

PRIVATE FINANCE

BANKING

Banking in 1975

Official measures, introduced in late 1974 to counteract rising unemployment, led to rapid growth of the money supply in the March quarter 1975. Strong deposit growth, combined with a slow increase in loans outstanding (partly due to deferment of company tax instalments scheduled for February 1975) produced a sharp rise in bank liquidity—the liquid assets and government securities (LGS) ratio of the major trading banks rose from 22.8 per cent in December 1974 to a peak 30.0 per cent in April 1975. The money supply (all categories of bank deposits plus currency) increased at an annual rate of 26 per cent in the quarter ended March 1975.

From about this point in 1975, monetary policy was principally directed at ensuring sufficient finance for the basic needs of the economy, without fuelling inflationary demands. Consistent with this approach, the Reserve Bank moved to limit new and increased lending approvals in March 1975 and made four calls to Statutory Reserve Deposits (SRD), each of 1 percentage point in July, August, September, and November. The calls to SRD, along with the early repayment in July of a loan of \$112m provided to banks by the Reserve Bank in October 1974, withdrew about \$665m from the system.

Consequently, the rate of growth in the money supply tended to slow down as 1975 proceeded, although remaining relatively high by historical standards.

The 1975–76 Commonwealth Government Budget estimated a domestic deficit of \$2,068m, following the deficit of \$1,949m in 1974–75. Restraint on the deficit was consistent with the stance of monetary policy at the time. However, it rapidly became apparent that the deficit would in fact be much greater, largely because of a marked slowdown in income tax receipts (because of much slower than anticipated wage increases). Failure to contain the deficit, which in the six months to December 1975 was \$3,791m, intensified the problem of restraining money supply growth and inflationary pressures.

During the latter half of 1975, a fall of \$991m in Australia's reserves provided some offset to the impact of the Commonwealth Government deficit on money supply growth. The decline during the September quarter 1975 was largely a result of a smaller surplus in the balance of merchandise trade, whereas the fall in the December quarter was mainly due to accelerated capital outflow, apparently as a result of rumours of devaluation of the Australian dollar.

Markedly improved liquidity levels in 1975 removed the need for banks to compete for funds at high interest rates on Certificates of Deposit (CDs). As a

consequence CDs outstanding fell from \$1,876m in December 1974 to \$587m in December 1975.

The weighted average issue yield for CDs over the six months to December 1975 was 10.0 per cent, compared with a peak of around 20 per cent in May 1974, when banks were in difficulty maintaining the minimum LGS convention. Treasury Note yields were progressively eased (from 7.81 per cent to 7.19 per cent for 13 week notes) in the eight months to August 1975, while long term bonds rose from 9.5 per cent to 10.0 per cent. Of the large amount of \$682m raised in the August loan, less than half was placed for five years. In the October 1975 loan, which raised \$358m, there was a shift to longer terms.

Deposits

Total major trading bank deposits in Australia increased by \$2,993m to \$15,500m in 1975, compared with increases of \$441m and \$2,576m in 1974 and 1973, respectively. As noted above, CDs fell sharply by \$1,289m in 1975; term deposits, on the other hand, rose by \$2,801m and current deposits by \$1,481m. The ratio of term deposits (including CDs) to total deposits fell from 60.4 per cent to 56.0 per cent during the year.

Deposits with Australian savings banks rose by more than 18 per cent in 1975—by \$2,190m to \$14,006m. Growth of deposits was heavily centred on investment type accounts which rose by \$1,334m to \$4,734m and which represented 33.78 per cent of total savings bank deposits in December 1975. This unprecedented growth in savings bank deposits was probably attributable to rapid expansion of personal incomes and a high level of precautionary saving in the prevailing unsettled economic climate.

Total major trading banks deposits in Victoria rose by \$959m to \$4,336m in 1975, a marked contrast to the decline of \$58m in 1974. Victoria's share of major trading bank Australian deposits rose strongly over the year from 27.0 per cent to 28.0 per cent. Victorian savings bank deposits increased by \$763m to \$5,005m in 1975, following an increase of \$438m in 1974. The State's share of the Australian total increased over the year from 35.9 per cent to 36.2 per cent. In December 1975, Victorians had \$1,376 on average in savings bank accounts, compared with a national average of \$1,034.

Lending

In response to the easing in monetary policy in 1974, major trading banks increased their total new and increased lending commitments to a peak of \$132.4m per week (on average) in March 1975, compared with a low point of \$34.3m per week in the previous September. Subsequently, the major banks have contained their rate of new and increased overdraft commitments to around \$90m per week in compliance with Reserve Bank requests. Major trading bank advances rose by \$673m in 1975, compared with increases of \$1,377m and \$2,560m in 1974 and 1973, respectively.

The relatively subdued demand for bank lending, particularly for expansion purposes, is reflected in utilisation of overdraft limits, which fell over the year from 70.8 per cent to 62.3 per cent.

Major trading bank total advances in Victoria rose by \$298m to \$2,816m in 1975; Victoria's share of the Australian total was 27.7 per cent in December 1975, compared with 27.2 per cent a year earlier. Total lending by savings banks and building societies for housing remained high throughout 1975, with the latter lending an increasing proportion of the total. The bulk of lending was for existing homes. Savings banks' housing loans outstanding in Victoria

rose by \$563m to \$2,016m, at which level loans in Victoria represented 37.4 per cent of the Australian total in December 1975.

Further reference, 1976 ; History of banking in Victoria, 1961

Reserve Bank of Australia

The Reserve Bank of Australia is Australia's central bank which operates under legislative powers contained in the *Banking Act* 1959–1974 and the *Reserve Bank Act* 1959–1973. Its head office is in Sydney and branches are maintained in all State capitals, Canberra, Darwin, and London.

The Bank is responsible for regulating the Australian monetary and banking system ; it manages the note issue, performs banking and other services for government, is banker to the trading and savings banks, and administers exchange control. The Bank also distributes Australia's coinage on behalf of the Commonwealth Government, manages stock registries for Commonwealth Government debt, deals with banks in foreign exchange, and manages a central pool of the nation's gold and overseas currency reserves. Through its Rural Credits Department, the Bank makes short term loans to rural marketing authorities and co-operative associations of primary producers.

The Bank was established by Commonwealth legislation in 1911 as a body corporate with the name Commonwealth Bank of Australia. It initially carried on the general business of banking and the business of a savings bank ; these activities are now conducted in the family of banks within the Commonwealth Banking Corporation, established under the *Commonwealth Banks Act* 1959. The Reserve Bank Act preserved and continued in existence the original corporate body known as the Commonwealth Bank of Australia under the new name Reserve Bank of Australia. The Act came into operation on 14 January 1960 and from that date the Bank has been a completely separate central bank.

Responsibility for determining the policies of the Bank and ensuring that they are carried out is entrusted to the Reserve Bank Board which consists of the Governor of the Bank (Chairman), the Deputy Governor (Deputy Chairman), the Secretary to the Treasury, and seven other members appointed by the Governor-General. Under the Reserve Bank Act it is the duty of the Board, within the limits of its powers, "to ensure that the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia and that the powers of the Bank under this Act, the *Banking Act* 1959 and the regulations under that Act are exercised in such a manner as, in the opinion of the Board will best contribute to :

- (1) The stability of the currency of Australia ;
- (2) the maintenance of full employment in Australia ; and
- (3) the economic prosperity and welfare of the people of Australia."

Monetary policy, administered by the Reserve Bank, supplements the other branches of government economic policy, such as fiscal policy, exchange rate policy, and debt management policy. Realisation of the community's economic objectives can require an appropriate setting in each of the several policy instruments.

The Bank directly regulates bank liquidity through the dual mechanism of the Statutory Reserve Deposit (SRD) system and the liquid assets and government securities (LGS) convention. Interest rate and open market policies also bear indirectly on bank liquidity.

The Bank is also required to perform its functions and exercise its powers under the Financial Corporations Act with the same general objectives as its monetary and banking policy, as laid down in the Reserve Bank Act.

Financial statements

The Bank's liabilities and assets, for the years 1971-72 to 1975-76, are shown in the following table :

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

Particulars	1971-72	1972-73	1973-74	1974-75	1975-76
Liabilities—					
Capital and reserve funds	241	263	233	248	251
Australian notes on issue	1,449	1,633	1,958	2,374	2,762
Statutory Reserve Deposit accounts of trading banks	590	642	1,026	462	909
Other deposits of trading banks	96	84	54	52	42
Deposits of savings banks	745	1,201	1,311	1,057	1,090
Other liabilities	785	1,454	1,210	1,200	748
Total	3,906	5,277	5,792	5,393	5,802
Assets—					
Gold and foreign exchange	2,775	4,122	3,768	3,111	2,779
Australian notes and coin	11	19	19	22	21
Cheques and bills of other banks	4	5	9	7	7
Commonwealth Government securities— Redeemable in Australia—					
Treasury bills and notes	193	98	72	147	1,290
Other	524	407	730	1,041	907
Bills receivable and remittances in transit	45	39	46	48	69
Loans, advances, and all other assets	354	587	1,148	1,017	729
Total	3,906	5,277	5,792	5,393	5,802

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

Particulars	1971-72	1972-73	1973-74	1974-75	1975-76
Liabilities (excluding capital and contingencies)	253.7	202.2	167.3	147.3	201.2
Assets (loans, advances, etc.)	299.2	250.0	217.1	200.2	258.5

Further reference, 1966

Commonwealth banking legislation

Information about the provisions of Commonwealth banking legislation can be found on pages 648-50 of the *Victorian Year Book* 1966.

Commonwealth Trading Bank of Australia

The Commonwealth Trading Bank, a member bank of the Commonwealth Banking Corporation, is one of the largest Australian trading banks. With a history of more than sixty years of operation it provides banking services at more than 1,200 branches and agencies throughout Australia. At 30 June 1976 advances to customers were \$2,424m ; customers' deposits were \$3,607m or 23.4 per cent of total deposits of all major Australian trading banks ; and customers' accounts numbered 1,596,000.

The Bank offers a full range of domestic and international banking services including portfolio management, and nominee and share registry facilities. It supplies a wide variety of market information and financial assistance to exporters and importers. It also has a comprehensive network of agents and correspondent banks throughout the world, including branches in London, Papua New Guinea, and the Solomon Islands and a representative office in New York.

The Bank's services are complemented by :

- (1) A fully integrated retail travel service ;
- (2) a merchant banking facility through its affiliate Australian European Finance Corporation Limited ; and
- (3) a range of general financial services in the traditional areas of hire purchase, leasing, and consumer and commercial loans through the Commonwealth Banking Finance Company Limited which it owns jointly with the Commonwealth Savings Bank.

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

At 30 June—	Deposits repayable in Australia (Average for month of June)			Advances	Number of accounts
	Bearing interest	Not bearing interest	Total		
	\$m	\$m	\$m	\$m	'000
1972	979	748	1,727	1,105	1,216
1973	1,388	971	2,359	1,534	1,287
1974	1,667	928	2,595	1,887	1,357
1975	2,060	1,068	3,128	2,180	1,556
1976	2,310	1,297	3,607	2,424	1,596

Commonwealth Savings Bank of Australia

The Commonwealth Savings Bank of Australia was established in July 1912. It is the largest savings bank in Australia, having total assets at 30 June 1976 of \$5,673m.

At 30 June 1976 amounts on deposit with the Savings Bank within Australia totalled \$5,423m and it was conducting 8,026,000 active accounts. The Savings Banks' depositors' balances are widely invested in the development of Australia ; apart from advances (mainly for housing) of \$2,406m outstanding in 30 June 1976, investments in Commonwealth and State Government securities totalled \$1,428m and in local and semi-governmental securities amounted to \$1,269m.

During 1975-76 the Savings Bank approved housing loans totalling \$726m, enabling 41,500 families to buy their own homes.

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

The following table shows details of Commonwealth Savings Bank activities for the years 30 June 1972 to 1976 :

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

At 30 June—	Number of active accounts	Amount at credit of depositors	Loans and advances outstanding		Common- wealth and other securities held
			\$m	\$m	
	'000	\$m	\$m	\$m	
1972	7,633	3,421	1,175	1,862	
1973	7,780	4,023	1,290	2,018	
1974	7,569	4,333	1,476	2,367	
1975	7,865	4,840	1,940	2,576	
1976	8,026	5,423	2,406	2,697	

Commonwealth Development Bank

The Commonwealth Development Bank of Australia, which commenced operations on 14 January 1960, provides finance for the purpose of primary production and for the establishment or development of industrial and tourist undertakings, particularly small undertakings. It supplements the lending activities of the trading banks and other institutional lenders and may only provide assistance in circumstances where, in the opinion of the Bank, the finance sought would not otherwise be available on reasonable and suitable terms and conditions.

Loans are made to primary industry for a wide range of purposes: purchase of plant and livestock, pasture improvement, fodder and water storage, and conservation and erection of essential farm buildings (including housing). Loans are also made to assist with purchase of property for farm development or to enable a farmer with a marginally economic holding to build up his area to the extent reasonably required for economic operation in the longer term. In addition, loans are provided for the purchase of farm properties in appropriate circumstances other than for development and farm build-up; to assist with the holding together of a farming enterprise upon the death of a farm proprietor, and for the repayment of unsuitably short-term private mortgage debt and similar obligations.

The Commonwealth Development Bank also provides assistance to the fishing industry by way of construction loans for new vessels and gear and loans to improve the operating performance and functional activity of older boats. In appropriate cases, loans are made to finance change of ownership of fishing boats and also to finance the repayment of existing debt on fishing boats, arranged on unsuitable terms and conditions.

Loans to secondary industry are provided mainly to the manufacturing, construction, and transport industries. The Bank expects that the finance it provides to industrial enterprises will lead to increased production or improved productivity.

With regard to the tourist industry, the Bank expects that the finance it provides will lead to the establishment or improvement of undertakings providing accommodation or transportation for tourists, and other facilities designed to attract tourists, in locations away from main population centres. Except in special circumstances, the Bank does not approve loans for industrial and tourism purposes which merely involve change of ownership of assets or the taking over of debt from another lender.

The Bank also provides finance under hire purchase or other appropriate instalment payment arrangements for the acquisition of income-earning equipment used in primary production, industrial undertakings, and tourist undertakings.

Loan and equipment finance approvals for the year ended 30 June 1976 are shown in the following table:

COMMONWEALTH DEVELOPMENT BANK :
LOAN AND EQUIPMENT FINANCE
APPROVALS, 1975-76

Particulars	Number	Amount
		\$m
Loans	1,380	37.9
Equipment finance	6,083	45.2

Outstanding balances of loans made by the Commonwealth Development Bank to rural and non-rural industries at 30 June 1976 are shown in the following table:

AUSTRALIA—COMMONWEALTH DEVELOPMENT BANK : OUTSTANDING
LOAN BALANCES AT 30 JUNE 1976
(\$'000)

Rural loans		Non-rural loans	
Type of industry	Amount	Type of industry	Amount
Sheep	62,292	Engineering	6,625
Dairying	25,546	Chemicals	1,283
Cattle	89,674	Foodstuffs and preservation	9,329
Wheat	26,765	Electrical and allied	
Fruit growing	9,752	manufacturing	1,267
Poultry	3,468	Building materials and fittings	3,467
Other grain crops	8,957	Other manufacturing	4,272
Other rural industries	16,127	Transport, storage, and	
		communication	1,205
		Fishing	6,524
		Other non-rural industries	14,853
Total	242,581		48,825

Further reference, 1976 ; Australian Resources Development Bank Ltd, 1970

Trading banks

The following table shows the number of branches and agencies in Victoria conducted by individual trading banks at 30 June 1974 and 1975 :

VICTORIA—TRADING BANKS : NUMBER OF BRANCHES AND AGENCIES

Bank	At 30 June 1974		At 30 June 1975	
	Branches	Agencies	Branches	Agencies
Major trading banks—				
Commonwealth Trading Bank of Australia	146	83	149	96
Australia and New Zealand Banking Group Ltd	325	84	317	69
The Bank of Adelaide	2	..	2	..
Bank of New South Wales	185	10	192	10
The Commercial Bank of Australia Ltd	177	48	180	38
The Commercial Banking Co. of Sydney Ltd	153	37	153	36
The National Bank of Australasia Ltd	250	85	247	78
Total major trading banks	1,238	347	1,240	327
Other trading banks—				
Bank of New Zealand	1	..	1	..
Banque Nationale de Paris	1	..	1	..
Total other trading banks	2	..	2	..
Total all trading banks	1,240	347	1,242	327
Melbourne metropolitan area	739	160	743	154
Remainder of Victoria	501	187	499	173

The following tables show particulars of the averages of deposits with, and advances by, trading banks in Victoria during the month of June 1975. Comparable figures for the month of June for each of the preceding four years are also shown in the second table. The monthly averages are obtained by recording the amounts of deposits and advances at the close of business on Wednesday of each week.

VICTORIA—MAJOR TRADING BANKS : AVERAGES OF DEPOSITS
AND ADVANCES, MONTH OF JUNE 1975
(\$'000)

Bank	Deposits repayable in Australia			Loans (a), advances, and bills discounted
	Not bearing interest	Bearing interest	Total	
Commonwealth Trading Bank of Australia	202,190	330,637	532,826	452,378
Private trading banks—				
Australia and New Zealand Banking Group Ltd	474,681	657,407	1,132,087	854,840
The Bank of Adelaide	4,504	3,104	7,609	8,237
Bank of New South Wales	182,798	371,326	554,123	370,422
The Commercial Bank of Australia Ltd	194,010	317,972	511,982	405,657
The Commercial Banking Co. of Sydney Ltd	105,058	235,814	340,872	171,101
The National Bank of Australasia Ltd	274,086	499,315	773,400	488,579
Total	1,437,328	2,415,570	3,852,898	2,751,212

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

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

Month of June —	Deposits repayable in Australia			Loans (a), advances, and bills discounted
	Not bearing interest	Bearing interest	Total	
1971	988,424	978,679	1,967,103	1,369,305
1972	1,065,861	1,163,039	2,228,898	1,434,696
1973	1,389,221	1,572,730	2,961,949	1,824,796
1974	1,328,101	1,834,843	3,162,943	2,395,379
1975	1,437,328	2,415,570	3,852,898	2,751,212

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

A classification of persons and authorities in receipt of trading bank advances is shown in the following table. Business advances are classified according to the main industry of the borrower.

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

Classification	At second Wednesday of July—				
	1971	1972	1973	1974	1975
Resident borrowers—					
Business advances—					
Agriculture, grazing, and dairying	203.3	197.2	210.7	238.5	261.3
Manufacturing	309.9	298.8	311.0	529.5	571.0
Transport, storage, and communication	23.5	23.2	31.6	48.9	63.0
Finance	84.8	137.2	249.1	168.7	315.3
Commerce	199.2	193.9	236.8	333.8	330.3
Building and construction	42.6	41.8	67.0	84.0	94.1
Other businesses	235.9	262.4	301.5	362.0	431.4
Unclassified	16.7	14.1	19.6	19.5	28.4
Total business advances	1,115.9	1,168.6	1,427.3	1,785.0	2,094.7
Advances to public authorities	36.7	30.8	15.5	25.3	63.3
Personal advances	202.6	246.5	423.9	525.0	614.5
Advances to non-profit organisations	18.3	17.0	18.8	24.4	32.3
Total advances to resident borrowers	1,373.5	1,462.9	1,885.5	2,359.7	2,804.8
Non-resident borrowers	1.9	1.6	1.3	1.9	4.6
Grand total	1,375.3	1,464.5	1,886.8	2,361.6	2,809.5

The following table shows the average weekly amounts debited by trading banks to customers' accounts. Particulars relate to the operation of all trading banks transacting business in Victoria (as set out in the second table on page 598) and, in addition, the Rural Credits Department of the Reserve Bank and the Commonwealth Development Bank. Debits to Commonwealth and Victorian Government accounts at Melbourne city branches are excluded from the table.

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

Year	Average weekly debits	Year	Average weekly debits
1965-66	847.7	1970-71	1,647.3
1966-67	940.0	1971-72	1,808.7
1967-68	1,041.8	1972-73	2,373.2
1968-69	1,214.1	1973-74	2,719.0
1969-70	1,413.3	1974-75	3,000.8

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

State Bank

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

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

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

The State Bank is the largest savings bank in Victoria, having assets of \$2,860m at 30 June 1976. The deposits of its 3,500,000 operative accounts, held at 524 branches and sub-branches and 594 agencies, amounted to \$2,574m which represented approximately 47.9 per cent of all savings bank balances in Victoria.

Under a 1957 amendment to the State Savings Bank Act, the Bank was empowered to conduct cheque accounts which, except in the case of certain non-profit organisations, do not bear interest. At 30 June 1976 the Bank held 375,457 cheque accounts with balances of \$210m.

The installation of a computer in 1962, the first computer in any Australian bank, made it possible to centralise the transactions of large branches at the data processing centre at the Bank's Head Office. At 30 June 1976, 288 branches were served by the computer complex. These included 257 directly linked by telegraph line. The computer also processed many Head Office accounting functions.

The computer made it possible for the Bank to introduce a Christmas Club in November 1964 and a Calendar Club with a variable term arrangement in 1971. The Christmas Club has been well received and the idea has spread. For the year ending 30 June 1976, \$23.5m was paid out to members.

Secured and unsecured personal loans were introduced in November 1963. At 30 June 1976, 95,508 borrowers owed \$235m.

A 1973 Act amendment altered the provisions relating to the fixing of interest rates. Previously, changes in rates required the approval of the Governor in Council. Such a procedure involved some administrative delay, and sometimes placed the Bank at a competitive disadvantage compared with other banks announcing interest rate rises on deposits. The amendment removed the need for Governor in Council approval.

The Bank's powers were extended significantly in 1973 by amendments to the Savings Bank Act. A notable change, aimed at assisting decentralisation, was a provision enabling the Bank to lend funds to the newly established Victorian Development Corporation.

A new legislative provision introduced after the 1973 Victorian Budget required that, as from 30 June 1974, one half of the annual net profits of the Savings Bank Department would be paid into Consolidated Revenue. At the amendment Bill's second reading, the Victorian Treasurer pointed out that this provision was consistent with the general practice of other government banks in Australia.

To provide banking facilities for a rapidly expanding population, and to replace agencies formerly conducted by private banks, the State Bank increased the number of its branches and sub-branches from 267 in 1956 to 524 in 1976. In the same period many of the Bank's older branches were re-built or modernised to provide attractive premises for clients and staff.

Depositors' balances have increased from \$528.6m at 30 June 1956, the year in which private banks entered the savings field, to \$2,574m at 30 June 1976.

Housing and farm loans

The State Bank has been the largest single source of housing finance in Victoria since it introduced low cost long-term mortgage loans in 1910. At 30 June 1976, 97,354 housing loan borrowers owed a total debt of \$1,012m.

In less direct ways the Bank provides further assistance to home seekers. Overdraft accommodation has been provided to co-operative housing societies and, at 30 June 1976, \$3.1m was owed to the Bank by co-operative societies. The Bank also provides funds to the Home Finance Trust which, at 30 June 1976, owed the bank \$8.9m.

Rural interests are well served by long-term mortgage loans or short-term personal loans. Advances to farmers totalled \$4m in 1975-76 and at 30 June 1976, \$28.5m was outstanding from 1,506 borrowers.

Loans for essential services

Houses require such services as water, power, and sewerage, while such amenities as made roads, nearby baby health centres, and recreation areas are also important adjuncts to family living. The Bank lends considerable support to the semi-governmental and municipal authorities responsible for providing these services; the amount invested with them at 30 June 1976 was \$686.9m.

Loans to churches, schools, social organisations, etc.

The Bank has always been a source of finance for the erection of churches, school buildings, and community halls and for the provision of associated amenities. The advances to borrowers during 1975-76 totalled \$1.3m.

School banking

The State Bank's school bank system was introduced in 1912. At 30 June 1976 banking was provided at 2,430 schools for 466,196 depositors whose balances totalled \$9.9m.

Other facilities

The Bank also provides other services such as industrial savings facilities, bankcards, and facilities for travellers interstate and overseas.

The following table shows the number of accounts open and the amount remaining on deposit for the years ended 30 June 1972 to 1976 :

**VICTORIA—STATE BANK :
DEPOSITORS' ACCOUNTS**

At 30 June—	Number	Amount
	'000	\$'000
1972	2,961	1,344,716
1973	3,090	1,615,431
1974	3,209	1,862,302
1975	3,406	2,225,639
1976	3,497	2,575,292

The following table shows the transactions of the Bank for each year from 1971-72 to 1975-76 :

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

Year	Deposits	Withdrawals	Interest paid
1971-72	2,800,250	2,725,990	37,313
1972-73	3,619,360	3,387,172	56,271
1973-74	5,165,430	4,962,023	76,166
1974-75	8,492,067	8,169,974	114,256
1975-76	9,638,308	9,505,732	134,671

The following table shows the amounts advanced by the State Bank during each of the years 1971-72 to 1975-76 and the balances outstanding at the end of each year :

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

Year	Advances				Balances outstanding at end of year	
	Savings bank			Credit foncier	Savings bank	Credit foncier
	Housing (b)	Farms	Churches, etc.			
1971-72	82.0	2.3	1.0	8.0	363.3	146.4
1972-73	114.5	4.6	0.7	3.7	434.9	126.7
1973-74	167.6	6.6	0.7	1.5	550.7	107.0
1974-75	277.3	3.6	0.9	0.4	766.2	91.2
1975-76	302.4	4.0	1.3	0.4	991.6	75.4

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

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

The reserves of the State Bank at the end of each of the five years to 1975-76 were : 1971-72, \$53.3m ; 1972-73, \$60.6m ; 1973-74, \$63.8m ; 1974-75, \$67.2m ; and 1975-76, \$74.5m.

Further reference, 1976; History of the State Savings Bank, 1961

Private savings banks

Private savings banks have been operating in Victoria since January 1956, when two of the banks commenced operations in this field. By July 1962 seven banks were participating in this business, which were reduced to six from 1 October 1970, and increased to seven again from August 1972.

**VICTORIA—PRIVATE SAVINGS BANKS :
DEPOSITS AND PROPORTION OF ALL
VICTORIAN SAVINGS BANK DEPOSITS**

At 30 June—	Deposits in Victoria	Proportion of deposits with all savings banks in Victoria
	\$'000	per cent
1971	756,321	29.4
1972	855,606	30.0
1973	1,139,113	32.2
1974	1,214,312	30.9
1975	1,386,568	30.4

At 30 June 1975 private savings banks had 1,092 branches and 931 agencies throughout Victoria.

Total deposits, etc., in savings banks

The following table shows the amount of depositors' balances in each savings bank in Victoria at 30 June 1971 to 1975 :

VICTORIA—SAVINGS BANKS : DEPOSITS

Savings bank	Depositors' balances at 30 June—				
	1971	1972	1973	1974	1975
	\$'000	\$'000	\$'000	\$'000	\$'000
State Savings Bank of Victoria (a)	1,235,368	1,344,404	1,615,145	1,861,972	2,203,129
Commonwealth Savings Bank of Australia	583,663	651,944	784,549	853,858	978,443
Private savings banks—					
Australia and New Zealand Savings Bank Ltd	284,390	317,221	416,187	437,132	479,483
The Bank of Adelaide Savings Bank Ltd	1,519	1,754	2,366	2,383	2,976
Bank of New South Wales Savings Bank Ltd	171,510	191,148	243,889	255,167	295,282
Bank of New Zealand Savings Bank Ltd (b)	330	494	508
The Commercial Savings Bank of Australia Ltd	81,926	95,758	134,978	148,414	181,162
C.B.C. Savings Bank Ltd	80,137	91,740	126,329	136,536	154,612
The National Bank Savings Bank Ltd	136,839	157,987	215,034	234,186	272,545
Total deposits	2,575,352	2,851,956	3,538,807	3,930,142	4,568,140
	\$	\$	\$	\$	\$
Deposits per head of population	735	804	987	1,084	1,246

(a) Including school bank and deposit stock accounts, but excluding balances held in London.

(b) Bank of New Zealand Savings Bank Ltd commenced in August 1972.

NON-BANKING

Introduction

Financial institutions specialise in borrowing and lending funds. They act as intermediaries between holders of surplus funds (i.e., funds surplus to their current spending or investment requirements) and seekers of funds (whose current and/or future fund requirements exceed their holdings of liquid funds).

This intermediation activity can be distinguished from direct financing where lenders and borrowers actually meet or where firms, for instance, raise capital from primary lenders. The success of financial intermediaries is dependent on their ability to satisfy the needs of borrowers and lenders efficiently. In this context their ability to meet not only existing needs but emerging demands is of paramount importance.

In line with the rapid transformation of the Australian economy over the last twenty years, the range and variety of financial institutions have expanded considerably. Some general factors contributing to the growth of the Australian private financial sector include changes in the industrial structure of the economy, changing levels of incomes and wealth, and changes in community spending patterns. These factors have in turn led to altered preferences for asset acquisition—between physical and financial assets—and to the development of preferences for particular types of financial assets. Price expectations, anticipated income levels, community views on real and nominal rates, and the general level of business and consumer confidence also play a part in the eventual demand for financial assets.

The expansion of the financial sector has been paralleled by the development of a range of government policies and regulations for social and economic objectives. These have been implemented with the aim of protecting lenders through limiting risks on some claims, influencing the allocation of funds and/or by affecting the relative attractiveness of different sorts of liabilities and assets. Official controls exercised upon some of the financial institution groups, e.g., in portfolio structure (particularly the holding of government securities), officially controlled interest rate ceilings, and asset ratio requirements, have been instrumental in affecting relative rates of growth between finance groups.

The following table shows the categories of financial organisations operating in the Australian economy :

AUSTRALIA—TOTAL ASSETS OF FINANCIAL INSTITUTIONS (a)

Financial institutions	At 30 June				
	1970	1971	1972	1973	1974
	AMOUNT OF TOTAL ASSETS				
	\$m	\$m	\$m	\$m	\$m
Trading banks	8,004	8,488	9,640	12,573	15,340
Savings banks	7,504	8,074	8,873	10,730	11,766
Other banking institutions	467	588	677	669	737
Banks (consolidated) (b)	15,650	16,818	18,803	23,507	27,362
Reserve Bank	3,119	3,550	4,451	5,600	6,360
Life insurance offices	5,481	6,064	6,724	7,577	8,282
Public pension funds	1,717	1,916	2,204	2,506	2,598
Private pension funds	1,597	1,759	1,942	2,169	2,450
Non-life insurance offices	1,799	2,020	2,313	2,625	3,062
Finance companies (c)	3,810	4,467	5,690	7,889	9,688
Merchant banks	713	893	1,520	2,118	2,249
Building societies	1,959	2,337	2,918	3,825	4,521
Authorised money market dealers	667	773	1,103	878	488
Credit co-operatives	124	171	249	365	484
Pastoral finance companies	679	665	640	752	820
Unit trusts, land trusts and mutual funds	251	266	294	349	393
Investment companies	344	300	338	394	390
Other financial institutions	308	399	556	708	859
Total	38,218	42,398	49,745	61,262	70,006

AUSTRALIA—TOTAL ASSETS OF FINANCIAL INSTITUTIONS (a)—*continued*

Financial institutions	At 30 June				
	1970	1971	1972	1973	1974
	PROPORTION OF TOTAL ASSETS				
	per cent	per cent	per cent	per cent	per cent
Trading banks	20.9	20.0	19.4	20.5	21.9
Savings banks	19.6	19.0	17.8	17.5	16.8
Other banking institutions	1.2	1.4	1.4	1.1	1.1
Banks (consolidated) (b)	40.9	39.7	37.8	38.4	39.1
Reserve Bank	8.2	8.4	8.9	9.1	9.1
Life insurance offices	14.3	14.3	13.5	12.4	11.8
Public pension funds	4.5	4.5	4.4	4.1	3.7
Private pension funds	4.2	4.2	3.9	3.5	3.5
Non-life insurance offices	4.7	4.8	4.7	4.3	4.4
Finance companies (c)	10.0	10.5	11.4	12.9	13.8
Merchant banks	1.9	2.1	3.1	3.5	3.2
Building societies	5.1	5.5	5.9	6.2	6.5
Authorised money market dealers	1.7	1.8	2.2	1.4	0.7
Credit co-operatives	0.3	0.4	0.5	0.6	0.7
Pastoral finance companies	1.8	1.6	1.3	1.2	1.2
Unit trusts, land trusts, and mutual funds	0.7	0.6	0.6	0.6	0.6
Investment companies	0.9	0.7	0.7	0.6	0.5
Other financial institutions	0.8	0.9	1.1	1.2	1.2
Total	100.0	100.0	100.0	100.0	100.0

(a) Preliminary figures.

(b) Discrepancies in totalling "trading banks", "savings banks", and "other banking institutions" are a result of netting effects.

(c) Including assets of general financiers, i.e., companies other than those borrowing from the general public.

It should be noted that the importance of these institution groups cannot be exclusively gauged from their size or even relative sizes. Some may be quite important as brokers between borrowers and lenders, while holding very small assets on their own account. Aspects such as competitive relationships between groups and changes in roles or functions are not evident, and a clear distinction is difficult between some of the categories, e.g., finance companies and merchant banks.

The private banking sector which in 1953 had almost 60 per cent of total assets was, twenty years later, in a less dominant position with about 40 per cent in 1972. This relative decline was greatest during the 1950s when increasing financial needs encouraged the growth of more specialist intermediaries and restrictive monetary policies tended to weaken the banks' competitive position—banks subsequently acquired direct and indirect equity interests in finance companies and merchant banks.

During the 1960s official policies and attitudes became directed towards improving the competitiveness of the banking system and ensuring that controls were more market-orientated. Trading banks recorded a 7.4 per cent annual growth rate compared with 9.5 per cent for all institutions during the 1960s, reflecting the steady decline in demand deposits as a proportion of investors' portfolios. Banks have generally sought to provide a fairly comprehensive range of financial services while other financial institutions have tended to concentrate on specialist areas or in new and more rapidly expanding sectors of finance. However, over recent years there has been a clear strengthening of banks' competitiveness compared with other institutions. On the borrowing side greater flexibility has been introduced in fixed deposit terms and in the introduction of certificates of deposit, while on the lending side, new arrangements allowing banks greater discretion in the setting of overdraft rates have been of prime importance

in enabling trading banks to recoup ground lost previously to other financial intermediaries.

Major factors in financing the growth of savings banks over the last twenty years have been the entry of the private savings banks in the 1950s and, in more recent times, the pressing competition of the permanent building societies. In the past decade the growth rate of the building societies has been very rapid, reflecting such factors as rising incomes, expectations within the community as to the standard of housing demanded, and the widening of deposit gaps. The societies' ability to service the demand for larger loans and higher percentage (of valuation) loans has been facilitated by the introduction of mortgage insurance in 1965.

Life offices over the period under review have been able to maintain a solid rate of growth and also to retain their relative position in the proportion of total assets held. Although their potential for pursuing fully flexible portfolio policies has been limited somewhat by a taxation arrangement which induces them to keep at least 30 per cent of their assets in public sector securities, they have, on the other hand, benefited from other taxation incentives. Income tax deductibility, to a maximum over recent years of \$1,200 per annum, of premiums paid by policy holders on life assurance, has materially underwritten life offices' growth rate of assets and premium income.

Instalment credit companies, now more commonly called finance companies, have exhibited strong growth in recent years (a compound annual rate of growth of 11.4 per cent in the ten years to 1970 with rather faster growth since). Their annual growth rate of over 30 per cent in the 1950s was effectively checked by the economic measures of November 1960. Reflecting the need to fund new outlets for funds these companies have moved away from their early pattern of financing mainly consumption spending and now lend as well to business and land development companies. Housing and construction also form a significant segment of their lending spectrum.

The assets of money market corporations or merchant banks, more than doubled in the years 1970-1972 after exhibiting rapid growth during the 1960s. The number of companies in this sector has risen strongly and the scope of their operations has increased. These institutions offer a wide range of services including accepting and discounting of commercial bills, the arrangement and provision of short or medium term finance, operations in short term money market activities, and underwriting or sub-underwriting security issues. Many also specialise in corporate advice and portfolio management services. (Time series data of balance sheet items and other activity of most of these merchant banks are not yet available in official statistics.)

Credit co-operatives have had a very rapid expansion over recent years. Based on the mutual principle, they have a negligible bad debt record and because of low operation costs, allow adequate returns for small savers and lower costs to borrowers.

Unlike most other groups surveyed, unit trusts have experienced limited growth in Australia.

Changes in the growth rates and relative importance of financial institutions have in many ways been influenced or affected by official policies and the changing structure of the Australian economy during the 1950s and 1960s; the 1970s could see even more rapid changes. New demands by a resource-rich economy could not only call forth new government directions and needs, but new initiatives. Officially sponsored structural changes in the economy may also alter the rules and environment under which financial institutions have to operate.

Finance companies

A comprehensive account of the scope of statistics relating to the lending operations of finance companies and further details of the transactions of finance companies can be found in the publication *Finance Companies Transactions, 1973-74* (reference number 5.13). Finance companies, like other financial

institutions, are distinguishable from non-financial institutions in that they deal mainly in financial assets as opposed to physical goods and non-financial services. However, whilst the various classes of financial institutions are commonly acknowledged as possessing individual traits, it is difficult to formulate precise and mutually exclusive definitions in respect of each class. For the purpose of these statistics, finance companies are defined as incorporated companies which are engaged mainly in providing to the general public (businesses as well as private persons) credit facilities of the following types: hire purchase and other instalment credit for retail sales, wholesale finance, personal loans, other consumer and commercial loans, factoring, financial leasing of business plant and equipment, and bills of exchange. The finance companies covered in these statistics, insofar as they provide instalment credit for retail sales, are also included in the statistics of instalment credit for retail sales (see below and page 608). Incorporated finance companies which are not subsidiaries of other finance companies and have total balances outstanding on finance agreements of less than \$500,000 are excluded.

Companies mainly engaged in financing the operations of related companies ("related" as defined in the Companies Act) are included if they finance:

- (1) The sales, by unrelated business, of products of related companies, or
- (2) the sales of related companies where the related companies write agreements with the general public.

Excluded from the statistics are companies lending funds to:

- (1) Related companies to enable such companies to finance their sales;
- (2) related finance companies; or
- (3) related companies which are not engaged in providing credit facilities to the general public.

Also excluded are the following classes of financial and quasi-financial institutions: banks; life insurance companies; fire, marine, and general insurance companies; authorised dealers in the short-term money market; pastoral finance companies; investment companies; unit trusts, land trusts, mutual funds, and management companies for the foregoing trusts and funds; pension and superannuation funds; building societies; friendly societies; and credit unions.

VICTORIA—FINANCE COMPANIES (\$m)

Year	Instalment credit for retail sales	Personal loans	Wholesale hire purchase	Other consumer and commercial loans	Factoring	Total
AMOUNTS FINANCED (a)						
1970-71	266.4	48.1	252.6	546.6	48.3	1,162.0
1971-72 (b)	246.2	64.2	279.9	808.0	49.1	1,447.5
1972-73	254.9	83.5	305.8	678.6	54.9	1,377.7
1973-74	(d) 250.6	109.6	427.0	978.1	80.6	1,845.9
1974-75	251.5	111.3	500.9	509.7	98.5	1,471.9
BALANCES OUTSTANDING AT 30 JUNE						
1971	423.2	67.9	41.8	404.3	13.5	950.7
1972 (b)	418.9	85.4	51.2	593.9	13.1	1,162.5
1973	422.2	109.9	43.3	676.9	15.4	1,267.8
1974	(d) 392.9	164.2	66.3	1,095.3	23.4	1,742.1
1975	420.1	189.3	89.4	1,197.2	24.1	1,920.0
COLLECTIONS AND OTHER LIQUIDATIONS OF BALANCES (c)						
1970-71	314.4	50.6	252.2	504.3	56.9	1,178.5
1971-72 (b)	324.4	61.8	272.6	705.4	56.4	1,420.6
1972-73	329.5	87.1	316.1	593.1	61.6	1,387.4
1973-74	(d) 298.6	106.5	412.4	784.5	84.5	1,686.6
1974-75	303.2	128.5	483.8	593.7	115.3	1,624.5

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

(b) From July 1971 companies with balances less than \$500,000 are excluded.

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

(d) From 1973-74, instalment credit excludes "producer"-type goods.

Instalment credit for retail sales

Instalment credit schemes which relate primarily to the financing of the retail sales of consumer commodities are covered by these statistics. The term instalment credit is defined as relating to schemes in which repayment is made by regular predetermined instalments (either by amount or by percentage of amount financed or balance outstanding) and includes schemes such as hire purchase, time payment, budget accounts, and personal loans.

From July 1973, businesses covered by these statistics are incorporated finance companies (as defined on pages 606-7), retail establishments which come within the scope of the Census of Retail Establishments, and unincorporated finance businesses provided that their outstanding balances on instalment credit schemes are \$500,000 or more for the whole of Australia. Banks, credit unions, and insurance companies financing retail sales of consumer commodities are at present excluded. Also excluded are credit schemes which do not involve regular predetermined instalments, credit transactions which relate mainly to financing of "producer" type goods (e.g., plant and machinery, tractors and commercial type vehicles), and credit transactions involving sale of land and buildings, property improvements, travel, services such as repair and maintenance work, and the leasing and rental of goods. A detailed account of the scope of these statistics may be found in the publication *Instalment Credit for Retail Sales, July-September 1973* (reference number 5.46), issued by the Central Office of the Australian Bureau of Statistics.

VICTORIA—INSTALMENT CREDIT FOR RETAIL SALES (INCLUDING HIRE PURCHASE), AMOUNTS FINANCED BY COMMODITY GROUPS (a) (\$m)

Year	Motor vehicles, etc.	Household and personal goods	Total
FINANCE COMPANIES			
1973-74	200.5	50.1	250.6
1974-75	200.8	50.8	251.5
OTHER BUSINESSES			
1973-74	1.5	74.0	75.6
1974-75	1.5	76.4	77.9
ALL BUSINESSES			
1973-74	202.0	124.1	326.1
1974-75	202.3	127.2	329.4

(a) Excludes hiring charges, interest, and insurance.

NOTE. Balances outstanding at 30 June 1974, \$445.1m and at 30 June 1975, \$464.6m.

VICTORIA—RETAIL HIRE PURCHASE OPERATIONS : AMOUNTS FINANCED BY COMMODITY GROUPS FOR ALL BUSINESSES (a) (\$m)

Year	Motor vehicles, etc.				Household and personal goods	Total
	New	Used	Other (b)	Total		
1973-74	46.8	67.1	8.6	122.5	48.1	170.6
1974-75	49.3	52.1	13.9	115.3	44.0	159.3

(a) Excludes hiring charges, interest, and insurance.

(b) New and used motor cycles, boats, caravans, trailers, motor parts, and accessories.

Short-term money market

The short-term money market in Australia includes nine dealer companies which specialise in the business of borrowing money, investing borrowed funds in an approved range of assets, and buying and selling such assets. Four of

these companies have head offices in Melbourne and five in Sydney, but representation is Australia-wide.

Known as authorised dealers, each of these dealer companies has been accredited by the Reserve Bank. Such accreditation has significance both for the dealers and for their clients, the most important aspect being that by acting as "lender of last resort" the Bank provides liquidity to dealers, in that they can borrow from the Bank against the bulk of their assets. The Bank does not, however, accept responsibility for the repayment of a dealer's individual loans or for solvency generally.

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

AUSTRALIA—SHORT-TERM MONEY MARKET: AUTHORISED DEALERS:
LIABILITIES CLASSIFIED BY TYPE OF CLIENT AT 30 JUNE (a)
(\$m)

Clients	1971	1972	1973	1974	1975
All trading banks	189.2	369.3	212.9	130.4	243.5
Savings banks	77.7	69.0	125.5	51.6	80.5
Insurance offices	26.8	44.8	48.9	12.1	50.2
Superannuation, pension, and provident funds	22.4	19.3	16.1	11.8	26.8
Hire purchase and other instalment credit companies	6.1	11.7	7.7	1.5	14.9
Companies, n.e.c.	155.3	253.3	209.4	63.7	180.5
Commonwealth and State Governments	91.9	100.3	75.6	57.6	110.5
Local and semi-government authorities, n.e.c.	70.0	99.8	91.2	72.0	115.5
All other lenders (including marketing boards and trustee companies)	41.5	71.1	51.0	38.9	27.6
Total	680.8	1,038.7	838.2	439.5	850.0

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

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

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

Month	Interest rates on loans accepted during month				Weighted average interest rate on loans outstanding (a)
	At call		For fixed periods		
	Minimum	Maximum	Minimum	Maximum	
September 1974	0.50	16.60	2.10	13.70	7.15
December 1974	0.01	14.00	1.50	10.20	7.00
March 1975	1.00	13.00	3.00	10.50	7.67
June 1975	1.50	14.10	3.00	11.50	6.72
September 1975	3.00	13.50	5.00	9.50	7.52
December 1975	1.00	15.00	2.50	10.00	7.23
March 1976	1.00	13.00	4.00	9.50	6.54

(a) To June 1975, weighted average of rates on clients' loans outstanding on each Wednesday of the month. From July 1975, weighted average of rates paid on all days of the four or five weeks ending on the last Wednesday of the month.

The Bank maintains close supervision over the categories of assets which the dealers may acquire. The vast majority of dealers' assets must comprise Commonwealth Government securities (including Treasury notes) maturing within five years. In addition, dealers may deal in and hold securities of public authorities (i.e., semi-government and local government), securities of the Australian Industry Development Corporation, and banks' Certificates of Deposit (all of the foregoing securities must mature within five years) plus bank accepted or endorsed commercial bills (without formal limit as to maturity). Also, a very small part of dealers' funds may be held in non-bank commercial bills and such other assets as they might choose, including securities longer than five years to maturity. It is against Commonwealth government securities up to five years to maturity (including semi-government and local government) that dealers may borrow under the last resort arrangement.

Dealers stand ready to buy and sell securities; aggregate figures of turnover of Commonwealth Government bonds and notes have averaged more than \$200m per week in recent years.

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

Month	Commonwealth Government securities (face value) (b)			Commercial bills (c)	Banks' Certificates of Deposit
	Treasury notes	Other	Total		
September 1974	244.7	208.6	453.3	59.0	24.7
December 1974 (d)	193.0	381.6	574.6	73.0	51.0
March 1975	218.7	456.0	674.7	61.5	68.9
June 1975	479.2	134.1	613.3	83.7	47.9
September 1975	298.1	436.2	734.3	76.4	45.2
December 1975 (d)	289.1	562.5	851.6	62.2	34.6
March 1976	353.6	593.6	947.2	108.5	39.8

(a) Average of securities holdings on the Wednesdays of the month.

(b) Not more than five years to maturity.

(c) Accepted or endorsed by banks.

(d) Holdings on one Wednesday of the month have been excluded.

Companies

Company legislation

In recent years the Victorian Parliament has given much attention to company legislation and, following the passage of a new Companies Act in Victoria in 1958, company legislation has been passed throughout Australia in substantially similar form. In Victoria the current legislation is the *Companies Act 1961* and subsequent amendments. A special article on company law in Victoria appears on pages 893-5 of this *Year Book*.

The following table shows details of companies registered during each of the years 1971 to 1975 :

VICTORIA—COMPANIES REGISTERED, ETC.

Particulars	1971	1972	1973	1974	1975
	number	number	number	number	number
New companies registered—					
Victorian	5,895	5,103	6,359	5,047	6,651
Other	516	503	461	451	391
Total	6,411	5,606	6,820	5,498	7,042

VICTORIA—COMPANIES REGISTERED, ETC.—*continued*

Particulars	1971	1972	1973	1974	1975
	\$'000	\$'000	\$'000	\$'000	\$'000
Nominal capital of new companies—					
Victorian	224,371	122,067	202,019	112,135	89,974
Other	361,536	291,966	138,157	225,582	104,120
Total	585,907	414,033	340,175	337,717	194,094
	'000	'000	'000	'000	'000
Approximate number of existing companies (at end of year)—					
Victorian	64	68	74	77	82
Other	5	5	5	6	6
Total	69	73	79	83	88
	\$'000	\$'000	\$'000	\$'000	\$'000
Increase in nominal capital of Victorian companies during year	832,693	518,772	650,134	778,507	544,912

Further reference, 1976 ; Company registration fees, 1964 ; Company law in Victoria, 1974

Stock Exchange of Melbourne

The Stock Exchange of Melbourne was established in 1859, since which time there has been continuous growth in share ownership and large amounts of capital have been raised for public works and for the expansion of industry. In these ways the Stock Exchange has played an important role in the economic development of Australia as well as of the State. The basic function of the Stock Exchange is to provide the means by which investment securities, stocks, bonds, shares, etc., may be conveniently bought and sold. The type of market has developed over the years from the "callroom" style of trading to the present post-trading method which is practised in most exchanges throughout the world.

The Stock Exchange of Melbourne Limited was incorporated as a company limited by guarantee under the Companies Act on 1 July 1970 in order to enable it to operate more efficiently as a legal entity. New Memorandum and Articles of Association were adopted to replace the former Rules and Regulations. At 30 June 1975 membership numbered 164 and there were 37 non-member partners.

At 30 June 1976 membership numbered 169, and member firms 32. During the year 41 members were elected.

The 1975-76 financial year was the last in which "seats" provided the basis for Membership of the Exchange, and in effect, a licence to operate as a sharebroker in Melbourne. A new system has been designed to open up membership of the Exchange to any person of good character who has the appropriate qualifications, experience, and financial standing. Under the old system there were 169 seats, whereas the new system provides for a membership of 250.

Official List requirements

The Listing Manual of the Australian Associated Stock Exchange prescribes the conditions under which company securities were granted and retain listing. It includes a Company Secretary's Guide which details the actions required with reference to listing regulations. In order to provide for changing conditions, a further 85 amendments were made to the Official List Requirements of the Australian Associated Stock Exchanges during 1974-75. Changes included the following :

- (1) The minimum value of shares for initial listing of a mining company was raised from \$300,000 to \$500,000 ;
- (2) quarterly reports for mining companies were expanded to cover location of mineral areas held or relinquished with particulars of loans ;
- (3) in takeover situations, additional information was prescribed following the acquisition of control of a listed company by an unlisted entity ; and
- (4) the terminology of half-yearly and preliminary final reports was re-drafted to conform with new accounting standards ; results must now be expressed in absolute money terms, rather than percentage variations as previously.

Two supplements to the Listing Requirements were prepared during the year 1975-76 : Supplement 14, effective 31 December 1975, and Supplement 15, effective 1 July 1976. These amendments involved over twenty major changes to the Requirements. Numerous minor amendments were also made during the period, including a number to the Company Secretary's Guide.

Stock market during 1974-75

The All Ordinaries Index opened at 135.84, and declined steadily to a low point of 94.49 on 27 September, this being the first time that the Index had passed through its 1960 base of 100 since 1965. Prices steadily improved to 117.78 on 15 November, declined again to 107.63 on 10 January, and recovered to 130.65 on 14 February. The level was relatively stable to June, when it closed at 131.71, down 3 per cent for the year and 39 per cent above the September 1974 low. The 50 Leaders Index followed the pattern of the All Ordinaries, but closed higher at 146.24, a decrease of 1 per cent for the year.

The total value of turnover fell by a further 9 per cent to \$863m, the lowest since 1967, when the total was \$596m.

In loan securities, the total rose by 80 per cent, comprising a rise in Commonwealth Government securities offset by falls in the other two categories. Bond turnover peaked in December at \$87m, comprising 22 per cent of the year's total.

In share securities, decreases were recorded in all three categories, the total being 37 per cent lower at \$453m. For the fourth successive year, the value of industrial turnover exceeded that of mining, which represented 29 per cent of the total. Total share turnover of \$453m was the lowest since 1967, when the total was \$367m.

Volume trends were similar, but the fall of 15 per cent in share securities was lower than the fall in values at 37 per cent. The number of transactions fell by a further 20 per cent to 331,500, the lowest shown in the table. Monthly turnover of equity shares peaked in May at \$47.2m, the low point being in December at \$23.3m.

Stock market during 1975-76

The All Ordinaries index opened the year at 132.61, reached a high point of 169.52 on 22 June 1976, and closed the year 27 per cent higher at 167.76. The 50 Leaders index followed a similar trend, closing the year 25 per cent higher at 182.88.

All 22 index groups recorded rises in 1975-76, the largest increase being of 61 per cent in Group 8, Textiles and Clothing. The Metals and Minerals group closed the year 32 per cent higher at 452.72.

Total value of turnover on the Exchange rose 32 per cent to \$1,138m, after decreases in each of the immediately preceding two years.

All three categories of share securities recorded higher turnover, the total value being 41 per cent higher at \$640.3m. The value of industrial turnover exceeded that of mining for the fifth consecutive year.

Total loan securities turnover rose 21 per cent to \$498m—reflecting increases of 20 per cent in Commonwealth Government securities and 120 per cent in

company debentures and notes, and a decrease of 30 per cent in semi-government securities.

The total volume of turnover rose, with increases of 11 per cent in loan securities and 18 per cent in shares.

Official List

At 30 June 1975, 4,132 separate securities (including options), with a nominal value of \$22,774m and a market value of \$28,382m were quoted on the Exchange. The market value was 2 per cent lower than on 30 June 1974. The market value of \$9,845m in Commonwealth loans represents a gain of 8 per cent for the year.

Nine companies were added to the Official List during the year, the lowest number since Annual Report statistics were first introduced in 1952. Their combined nominal capital was \$55m, and new capital issues made by companies already listed totalled \$805m. At the close of the year, the Official List comprised 1,364 companies—1,062 commercial and industrial, and 302 mining companies. Because of takeovers and mergers, 54 companies were removed from the Official List during the year.

Total market value of equity shares at 30 June 1976 was \$19,609m (previous year \$15,443m), while total market value of all listed securities rose 27 per cent to \$35.9 billion.

Four new companies were listed in 1975-76. During the year 91 companies were delisted—33 because of acquisition by other companies, and 58 because of mergers, liquidations, etc.

Industrial companies issued equity securities totalling \$305m, including 74 bonus issues amounting to \$77m. New mining securities totalled \$60m, an increase of 94 per cent on the previous year.

A total of 3,997 issues was listed at 30 June 1976, compared with 4,132 a year earlier.

MELBOURNE STOCK EXCHANGE—ISSUES LISTED (a) AND NOMINAL VALUE AT 30 JUNE

Class of security	1973		1974		1975		1976	
	No. of issues	Nominal value	No. of issues	Nominal value	No. of issues	Nominal value	No. of issues	Nominal value
Commonwealth Government loans	92	\$m 10,603	78	\$m 11,223	82	\$m 11,656	82	\$m 14,477
Semi-government and Fiji loans	1,236	1,051	1,324	1,111	1,349	1,088	1,359	1,157
Industrial company securities—								
Debentures	881	1,968	864	1,948	845	2,218	819	2,641
Unsecured notes	119	197	116	220	102	209	89	167
Preference shares	299	146	281	139	265	171	251	151
Ordinary shares	1,174	5,201	1,175	5,662	1,111	5,787	1,082	5,993
Mining company securities	490	1,651	438	1,752	378	1,644	315	1,621
Total	4,291	20,817	4,276	22,055	4,132	22,773	3,997	26,207

(a) Includes options.

MELBOURNE STOCK EXCHANGE—VOLUME OF TURNOVER OF SECURITIES (million units)

Class of security	1971-72	1972-73	1973-74	1974-75	1975-76
Commonwealth Government loans	379.0	347.7	209.6	441.0	482.2
Semi-government loans	30.1	20.5	18.3	14.1	9.6
Company debentures, unsecured notes	17.8	30.2	14.8	15.2	31.8
Total loan securities	426.9	398.4	242.7	470.3	523.6
Preference shares	5.7	2.0	1.1	2.4	1.8
Ordinary shares, rights, options	368.1	355.3	320.8	279.6	334.0
Mining shares	406.0	280.7	206.2	167.2	192.2
Total share securities	779.8	638.0	528.1	449.2	528.0

NOTE. Each unit represents the nominal value of a security. For example, \$1, \$2, or 50 cents nominal value.

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

Class of security	1972-73		1973-74		1974-75		1975-76	
	Trans- actions	Value	Trans- actions	Value	Trans- actions	Value	Trans- actions	Value
	'000	\$m	'000	\$m	'000	\$m	'000	\$m
Commonwealth Government loans	8.2	355.6	8.0	197.3	7.9	385.1	5.6	461.5
Semi-government loans	4.3	20.3	3.4	17.2	3.1	12.8	2.9	8.9
Company debentures, unsecured notes	4.6	30.8	3.1	13.2	2.0	12.4	2.5	27.3
Total loan securities	17.1	406.7	14.5	227.7	13.0	410.3	11.0	497.7
Preference shares	3.0	2.2	2.4	1.3	1.6	1.1	2.4	1.2
Ordinary shares, rights, options	311.3	694.4	267.1	533.7	215.6	320.5	236.4	458.4
Mining shares	162.1	230.3	129.9	186.7	101.3	131.2	113.1	180.7
Total share securities	476.4	926.9	399.4	721.7	318.5	452.8	351.9	640.3
Grand total	493.5	1,333.6	413.9	949.4	331.5	863.1	362.9	1,138.0

During the year 1975-76 the Exchange continued to expand and diversify its services and organisation in response to the changing Securities industry environment.

The Computer Department's major task was completion of the Client Accounting Service. This system provides each broker using the service with a complete accounting procedure by making available daily management reports and retaining accounting information for recall on request. The service produces a wide variety of automatic and optional reports which provide control in all areas of a broker's office. Other innovations by the Department included provision to member firms of a printout of details of all sales slips lodged the previous day.

In November 1975 a Stock Exchange Inspector was appointed to further assist surveillance of member firms. This appointment represented an extension of the existing supervision of financial requirements prescribed for member firms.

Further reference, 1976

Building societies

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

The following table shows details of the operations of building societies in Victoria for the financial years 1970-71 to 1974-75:

VICTORIA—PERMANENT BUILDING SOCIETIES (a)

Particulars	1970-71	1971-72	1972-73	1973-74	1974-75
Number of societies	46	48	52	56	55
Number of shareholders (b)	30,783	74,682	163,636	154,882	151,972
Number of borrowers	21,144	26,935	38,789	47,008	48,866
Value of transactions—	\$'000	\$'000	\$'000	\$'000	\$'000
Income—					
Interest on mortgage loans	8,586	13,151	21,896	35,972	56,759
Other	1,020	2,692	5,055	7,573	11,393
Total	9,606	15,843	26,951	43,545	68,153

VICTORIA—PERMANENT BUILDING SOCIETIES (a)—continued

Particulars	1970-71	1971-72	1972-73	1973-74	1974-75
Expenditure—					
Interest payable	5,081	7,302	11,711	20,474	43,524
Administration, etc.	1,334	2,694	4,800	18,328	13,594
Total	6,414	9,996	16,511	38,802	57,119
Loans and advances—					
Paid	36,191	86,921	176,923	176,610	133,426
Repaid	12,922	16,841	30,187	60,442	69,461
Deposits—					
Received	73,558	138,400	274,949	443,308	633,039
Repaid	56,952	108,045	191,851	335,126	503,585
Liabilities—					
Investing members' funds—					
Paid-up capital	40,974	99,396	174,922	212,364	186,189
Reserves, etc.	4,492	5,882	7,082	8,428	9,802
Borrowing members' funds—					
Share subscriptions	191	291	484	674	596
Other	21	27	33	84	95
Deposits	81,850	112,436	195,535	302,924	432,640
Loans (including bank overdraft)	8,435	10,056	18,474	37,944	20,958
Other	1,829	3,929	6,689	9,237	8,598
Total	137,792	232,017	403,219	571,657	658,878
Assets—					
Loans on mortgage	121,376	191,419	337,936	454,658	518,099
Land and house property	998	2,334	2,437	3,393	6,087
Other investments	9,408	10,862	39,896	80,301	87,437
Cash and deposits	5,203	26,115	19,382	28,345	41,622
Other	807	1,287	3,569	4,958	5,634
Total	137,792	232,017	403,219	571,657	658,878

(a) Excludes Starr-Bowkett Societies.

(b) Includes 2,734 shareholders holding borrowers' shares in 1970-71, 8,188 in 1971-72, 16,355 in 1972-73, 24,295 in 1973-74, and 29,671 in 1974-75.

Co-operative organisations

In December 1953 the Victorian Parliament passed the Co-operation Act, now known as the *Co-operation Act 1958*. The Act provides for the formation, registration, and management of co-operative societies which are classified into various kinds according to their objects.

The Act permits the Victorian Treasurer to guarantee the repayment of any loan raised by a society for the implementation of its object. At 30 June 1975, 611 guarantees were in force, the amount involved being \$7,181,960.

Under the direction of the Treasurer, the Act is administered by the Registrar of Co-operative Societies. He is assisted by an advisory council constituted under the Act.

Details of the activities, for the years 30 June 1971 to 30 June 1975, of co-operative societies registered under the Co-operation Act are shown in the following table :

VICTORIA—REGISTERED CO-OPERATIVE SOCIETIES AT 30 JUNE

Type	1971	1972	1973	1974	1975
Producer	65	64	65	65	66
Trading	60	67	72	73	78
Community settlement	7	6	5	7	10
Community advancement	650	710	756	798	826
Credit	190	205	211	211	221
Associations	2	2	2	2	2
Total	974	1,054	1,111	1,156	1,203

Co-operative organisations operating in Victoria may also be registered under the provisions of the Companies Act, the Industrial and Provident Societies Act, and the Co-operative Housing Societies Act. Differences in totals between the preceding and following tables are due partly to this reason and partly to the fact that, although registered at 30 June, some societies were not operating during the year, or had ceased operating during the year. They are engaged in a number of activities which primarily are the production, marketing, and distribution of goods, and in the provision of finance for home building. Details relating to co-operative housing societies are given on pages 345-6. In recent years, a considerable number of co-operative credit societies which extend credit facilities to members to enable them to finance the purchase of household durables, or to discharge financial liabilities, etc., have also been registered under the Co-operation Act.

Particulars of producer and consumer societies for the period 1970-71 to 1974-75 are shown in the following table :

**VICTORIA—CO-OPERATIVE ORGANISATIONS : PRODUCER AND
CONSUMER SOCIETIES**

Particulars	1970-71	1971-72	1972-73	1973-74	1974-75
Number of societies	150	150	152	149	137
Number of members	156,269	162,974	167,410	r168,505	174,860
Value of transactions during the year—	\$'000	\$'000	\$'000	\$'000	\$'000
Income—					
Sales	173,738	199,242	234,225	261,439	300,105
Other	7,399	5,923	5,508	5,699	8,810
Total	181,137	205,165	239,734	267,138	308,915
Expenditure—					
Purchases	126,014	145,357	171,861	194,651	228,075
Working expenses, etc.	45,202	50,326	58,637	61,550	83,601
Interest	1,601	1,566	2,985	2,664	6,603
Rebates and bonuses	1,884	1,671	2,122	2,092	985
Total	174,702	198,921	235,605	260,958	319,264
Dividend on share capital	1,712	1,772	2,548	2,794	3,225
Liabilities—					
Share capital	26,583	27,894	33,195	34,912	35,610
Loan capital	9,322	13,440	14,651	23,959	30,789
Bank overdraft	19,012	17,964	25,264	30,983	39,199
Profit and loss (<i>Cr.</i>)	3,157	3,396	3,371	4,281	4,279
Reserve funds	26,508	26,873	29,574	32,596	36,995
Sundry creditors	24,293	31,535	38,494	42,011	46,024
Other	6,597	7,413	9,245	12,584	13,233
Total	115,472	128,515	153,793	181,327	206,128
Assets—					
Land and buildings	}	52,131	55,707	63,961	81,349
Fittings, plant and machinery		17,988	22,783	27,648	27,367
Stock		32,875	35,506	50,103	58,141
Sundry debtors		3,080	5,531	4,246	4,704
Cash in bank, on hand, or on deposit		3,194	2,885	2,454	1,449
Profit and loss (<i>Dr.</i>)		6,204	6,102	5,383	8,318
Other					13,813
Total		115,472	128,515	153,793	181,327
Total		206,128	206,128	206,128	206,128

Further reference, 1976

Since the passing of the Co-operation Act, co-operative credit societies have made steady progress. The following table shows the growth of these societies during the years 1970-71 to 1974-75 :

VICTORIA—CO-OPERATIVE ORGANISATIONS : CREDIT SOCIETIES

Particulars	1970-71	1971-72	1972-73	1973-74	1974-75
Number of societies	180	196	207	201	205
Number of members	57,646	77,154	98,828	123,283	146,200
Transactions during the year—	\$'000	\$'000	\$'000	\$'000	\$'000
Income—					
Interest	1,591	2,615	4,212	7,182	10,295
Other income	97	143	199	241	278
Total	1,687	2,758	4,411	7,423	10,574
Expenditure—					
Interest on deposits	890	1,421	2,333	3,864	5,732
Working expenses	884	1,326	2,146	3,786	5,248
Total	1,774	2,747	4,479	7,650	10,981
Liabilities—					
Share capital	514	653	861	1,092	1,305
Reserves	191	215	277	513	677
Depositors	20,699	32,181	53,970	78,240	97,450
Other	953	1,371	2,565	4,658	5,462
Total	22,356	34,421	57,673	84,503	104,894
Assets—					
Loans to members	19,267	29,801	47,792	71,581	89,497
Cash at bank or on hand	749	922	1,940	2,042	3,168
Other	2,340	3,698	7,940	10,881	12,229
Total	22,356	34,421	57,673	84,503	104,894

Insurance

Life insurance

The first life office with headquarters in Victoria was established in 1869, although branches of other Australian and overseas insurance offices were operating in the Colony before this time. In 1974 there were forty-five companies transacting life business in Victoria, compared with twenty in 1946, with assets throughout Australia of more than \$8,444.0m.

Section 51 (xiv) of the Commonwealth of Australia Constitution Act empowers the Commonwealth Parliament to legislate on insurance extending beyond any one State. Control of the activities of life offices in Victoria and the rest of Australia is vested in the Insurance Commissioner under the *Life Insurance Act 1945-1973*. The main categories of life insurance are ordinary, collector (industrial), and superannuation. Under a collector policy, premiums are payable to collectors at intervals of less than two months.

In general, there are five main types of life policy : whole of life, under which the amount of the policy, plus any bonuses, is payable on death ; endowment insurance, which provides for payment of the sum insured, plus any bonuses, when the life insured reaches a specified age or date, or if death occurs before ; "pure" endowment, under which the amount of the policy is payable, plus any

bonuses, only if the life insured reaches a specified age or date (if death occurs before, all premiums paid are generally returned, plus compound interest); temporary insurance for short terms; and annuities. There are many variations of these five basic types available. Since 1946 the number of ordinary and superannuation life policies in force in Victoria has more than doubled to 1,656,815 at 31 December 1974, and the total sum insured increased during the same period from \$379m to \$14,566m.

The following table shows some indication of the growth and volume of life insurance conducted in Victoria for the years 1970 to 1974 :

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

Year	Premiums received (including single premiums)	Payments			Total
		Claims	Surrenders	Annuities and cash bonuses	
1970	209,873	69,723	41,084	2,201	113,008
1971	240,512	77,696	44,098	2,396	124,190
1972	294,485	90,360	49,031	3,001	142,392
1973	304,587	99,112	54,631	2,772	156,515
1974	344,235	120,996	85,994	3,210	210,200

The following table contains summarised information about new business written in Victoria by all life insurance companies during each of the years 1970 to 1974 :

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

Particulars	1970	1971	1972	1973	1974
Ordinary business—					
Number of policies	129,778	153,098	151,758	155,241	133,278
Sum insured \$'000	917,392	1,198,701	1,369,940	1,704,167	1,726,289
Annual premiums \$'000	19,834	25,522	27,753	26,919	24,864
Superannuation business—					
Number of policies	15,795	14,621	13,126	16,592	21,295
Sum insured \$'000	798,199	886,587	892,012	1,103,157	1,740,820
Annual premiums \$'000	19,376	22,044	21,959	27,600	41,022
Industrial business—					
Number of policies	37,621	37,302	36,755	36,082	20,868
Sum insured \$'000	55,286	63,007	69,103	76,033	50,107
Annual premiums \$'000	1,995	2,229	2,443	2,676	1,728

Sums insured under new policies issued during 1974 averaged \$12,953 in the ordinary department, \$81,748 in the superannuation department, and \$2,401 in the industrial department.

The following table gives particulars of the policies which were discontinued or reduced during each of the years 1972 to 1974 :

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

Cause of discontinuance	1972		1973		1974	
	Number of policies	Sum insured (\$'000)	Number of policies	Sum insured (\$'000)	Number of policies	Sum insured (\$'000)
ORDINARY BUSINESS						
Death or disability	6,500	18,000	6,528	22,079	6,770	21,206
Maturity, expiry, etc.	22,932	78,719	10,017	87,884	45,412	114,445
Surrender	37,496	163,074	13,456	153,745	55,393	284,977
Forfeiture	16,544	133,976	15,987	153,419	23,654	203,559
Other (a)	4,659	9,074	-21,318	-5,045	-797	-862
Total	88,131	402,843	24,670	412,083	130,432	623,327
SUPERANNUATION BUSINESS						
Death or disability	496	9,532	442	9,654	497	11,370
Maturity, expiry, etc.	1,352	43,658	1,785	157,952	1,820	82,151
Surrender	8,568	249,378	4,367	328,620	6,828	401,747
Forfeiture	259	4,092	497	6,856	760	10,286
Other (a)	4,717	223,043	4,248	134,156	7,616	95,331
Total	15,392	529,703	11,339	637,237	17,521	600,884
INDUSTRIAL BUSINESS						
Death or disability	3,649	1,023	3,504	1,032	3,730	1,263
Maturity, expiry, etc.	35,868	6,631	41,999	7,711	39,103	7,421
Surrender	13,994	11,874	12,932	12,554	16,289	20,330
Forfeiture	9,639	17,924	8,274	19,222	12,388	26,051
Other (a)	904	806	-10,163	798	2,776	2,344
Total	64,054	38,257	56,546	41,318	74,286	57,408

(a) Includes net loss or gain resulting from transfers, cancellations of, and alterations to, policies, etc.

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

The following table shows, for each of the years 1970 to 1974, particulars of life insurance business in existence in the relevant departments of the companies:

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

Particulars	1970	1971	1972	1973	1974
Ordinary business—					
Number of policies	1,272,375	1,345,731	1,409,358	r1,539,929	1,542,775
Sum insured \$'000	5,101,723	5,969,986	6,937,083	r8,336,168	9,439,130
Annual premiums \$'000	124,389	142,442	161,326	r179,642	191,010
Superannuation business—					
Number of policies	115,080	107,280	105,013	r110,266	114,040
Sum insured \$'000	2,586,963	3,071,038	3,433,347	r3,986,875	5,126,811
Annual premiums \$'000	63,725	75,966	86,663	r102,697	129,731
Industrial business—					
Number of policies	730,890	720,120	692,821	672,357	618,939
Sum insured \$'000	356,720	388,633	419,471	454,194	446,893
Annual premiums \$'000	13,940	14,978	15,982	17,303	16,792

In 1974 the average amount of policy held in the ordinary department was \$6,118, in the superannuation department, \$44,956, and in the industrial department, \$722.

Further reference, 1967

General insurance

Statistics

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

Returns are for the year ended 30 June or for the immediately preceding accounting periods of the insurers concerned. Since the accounting years of

many insurers end on dates other than 30 June, the figures are not for a uniform time period.

The statistics have been compiled on the following basis :

- (1) Premiums are the total amounts received and receivable during the year for policies issued and renewed, after deduction of stamp duty, returns of premium and rebates and bonuses paid or credited to policy holders ;
- (2) claims consist of payments during the year plus the estimated amount of claims unsettled at the end of the year, less the estimated amount of claims unsettled at the beginning of the year ; and
- (3) contributions to fire brigades, commission and agents' charges, and expenses of management are charges paid during the year.

It should be noted that the figures shown for premiums are different from the premium income earned by insurers during the year, as no adjustment is made for premiums unearned at the beginning and end of the year. When, as in recent years, the premium volume is increasing, the figures in the tables are greater than the premiums earned by insurers and the amount of the difference is often substantial. For this reason, the relationship of claims and other charges to premiums should be used only as a basis of comparison with ratios calculated under similar headings in previous years.

The following table, which shows details of general insurance business transacted in Victoria for the years 1970-71 to 1974-75 should not be construed as a "profit and loss statement" or a "revenue account" as it contains only selected items of statistics :

VICTORIA—GENERAL INSURANCE :
TOTAL REVENUE AND SELECTED ITEMS OF EXPENDITURE (a)
(\$'000)

Class of business	1970-71	1971-72	1972-73	1973-74	1974-75
PREMIUMS (LESS RETURNS, REBATES, AND BONUSES)					
Fire (including sprinkler leakage)	37,909	44,218	47,269	52,783	58,705
Householders' comprehensive	23,104	26,724	31,555	37,784	46,762
Loss of profits	7,642	8,915	9,883	11,518	11,576
Crop (including hailstone)	922	1,108	952	1,942	3,487
Marine	15,493	17,502	17,179	20,681	24,648
Motor vehicles (including motor cycles)	75,625	89,048	93,342	106,419	r124,810
Compulsory third party (motor vehicles)	43,572	50,334	56,208	69,589	r105,530
Employers' liability and workers compensation	70,222	83,624	97,728	122,339	192,567
Personal accident	11,472	13,178	12,992	15,676	15,223
Public liability	7,704	9,667	10,003	11,795	10,768
Product liability	649	661	1,060	831	1,034
Plate glass	1,271	1,404	1,399	1,480	1,580
Boiler/engineering and machine breakdown	924	882	1,075	1,129	2,950
Livestock	527	489	617	1,036	798
Burglary	5,818	6,663	7,028	7,725	6,746
Guarantee	868	690	805	878	1,064
Aviation	1,991	5,023	2,298	1,308	1,020
All risks/baggage	3,946	4,145	5,064	5,903	6,609
Contractors' all risks	2,516	3,175	3,258	4,132	3,905
Other	5,000	7,274	11,192	11,850	12,298
Total premiums	317,175	374,724	410,908	486,796	r632,081
OTHER REVENUE (NET OF EXPENSES)					
Interest, dividends, rents, etc.	20,461	24,900	29,235	36,699	n.a.
TOTAL REVENUE					
Total	337,636	399,624	440,142	523,495	n.a.

VICTORIA—GENERAL INSURANCE:
TOTAL REVENUE AND SELECTED ITEMS OF EXPENDITURE (a)—continued
(\$'000)

Class of business	1970-71	1971-72	1972-73	1973-74	1974-75
GROSS CLAIMS (LESS AMOUNTS RECOVERABLE)					
Fire (including sprinkler leakage)	12,876	18,463	17,986	26,268	31,687
Householders' comprehensive	7,321	9,968	11,562	13,281	22,102
Loss of profits	1,274	1,859	3,360	8,641	7,663
Crop (including hailstone)	601	1,323	348	1,421	1,343
Marine	7,431	8,065	8,143	11,859	18,972
Motor vehicles (including motor cycles)	53,158	64,278	59,902	66,780	81,802
Compulsory third party (motor vehicles)	42,704	60,063	73,813	98,403	118,634
Employers' liability and workers compensation	39,148	50,534	77,996	103,308	147,312
Personal accident	4,799	4,875	5,437	6,107	6,656
Public liability	3,504	3,801	6,234	8,416	7,783
Product liability	238	324	390	326	1,504
Plate glass	824	952	978	1,017	1,191
Boiler/engineering and machine breakdown	330	279	448	404	979
Livestock	338	346	372	396	546
Burglary	3,191	3,984	3,899	3,271	3,013
Guarantee	111	191	77	134	377
Aviation	1,155	624	768	420	720
All risks/baggage	2,284	2,495	2,425	3,473	3,543
Contractors' all risks	1,801	1,129	1,601	1,557	746
Other	1,619	2,644	3,060	6,297	2,593
Total claims	184,707	236,197	278,798	361,780	459,166
Contributions to fire brigades	8,231	9,515	10,433	13,698	16,665
Commission and agents' charges	28,965	32,122	33,603	39,555	43,236
Expenses of management	50,090	59,169	63,477	71,048	85,603
Total	271,993	337,003	386,311	486,081	604,670

(a) Excludes taxation, etc.

Motor vehicle insurance (compulsory third party)

The *Motor Car (Third Party Insurance) Act 1939* (now embodied in the *Motor Car Act 1958*) which came into force on 22 January 1941, made it compulsory for the owner of a motor vehicle to insure against any liability which may be incurred by him, or any person who drives such motor vehicle, in respect of the death of, or bodily injury to, any person caused by, or arising out of, the use of such motor vehicle.

VICTORIA—MOTOR VEHICLE INSURANCE (COMPULSORY THIRD PARTY):
NUMBER OF MOTOR VEHICLES INSURED, 1974-75

Class of motor vehicle	Motor cars usually garaged—		Total
	Within a radius of 32 kilometres of the G.P.O., Melbourne	Outside a radius of 32 kilometres of the G.P.O., Melbourne	
Private and business	901,349	496,772	1,398,121
Goods carrying	98,779	140,551	239,330
Hire	3,644	1,209	4,853
Hire and drive yourself	1,626	414	2,040
Passenger transport	240	227	467
Miscellaneous	10,377	51,954	62,331
Motor cycle	20,878	23,966	44,844
Recreation vehicles	1,833	1,246	3,079
Total	1,038,726	716,339	1,755,065

State Insurance Office

The State Insurance Office was established under the *State Insurance Office Act 1975* to assume the functions of the State Accident Insurance Office and

the State Motor Car Insurance Office and came into operation on 1 July 1975. The Office is managed and controlled by the Insurance Commissioner and the policies issued are guaranteed by the Victorian Government.

The now superseded 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.

For the year ended 30 June 1975 the premium income of the State Accident Insurance Office represented 16.9 per cent of the total premiums received by all insurance companies in Victoria on account of employers' liability and workers compensation insurance.

The following table shows the trading results for the years 1970-71 to 1974-75 :

VICTORIA—STATE INSURANCE OFFICE : EMPLOYERS' LIABILITY
BUSINESS : PREMIUMS RECEIVED, CLAIMS, ETC.
(\$'000)

Year	Premiums received less reinsurances, rebates, etc.	Increase in earned premium provision	Claims paid and outstanding	Expenses	Underwriting profit
1970-71	11,780	121	8,748	775	2,136
1971-72	12,899	-24	9,792	888	2,243
1972-73	16,741	275	15,851	889	(a) 274
1973-74	25,690	3,819	21,317	769	(a) 215
1974-75	32,613	4,976	27,885	1,663	(a) 1,911

(a) Loss.

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

The accumulated funds at 30 June 1975 were : General Reserve, \$12,908,837 ; and Building and Other Reserves, \$374,021.

The now superseded State Motor Car Insurance Office was established under the *Motor Car (Third Party Insurance) Act* 1939 for the purpose of enabling owners of motor cars to obtain policies of third party insurance required under that Act, and policies generally in relation to insurance of motor cars. Business commenced on 24 January 1941.

The proportion of total Victorian motor insurance business underwritten by the Office for the year 1974-75 represented 9.1 per cent of comprehensive and 48.2 per cent of third party premiums received in Victoria.

The following table shows trading results for the years 1970-71 to 1974-75. At 30 June 1975 accumulated losses attributable to third party insurance business were \$67,959,091 while the net accumulated losses were \$61,118,061.

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

Year	Premiums received less reinsurances, rebates, etc.	Increase in unearned premium provision	Claims paid and outstanding	Expenses	Underwriting loss
1970-71	21,711	1,157	22,392	1,606	3,445
1971-72	24,073	717	27,397	1,768	5,811
1972-73	29,185	3,170	34,601	1,986	10,572
1973-74	41,593	7,857	54,920	2,608	23,792
1974-75	73,679	15,991	73,121	3,666	19,099

OTHER FINANCIAL INSTITUTIONS

Public Trustee

The Public Trustee was constituted and incorporated by the *Public Trustee Act* 1939 (which came into operation in 1940) and became the successor in law of the Curator of the Estates of Deceased Persons, and of the Master-in-Equity with respect to the administration of mental patients' property.

He is empowered by the Public Trustee Acts, under the guarantee of the State of Victoria, to act as a trustee, executor, administrator, and attorney, and in certain other capacities, and is required to undertake the protection and management of the property of certified patients in mental hospitals, of voluntary patients who so authorise him, and of infirm persons. An infirm person is a person certified by the Public Trustee to be incapable of managing his affairs on account of age or infirmity. Certificates on the prescribed form (obtainable from the Public Trust Office) must be given by two medical practitioners acting independently of each other, before the Public Trustee may certify.

Any person may name the Public Trustee as his executor in his will, and may deposit such will with him for recording and safe custody. If the original will is not deposited with the Public Trustee, it is highly desirable that a copy of the will be sent to him with the name and address of the person holding the original will. A person may also obtain advice about his will at the Public Trust Office if he intends to appoint the Public Trustee executor.

The Public Trustee Acts enable the person appointed executor of a will to authorise the Public Trustee to act as executor in his place, and the next of kin of anyone dying intestate, or any other person entitled to a grant of administration, may also authorise the Public Trustee to act as administrator in his place. In cases where there is no one else entitled and ready to apply for a grant of administration, the Public Trustee is authorised to apply for a grant of administration himself.

Consequent on the passing of the *Public Trustee Act* 1948, the Public Trustee Fund at the Victorian Treasury was abolished and the proceeds of all estates, as from 1 October 1948, were invested in the Common Fund under the control of the Public Trustee.

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

Particulars	1970-71	1971-72	1972-73	1973-74	1974-75
Proceeds of realisations, rents, interest, etc.	15,195	17,896	18,675	22,629	25,621
Investments, distributions, claims, etc.	13,172	15,801	15,509	18,748	20,199
Cash variation	2,023	2,095	3,166	3,881	5,422
Balance at 1 July	26,175	28,198	30,293	33,459	37,340
Balance at 30 June	28,198	30,293	33,459	37,340	42,762

**VICTORIA—APPLICATIONS BY PUBLIC TRUSTEE
FOR PROBATE, LETTERS OF ADMINISTRATION, ETC.,
AND NUMBER OF WILLS LODGED FOR CUSTODY**

Year	Number of applications	Number of wills
1970-71	987	2,535
1971-72	1,045	2,737
1972-73	1,056	3,543
1973-74	1,219	3,866
1974-75	1,398	4,922

Trustee companies

Through the *Trustee Companies Act* 1958 seven companies are authorised to act as executors or administrators if named in the last will and testament and to apply for and obtain Probate or Letters of Administration.

Private individuals who may apply for Letters of Administration or who are named as executor by the testator may authorise a trustee company to apply for Letters of Administration or Probate as if such application had been made on the company's own application. In addition to acting as executor or administrator, the companies are also authorised to act as trustees, agents, and in a number of other fiduciary capacities.

Each company has lodged with the Victorian Treasury the sum of \$20,000 as security in place and stead of the Administration Bond required in the case of private individuals granted Letters of Administration. Further protection is afforded to the estates under administration of trustee companies by the imposition of a statutory reserve liability over the share capital of each company. The companies' charges are limited by the *Trustee Companies Act* 1958 to a maximum commission charge of 4 per cent on capital and 5 per cent on income. The capital commission is a once only charge regardless of how long the estate remains under the administration of the trustee company.

**VICTORIA—TRUSTEE COMPANIES : VALUE OF ESTATES
ADMINISTERED AT 30 JUNE
(\$m)**

Particulars	1971	1972	1973	1974	1975
Stock and debentures	126.0	133.3	143.9	141.0	164.6
Advances on mortgages	71.5	78.6	90.2	108.3	116.0
Property and livestock	76.2	81.7	103.2	110.7	104.7
Shares	202.8	227.3	251.7	208.3	198.4
Fixed and other deposits	22.8	26.8	20.8	41.5	49.2
Cash at bank	12.5	13.8	19.9	14.9	46.7
Other	26.7	28.9	53.2	45.1	34.0
Total	538.5	590.4	682.9	669.8	713.6

The values shown in the preceding table are probate values or values of assets at the time of their being committed to the care of the trustee companies or current market value if available.

The Victorian trustee companies may also act as trustees for debenture and note issues of public companies and as trustees for unit holders in various unit trust schemes, but the value of these issues and trusts is not included in the above table.

Further reference, 1964**Probate**

Under the general words of section 17 of the *Supreme Court Act* 1958, the Court has power to do everything which is necessary or desirable in connection with the grant of probate or administration.

The *Administration and Probate Act* 1958, section 6, confers jurisdiction on the Court to grant probate of the will or letters of administration of the estate of a deceased person leaving property, whether real or personal, within the State of Victoria. Grants are made to the executor of a will, the next of kin of an intestate, or the creditor of an intestate. A person receiving such a grant becomes the legal personal representative of the deceased, and is thus empowered to deal with all his assets and generally administer the estate.

Provision is made in Part III of the *Administration and Probate Act* 1958 for the sealing by the Supreme Court of probates or letters of administration which have been granted in Great Britain, Australia (other than Victoria), New

Zealand, or certain British possessions, when the deceased has left real or personal estate in Victoria. The object of this provision is simply to put the executor or administrator under it in the same position as if he were an original executor or administrator.

The *Administration and Probate Act* 1958 also gives the Court jurisdiction to grant probate or administration of the estate of a person who is presumed to have died, but, in such a case, it prohibits the distribution of the estate without the leave of the Court.

VICTORIA—PROBATES, LETTERS OF ADMINISTRATION, ETC.

Year	Number of estates	Gross value of estates—		Liabilities	Net value of estates	Average net value per estate
		Real	Personal			
		\$'000	\$'000	\$'000	\$'000	\$
MALES						
1971	12,426	98,053	185,591	33,996	249,648	20,091
1972	12,033	92,244	171,951	36,351	227,843	18,935
1973	12,206	118,336	193,927	41,232	271,030	22,205
1974	12,640	140,537	191,112	53,464	278,184	22,008
1975	12,581	159,657	196,607	67,762	288,502	22,932
FEMALES						
1971	8,995	53,183	89,252	10,473	131,962	14,671
1972	8,978	52,773	88,261	10,297	130,737	14,562
1973	9,429	66,710	111,460	12,429	165,742	17,578
1974	9,722	89,829	113,333	15,535	187,628	19,299
1975	9,736	104,871	117,317	18,374	203,814	20,934
TOTAL						
1971	21,421	151,235	274,843	44,469	381,610	17,815
1972	21,011	145,017	260,212	46,648	358,580	17,066
1973	21,635	185,045	305,387	53,660	436,772	20,188
1974	22,362	230,366	304,445	68,999	465,812	20,831
1975	22,317	264,528	313,924	86,136	492,316	22,060

VICTORIA—NUMBER AND NET VALUE OF ESTATES OF DECEASED PERSONS

Group	1973		1974		1975	
	Number	Net value	Number	Net value	Number	Net value
\$		\$'000		\$'000		\$'000
MALES						
Under 200	360	35	350	34	388	38
200– 599	647	248	678	282	677	260
600– 999	497	393	504	399	493	391
1,000– 1,999	1,057	1,538	1,024	1,510	1,065	1,567
2,000– 3,999	1,463	4,299	1,548	4,531	1,509	4,408
4,000– 5,999	1,088	5,368	1,150	5,704	1,120	5,518
6,000– 7,999	776	5,496	905	6,333	835	5,842
8,000– 9,999	755	6,894	785	7,030	695	6,229
10,000– 19,999	2,326	33,005	2,316	33,461	2,097	30,560
20,000– 29,999	1,004	24,623	1,138	27,481	1,232	30,184
30,000– 49,999	911	35,282	955	36,444	1,056	40,753
50,000– 99,999	861	60,909	765	52,608	872	61,053
100,000–199,999	340	45,794	389	53,827	401	53,888
200,000 and over	121	47,146	133	48,539	141	47,811
Total males	12,206	271,030	12,640	278,183	12,581	288,502

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

Group	1973		1974		1975	
	Number	Net value	Number	Net value	Number	Net value
\$	\$'000		\$'000		\$'000	
FEMALES						
Under 200	226	23	203	20	224	23
200- 599	406	161	437	176	406	158
600- 999	400	323	391	311	393	314
1,000- 1,999	763	1,120	843	1,240	803	1,196
2,000- 3,999	1,220	3,587	1,182	3,437	1,118	3,240
4,000- 5,999	833	4,126	847	4,201	707	3,489
6,000- 7,999	680	4,743	619	4,376	549	3,820
8,000- 9,999	663	5,945	601	5,396	536	4,802
10,000- 19,999	2,101	30,209	2,002	29,466	1,790	26,501
20,000- 29,999	848	20,678	1,108	27,058	1,407	34,544
30,000- 49,999	608	22,938	762	28,757	978	36,947
50,000- 99,999	473	31,944	476	32,938	571	38,715
100,000-199,999	156	20,749	194	26,135	195	25,525
200,000 and over	52	19,195	57	24,116	59	24,542
Total females	9,429	165,742	9,722	187,628	9,736	203,814
Grand total	21,635	436,772	22,362	465,812	22,317	492,316

Transfer of land

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

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

Since 1953 there has existed in Victoria a method for the subdivision of land in strata and the issue of individual titles to flats (see pages 684-5 of the *Victorian Year Book* 1966). The *Strata Titles Act* 1967 introduced into Victoria a further method for the subdivision of land in strata. Existing methods can still be used, as registration of a plan under Part II of the Strata Titles Act is not compulsory. The Act (except as to Part IV) came into operation on 1 July 1967. Part IV of the Act operated as from 1 December 1967. Further information about the Strata Titles Act can be found on pages 695-6 of the *Victorian Year Book* 1968. During the year ending 30 June 1975, 1,434 plans were lodged for registration under the new Act.

Assurance Fund

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

During the financial year 1974-75 receipts of the fund comprise contributions of \$32,304 and interest on stock of \$6,538. Claims of \$434 were met from the fund during the year. The sum of \$10,189 was paid out in accordance with section 3 of the *Special Funds Act* 1920 to provide for interest on loan moneys expended on university buildings. The balance at the credit of the Assurance

Fund at 30 June 1975 was \$521,111. The total amount paid to 30 June 1975 as compensation and for judgments recovered, including costs, was \$48,220 in respect of 189 claims.

Further reference, 1968

Titles of land issued

The following table shows the number of titles of land issued for the years 1971 to 1975 :

VICTORIA—TITLES OF LAND ISSUED

Year	Certificates of title	Crown grants	Crown leases	Total titles
1971	49,336	848	230	50,414
1972	50,711	681	149	51,541
1973	50,196	648	130	50,974
1974	61,848	1,125	129	63,102
1975	56,349	658	132	57,139

Land transfers, mortgages, etc.

A summary of dealings lodged at the Titles Office under the Transfer of Land Act is shown in the following table for the years 1970-71 to 1974-75 :

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

Year	Number of transfers	Mortgages (a)		Number of—				Total dealings
		Number	Amount	Entries of executor, administrator, or survivor	Plans of subdivision	Caveats	Other dealings	
			\$'000					
1970-71	114,989	65,713	711,055	16,693	4,241	23,031	88,202	312,869
1971-72	127,675	71,639	862,829	16,400	4,397	22,654	95,250	338,015
1972-73	161,406	83,515	1,176,233	16,281	4,830	23,654	117,704	407,390
1973-74	180,418	85,057	1,598,686	17,130	5,800	27,711	129,895	446,011
1974-75	128,301	73,211	1,408,914	17,711	5,478	27,378	115,279	367,358

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

Mortgages, reconveyances, and conveyances registered at the Office of the Registrar-General under the *Property Law Act* 1958 are shown for the years 1970-71 to 1974-75 in the following table :

VICTORIA—DEALINGS UNDER THE PROPERTY LAW ACT

Year	Mortgages (a)		Reconveyances		Conveyances	
	Number	Amount	Number	Amount (b)	Number	Amount
		\$'000		\$'000		\$'000
1970-71	971	17,749	1,378	3,203	2,622	38,878
1971-72	979	15,454	1,512	4,088	2,847	38,357
1972-73	1,016	26,806	1,887	5,877	3,437	60,401
1973-74	1,261	44,755	2,218	7,182	4,219	82,953
1974-75	971	28,866	1,817	7,209	3,541	63,120

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

(b) Excluding repayments designated "principal and interest".

Mortgages of real estate

Details of mortgages lodged for registration under the Transfer of Land Act and the Property Law Act (mentioned in the two preceding tables) are shown in the following table.

Certain mortgages (principally to trading banks to secure overdrafts on current accounts) have not been included in the figures as only the number of such mortgages, and not the amounts involved, are available. Particulars of mortgages not lodged for registration are not available.

**VICTORIA—MORTGAGES (a) OF REAL ESTATE LODGED FOR
REGISTRATION**

Type of mortgagee	1972-73		1973-74		1974-75	
	Number	Amount	Number	Amount	Number	Amount
		\$'000		\$'000		\$'000
Banks	31,234	328,659	31,436	407,937	33,512	551,476
Building societies	15,926	206,150	10,448	162,553	6,244	108,230
Co-operative housing societies	2,829	26,562	3,251	36,652	4,216	58,915
Friendly societies	377	4,267	223	2,931	273	3,827
Insurance companies	2,012	47,413	2,391	67,324	1,941	64,270
Government institutions	4,853	74,921	4,748	99,950	4,345	98,635
Trustee institutions	475	24,453	535	32,628	330	14,472
Finance companies	9,266	166,821	12,486	365,523	5,113	119,743
Private individuals	12,899	182,938	15,475	291,904	13,713	248,204
Other mortgagees	4,660	140,854	5,325	176,040	4,495	170,008
Total	84,531	1,203,039	86,318	1,643,441	74,182	1,437,780

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

Stock mortgages and liens on wool and crops

The number and amount of stock mortgages, liens on wool, and liens on crops registered at the Office of the Registrar-General during the years 1971 to 1975 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	1971	1972	1973	1974	1975
Stock mortgages—					
Number	1,602	715	579	586	587
Amount (\$'000)	1,160	2,427	2,134	1,871	906
Liens on wool—					
Number	140	63	12	9	12
Amount (\$'000)	614	266	58	65	231
Liens on crops—					
Number	273	160	166	183	105
Amount (\$'000)	715	565	744	858	763
Total—					
Number	2,015	938	757	778	704
Amount (\$'000)	2,488	3,258	2,937	2,794	1,900

Bills of sale

The following are the numbers and amounts of bills of sale which were filed at the Office of the Registrar-General during the years 1971 to 1975 :

VICTORIA—BILLS OF SALE

Security	1971	1972	1973	1974	1975
Bills of sale—					
Number	27,323	24,427	24,821	20,515	22,139
Amount (\$'000)	45,618	42,267	56,719	53,743	65,896

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- 5.14 Finance companies
- 5.15 Insurance and other private finance (other than banking and currency)
- 5.16 General insurance
- 5.17 Life insurance statistics
- 5.46 Instalment credit for retail sales
- 5.56 Housing finance for owner occupation