control to the Central Bank in 1920). A 10 per cent. federal tax on private bank notes (under the *Bank Notes Tax Act* 1910) soon put them out of circulation, leaving the monopoly of the note issue with the Government. Issue of notes by other than the Reserve Bank is now prohibited under the *Commonwealth Bank Act* 1945.

Australian notes are legal tender to any amount (having been issued in denominations of 10s., £1, £5, £10, £20, £50, £100 and £1,000), silver coins to forty shillings, and bronze coins to one shilling. The coins are token coins, face value exceeding the value of bullion content, and profits on coinage go to the Commonwealth Consolidated Revenue.

Establishment of an independent gold reserve (25 per cent. of note issue from 1911) placed Australia on a gold standard, and notes were payable in gold. Subject to the classical variations, the Australian pound remained near parity with sterling until the depression of the 1930's, when the gold standard was abandoned and the rate moved, with fluctuations during 1930 and 1931, to £A 125 = £stg 100 (par of exchange), which has been maintained since. The gold reserve, held against the note issue, was progressively reduced in 1931 and 1932, when it was replaced by a reserve of "gold or English sterling". This requirement was abolished by the *Commonwealth Bank Act* 1945, leaving the Australian note issue a managed currency. From 1932, notes carried no promise of payment in gold. A relation with gold was restored in 1947 by Australia's agreement with the International Monetary Fund to the effect that the pound would have a par value of 2·86507 grammes of fine gold, amended to 1·99062 grammes in 1949. While no specific reserve needs to be held against the note issue, the assets of the Note Issue Department are required to be invested or held in gold, bank deposits, or Government securities.

Over much of Victoria's history, the foreign exchange market has been an open market. In the early colonial days, the Commissariat, and later the banks were dominant, but outsiders also operated to varying degrees. In such a market, rates were subject to some fluctuations. Such influences ceased only when the Central Bank took charge and administered a fixed rate under comprehensive exchange control powers at the outbreak of the Second World War. These powers are exercised in day to day business by the trading banks acting as agents for the Central Bank.



The following table shows particulars of the averages of deposits and advances by trading banks in Victoria during the month of June, 1959. The monthly averages are obtained by recording the amounts of deposits and advances at the close of business on Wednesday of each week.

VICTORIA—TRADING BANKS : AVERAGES OF DEPOSITS  
AND ADVANCES, MONTH OF JUNE, 1959  
(£'000)

Bank	Deposits			Loans, Advances, and Bills Discounted
	Not Bearing Interest	Bearing Interest	Total	
Commonwealth Trading Bank of Australia .. .. .	33,771	18,510	52,281	28,547
Private Trading Banks—				
Australia and New Zealand Bank Ltd. .. .. .	74,646	18,038	92,684	45,182
Bank of Adelaide .. .. .	1,620	616	2,236	1,970
Bank of New South Wales .. .. .	43,546	18,202	61,748	33,096
Commercial Bank of Australia Ltd. .. .. .	54,397	24,733	79,130	39,038
Commercial Banking Co. of Syd- ney Ltd. .. .. .	29,595	12,217	41,812	19,691
English, Scottish, and Australian Bank Ltd. .. .. .	53,802	18,358	72,160	34,584
National Bank of Australasia Ltd.	78,052	36,296	114,348	52,659
Total .. .. .	369,429	146,970	516,399	254,767

The following table shows, for each of the years 1949–50 to 1958–59, the average weekly amount of debits to customers' accounts. Particulars relate to the operations of all cheque paying banks in Victoria and, in addition, the special departments of the Commonwealth Bank, but exclude the amounts of debits to Australian Government accounts at city branches.

VICTORIA—CHEQUE PAYING BANKS : AVERAGE WEEKLY  
DEBITS TO CUSTOMERS' ACCOUNTS, 1949–50 TO 1958–59  
(£'000)

Year Ended 30th June—	Average Weekly Debits	Year Ended 30th June—	Average Weekly Debits
1950 .. .. .	97,758	1955 .. .. .	176,147
1951 .. .. .	134,925	1956 .. .. .	185,369
1952 .. .. .	142,358	1957 .. .. .	195,455
1953 .. .. .	131,998	1958 .. .. .	207,059
1954 .. .. .	154,885	1959 .. .. .	224,728

### Commonwealth Bank of Australia

The Commonwealth Bank of Australia functions under the guarantee of the Commonwealth Government. General banking operations were commenced in January, 1913.

Major legislation concerning the Commonwealth Bank was assented to by the Commonwealth Parliament on 23rd April, 1959, and came into operation on 14th January, 1960. Briefly, the legislation provides for (1) the separation of the Commonwealth group of banking institutions and its reconstruction, together with the Rural Credits Department of the Commonwealth Bank, as the Reserve Bank of Australia; (2) the establishment of a Commonwealth Banking Corporation, under a separate board and with a separate staff, with responsibilities for the Commonwealth Trading Bank, the Commonwealth Savings Bank and a new institution, to be formed basically from the amalgamation of the present Mortgage Bank and the Industrial Finance Departments of the Commonwealth Bank, to be called the Commonwealth Development Bank of Australia; and (3) the replacement of the special accounts system by a system of statutory reserve deposits.

Profits accruing from the activities of the individual departments of the Commonwealth Bank throughout Australia are shown in the following table. Particulars relate to the five year period to 1958-59—prior to the changes in the constitution of the Bank mentioned in the preceding paragraph.

#### AUSTRALIA—COMMONWEALTH BANK OF AUSTRALIA : PROFITS (£'000)

Department	1954-55	1955-56	1956-57	1957-58	1958-59
General Banking .. ..	4,518	6,561	8,741	10,103	4,200
Note Issue .. ..	6,017	8,366	10,053	12,593	10,935
Rural Credits .. ..	192	220	195	184	227
Mortgage Bank .. ..	65	75	95	110	123
Industrial Finance .. ..	398	416	386	405	512
Total .. ..	11,190	15,638	19,470	23,395	15,997

### State Savings Bank of Victoria

The Bank, an autonomous body constituted under Victorian statutes, operates within Victoria under direction of Commissioners appointed by the Government, which exercises control through a general manager. It has a Savings Bank Department which accepts interest bearing savings deposits, invests those moneys in trustee securities and in short term mortgage loans, and provides some general banking services, e.g., separate non-interest bearing cheque accounts, fixed deposit, and safe

deposit facilities. It also provides a Credit Foncier Department which, by issuing debentures, obtains funds to make long-term mortgage loans to finance the erection or purchase of homes and farms.

At 30th June, 1959, 2,285,462 Savings Bank depositors' balances totalled £281,296,236, approximately 61 per cent. of all Savings Bank deposits in Victoria, and 31,930 Credit Foncier loans totalled £49,016,130.

The Bank, constituted as "The Savings Bank of Port Phillip" under New South Wales legislation, commenced operations in Melbourne on 1st January, 1842, and, by 1851, when Victoria was separated from New South Wales, three branches had been opened.

The first Victorian Savings Bank legislation in 1853 created a body corporate—"Commissioners of Savings Banks in the Colony of Victoria"—to control Savings Banks and appoint trustees to manage individual branches as separate institutions. The discovery of gold in 1851 brought phenomenal population increases and, by 1862, ten inland banks were established. The Commissioners, troubled by their inability to expand services because only five inland banks were self-supporting, suggested the introduction of separate Savings Bank facilities through post offices, and the Post Office Savings Bank commenced business in 1865. The two banks were competitors until 1896 when legislation provided for their amalgamation under the Commissioners.

The first Melbourne suburban branch, opened in 1879, was followed by numerous metropolitan and country branches during the ensuing prosperous years which culminated in the "land boom" of 1888, the failure of which affected many financial institutions including twelve commercial banks in 1893. The Savings Bank, guaranteed by the Government for the first time, was not unduly affected and, in 1894, it introduced long-term mortgage (Credit Foncier) loans for farmers.

In 1896, legislation established Savings Bank and Credit Foncier Departments as separate entities and confirmed the Government guarantee. Funds for the Credit Foncier Department were obtained by floating public loans charged over its assets and the Consolidated Revenue of the State. Initially, Credit Foncier advances were limited to farmers, but, in 1911, advances were made on houses. The Insurance Trust Fund was established in 1920 to insure the Bank's mortgage securities against damage by fire and other causes. In 1921, long-term housing loans, under which a greater proportion of the value of a house was advanced, were introduced to enable persons of small means to acquire their own homes. The Bank built many standardized homes for these borrowers and it also conducted the Commonwealth War Service Homes Scheme from 1922 to 1932. Credit Foncier activities were severely restricted during the economic depression of the 1930's and during the Second World War. From 1941, it was impracticable to float public loans and the Savings Bank Department provided all new funds. From 1897 to 1959, Credit Foncier loans exceeded £122 million and enabled well over 100,000 Victorians to acquire their own homes.

The 1896 legislation, which provided for the taking over of the Post Office Savings Banks, gave impetus to the Bank's development, but, in 1912, when the name "The State Savings Bank of Victoria" was adopted, the establishment of the Commonwealth Savings Bank of Australia deprived the Commissioners of Post Office agencies and they opened new branches and many private agencies. Since then, despite the impact of the First and Second World Wars, the depression of 1930-32, and of competition from other Savings Banks, including those established by commercial banks in 1956, the Bank has continued to expand its investments. These primarily assist the development of the State and its services, including, from 1958, non-interest bearing cheque accounts for all depositors, which are provided by its Head Office in Melbourne and more than 350 branches and 600 agencies.

The total assets of the Bank at 30th June, 1959, were as follows :—  
£

Savings Bank Department	..	..	298,845,170
Credit Foncier Department	..	..	49,865,790
Total	..	..	348,710,960

Profits accruing from the activities of the Savings Bank Department were :—1954-55, £156,435 ; 1955-56, £164,399 ; 1956-57, £69,811 ; 1957-58, £160,094 and 1958-59, £389,304. Reserve Funds totalled £10,500,000 at 30th June, 1959.

The following table shows the number of accounts open and the amount remaining on deposit in specified years from 1900 :—

VICTORIA—STATE SAVINGS BANK : ACCOUNTS OPEN AND DEPOSITS

At 30th June—	Number of Accounts Open—			Amount at Credit of Depositors—			
	Passbook and Cheque Accounts	School Bank Accounts*	Total	Passbook and Cheque Accounts	Deposit Stock Accounts	School Bank Accounts*	Total
	'000			£'000			
1900 ..	375	..	375	9,111	..	..	9,111
1905 ..	447	..	447	10,897	..	..	10,897
1910 ..	561	..	561	15,418	..	..	15,418
1915 ..	722	14	736	24,875	159	10	25,044
1920 ..	886	12	898	37,232	505	8	37,745
1925 ..	1,095	89	1,184	53,145	743	101	53,989
1930 ..	1,257	165	1,422	60,845	1,809	289	62,943
1935 ..	1,325	188	1,513	61,094	1,738	276	63,108
1940 ..	1,477	208	1,685	64,417	2,657	287	67,361
1945 ..	1,762	218	1,980	140,855	1,923	439	143,217
1950 ..	1,961	260	2,221	196,768	1,089	823	198,680
1955 ..	2,126	363	2,489	257,655	792	1,703	260,150
1956 ..	2,149	385	2,534	261,254	1,156	1,907	264,317
1957 ..	2,166	402	2,568	262,842	1,329	2,105	266,276
1958 ..	2,216	426	2,642	268,469	2,010	2,328	272,807
1959 ..	2,286	445	2,731	274,595	4,165	2,536	281,296

\* School Banks were established in November, 1912

The following table shows the transactions in connexion with all accounts for each year since 1949-50 inclusive :—

## VICTORIA—STATE SAVINGS BANK TRANSACTIONS

Year Ended 30th June—	Number of Accounts—			Deposits	Withdrawals	Interest Added	Amount at Credit of Depositors
	Opened	Closed	Remaining Open at End of Period				
						£'000	
1950 ..	241	187	2,221	148,778	140,696	3,238	198,680
1951 ..	268	200	2,289	176,820	165,168	3,355	213,687
1952 ..	247	194	2,343	179,751	172,697	3,606	224,347
1953 ..	247	195	2,394	179,500	173,200	4,187	234,834
1954 ..	251	205	2,440	189,832	183,468	4,409	245,607
1955 ..	252	203	2,489	209,481	199,819	4,882	260,150
1956 ..	299	254	2,534	224,232	225,558	5,493	264,317
1957 ..	271	236	2,568	224,120	228,677	6,516	266,276
1958 ..	335	261	2,642	258,487	258,509	6,554	272,807
1959 ..	360	271	2,731	320,433	319,128	7,184	281,296

Details of transactions in the Credit Foncier Department are shown below :—

## VICTORIA—CREDIT FONCIER TRANSACTIONS

Particulars	Year Ended 30th June—				Total to 30th June, 1959
	1956	1957	1958	1959	
Stock and Debentures—					
Issued .. .. £'000	11,500	8,000	12,800	22,200	327,595*
Redeemed .. .. £'000	2,000	6,000	10,000	15,000	280,595
Outstanding .. .. £'000	35,000	37,000	39,800	47,000	47,000
Pastoral or Agricultural Property—					
Amount Advanced .. .. £'000	30	51	78	60	12,782
„ Repaid .. .. £'000	119	70	68	64	12,319
„ Outstanding at 30th June .. .. £'000	476	457	467	463	463
No. of Loans Current, 30th June	645	589	560	515	515
Dwelling or Shop Property—					
Amount Advanced .. .. £'000	12,866	5,954	7,084	11,456	99,452
„ Repaid .. .. £'000	3,541	3,304	3,764	4,276	51,118
„ Outstanding at 30th June .. .. £'000	35,184	37,834	41,154	48,334	48,334
No. of Loans Current, 30th June .. ..	24,484	26,294	27,863	30,632	30,632
Housing Advances—					
Amount Advanced .. .. £'000	†	†	†	..	9,840
„ Repaid .. .. £'000	127	88	69	59	9,623
„ Outstanding at 30th June .. .. £'000	433	345	276	217	217
No. of Loans Current, 30th June .. ..	1,382	1,143	934	781	781
Country Industries—					
Amount Advanced .. .. £'000	..	..	..	..	195
„ Repaid .. .. £'000	2	1	1	1	193
„ Outstanding at 30th June .. .. £'000	5	4	3	2	2
No. of Loans Current, 30th June .. ..	2	2	2	2	2
Total Transactions—					
Total Amount Advanced .. .. £'000	12,896	6,005	7,162	11,516	122,269
„ „ Repaid .. .. £'000	3,789	3,463	3,902	4,400	73,253
„ „ Outstanding at 30th June .. .. £'000	36,098	38,640	41,900	49,016	49,016
No. of Loans Current, 30th June .. ..	26,513	28,028	29,359	31,930	31,930

\* Including conversion loans, and £2,637,300 stock inscribed in exchange for debentures.

† Under £500.

The net profit of the Credit Foncier Department for the year ended 30th June, 1959, after making provision for bad and doubtful debts, was £15,524. This sum was added to General Reserve, which amounted to £1,948,493 at 30th June, 1959. There are provisions for depreciation and long service leave amounting to £245,000.

### Commonwealth Savings Bank in Victoria

The Savings Bank Department of the Commonwealth Bank commenced business on 15th July, 1912. The following table shows the business transacted in Victoria during each of the years, 1949–50 to 1958–59 :—

#### VICTORIA—COMMONWEALTH SAVINGS BANK

Year Ended 30th June—	Number of Accounts—			Deposits	Withdrawals	Interest Added	Amount at Credit of Depositors at 30th June
	Opened	Closed	Remaining Open at End of Period*				
	'000			£'000			
1950 ..	97	54	486	59,075	53,392	870	58,440
1951 ..	117	58	520	72,548	62,863	966	68,092
1952 ..	116	68	554	79,227	71,956	1,222	76,485
1953 ..	112	68	583	82,328	75,077	1,401	85,137
1954 ..	107	69	605	90,606	83,140	1,571	94,174
1955 ..	120	78	629	104,653	96,063	1,833	104,597
1956 ..	123	87	649	113,443	109,957	2,132	110,216
1957 ..	113	87	656	115,010	113,290	2,606	114,542
1958 ..	112	87	667	120,264	119,758	2,757	117,805
1959 ..	129	98	686	131,071	129,342	3,043	122,577

\* Inoperative accounts have been excluded, i.e., those with balances of £1 or over inoperative for seven years or more and those with balances under £1 inoperative for three years (two years since 30.6.1950), or more. At 30th June, in each of the undermentioned years the number of inoperative accounts was as follows :—1950, 190,347; 1951, 209,501; 1952, 220,538; 1953, 231,681; 1954, 244,800; 1955, 259,584; 1956, 272,629; 1957, 285,222; 1958, 295,337; 1959, 303,722.

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

The next table shows, for each of the years 1949–50 to 1958–59, the aggregate amount on deposit in Victoria in the State Savings Bank, the Commonwealth Savings Bank, and the Private Savings Banks. Also shown is the amount of deposits per head of population.

#### VICTORIA—SAVINGS BANKS : DEPOSITS

At 30th June—	Amount at Credit of Depositors—				Deposits per Head of Population
	State Savings Bank*	Commonwealth Savings Bank	Private Savings Banks	Total	
	£'000				£
1950 ..	198,680	58,440	..	257,120	116·4
1951 ..	213,687	68,092	..	281,779	123·8
1952 ..	224,347	76,485	..	300,832	128·3
1953 ..	234,834	85,137	..	319,971	133·6
1954 ..	245,607	94,174	..	339,781	138·6
1955 ..	260,151	104,597	..	364,748	144·6
1956 ..	264,317	110,216	11,644	386,177	148·2
1957 ..	266,276	114,542	30,751	411,569	153·9
1958 ..	272,807	117,805	43,019	433,631	158·2
1959 ..	281,296	122,577	54,581	458,454	162·9

\* Including School Bank and Deposit Stock Accounts.

## Royal Mint, Melbourne Branch

### *Historical*

Two branches of the Royal Mint operate in Australia—one in Melbourne and one in Perth. The first branch outside the United Kingdom was established in Sydney in 1854 and functioned until 1926.

Coins minted by branch Mints were authorized as legal tender by the British Parliament in 1866 and an Act passed by the State of Victoria in 1867 provided that this State would be responsible for the cost of operating a branch Mint, providing a grant, and receiving revenue from the Mint.

The Melbourne Branch of the Royal Mint was established by Order-in-Council of the 10th August, 1869, and was opened for coinage on 12th June, 1872. It was intended by its operation to stabilize the price of gold by providing a local market and to convert gold to a legally acceptable form. Only as a branch of the Royal Mint could it mint sovereigns and half-sovereigns which are Imperial coins. Gold coin was minted until 1931, but since then, gold refined has been cast into fine gold bars for export. Some was partly processed from time to time as standard gold fillets for sale on the open market by the Gold Producers' Association, but generally, sales were of fine gold bars.

As a convenience, from 1878 onwards, Imperial token coins were shipped to the Australian branches for issue to the local banks.

After Federation, a demand developed for a distinctive Australian currency, and this was authorized by the *Australian Coinage Act 1909*. Australian silver coin minted in London was issued between 1910 and 1915, and bronze coined in England and some in India was issued from 1911 to 1919. During the First World War, this local token coinage was undertaken by the Australian branch Mints, and the first issues of silver minted at Melbourne were made in 1916 and issues of bronze in 1919.

Local currency needs were satisfied by Melbourne and Perth Branches, and by Sydney to 1926, except in such times of abnormal demand as during the Second World War when Australian coin was struck in the United States of America and India, and in 1951 and 1952 when considerable quantities were struck in London. In 1946, with the increased price of silver, a change of alloy to 500 fine was made, involving a large re-coinage. Standard silver coin withdrawn was melted and alloyed to the new standard. Silver coin surplus to the requirement for coinage was melted into ingots for the refiner, the fine silver produced eventually being exported to replace the silver used in Australian coin produced by the United States of America.

Between 1935 and 1945, a considerable coinage was minted for the Territory of New Guinea.

### *Present Functions*

For many years, the major activity of the Melbourne Mint has been the production of coin for the Commonwealth Government. All the silver coin and a large part of the bronze is produced in Melbourne—Perth Mint supplying the balance of the bronze. The present silver alloy consists of 500 silver, 400 copper, 50 nickel, and 50 zinc parts per 1,000. The bronze consists of copper, tin, and zinc.

The average number of pieces minted in each of the last five years has been 55,944,000 to meet the demands of a rising population and expanding economy. The Melbourne Mint was originally designed for a production of 5 million sovereigns per annum.

The original functions of purchase and refining have continued, though their importance has been relatively reduced by the decrease in gold production. However, in 1959, 232,243 ounces of rough gold containing 127,533 ounces of fine gold were treated. Deposits are usually the product of Victoria, New South Wales, Queensland, South Australia, and Northern Territory, and a large and increasing number of small parcels from New Guinea.

Gold and silver, in various forms and alloys, are prepared and supplied to manufacturers and others. Medals of gold, silver, or bronze are struck for various bodies.

The following table shows, for each of the years 1955 to 1959 and for the period 1872 to 1959, the quantity of gold received at the Mint ; where the gold was produced ; its mint coinage value ; and the gold coin and bullion issued during the same periods :—

VICTORIA—ROYAL MINT : GOLD RECEIVED AND ISSUED,  
1955 TO 1959, AND AGGREGATE 1872 TO 1959

Particulars	1955	1956	1957	1958	1959	Total to 31st December, 1959
<b>GOLD RECEIVED (Gross Weight)</b>						
Produced in Victoria .. .. oz.	47,272	47,170	56,441	50,691	43,882	31,169,143
"  "  New South Wales .. .. "	23,615	22,056	25,485	12,438	5,906	1,255,205
"  "  Queensland .. .. "	32,900	43,533	42,956	38,188	44,340	1,577,706
"  "  South Australia and Northern Territory .. .. "	61,027	68,978	71,581	62,572	59,386	1,723,443
"  "  Western Australia .. .. "	..	..	7	609	..	2,953,853
"  "  Tasmania .. .. "	484	229	214	211	119	1,346,969
"  "  New Zealand .. .. "	307	..	2,637	2,644	3,438	4,751,097
"  "  Elsewhere .. .. "	129,884	50,167	48,598	53,138	75,172	5,653,945
Total .. .. "	295,489	232,133	247,919	220,491	232,243	50,431,361
Mint Coinage Value .. .. £	626,972	633,558	690,106	612,070	541,726	186,308,557
<b>GOLD ISSUED</b>						
Coin—						
Sovereigns .. .. No.	..	..	..	..	..	147,283,131
Half Sovereigns .. .. "	..	..	..	..	..	1,893,559
Bullion—Quantity .. .. oz.	162,961	161,536	177,289	156,589	137,412	9,591,376
—Mint Value .. .. £	634,530	628,980	690,321	609,719	535,050	38,070,262
Total Mint Value Coin and Bullion .. .. £	634,530	628,980	690,321	609,719	535,050	186,300,172

The number of deposits received during 1959 was 2,406, of a gross weight of 232,243 ounces. The average composition of these deposits was gold 549·2, silver 355·9, and base 94·9 in every 1,000 parts.

The value of gold shown in the above table is calculated on the normal mint price of £3 17s. 10½d. per ounce standard (22 carat), which is equivalent to approximately £4 4s. 11½d. per ounce fine (24 carat). By arrangement with the Commonwealth Bank, the Mint also pays a premium on all gold lodged at the Mint for sale to the Bank. During 1959, depositors were paid a premium of 267·84377 per cent., thereby making the actual price of gold £15 12s. 6d. per ounce fine.



In the following table, particulars of the coinages and the issue of silver and bronze pieces for the requirements of the Commonwealth Treasury are given for each of the years 1955 to 1959, and also the totals to 31st December, 1959 :—

VICTORIA—ROYAL MINT : SILVER AND BRONZE COINS  
ISSUED, 1955 TO 1959 AND TOTAL TO 31ST DECEMBER, 1959  
(‘000)

Denomination of Coins	1955	1956	1957	1958	1959	Total to 31st December, 1959
<b>Silver Pieces—</b>						
5s. .. ..	..	..	..	..	..	1,102
2s. .. ..	312	8,090	9,278	8,972	3,500	269,650
1s. .. ..	6,968	6,588	12,668	7,412	10,876	166,278
6d. .. ..	17,088	5,440	13,752	17,944	11,728	172,072
3d. .. ..	27,456	11,792	26,704	11,248	19,888	349,760
<b>Total Silver Pieces ..</b>	<b>51,824</b>	<b>31,910</b>	<b>62,402</b>	<b>45,576</b>	<b>45,992</b>	<b>958,862</b>
<b>Bronze Pieces—</b>						
1d. .. ..	4,358	15,862	..	10,013	1,618	277,205
½d. .. ..	..	..	..	..	10,166	107,688
<b>Total Bronze Pieces ..</b>	<b>4,358</b>	<b>15,862</b>	<b>..</b>	<b>10,013</b>	<b>11,784</b>	<b>384,893</b>

### Life Assurance

The business of life assurance companies in Victoria, both ordinary and industrial, is regulated by the Commonwealth Life Insurance Act which came into operation in 1946. This Act replaced existing Commonwealth and State Acts, and resulted in uniform life assurance legislation throughout Australia. The Insurance Commissioner (subject to the directions of the Treasurer) is responsible for the administration of the Act. Numerous changes have been brought about in the business of life assurance during the past few years.

Material variations have taken place in the distribution of assets amongst the various classes of investment. The percentage of assets invested in government and semi-governmental securities has decreased, whereas the percentages in mortgages (especially home purchase mortgages), property, company debentures, and shares, both ordinary and preference, are substantially higher. The demands on life offices for equity and loan capital are still in excess of the available funds.

Substantial increases have taken place in the volume of new assurances written in the ordinary department each year. An increasing proportion of the business has been in the form of temporary assurance—a world wide trend. New business has received an impetus from time to time from increases in the allowable amount of life assurance premiums deductible for income tax purposes. The maximum deduction is now £400 per annum.

On the other hand, life offices are being subjected to increasing competition from other types of investment and saving, especially those whose income is at present free from taxation while industrial life assurance new business has continued to decline in volume.

Several new life offices have been established to carry on life assurance business in Victoria. Some are subsidiaries or branches of United Kingdom insurance companies which, although previously carrying on general insurance in this country, have only recently become registered for purposes of conducting life assurance business.

On the other hand, all the major Australian life offices have now branched out into general insurance, either by establishing their own organizations or by making management arrangements with existing fire companies. Some life offices have also formed subsidiary nominee companies to act as trustees for debenture and other loan issues. Some have controlling interests in companies recently established to operate in the official short term money market in Australia.

Interest rates earned on policyholders' funds have been increasing steadily year by year because of the investment of accruing funds and re-investment of maturing investments at current high interest rates. This trend towards higher earning rates will continue as more and more of the old low interest securities mature and as new funds accrue. The level of bonus additions to sums assured has also shown a steady upward trend in recent years as a result of increasing interest rates and improving mortality.

Advances in medical science have enabled life offices to review underwriting practices, and life assurance cover is now being granted to many proposers who only a few years ago would have been regarded as uninsurable. Some companies charge lower premium rates for female lives than for males of the same actual age because of the proved greater longevity of females.

Most of the major life offices have introduced a much greater degree of mechanization into their processes to enable them to handle their rapidly expanding business and to reduce operative costs affected by the increase in the Australian cost structure. Industrial life assurance business, particularly, has been affected by inescapable increases in costs of administration.

The following table shows particulars for each of the years 1954 to 1958, of life assurance policies in force in both the ordinary and industrial departments of the companies :—

#### VICTORIA—LIFE ASSURANCE POLICIES IN FORCE

Particulars	1954	1955	1956	1957	1958
<b>Ordinary Business—</b>					
Number of Policies ..	842,849	876,458	909,596	943,549	976,227
Sum Assured £'000	504,030	571,035	646,421	749,252	857,569
Annual Premiums ..	17,796	19,789	21,929	24,471	27,203
<b>Industrial Business—</b>					
Number of Policies ..	1,219,603	1,194,985	1,163,876	1,131,825	1,102,774
Sum Assured £'000	92,941	95,623	96,990	98,744	100,390
Annual Premiums ..	4,614	4,683	4,694	4,727	4,759

In 1958, the average amount of policy held in the ordinary and in the industrial departments was £878 and £91 respectively.

The preceding table refers to policies in force. The succeeding table contains summarized information in relation to the new business written by all life assurance companies during each of the five years 1954 to 1958 :—

#### VICTORIA—LIFE ASSURANCE : NEW POLICIES ISSUED

Particulars	1954	1955	1956	1957	1958
Ordinary Business—					
Number of Policies ..	79,399	77,367	80,501	83,711	84,686
Sum Assured £'000	77,896	100,613	110,923	145,541	156,501
Annual Premiums ,,	2,831	3,197	3,446	4,101	4,351
Industrial Business—					
Number of Policies ..	68,135	61,200	56,911	58,682	53,457
Sum Assured £'000	9,365	9,321	8,860	9,357	8,978
Annual Premiums ,,	433	429	415	437	418

The new policies issued during 1958 averaged £1,848 in the Ordinary Department and £168 in the Industrial Department.

The following table gives particulars of the policies which were discontinued during each of the years 1956 to 1958 :—

#### VICTORIA—LIFE ASSURANCE : POLICIES DISCONTINUED

Cause of Discontinuance	1956		1957		1958	
	Number of Policies	Sum Assured	Number of Policies	Sum Assured	Number of Policies	Sum Assured
ORDINARY BUSINESS						
		£'000		£'000		£'000
Death .. ..	4,513	2,646	4,823	2,884	5,002	3,157
Maturity .. ..	12,073	6,932	12,677	7,473	13,018	7,878
Surrender .. ..	19,771	17,401	20,529	20,305	22,294	22,074
Lapse .. ..	9,884	8,140	9,414	9,178	9,858	11,531
Other * .. ..	1,122	418	2,315	2,871	1,836	3,544
Total .. ..	47,363	35,537	49,758	42,711	52,008	48,184
INDUSTRIAL BUSINESS						
		£'000		£'000		£'000
Death .. ..	4,824	262	4,773	264	4,532	271
Maturity .. ..	51,977	2,440	52,321	2,556	44,286	2,199
Surrender .. ..	17,335	2,285	18,982	2,422	19,802	2,585
Lapse .. ..	16,335	2,599	13,940	2,295	13,978	2,286
Other * .. ..	2,451	94	717	66	90	9
Total .. ..	88,020	7,492	90,733	7,603	82,508	7,332

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

### Fire, Marine, and General Insurance

The growth of insurance is closely linked with the development of the whole economy. More people, increased trade, a greater number of houses, factories, shops, and office buildings, all lead to a higher demand for insurance facilities. Diversification in industrial and economic development and the application of new technical discoveries extend the range and increase the complexity of insurance protection required. At the same time, by enlarging its services to meet these requirements, insurance provides a framework of security without which many kinds of economic development would not be possible.

The following tables of insurance statistics therefore provide a general appreciation of the development of the Victorian economy, especially when comparisons are made of premium income over a number of years. The figures also present a picture of the operations of the insurance industry itself.

Selected statistics relating to all classes of insurance, other than life, are collected annually from insurers licensed to operate in Victoria. They refer to all policies issued in this State on Australian risks wherever situated, but do not include data for policies issued in other States to cover Victorian risks.

Returns are for the year ended 30th June or for the immediately preceding accounting periods of the insurers concerned. Since the accounting years of many insurers end on dates other than 30th June, the figures are not for a uniform time period.

The statistics have been compiled on the following basis :—

- (1) Premiums are the total amounts received and receivable during the year for policies issued and renewed and for facultative reinsurances accepted, after deduction of returns of premium and rebates and bonuses paid or credited to policy holders, and of payments for facultative reinsurance ceded to other insurers. Amounts received and paid for treaty reinsurance have been disregarded.
- (2) Claims consist of payments during the year plus the estimated amount of claims unsettled at the end of the year, less the estimated amount of claims unsettled at the beginning of the year. Liabilities arising through facultative reinsurance received have been included, and salvage and recoveries from facultative reinsurers and from other parties have been deducted.
- (3) Contributions to fire brigades, commission, and agents' charges, and expenses of management are charges paid during the year.
- (4) Taxation consists of payments during the year for all forms of taxation including stamp duty, licence fees, and pay-roll tax as well as income tax.

It should be noted that the figures shown for premiums are different from the premium income earned by insurers during the year, as no adjustment is made for premiums unearned at the beginning and end

of the year. When, as in recent years, the premium volume is increasing, the figures in the tables are greater than the premiums earned by insurers and the amount of the difference is often substantial. For this reason, the relationship of claims and other charges to premiums should be used only as a basis of comparison with ratios calculated under similar headings in previous years.

Another feature which should also be taken into account is that contributions to fire brigades and income tax paid during the year are based on the revenue of earlier years and are not applicable to the years covered by the tables in which they appear.

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

Class of Business	Year Ended 30th June—				
	1955	1956	1957	1958	1959
<b>PREMIUMS</b>					
Fire .. .. .	7,551	8,196	8,933	9,432	9,284
Householders' Comprehensive ..	1,731	2,000	2,251	2,564	2,935
Sprinkler Leakage .. .. .	16	19	38	23	28
Loss of Profits .. .. .	834	1,004	1,036	992	1,151
Hailstone .. .. .	163	175	166	177	301
Marine .. .. .	2,473	2,645	2,452	2,410	2,664
Motor Vehicles (Other than Motor Cycles) .. .. .	8,278	9,087	11,577	12,849	12,764
Motor Cycles .. .. .	81	58	45	40	52
Compulsory Third Party (Motor Vehicles) .. .. .	2,799	4,003	5,142	5,361	5,703
Employers' Liability and Workmen's Compensation * .. .. .	6,992	8,422	10,053	12,312	13,110
Personal Accident .. .. .	859	1,015	1,194	1,521	1,786
Public Risk, Third Party .. .. .	326	411	520	573	650
General Property .. .. .	38	63	72	102	120
Plate Glass .. .. .	131	141	159	207	218
Boiler .. .. .	11	13	17	22	22
Live Stock .. .. .	72	80	76	92	73
Burglary .. .. .	635	678	695	808	860
Guarantee .. .. .	69	74	69	78	96
Pluvius .. .. .	31	32	29	30	24
Aviation .. .. .	244	270	241	111	196
All Risks .. .. .	258	290	322	397	461
Television .. .. .	..	..	†	†	867
Others .. .. .	354	434	496	663	595
<b>Total Premiums .. .. .</b>	<b>33,946</b>	<b>39,110</b>	<b>45,583</b>	<b>50,764</b>	<b>53,960</b>
<b>INTEREST, DIVIDENDS, RENTS., &amp;C. (NET OF EXPENSES)</b>					
Investments .. .. .	1,013	1,136	1,161	1,399	1,725
<b>TOTAL INCOME</b>					
<b>Grand Total .. .. .</b>	<b>34,959</b>	<b>40,246</b>	<b>46,744</b>	<b>52,163</b>	<b>55,685</b>

\* See references pages 274 to 277.

† Included with "Others". This class of business was first transacted in 1956-57

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

(£'000)

Class of Business	Year Ended 30th June—				
	1955	1956	1957	1958	1959
<b>GROSS CLAIMS (LESS AMOUNTS RECOVERABLE)</b>					
Fire .. .. .	2,378	2,475	2,812	2,668	2,584
Householders' Comprehensive ..	385	343	383	470	539
Sprinkler Leakage .. .. .	23	15	9	17	3
Loss of Profits .. .. .	141	151	257	135	132
Hailstone .. .. .	207	627	92	155	291
Marine .. .. .	1,088	1,012	1,178	1,267	1,003
Motor Vehicles (Other than Motor Cycles) .. .. .	5,077	6,290	8,067	8,473	8,725
Motor Cycles .. .. .	32	35	23	21	22
Compulsory Third Party (Motor Vehicles) .. .. .	3,468	3,783	4,034	4,705	5,618
Employers' Liability and Workmen's Compensation .. .. .	6,318	6,891	8,021	8,676	9,366
Personal Accident .. .. .	275	353	449	538	623
Public Risk, Third Party .. .. .	127	223	201	343	308
General Property .. .. .	22	35	120	122	24
Plate Glass .. .. .	79	84	102	109	122
Boiler .. .. .	1	3	1	6	1
Live Stock .. .. .	36	35	40	41	39
Burglary .. .. .	211	222	369	383	432
Guarantee .. .. .	2	9	11	9	24
Pluvius .. .. .	13	23	21	12	8
Aviation .. .. .	170	220	44	31	72
All Risks .. .. .	135	144	152	188	231
Television .. .. .	..	..	*	*	431
Others .. .. .	115	108	156	234	257
<b>Total .. .. .</b>	<b>20,303</b>	<b>23,081</b>	<b>26,542</b>	<b>28,603</b>	<b>30,855</b>
<b>OTHER EXPENDITURE</b>					
Contributions to Fire Brigades ..	903	860	1,020	1,069	1,169
Commission and Agents' Charges ..	3,759	4,141	4,913	5,373	5,549
Expenses of Management .. .. .	5,009	5,685	6,391	7,210	7,928
Taxation .. .. .	1,272	1,401	1,799	1,751	2,426
<b>Total .. .. .</b>	<b>10,943</b>	<b>12,087</b>	<b>14,123</b>	<b>15,403</b>	<b>17,072</b>
<b>TOTAL EXPENDITURE</b>					
<b>Grand Total .. .. .</b>	<b>31,246</b>	<b>35,168</b>	<b>40,665</b>	<b>44,006</b>	<b>47,927</b>

\* Included with "Others". This class of business was first transacted in 1956-57.

The percentage of losses, commission and agents' charges, expenses of management, and taxation to premium income for 1958-59 was as follows :—

VICTORIA—GENERAL INSURANCE EXPENDITURE :  
PROPORTION OF PREMIUM INCOME, 1958-59

Class of Business	Percentage of Premium Income			
	Losses' (Less Amounts Recoverable)	Commission and Agents' Charges	Expenses of Management	Taxation
Fire .. .. .	27·84	} 15·31	18·30	8·40
Householders' Comprehensive ..	18·38			
Sprinkler Leakage .. .. .	9·42			
Loss of Profits .. .. .	11·45			
Hailstone .. .. .	96·45			
Marine .. .. .	37·63	6·23	16·29	8·78
Motor Vehicles (Excl. Motor Cycles)	68·36	} 9·87	13·29	1·55
Motor Cycles .. .. .	41·60			
Compulsory Third Party (Motor Vehicles) .. .. .	98·50			
Employers' Liability and Workmen's Compensation .. .. .	71·44	4·98	12·20	3·06
Personal Accident .. .. .	34·86	13·41	17·27	7·32
Public Risk, Third Party .. .. .	47·40	} 13·52	14·77	5·32
General Property .. .. .	19·74			
Plate Glass .. .. .	55·84			
Boiler .. .. .	6·37			
Live Stock .. .. .	53·74			
Burglary .. .. .	50·29			
Guarantee .. .. .	25·02			
Pluvius .. .. .	34·97			
Aviation .. .. .	36·77			
All Risks .. .. .	50·04			
Television .. .. .	49·72			
Others .. .. .	43·15			
Total .. .. .	57·18	10·28	14·69	4·50

### Motor Vehicle Insurance

#### Motor Car (Third Party Insurance)

The *Motor Car (Third Party Insurance) Act 1939* which came into force on 22nd January, 1941, made it compulsory for the owner of a motor vehicle to insure against any liability which may be incurred by him, or any person who drives such motor vehicle, in respect of the death or bodily injury of any person caused by or arising out of the use of such motor vehicle.

The number of vehicles insured during each of the years 1954–55 to 1958–59 is shown in the following table :—

VICTORIA—MOTOR CAR (THIRD PARTY INSURANCE) :  
NUMBER OF MOTOR VEHICLES INSURED

Class of Motor Vehicle	Year Ended 30th June—				
	1955	1956	1957	1958	1959
MOTOR VEHICLES USUALLY GARAGED WITHIN A RADIUS OF 20 MILES OF THE POST OFFICE, ELIZABETH-STREET, MELBOURNE					
Private .. .. .	218,985	251,055	266,190	285,887	302,145
Business .. .. .	29,777	32,618	33,277	36,723	37,753
Light Goods .. .. .	33,273	37,066	37,881	39,751	40,068
Heavy Goods .. .. .	17,429	19,032	18,436	19,507	18,522
Miscellaneous .. .. .	6,812	7,935	8,130	8,365	8,812
Motor Cycles .. .. .	15,100	15,161	13,544	12,914	12,701
Visiting Motor Cars .. .. .	531	576	538	887	931
Total .. .. .	321,907	363,443	377,996	404,034	420,932
MOTOR VEHICLES USUALLY GARAGED OUTSIDE A RADIUS OF 20 MILES OF THE POST OFFICE, ELIZABETH-STREET, MELBOURNE					
Private .. .. .	176,884	197,025	204,431	216,679	222,154
Business .. .. .	6,352	7,413	7,684	8,507	9,190
Light Goods .. .. .	45,708	51,060	51,025	51,504	50,368
Heavy Goods .. .. .	29,553	32,498	32,575	32,497	31,926
Miscellaneous .. .. .	23,648	26,178	29,418	33,208	34,728
Motor Cycles .. .. .	13,480	13,191	10,536	10,218	8,924
Visiting Motor Cars .. .. .	122	118	78	60	81
Total .. .. .	295,747	327,483	335,747	352,673	357,371
Grand Total .. .. .	617,654	690,926	713,743	756,707	778,303

*State Motor Car Insurance Office*

The State Motor Car Insurance Office was established under the *Motor Car (Third Party Insurance) Act 1939* (now embodied in the *Motor Car Act 1958*), for the purpose of enabling owners of motor cars to obtain from the State policies of Third Party Insurance required under that Act and policies generally in relation to insurance of motor cars. Business commenced on 24th January, 1941. The Office is managed and controlled by the Insurance Commissioner, and the policies issued are guaranteed by the Government of Victoria.

During the past eighteen years, the proportion of total Victorian motor insurance business underwritten by the office has increased, and for the year 1958–59 represented 4·5 per cent. of comprehensive and 24·5 per cent. of third party premiums received in Victoria.



The following table shows the trading results for each of the five years 1954-55 to 1958-59 :—

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

Year	Premiums Received Less Reinsurances, Rebates, &c.	Additional Unearned Premium Provision	Claims Paid and Outstanding	Expenses	Underwriting Profit
1954-55 ..	904	96	909	72	173*
1955-56 ..	1,258	207	1,262	88	299*
1956-57 ..	1,541	103	1,222	109	107
1957-58 ..	1,812	135	1,365	122	190
1958-59 ..	1,967	54	1,751	134	28

\* Loss

*State Accident Insurance Office*

The State Accident Insurance Office was constituted under the *Workers Compensation Act 1914* for the purpose of enabling employers to obtain from the State policies of insurance indemnifying them against their liability under the *Workers Compensation Act* or at Common Law or otherwise. The Office is managed and controlled by the Insurance Commissioner and the policies issued are guaranteed by the Government of Victoria.

The Office is conducted on a mutual basis so that all profits, after providing for the necessary reserves, are refunded as bonuses to policy holders.

The Office has made steady progress during 45 years of operation and for the year ended 30th June, 1959, its premium income represented over 20 per cent. of the total premiums received by all insurance companies on account of Employers' Liability and Workmen's Compensation Insurance.

The following table shows the trading results for each of the five years 1954-55 to 1958-59 :—

STATE ACCIDENT INSURANCE OFFICE : PREMIUMS  
RECEIVED, CLAIMS PAID, ETC.  
(£'000)

Year	Premiums Received Less Reinsurances, Rebates, &c.	Additional Unearned Premium Provision	Claims Paid and Outstanding	Expenses	Underwriting Profit
1954-55 ..	1,507	— 167	1,475	102	97
1955-56 ..	1,913	129	1,563	128	93
1956-57 ..	2,011	234	2,078	148	449*
1957-58 ..	2,462	72	1,918	155	317
1958-59 ..	2,656	62	2,005	167	422

\* Loss

The accumulated funds at 30th June, 1959, were :—General Reserve, £1,000,000 ; Building and other Reserves, £29,534 ; and Bonus Equalization Reserve, £462,099.

### Building Societies

The provisions of the *Building Societies Act 1874* made it compulsory for building societies to effect registration. Up to 31st December, 1959, the number of societies that had been registered was 191. There were 24 societies operating during 1959.

Particulars are given in the following table dealing with Permanent Societies and Starr-Bowkett Societies transacting business in Victoria during 1959 :—

#### VICTORIA—BUILDING SOCIETIES, 1959

Particulars	Permanent Societies	Starr-Bowkett Societies	All Societies
Number of Societies .. .. .	24	2	25*
„ „ Shareholders .. .. .	5,645	8,040	13,685
„ „ Borrowers .. .. .	14,534	1,442	15,976
£'000			
Transactions during the Year—			
Income—			
Interest on Loans and Investments .. .. .	941	46	987
Other .. .. .	46	2	48
Total .. .. .	987	48	1,035
Expenditure—			
Working Expenses .. .. .	118	17	135
Interest .. .. .	620	13	633
Taxation .. .. .	89	†	89
Total .. .. .	827	30	857
Loans Granted .. .. .	3,752	132	3,884
Repayments .. .. .	2,958	133	3,091
Deposits Received .. .. .	2,518	20	2,538
Assets—			
Loans on Mortgage .. .. .	16,172	1,013	17,185
Properties in Possession or Surrendered .. .. .	210	..	210
Other Advances .. .. .	5	12	17
Cash in Hand, &c. .. .. .	110	†	110
Commonwealth Loans (Including Accrued Interest) .. .. .	224	..	224
Other .. .. .	72	2	74
Total .. .. .	16,793	1,027	17,820
Liabilities—			
To Shareholders .. .. .	3,705	602	4,307
„ Depositors .. .. .	3,405	256	3,661
Reserve Funds .. .. .	1,105	45	1,150
Bank Overdraft .. .. .	222	39	261
Profit and Loss Account .. .. .	81	20	101
Other .. .. .	8,275	65	8,340
Total .. .. .	16,793	1,027	17,820

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

† Under £500.

### Co-operative Organizations

Co-operative organizations operating in Victoria are registered under the provisions of the Companies Act, the Industrial and Provident Societies Act, and the Co-operation Act. They are mainly engaged in the production, marketing, and distribution of goods. A number of co-operative societies providing credit facilities have been registered in recent years under the Co-operation Act but, because of the nature of their business, they have been excluded from the summary of co-operative organizations given below. References to societies registered under the Co-operation Act are to be found on pages 281 to 283.

For statistical purposes, co-operative organizations have been defined as those producing, manufacturing, marketing, or distributing societies which substantially fulfil the following conditions :—

- (1) Dividend on share capital does not exceed 8 per cent.;
- (2) the greater portion of the business of the society is transacted with its own shareholders ;
- (3) any distribution of surplus, after payment of dividend on share capital, is amongst suppliers and customers, in proportion to the business done with the society ; and
- (4) voting powers are limited.

Societies have been divided into three classes, viz.: (1) Producers, (2) Consumers, and (3) Producers and Consumers. Included in the group of Consumers' Societies is a number of Community Societies registered under the Co-operation Act.

Particulars of co-operative organizations for the year 1958-59 are given in the following table :—

#### VICTORIA—CO-OPERATIVE ORGANIZATIONS, 1958-59

Particulars	Societies—			All Societies
	Producers'	Consumers'	Producers' and Consumers'	
Number of Societies .. ..	53	40	12	105
Membership .. .. .	35,285	22,854	7,334	65,473
	£'000			
Purchases .. .. .	14,547	2,854	5,712	23,113
Working Expenses, &c. .. ..	4,292	501	937	5,730
Interest on—				
Loan Capital .. .. .	54	23	14	91
Bank Overdraft .. .. .				
Rebates and Bonuses .. .. .	133	90	40	263
Total Expenditure .. .. .	19,026	3,468	6,703	29,197
Sales .. .. .	18,389	3,434	6,758	28,581
Other Income .. .. .	1,189	84	34	1,307
Total Income .. .. .	19,578	3,518	6,792	29,888
Dividend on Share Capital .. ..	173	20	30	223

## VICTORIA—CO-OPERATIVE ORGANIZATIONS, 1958-59—continued

Particulars	Societies—			All Societies
	Producers'	Consumers'	Producers' and Consumers	
	£'000			
<b>Liabilities—</b>				
Share Capital—Paid-up ..	2,355	579	465	3,399
Loan Capital .. ..	393	237	178	808
Bank Overdraft .. ..	1,103	250	73	1,426
Accumulated Profits .. ..	601	154	157	912
Reserve Funds .. ..	3,150	200	656	4,006
Sundry Creditors .. ..	2,225	215	684	3,124
Other .. ..	706	110	74	890
<b>Total .. ..</b>	<b>10,533</b>	<b>1,745</b>	<b>2,287</b>	<b>14,565</b>
<b>Assets—</b>				
Land and Buildings ..	5,726	725	1,275	7,726
Fittings, Plant, and Machinery }				
Stock .. ..	1,581	565	376	2,522
Sundry Debtors .. ..	2,405	321	428	3,154
Cash in Bank, in Hand, or on Deposit .. ..	305	56	116	477
Profit and Loss Account .. ..	172	18	6	196
Other .. ..	344	60	86	490
<b>Total .. ..</b>	<b>10,533</b>	<b>1,745</b>	<b>2,287</b>	<b>14,565</b>

**Public Trustee**

Under the provisions of the Public Trustee Acts, the Public Trustee is authorized to act as executor of wills, to administer intestate estates, or to act as an agent, attorney, or trustee. He is also authorized to act as custodian of assets under settlements and trusts.

The control of the estates of certified patients in mental hospitals is vested in the Public Trustee who is also empowered to assume control of the estates of persons who, by reason of mental or physical disability, are certified to be incapable of managing their affairs.

Consequent on the passing of the *Public Trustee Act 1948*, the Public Trustee Fund at the State Treasury was abolished and the proceeds of all estates, as from 1st October, 1948, were invested in a Common Fund under the control of the Public Trustee. In the following table, particulars of the Common Fund are shown for each of the years 1954-55 to 1958-59 :—

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

Particulars	1954-55	1955-56	1956-57	1957-58	1958-59
Proceeds of Realizations, Rents, Interest, &c. .. ..	2,332	2,205	2,488	2,948	3,362
Investments, Distributions, Claims, &c. .. ..	1,844	1,971	2,129	2,505	2,815
Cash Variation .. ..	488	234	359	443	547
Common Fund .. ..	2,615	3,103	3,336	3,695	4,138
<b>Balance at 30th June .. ..</b>	<b>3,103</b>	<b>3,337</b>	<b>3,695</b>	<b>4,138</b>	<b>4,685</b>

The numbers of applications for probate and administration (including election to administer) made by the Public Trustee for each of the years 1949-50 to 1958-59 are shown in the following table :—

VICTORIA—APPLICATIONS BY PUBLIC TRUSTEE FOR PROBATE AND ADMINISTRATION

Year	No.	Year	Number
1949-50	940	1954-55	1,126
1950-51	924	1955-56	1,089
1951-52	1,095	1956-57	1,135
1952-53	1,182	1957-58	1,130
1953-54	1,187	1958-59	1,066

The number of wills (under which the Public Trustee was appointed executor) lodged for safe custody during each of the years 1954-55 to 1958-59 was as follows :—1954-55, 2,170; 1955-56, 2,518; 1956-57, 2,561; 1957-58, 2,878; 1958-59, 2,936.

Trustees, Executors, and Agency Companies

There are eight trustee companies transacting business in Victoria. From their published balance sheets the following particulars for the year 1959 have been abstracted :—Paid-up capital, £530,530; reserve funds, &c., £641,132; sundry creditors, £69,869; accumulated profits, £82,446; other liabilities, £730,513; total liabilities, £2,054,490. The assets were :—Land and buildings, £953,542; loans on mortgage, £106,276; government loans, £280,373; guarantee funds, £142,400; sundry debtors, £79,234; other assets, £492,665; total assets, £2,054,490. Total income amounted to £1,138,763 and expenditure to £1,063,737, while bonuses paid or proposed totalled £56,200.

Probate Returns

The accompanying table shows the number and value of estates of deceased persons of each sex in connexion with which probates or letters of administration were finally completed during each of the years 1955 to 1959. Figures relating to estates administered by the Public Trustee are included.

VICTORIA—PROBATES AND LETTERS OF ADMINISTRATION

Year Ended 31st December—	Number of Estates	Gross Value of Estates—		Liabilities	Net Value of Estates	Average Net Value of Each Estate	
		Real	Personal				
		£'000	£'000	£'000	£'000	£	
MALES							
1955	..	6,841	16,759	27,418	2,571	41,606	6,082
1956	..	7,887	19,409	30,710	2,953	47,166	5,980
1957	..	8,258	20,046	33,559	2,749	50,856	6,158
1958	..	8,659	22,599	38,091	2,894	57,796	6,675
1959	..	8,657	22,824	33,582	2,124	54,282	6,270

VICTORIA—PROBATES AND LETTERS OF ADMINISTRATION—*continued*

Year Ended 31st December—	Number of Estates	Gross Value of Estates—		Liabilities	Net Value of Estates	Average Net Value of Each Estate
		Real	Personal			
		£'000	£'000	£'000	£'000	£
FEMALES						
1955 ..	5,298	9,014	12,715	1,235	20,494	3,868
1956 ..	5,802	10,140	14,391	1,054	23,477	4,046
1957 ..	6,465	10,688	16,640	1,032	26,296	4,067
1958 ..	6,359	11,194	17,641	1,201	27,634	4,346
1959 ..	6,510	12,319	18,759	1,292	29,786	4,575
TOTAL						
1955 ..	12,139	25,773	40,133	3,806	62,100	5,116
1956 ..	13,689	29,549	45,101	4,007	70,643	5,161
1957 ..	14,723	30,734	50,199	3,781	77,152	5,240
1958 ..	15,018	33,793	55,732	4,095	85,430	5,688
1959 ..	15,167	35,143	52,341	3,416	84,068	5,543

The number and value of estates dealt with in each of the years 1957 to 1959 grouped according to net value and distinguishing the estates of males from those of females, were as follows :—

## VICTORIA—NUMBER AND NET VALUE OF ESTATES OF DECEASED PERSONS

Group	1957		1958		1959	
	Number	Net Value	Number	Net Value	Number	Net Value
		£'000		£'000		£'000
MALES						
Under £100 .. ..	444	22	405	18	448	19
£100 to £300 .. ..	773	145	779	147	759	142
£300 to £500 .. ..	523	209	533	212	506	198
£500 to £1,000 .. ..	1,004	737	1,014	731	962	698
£1,000 to £2,000 .. ..	1,216	1,761	1,300	1,869	1,280	1,861
£2,000 to £3,000 .. ..	909	2,240	958	2,372	905	2,248
£3,000 to £4,000 .. ..	688	2,386	711	2,472	816	2,806
£4,000 to £5,000 .. ..	477	2,126	496	2,220	551	2,476
£5,000 to £10,000 .. ..	1,000	7,043	1,073	7,518	1,080	7,620
£10,000 to £15,000 .. ..	420	5,179	464	5,660	460	5,633
£15,000 to £25,000 .. ..	412	7,937	454	8,689	414	7,972
£25,000 to £50,000 .. ..	264	8,933	321	11,000	350	11,827
£50,000 to £100,000 .. ..	97	6,376	110	7,467	92	6,065
Over £100,000 .. ..	31	5,762	41	7,421	34	4,717
Total Males .. ..	8,258	50,856	8,659	57,796	8,657	54,282

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

Group	1957		1958		1959	
	Number	Net Value	Number	Net Value	Number	Net Value
		£'000		£'000		£'000
<b>FEMALES</b>						
Under £100 .. .. .	304	18	258	13	293	13
£100 to £300 .. .. .	650	123	592	110	621	120
£300 to £500 .. .. .	424	168	419	165	432	170
£500 to £1,000 .. .. .	865	631	769	567	744	542
£1,000 to £2,000 .. .. .	1,157	1,668	1,099	1,599	1,054	1,550
£2,000 to £3,000 .. .. .	821	2,032	793	1,954	805	1,975
£3,000 to £4,000 .. .. .	572	1,980	585	2,010	635	2,198
£4,000 to £5,000 .. .. .	337	1,508	392	1,745	439	1,952
£5,000 to £10,000 .. .. .	743	5,131	787	5,561	811	5,666
£10,000 to £15,000 .. .. .	269	3,238	303	3,695	305	3,719
£15,000 to £25,000 .. .. .	193	3,648	220	4,231	219	4,231
£25,000 to £50,000 .. .. .	98	3,300	117	3,824	112	3,761
£50,000 to £100,000 .. .. .	23	1,347	22	1,509	30	2,064
Over £100,000 .. .. .	9	1,504	3	651	10	1,825
Total Females .. .. .	6,465	26,296	6,359	27,634	6,510	29,786
Grand Total .. .. .	14,723	77,152	15,018	85,430	15,167	84,068

### Transfer of Land

#### *Torrens System*

The Torrens System of land dealings is embodied in the Transfer of Land Act. This system was conceived in South Australia by Robert Richard Torrens who, as Collector of Customs, was concerned with the complexity of even a simple land dealing of small value compared with the simplicity of transferring the ownership of a valuable ship. He was impressed by the method of recording in shipping registers, ownership of ships and shares.

In 1858, the South Australian Real Property Act was passed and, in the year 1862, Victoria adopted the Torrens System in its Real Property Act. All other States in Australia and various other countries have also copied this system.

Prior to 1862, Victoria had only one system of conveying land, known as general law conveyancing. This system is, in effect, a private arrangement between parties and no registration of any deeds is essential. Only about 1,250,000 acres of land in Victoria remain subject to this somewhat complex and uncertain general law system.

The Torrens System aims at five principles—simplicity, certainty, indefeasibility, flexibility, and cheapness—none of which characterizes general law conveyancing. The fundamental principle of the Torrens System is that the title to land and to interests in land (such as interest of mortgagees, transferees, &c.) depends upon registration of written instruments signed by the parties to the respective transactions, not upon the written deeds themselves.

The document of title to land under the Transfer of Land Act (Torrens System) consists of a Certificate of Title setting out a description identifying the land and a statement certifying who is the registered proprietor. Such statement is conclusive evidence and is guaranteed by the Government. Every time the land is transferred and the transfer is registered, the like guarantee and certification operates for the entry of the name of the new proprietor.

Whenever a mortgage is registered, the land is charged with payment of moneys secured. Certain statutory powers, such as sale or foreclosure, are conferred on the mortgagee in the event of default under the mortgage.

Any Certificate of Title can be searched at the Titles Office for a small fee and any person intending to deal with the registered proprietor of the land is not concerned to investigate any of the entries on the title such as the name of the registered proprietor, the encumbrances affecting such as easements or mortgages. The certainty of these particulars can be assumed, as, in terms of the Act, they are conclusive.

#### *Separate Certificates of Title to Flats*

Individual ownership of flats was first introduced into Victoria shortly after the Second World War when the expression "own your own flat" appeared in real estate advertising.

In the first type of flat ownership, a person became the "owner" of a flat by acquiring shares in a proprietary company which became the registered proprietor on the title to the site of the block of flats and was formed to control the management of the flats. Each flat "owner", as holder of a group of shares, became entitled to the exclusive occupation of a particular flat under an agreement with the company.

In 1953, a form of real ownership of a flat was introduced when the Office of Titles accepted a subdivision of a block of flats. This was an entirely new form of subdivision embodying a horizontal as well as a vertical division of a building. Separate Certificates of Title were issued for each lot on the subdivision representing a separate flat and these "stratum titles" show the heights from floor to ceiling level of each flat by reference to the datum for levels adopted by Melbourne and Metropolitan Board of Works (the high water mark on Port Phillip Bay).

Under this form of ownership evidenced by the issue of a Certificate of Title to each flat, the title for the residual land in the subdivision generally issues in the name of a service company. This comprises the grounds, garden, common stairways, land under the building and above the building, fences, foundations, and outbuildings.

Under stratum title flat ownership, a purchaser of a flat becomes the registered proprietor and the absolute owner in fee-simple of his flat. He can borrow money on the security of mortgage on the title to his flat; he can sell or lease his flat whenever he wishes without any restrictions, or he can dispose of his flat by his will. The flat may be sold on extended terms. (Under the shares in a proprietary company scheme, money cannot be borrowed upon the security of a group of shares.)

The service company is responsible for the general maintenance of the block of flats and for the provision of common services. Its shareholders comprise flat owners exclusively.



Each flat owner pays to the service company a service charge and maintenance contribution to cover the services provided by it.

The form of Certificate of Title is simple and section 98 of the Transfer of Land Act confers a statutory right for each flat to enjoy all necessary easements such as support, supply of water, gas, &c., over other parts of the building.

#### *Land Transfers, Mortgages, Liens, &c.*

A summary of land transactions under the Transfer of Land Acts in the Titles Office for each of the years 1955 to 1959 is given in the following tables :—

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

Year Ended 31st December—	Number of Transfers	Mortgages*		Number of—			
		Number	Amount	Entries of Executor, Adminis- trator, or Survivor	Plans of Sub- division	Other Dealings	Total Dealings
			£'000				
1955 .. ..	85,998	32,397	71,182	9,127	2,495	41,549	171,566
1956 .. ..	82,995	31,850	76,081	9,502	2,720	47,526	174,593
1957 .. ..	83,596	33,742	83,283	10,557	2,782	49,327	180,004
1958 .. ..	91,939	39,149	96,715	10,256	2,910	55,460	199,714
1959 .. ..	91,519	38,674	108,361	10,392	3,091	62,064	205,740

\* Excluding number and amount of mortgages given to secure overdrafts on current accounts.

### VICTORIA—TITLES OF LAND ISSUED

Year Ended 31st December—	Number of—			
	Certificates of Title	Crown Grants	Crown Leases	Total Titles
1955 .. ..	31,591	1,499	386	33,476
1956 .. ..	34,035	1,341	410	35,786
1957 .. ..	34,996	1,131	488	36,615
1958 .. ..	35,796	849	532	37,177
1959 .. ..	34,015	1,137	417	35,569

Mortgages, reconveyances, and conveyances registered under the *Property Law Act 1928* are shown in the following table. The *Property Law Act 1958* consolidated the 1928 Act and subsequent amending Acts.

### VICTORIA—DEALINGS UNDER THE PROPERTY LAW ACT

Year Ended 31st December—	Mortgages*		Reconveyances		Conveyances	
	No.	Amount £ '000	No.	Amount† £ '000	No.	Amount £ '000
1955 .. .. .	814	4,371	967	542	3,169	9,310
1956 .. .. .	868	3,842	948	349	3,054	7,939
1957 .. .. .	907	3,719	964	1,123	3,079	7,459
1958 .. .. .	858	2,454	979	649	3,088	10,783
1959 .. .. .	886	2,600	996	576	3,074	9,446

\* Excluding number and amount of mortgages given to secure overdrafts on current accounts.  
 † Excluding repayments designated "Principal and Interest".

The number and amount of stock mortgages, liens on wool, and liens on crops registered during each of the years 1955 to 1959 are shown in the following table. Releases of liens are not required to be registered as, after the expiration of twelve months, the registration of all liens is automatically cancelled. Very few mortgagors of stock secure themselves by a registered release.

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

Security	Year Ended 31st December—				
	1955	1956	1957	1958	1959
Stock Mortgages—					
Number .. .. .	329	474	455	332	368
Amount .. .. . £'000	343	571	521	422	371
Liens on Wool—					
Number .. .. .	209	253	260	338	366
Amount .. .. . £'000	313	415	538	692	785
Liens on Crops—					
Number .. .. .	136	105	101	99	131
Amount .. .. . £'000	35	20	18	47	49
Total—					
Number .. .. .	674	832	816	769	865
Amount .. .. . £'000	691	1,006	1,077	1,161	1,205

The following are the numbers and amounts of bills of sale which have been filed in each of the years 1955 to 1959 :—

### VICTORIA—BILLS OF SALE

Security	Year Ended 31st December—				
	1955	1956	1957	1958	1959
<b>Bills of Sale—</b>					
Number .. .. .	4,015	4,407	4,681	5,096	5,388
Amount .. .. . £'000	4,168	4,689	5,418	7,303	8,440

### Companies

#### General

Registration and operation of companies are controlled by the *Companies Act* 1958, which was proclaimed on 1st April, 1959.

#### Types of Companies

Companies may be incorporated either as unlimited companies, limited companies, or no liability companies. The most numerous are limited companies, namely, companies in which the liability of the members is limited to the amount (if any) unpaid on their shares, or (in the case of companies limited by guarantee) to a specified amount which the members undertake to pay in the event of the company being wound up. No liability companies, which may be formed only for mining purposes, are companies in which members take no liability for their shares.

Limited companies are divided into public and proprietary companies, the latter being required to have the word "proprietary" or the abbreviation "Pty." as part of their names. Public companies may be regarded as companies in which the public at large may hold shares; proprietary companies are companies whose membership is limited to 50. The transfer of shares in proprietary companies is restricted, and such companies may not invite the public to subscribe for shares or debentures or to deposit money with the company. Public companies are obliged to publish audited accounts; proprietary companies are exempt from this obligation.

#### Foreign Companies

Companies incorporated outside Victoria which have an established place of business in Victoria are required to register as "foreign companies".

#### Registration Fees

(1) Companies limited by shares and no liability companies—

Where the nominal capital does not exceed	£	s.	d.
£5,000	..	..	.. 15 0 0
Where the nominal capital exceeds £5,000,			
the above fee of £15 plus for every			
£1,000 after the first £5,000, up to			
£100,000	..	..	.. 0 15 0

	£	s.	d.
For every £1,000 after the first £100,000, up to £500,000 .. .. .	0	4	0
For every £1,000 after the first £500,000 ..	0	1	0
(2) Companies limited by guarantee—			
Where the number of members does not exceed twenty .. .. .	3	0	0
Where the number of members exceeds twenty but does not exceed 100 ..	10	0	0
Where the number of members exceeds 100 the above fee of £10 plus 10s. for every 50 members beyond the first 100— maximum fee .. .. .	60	0	0
(3) Foreign companies—			
In the case of a company limited by guarantee and not having a share capital, or having a share capital where the nominal capital does not exceed £100,000 .. .. .	30	0	0
In any other case .. .. .	50	0	0

The following table shows details of companies registered under Parts 1 and 2 of the *Companies Act 1938*. This Act and subsequent amending Acts were consolidated in the *Companies Act 1958* :—

#### VICTORIA—COMPANIES REGISTERED, ETC.

Particulars	1955	1956	1957	1958	1959
	No.				
New Companies Registered—					
Victorian Trading .. .. .	1,937	2,081	2,410	2,882	3,647
Foreign .. .. .	141	148	170	183	238
Mining .. .. .	3	4	2	3	1
Total .. .. .	2,081	2,233	2,582	3,068	3,886
	£'000				
Nominal Capital of New Companies—					
Victorian Trading .. .. .	96,190	98,701	125,550	135,789	159,702
Foreign .. .. .	91,669	99,876	63,921	120,912	129,264
Mining .. .. .	11	110	21	85	500
Total .. .. .	187,870	198,687	189,492	256,786	289,466
	No.				
Existing Companies*—					
Victorian Trading .. .. .	16,573	18,537	20,487	22,976	26,381
Foreign .. .. .	1,420	1,548	1,677	1,814	2,006
Total .. .. .	17,993	20,085	22,164	24,790	28,387
	£'000				
Increase in Nominal Capital of Victorian Trading Companies during Year .. .. .	90,997	77,163	117,685	114,437	138,333

\* Excluding mining companies.

## Stock Exchange of Melbourne

### General

The Stock Exchange of Melbourne was founded in 1885 with 53 members as a result of the reconstruction of two earlier bodies. A series of previous associations of brokers dates back to 1859 when the "Melbourne Stock Exchange" was formed.

Since the dissolution of the Victorian Stock Exchange in 1894, the growth of the present body has been continuous. The only other recognized Stock Exchanges in Victoria are at Ballarat and Bendigo, and originated in the gold mining era.

At September, 1959, the number of listed securities totalled 2,178 with a nominal value of £4,477 million; the market value would be considerably higher than this. Details are given in the accompanying table. It is interesting to note the steady growth of company debentures and unsecured notes over the four-year period.

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

Class of Security	Year Ended September—							
	1956		1957		1958		1959	
	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value	No. of Issues	Nominal Value
Commonwealth Loans ..	28	£m. 2,935	28	£m. 2,980	31	£m. 2,970	28	£m. 2,956
Semi-Government Loans ..	290	237	392	273	484	302	539	334
Foreign Government Loans ..	—	—	5	3	7	—	9	5
Industrial Company Securities—								
Debentures .. .. .	85	57	102	67	104	69	154	103
Unsecured Notes .. ..	76	24	104	31	148	54	187	76
Preference Shares .. ..	379	84	373	86	366	83	358	84
Ordinary Shares .. ..	706	609	718	708	726	769	754	835
Mining Company Securities ..	180	78	165	82	156	80	149	84
<b>Total .. .. .</b>	<b>1,744</b>	<b>4,024</b>	<b>1,887</b>	<b>4,230</b>	<b>2,022</b>	<b>4,331</b>	<b>2,178</b>	<b>4,477</b>

The Exchange operates two call rooms. In the main room, some 115 most active stocks are called five times daily, providing an almost continuous market.

In the second room, the remaining stocks are traded at two daily sessions commencing at 9.45 a.m. and 2.30 p.m.

A public gallery is provided and there are facilities for the press to report all transactions. Reports are also furnished by listed companies. Sales are reported over the Australian Broadcasting Commission direct from the Exchange twice daily and the official quotation sheets are distributed widely throughout Australia and beyond. Quotations are exchanged by teleprinter with other exchanges in Adelaide, Brisbane, and Sydney during each trading session.

Other recent new services include a documents clearing room for the exchange of securities between brokers (previously these were delivered to each broker's office), and a transfer marking service which expedites the delivery of transfers where a multiple share certificate cannot be delivered to two or more buyers. Daily cheque settlements between members are made at the Exchange.

Companies applying for listing on the Exchange are required to provide trading results and other information in more detail than is required by the Companies Act. Official list requirements of the Australian Associated Stock Exchanges (for which Melbourne is the Central Exchange) require that a company's memorandum and articles of association be in a specified form and that an adequate degree of disclosure is observed. All applications are examined by the committee before listing. In recent years, special conditions have been formulated for unsecured notes and "take-over" offers, neither of which is covered by company legislation. The control of prospectuses by the Exchange is recognized by the Victorian Companies Act.

### *Constitution and Rules*

The Exchange is an unincorporated association of brokers, the number of whom was increased from 134 to 144 in 1959. On the death or retirement of a member, his seat is available for purchase by a new candidate, subject to acceptance by the committee and to election by ballot of members. Specific qualifications for membership were introduced in 1958.

The Exchange is governed by a committee of twelve elected members of whom one is elected chairman each year.

Members' records are subject to annual audit.

Members are organized in some 60 firms ranging from single traders up to partnerships of as many as nine members. Branch offices have been established in country towns and interstate capitals with a network of agents and correspondents throughout Australia and beyond.

### *Underwriting Activities*

The basic purpose of the Exchange is to provide an orderly market for the purchase and sale of listed securities on a commission basis. Arising from this, a number of member firms have developed widespread underwriting activities throughout Australia, and the provision of new funds for industry and public authorities has been integrated with broking activities.

In the year to September, 1959, Melbourne members underwrote ten of the fifteen loans issued by semi-government authorities in Australia, in addition to 23 out of 37 debenture issues, and 33 out of 46 unsecured note issues. No statistics have been prepared for ordinary shares underwritten, but these have been frequent and substantial.

### Hire Purchase

The *Hire Purchase Act 1959* is the Victorian legislation regulating the rights and duties of parties to hire purchase agreements.

Under this Act, the hirer is protected in that, before an agreement is signed, the owner must furnish an itemized list setting out the cash price of the goods and the payments to be made under the agreement, so that the hirer is aware of the difference between the cash price and the total amount he must pay. The Act also provides, among other things, that every hire purchase agreement is to show the date on which the hiring commences, the number of instalments, the amount and time of payment of each instalment, as well as particulars of charges for terms, insurance, maintenance, &c., to show the total amount to be paid according to the agreement. Provision is also made for the hirer to assign his rights under an agreement subject to the owner's consent. Any fraudulent sale or disposal of the goods by the hirer is an offence against the Act.

The owner may repossess if the hirer falls into arrears with his instalments, but he must first serve notice on the hirer of his intention to repossess. The hirer may regain possession of the goods within 21 days of repossession if he pays arrears of instalments plus certain expenses incurred by the owner when repossessing. If the goods are sold, the hirer is liable for the owner's loss unless the selling price of goods repossessed is sufficient to cover that liability. If the selling price of the goods is more than sufficient to cover the liability, the hirer is entitled to a refund of the balance.

The statistics shown in the following table relate to businesses which finance the sale of goods by retail *but do not, themselves, retail goods*. These comprise public and private companies, partnerships, banks, and other finance businesses. Those businesses which finance hire purchase exclusively for their own employees are not included. The figures relate to all hire purchase agreements made by these

businesses in respect of goods sold by retail. All types of goods sold to final purchasers are included, whether producer goods (such as plant and machinery) or consumer goods :—

### VICTORIA—HIRE PURCHASE AGREEMENTS BY FINANCE COMPANIES

Class of Goods	Year Ended 30th June—				
	1955	1956	1957	1958	1959
<b>NUMBER OF AGREEMENTS MADE</b>					
Motor Vehicles, Tractors, &c.* ..	67,915	79,851	82,081	94,426	104,051
Plant and Machinery† ..	3,982	5,045	5,529	5,500	9,094
Household and Personal‡ ..	153,432	158,130	158,529	197,535	183,455
<b>Total Agreements</b> ..	<b>225,329</b>	<b>243,026</b>	<b>246,139</b>	<b>297,461</b>	<b>296,600</b>
<b>VALUE OF GOODS PURCHASED§</b> £ '000					
Motor Vehicles, Tractors, &c.* ..	48,671	58,326	59,287	69,120	78,358
Plant and Machinery† ..	2,314	3,142	3,739	3,971	5,605
Household and Personal‡ ..	11,715	13,019	15,048	26,341	22,902
<b>Total Value</b> ..	<b>62,700</b>	<b>74,487</b>	<b>78,074</b>	<b>99,432</b>	<b>106,865</b>
<b>AMOUNT FINANCED UNDER AGREEMENTS  </b> £ '000					
Motor Vehicles, Tractors, &c.* ..	28,872	35,284	37,192	43,427	49,477
Plant and Machinery† ..	1,401	1,913	2,370	2,495	3,586
Household and Personal‡ ..	9,529	10,589	12,111	21,438	18,747
<b>Total Amount Financed</b> ..	<b>39,802</b>	<b>47,786</b>	<b>51,673</b>	<b>67,360</b>	<b>71,810</b>
<b>BALANCES OUTSTANDING AT END OF YEAR ¶ </b> £ '000					
<b>All Classes of Goods</b> ..	<b>44,830</b>	<b>56,533</b>	<b>64,445</b>	<b>85,020</b>	<b>100,359</b>

\* Includes new and used motor cars, motor cycles, commercial vehicles, tractors, caravans, motor parts, and accessories.

† Includes farm machinery and implements, earth moving equipment, aircraft, industrial plant and machinery, business machines and equipment (including commercial refrigeration equipment), &c.

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

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

|| Excludes hiring charges and insurance.

¶| Includes hiring charges and insurance.