

FINANCE.

State
Finance.

Under the Constitution Act the revenues of the State are payable into Consolidated Revenue, but certain of these revenues have been hypothecated by various Acts of Parliament for specified purposes, and are payable into special accounts or funds kept at the State Treasury. These special accounts or funds include the Mallee Land Account, the Assurance Fund, the Licensing Fund, the Police Superannuation Fund, and the Country Roads Board Fund. In addition to these funds there are the Loan Fund, into which all borrowed moneys are paid, and various Trust Funds.

Subsequent to the elevation of Victoria into a self-governing Colony, in 1851, it was divided for the purposes of local government into Districts, which were evolved later into the present system of municipalities. The municipalities have power to levy rates, and are assisted with grants by the State Government. Particulars regarding municipal finance are given in another section of the *Year-Book*. Allied to the municipalities are the Boards and Trusts which control water supply, irrigation, and sewerage, and have rating powers in connexion therewith. There are also the Metropolitan Fire Brigades Board and the Country Fire Brigades Board, which are concerned with fire extinction in the metropolis and urban districts, and derive their revenues from the State Government, the Municipalities, and Insurance Companies; and the Melbourne and Geelong Harbor Trusts, which are intrusted with the management of those respective ports, and derive their revenues mainly from wharfage rates.

The Closer Settlement Board manages closer settlement and discharged soldiers' settlement on behalf of the State. Lands are purchased with loan moneys, and the revenues received by the Board from lessees, &c., are paid into the Closer Settlement Fund or Discharged Soldiers' Settlement Fund; from these funds the working expenses of the Board are met, interest on loans provided, and loans redeemed.

Upon the federation of the Australian Colonies in 1901 the Customs and Excise, Post and Telegraph, and Defence Departments were transferred to the Commonwealth Government, as a set off against which that government paid to the States at least three-fourths of the net Customs and Excise revenue until 31st December, 1910; since that date it has paid annually a sum equal to 25s. per head of the population.

A summary of the transactions for the financial year 1920-21 in the Consolidated Revenue Fund and in the special funds referred to above gives the following result :—

REVENUE AND EXPENDITURE ACCOUNT OF VICTORIA,
1920-21.

						£
Revenue	..	..	..	..	..	19,054,475
Expenditure	..	..	..	..	..	18,941,698
						<hr/>
Surplus for the year	..	..	..	..	..	112,777
Revenue deficit at 30th June, 1920	..	..	..	..	..	1,403,483
						<hr/>
Revenue deficit at 30th June, 1921	..	..	..	..	..	1,290,706

The Revenue and Expenditure Account is a statement of cash transactions, the revenue representing actual receipts less refunds, and the expenditure actual payments made during the year. The accumulated revenue deficiency had its beginning in the year 1890-91, when it amounted to £206,843, and in the course of the next five years it was added to year by year, until it reached its greatest magnitude (£2,711,436) on 30th June, 1896. After that date it was steadily reduced year by year, with one or two exceptions, to £251,652 on 30th June, 1914; but during 1914-15, under conditions brought about by the war and a serious drought, it was increased to £1,429,603, and it was further increased in the following year to £1,642,091. During each of the last five years the deficit has been reduced, and, on 30th June, 1921, it was £1,290,706, there having been a decrease as compared with the previous year of £112,777.

The differences between the amounts of revenue and expenditure shown above and those given in the Treasurer's Finance Statement arise from the use of a different method of classification for statistical purposes, the particulars of which are as follows :—

	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ..	18,522,534	18,365,598
<i>Add—</i>		
Mallee Land Account—appropriated to Loan Redemption purposes	243,501	243,501
Country Roads Board Fund	120,638	120,638
Surplus Revenue appropriated to "Revenue Services" .. .. .	..	56,936
Licensing Fund	257,288	257,288
Police Superannuation Fund	9,161	9,161
Assurance Fund	2,852	2,852
<i>Deduct—</i>		
Appropriation to reduction of deficit .. .. .	..	12,777
Loss on non-paying railways	101,499	101,499
Total	19,054,475	18,941,698

Compiled on the above basis, the revenue and expenditure of the State for the last ten years are shown in the next statement:—

STATE REVENUE AND EXPENDITURE : 1911-12 TO 1920-21.

Year ended 30th June.	Revenue:	Expenditure.	Year ended 30th June.	Revenue.	Expenditure.
	£	£		£	£
1912 ..	10,181,840	10,171,386	1917 ..	11,813,879	11,795,295
1913 ..	10,508,945	10,479,741	1918 ..	12,672,787	12,631,169
1914 ..	10,958,037	10,944,718	1919 ..	13,044,088	12,979,407
1915 ..	10,529,017	11,706,968	1920 ..	15,866,184	15,752,459
1916 ..	11,470,875	11,683,363	1921 ..	19,054,475	18,941,698

The expenditure in this statement includes considerable sums appropriated to pay off liabilities of former years, and to form sinking funds to meet outstanding loans. Such appropriations and the amount of revenue applied in reduction of the accumulated deficiency are detailed in the succeeding table.

REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES,
ETC., 1911-12 TO 1920-21.

Year ended 30th June.	ORDINARY REVENUE APPROPRIATED.				Total.
	In reduction of the accumulated revenue deficiency of former years.	To Land Sales by Auction Fund.	In redemption of loans raised in anticipation of revenue.	Towards Redemption Funds to meet outstanding loans.*	
	£	£	£	£	£
1912 ..	10,454	14,988	25,000	190,909	241,351
1913 ..	29,204	..	25,000	212,269	266,473
1914 ..	13,319	..	..	204,745	218,064
1915 ..	17,519	..	..	211,117	228,636
1916 ..	20,327	..	..	266,599	286,926
1917 ..	18,584	..	..	296,345	314,929
1918 ..	16,618	..	25,000	299,578	341,196
1919 ..	14,681	..	50,000	301,466	366,147
1920 ..	13,725	..	100,000	359,100	472,825
1921 ..	12,777	..	100,000	508,344	621,121
Totals (10 years)	167,208	14,988	325,000	2,850,472	3,357,668

* Full particulars of the Redemption Funds will be found further on in this "part."

In addition to the above appropriations there were surpluses in the financial years 1911-12, 1917-18, 1918-19, 1919-20, and 1920-21, which were applied towards payment for public works or to other purposes of a public nature.

Heads of State Revenue.

Details of the sources of the revenue for the last five financial years are given in the following statement :—

HEADS OF STATE REVENUE, 1916-17 TO 1920-21.

Heads of Revenue.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
	£	£	£	£	£
Federal Government	1,722,409	1,739,481	1,764,239	1,847,085	1,878,449
State Taxation—					
Probate and Succession Duties ..	546,400	506,662	718,194	881,423	702,468
Income Tax ..	766,746	773,468	928,210	915,551	1,591,198
Land Tax ..	369,486	353,156	324,232	314,217	331,756
Stamp Duties ..	430,352	505,637	581,917	820,618	928,367
Licences ..	154,542	158,842	179,338	213,204	274,020
Other ..	14,846	12,958	13,055	14,754	19,024
Public Works and Services—					
Railways ..	5,882,968	6,615,914	6,422,133	8,081,947	9,848,061
Water Supply ..	352,071	342,600	355,854	384,280	406,666
Harbor Trusts, Wharfage, &c.	92,937	92,237	101,210	113,049	145,938
State Coal Mine ..	250,334	302,276	292,604	433,977	416,892
Interest on properties transferred to Commonwealth	82,763	83,333	82,664	82,664	103,789
Other ..	46,324	89,223	116,050	197,637	220,176
Land—					
Sales ..	172,766	157,297	141,693	202,517	333,083
Rents ..	129,265	135,176	143,943	175,116	205,648
Interest, &c. ..	180,445	184,239	186,118	187,731	194,922
Other Sources ..	619,225	620,288	692,634	1,000,414	1,454,018
Total ..	11,813,879	12,672,787	13,044,088	15,866,184	19,054,475
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population ..	8 8 2	8 18 10	9 1 6	10 11 1	12 9 5

The revenue for 1920-21 represents an increase of £3,188,291 on that for the previous year. State taxation increased by £687,066, and Railway revenue by £1,766,114. The payments to the State by the Federal Government during the last eleven years have been computed on the basis of a fixed payment of 25s.* per head of population in the State, whereas in preceding years the Federal Government paid over to the State at least three-fourths of the net revenue from Customs and Excise duties.

* This is subject to a slight reduction on account of a special payment to Western Australia. The reduction in 1920-21 was slightly less than 3½d. per head of population. See *Year-Book* 1915-16, page 142.

FEDERAL AND STATE FINANCE.

Federal
and State
Finance.

A statement of the financial relations existing between the Commonwealth and the several States appears in the *Year-Book* for 1916-17, page 148.

INCOME TAX.

State
Income Tax.

An income tax was first imposed in Victoria in 1895, and, although originally fixed for a period of three years, it has, with certain amendments and alterations, been retained and continued from year to year until the present time. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding year, and are divided into two classes, viz. :— (1) those derived from personal exertion, and (2) those derived from property. The former consist of salaries, wages, stipends, fees, commissions, bonuses, pensions, superannuation or retiring allowances earned in or derived from Victoria, and all incomes arising or accruing from any profession, trade, or business carried on in Victoria; whilst the latter comprise incomes from all other sources. In computing the taxable income certain deductions are allowed from the gross income, the principal of which are outgoings and losses incurred in the production of the income, life assurance premiums not exceeding £50, and calls or contributions actually paid into any mining company registered under Part II. of the *Companies Act* 1915, and carrying on operations in Victoria or to any company in liquidation.

For each of the years 1916-17 to 1920-21 the minimum income subject to tax was £201, and the exemption allowed on incomes between £201 and £500 was £150. No exemption was allowed on incomes exceeding £500 or to companies. The rate of tax for individuals from personal exertion on the amount of income up to but not exceeding £500 was 3d. in the £1. Where the income exceeded £500 the rates on incomes from personal exertion were 4d. for every £1 of the taxable amount thereof up to £500, 5d. for every £1 between £500 and £1,000, 6d. for every £1 between £1,000 and £1,500, and 7d. for every £1 over £1,500. The rates on incomes from property were respectively double the rates on incomes from personal exertion. In the case of life assurance companies the tax was 12d. in the £1 on 30 per cent. of the premium income from ordinary business and on 15 per cent. of that from industrial business. In the case of mining companies the tax was 12d. in the £1 on the total amount of dividends declared and debenture interest paid. In the case of other companies liable to tax the rate was 12d. in the £1 on the net income.

In the following table are shown the rate of taxation, also the number of assessments, the amount of taxable incomes, and the tax:

payable in the respective groups for which different rates of taxation are charged :—

INCOME TAX ASSESSMENTS, 1920-21—BASED ON INCOMES OF 1919-20.

Taxable Income.	Rate of Tax per £ of Taxable Income.			Number of Assessments.			
	Personal Exertion.	Property.	Companies.	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.
	d.	d.	d.				
Up to £500 ..	3	6	} 12 }	54,127	3,765	878	505
£501 to £1,000	4	8		4,100	1,021	3,022	222
£1,001 to £1,500	5	10		908	296	1,241	151
£1,501 to £2,000	6	12		473	167	788	162
£2,001 and upwards	7	14		503	183	1,176	803
Total ..	..	..	.. ..	60,111	5,432	8,005	1,843

Taxable Income.	Taxable Income.				Tax Payable.			
	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Com-panies.	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Com-panies.
	£	£	£	£	£	£	£	£
Up to £500 ..	7,169,676	599,501	182,847	94,961	89,621	15,031	3,151	4,726
£501 to £1,000	2,763,803	694,907	2,693,138	160,007	48,943	24,680	53,824	7,916
£1,001 to £1,500	1,105,034	361,759	1,512,894	187,141	21,696	14,357	32,751	9,362
£1,501 to £2,000	839,190	301,268	1,413,744	296,250	18,075	13,355	32,092	14,709
£2,001 and upwards	2,379,343	913,511	6,068,883	13,426,360	62,474	48,713	172,363	671,057
Total ..	14,257,046	2,870,946	11,871,306	14,164,719	240,809	116,136	294,181	707,770

On account of rebates of income tax allowed under section 18 of the *Income Tax Act* 1915 the tax payable does not coincide with the amount obtained by applying the rates of tax to the taxable incomes shown in the above statement. The total net incomes of taxpayers who were assessed to pay tax in 1920-21 amounted to £51,966,617, but, as 58,684 taxpayers were allowed the £150 exemption, the amount available for taxation was £43,164,017.

In the succeeding statement particulars of the assessments, incomes, and tax for the last five years are set forth:—

INCOME TAX: 1916-17 TO 1920-21.

—	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
Number of Assessments:					
Individuals ..	45,084	43,424	49,889	50,026	73,548
Companies ..	1,546	1,634	1,644	1,448	1,843
Total, Distinct Taxpayers ..	46,630	45,058	51,533	52,074	75,391
Taxable Incomes of previous year:					
Individuals ..	£ 16,569,263	£ 14,479,213	£ 16,572,006	£ 17,128,672	£ 28,999,298
Companies ..	7,191,667	7,292,279	8,423,513	8,607,366	14,164,719
Total ..	23,760,930	21,771,492	24,995,519	25,736,038	43,164,017
Tax payable:					
Individuals ..	377,472	332,924	399,944	383,602	651,126
Companies ..	359,569	364,564	420,995	430,028	707,770
Total ..	737,041	697,488	820,939	813,630	1,358,896
Per taxpayer:					
Individuals ..	£ s. d. 8 7 5	£ s. d. 7 13 4	£ s. d. 8 0 4	£ s. d. 7 11 7	£ s. d. 8 17 1
Companies ..	232 11 7	223 2 3	256 1 7	296 19 7	384 0 8
Average tax payable in the £ on taxable incomes by—					
Individuals ..	d. 5·47	d. 5·52	d. 5·79	d. 5·37	d. 5·39
Companies ..	12·00	12·00	12·00	12·00	12·00

The figures have not been revised, and are subject to a slight adjustment for corrections and payments made in a year subsequent to that to which they relate, but it is unlikely that any such adjustment will materially affect them.

The next table shows the sources of the incomes of taxpayers for all the principal occupations under the heads of personal exertion and property.

**SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS,
1920-21.**

Occupations.	Number of Taxpayers.				Amount of Tax.*			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
<i>1. Professional.</i>					£	£	£	£ s. d.
Civil Servants	2,022	1	129	2,152	6,904	423	7,327	3 8 1
Clergymen ..	772	..	34	806	1,935	123	2,058	2 11 1
Legal Practitioners ..	449	2	192	643	8,979	2,066	11,045	18 11 6
Medical Practitioners ..	438	8	279	725	13,355	2,940	16,295	22 9 6
Police ..	1,176	..	20	1,196	1,711	51	1,762	1 9 6
Teachers ..	1,965	..	92	2,057	5,020	426	5,446	2 12 11
Various ..	3,498	33	501	4,032	22,177	4,531	26,708	6 12 6
	10,320	44	1,247	11,611	60,081	11,460	71,541	6 3 3
<i>2. Domestic.</i>								
Hotelkeepers	531	9	284	824	10,913	3,380	14,293	17 6 11
Various ..	742	12	103	857	3,919	800	4,719	5 10 2
	1,273	21	387	1,681	14,832	4,180	19,012	11 6 2
<i>3. Commercial.</i>								
Agents ..	946	12	300	1,258	14,162	2,513	16,675	13 5 1
Brokers ..	139	1	65	205	9,556	772	10,328	50 7 7
Butchers ..	684	3	130	817	4,895	1,217	6,112	7 9 7
Clerks ..	8,475	9	706	9,190	44,513	4,048	48,561	5 5 8
Drapers ..	581	5	155	741	10,632	1,186	11,818	5 18 11
Grocers ..	647	3	133	783	4,744	631	5,375	6 17 4
Merchants ..	673	18	457	1,148	64,149	6,287	70,436	61 7 1
Salesmen ..	4,459	7	510	4,976	28,089	2,903	30,992	6 4 7
Storekeepers	446	3	132	581	6,129	693	6,822	11 14 10
Various ..	3,119	100	606	3,825	28,448	5,237	33,685	8 16 2
	20,169	161	3,194	23,524	215,317	25,487	240,804	10 4 9

* The amount of tax is given to the nearest £, but the average given is the actual amount.

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1920-21—
continued.

Occupations.	Number of Taxpayers.				Amount of Tax.*			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
<i>4. Transport.</i>					£	£	£	£ s. d.
Carriers ..	1,742	3	75	1,820	3,991	306	4,297	2 7 3
Engaged in Postal Service ..	1,009	..	15	1,024	1,791	56	1,847	1 16 1
Engaged in Railways ..	4,684	..	71	4,755	7,955	170	8,125	1 14 2
Engaged in Shipping ..	397	2	44	443	2,995	329	3,324	7 10 1
	7,832	5	205	8,042	16,732	861	17,593	2 3 9
<i>5. Industrial.</i>								
Carpenters ..	1,195	16	152	1,363	5,018	1,298	6,316	4 12 8
Engine-drivers	738	..	2	740	1,121	2	1,123	1 10 4
Engineers ..	1,396	3	89	1,488	5,936	550	6,486	4 7 2
Managers ..	879	2	160	1,041	8,494	1,848	10,342	9 18 8
Manufacturers	844	13	382	1,239	40,321	3,232	43,553	35 3 0
Printers ..	917	..	59	976	3,688	696	4,384	4 9 10
Various ..	11,734	19	654	12,407	36,616	2,736	39,352	3 3 5
	17,703	53	1,498	19,254	101,194	10,362	111,556	5 15 11
<i>6. Primary Producers.</i>								
Engaged in Agriculture, &c.—								
Dairy								
Farmers	167	13	47	227	1,164	337	1,501	6 12 3
Farmers ..	869	142	528	1,539	19,789	5,616	25,405	16 10 2
Graziers ..	205	115	408	728	29,577	13,133	42,710	58 13 4
Various ..	573	25	95	693	2,799	1,175	3,974	5 14 8
	1,814	295	1,078	3,187	53,329	20,261	73,590	23 1 10

* The amount of tax is given to the nearest £, but the average given is the actual amount.

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1920-21—
continued.

Occupations.	Number of Taxpayers.				Amount of Tax.*			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
6. Primary Producers—continued.								
Engaged in Mining—					£	£	£	£ s. d.
Legal Managers ..	22	..	8	30	198	37	235	7 16 4
Miners ..	253	..	5	258	521	3	524	2 0 8
Mining Managers ..	71	..	7	78	371	20	391	5 0 3
Various ..	107	1	8	116	613	24	637	5 9 11
	453	1	28	482	1,703	84	1,787	3 14 2
	2,267	296	1,106	3,669	55,032	20,345	75,377	20 10 11
7. Indefinite..	547	4,852	368	5,767	4,205	111,938	115,243	19 19 8
8. Companies.								
Life Assurance	21	..	..	21	29,430	..	29,430	1,401 8 7
Mining ..	17	..	..	17	3,672	..	3,672	216 0 7
Other ..	1,805	..	..	1,805	674,668	..	674,668	373 15 7
	1,843	..	..	1,843	707,770	..	707,770	334 0 8
Total ..	61,954	5,432	8,005	75,391	1,175,163	183,733	1,358,896	18 0 6

* The amount of tax is given to the nearest £, but the average given is the actual amount.

Of the total taxpayers, 82 per cent. (inclusive of 1,843 companies) gained their incomes from personal exertion, 7 per cent. from property, and 11 per cent. from personal exertion combined with property. The proportion of taxpayers having definite occupations who derive incomes from personal exertion ranged from 57 per cent. in the case of primary producers engaged in agriculture to 97 per cent. in the case of those engaged in transport. Personal exertion combined with property was the source of income in a proportion ranging from $2\frac{1}{2}$ per cent. of those engaged in transport to 34 per cent. of primary producers engaged in agriculture. The incomes of the indefinite class, which comprises persons of independent means and of no occupation and pensioners, are gained by $9\frac{1}{2}$ per cent. of their number from personal exertion, by about 84 per cent. from property, and by $6\frac{1}{2}$ per cent. from personal exertion combined with property. The tax on all incomes obtained from personal exertion (inclusive of £707,770 levied on companies) furnished about $86\frac{1}{2}$ per cent. of the total, the percentage being as low as

4 for indefinite occupations, and for the definite classes ranging from 72 for primary producers engaged in agriculture to 95 in the case of persons engaged in transport.

The taxable incomes of taxpayers in conjunction with occupations are given in the following statement:—

**TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS,
1920-21.**

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes from—			Total.	On taxable incomes from—			Total.
	£51 to £500.	£501 to £1,000.	£1,001 and over.		£51 to £500.	£501 to £1,000.	£1,001 and over.	
1. Professional.								
Civil Servants ..	1,888	240	24	2,152	£ 3,677	£ 2,910	£ 740	£ 7,327
Clergymen ..	757	44	5	806	1,374	526	158	2,058
Legal Practitioners	310	164	169	643	666	2,268	9,011	11,945
Medical Practitioners	182	273	270	725	478	3,763	12,054	16,295
Police ..	1,181	15	..	1,196	1,592	170	..	1,762
Teachers ..	1,913	125	19	2,057	3,153	1,533	760	5,446
Various ..	3,093	690	249	4,032	6,123	8,748	11,837	26,708
	9,324	1,551	736	11,611	17,063	19,918	34,560	71,541
2. Domestic.								
Hotelkeepers ..	309	309	206	824	769	4,179	9,345	14,293
Various ..	685	128	44	857	1,179	1,603	1,937	4,719
	994	437	250	1,681	1,948	5,782	11,282	19,012
3. Commercial.								
Agents ..	786	298	174	1,258	1,700	4,040	10,935	16,675
Brokers ..	59	49	97	205	152	647	9,529	10,328
Butchers ..	602	168	47	817	1,069	2,122	2,921	6,112
Clerks ..	7,708	1,034	448	9,190	14,090	12,606	21,865	48,561
Drapers ..	450	161	130	741	902	2,111	8,805	11,818
Grocers ..	579	151	53	783	1,111	1,891	2,373	5,375
Merchants ..	352	267	529	1,148	827	3,724	65,885	70,436
Salesmen ..	3,972	715	289	4,976	7,551	8,810	14,631	30,992
Storekeepers ..	355	139	87	581	787	1,863	4,172	6,822
Various ..	2,828	632	365	3,825	5,249	8,303	20,133	33,685
	17,691	3,614	2,219	23,524	33,438	46,117	161,249	240,804
4. Transport.								
Carriers ..	1,719	70	31	1,820	2,035	904	1,358	4,297
Engaged in Postal Service ..	998	23	3	1,024	1,475	274	98	1,847
Engaged in Railways	4,656	93	6	4,755	6,861	1,075	189	8,125
Engaged in Shipping	367	42	34	443	623	541	2,160	3,324
	7,740	228	74	8,042	10,994	2,794	3,805	17,593

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1920-21—
continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes from—			Total.	On taxable incomes from—			Total.
	£51 to £500.	£501 to £1,000.	£1,001 and over.		£51 to £500.	£501 to £1,000.	£1,001 and over.	
5. Industrial.					£	£	£	£
Carpenters ..	1,193	118	52	1,363	1,826	1,586	2,904	6,316
Engine-drivers	733	5	2	740	987	68	68	1,123
Engineers ..	1,321	111	56	1,488	2,211	1,345	2,930	6,486
Managers ..	715	213	113	1,041	1,458	2,664	6,220	10,342
Manufacturers	606	251	382	1,239	1,217	3,270	39,066	43,553
Printers ..	884	61	31	976	1,373	817	2,194	4,384
Various ..	11,441	656	310	12,407	15,816	8,322	15,214	39,352
	16,893	1,415	946	19,254	24,888	18,072	68,596	111,566
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers	159	56	12	227	345	765	391	1,501
Farmers ..	691	425	423	1,539	1,779	5,612	18,014	25,405
Graziers ..	198	164	366	728	600	2,560	39,550	42,710
Various ..	566	92	35	693	1,096	1,223	1,655	3,974
	1,614	737	836	3,187	3,820	10,160	59,610	73,590
Engaged in Mining—								
Legal Managers	20	5	5	30	39	62	134	235
Miners ..	254	1	3	258	311	12	201	524
Mining Managers	64	11	3	78	131	139	121	391
Various ..	101	9	6	116	178	114	345	637
	439	26	17	482	659	327	801	1,787
	2,053	763	853	3,669	4,479	10,487	60,411	75,377
7. Indefinite ..	4,075	1,031	661	5,767	14,993	24,118	76,132	115,243
8. Companies.								
Life Assurance	3	2	16	21	18	73	29,339	29,430
Mining ..	9	..	8	17	60	..	3,612	3,672
Other ..	493	220	1,092	1,805	4,648	7,843	662,177	674,668
	505	222	1,116	1,843	4,726	7,916	695,128	707,770
Total ..	59,275	9,261	6,855	75,391	112,529	135,204	1,111,163	1,358,896

Of the number of taxable incomes assessed, about 79 per cent. did not exceed £500, 12 per cent. were from £501 to £1,000, and

9 per cent. were over £1,000; but the tax levied on these incomes formed 8·3, 9·9, and 81·8 per cent. respectively of the total. A perusal of the above table shows that the occupational group which contributes the largest amount of tax is that of merchants, 1,148 of whom were taxed £70,436, and that of these 529 had taxable incomes of over £1,000, and were called upon to pay £65,885. The group paying the next largest amount of tax is that of clerks, 9,190 of whom were taxed £48,561. Of these, 448 had taxable incomes of over £1,000, and were called upon to pay £21,865.

In addition to the State Income Tax there is a Commonwealth Income Tax, which was first imposed on incomes earned in the financial year 1914-15. The tax collected by the Commonwealth Government, in the year 1920-21, amounted to £14,351,408, and it is estimated that the payments made on Victorian income would be £4,203,000.

LAND TAX.

State Land Tax.

The State Land Tax Act of 1915 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might in ordinary circumstances be expected to require, and assuming that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act at a rate declared for each year by Act of Parliament. The rate of tax for 1921 was one halfpenny on every pound sterling of the unimproved value of all land having an unimproved value exceeding £250. No tax is chargeable when the total unimproved value of all lands owned does not exceed £250. Where the assessed unimproved value exceeds the amount of exemption (£250) the exemption diminishes at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds £500.

The Assessment Roll on 31st December of each of the last five years showed the following particulars:—

			Taxpayers.			Net Assessment of Tax.
1917	..	..	88,783	..	..	£309,429
1918	..	..	88,926	..	..	£310,142
1919	..	..	89,363	..	..	£310,059
1920	..	..	94,463	..	..	£317,174
1921	..	..	103,237	..	..	£335,566

Common-wealth Land Tax Act.

In addition to the State Land Tax there is upon the lands in the State a Commonwealth Land Tax, which was assented to on 17th November, 1910. The following particulars of land tax assessment for Victoria for the financial year 1919-20 were furnished by the Federal Commissioner of Land Tax. The estates assessed numbered 4,632, of which 4,053 belonged to resident and 579 to absentee taxpayers. The unimproved value of these estates, as ascertained by the Department, was £51,852,353. The taxable value, after allowing for all statutory deductions from the unimproved value, was £30,712,083, on which the tax payable was £339,388. In addition, there were 850 central office taxpayers who held an unimproved value of £7,668,887 representing their Victorian primary interests, on which the tax payable was £128,440.

RAILWAY REVENUE AND EXPENDITURE.

Victorian Railways, financial results.

A summary of the results of the working of the Victorian Railways during the last five years is given in the appended statement. The figures have been taken from the Railway Report and represent the actual business done each year, not the receipts and payments brought to account by the Treasury within the year. They include particulars of the St. Kilda-Brighton and Sandringham-Black Rock Electric Street Railways.

RAILWAY BALANCES : 1916-17 TO 1920-21.

	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
	£	£	£	£	£
Gross Revenue ..	5,980,638	6,593,873	6,476,076	8,287,063	9,851,909
Working Expenses ..	4,174,542	4,474,745	4,323,183	6,112,822	7,911,834
Pensions, Gratuities, &c. ..	131,416	129,160	151,588	152,932	182,036
Net Receipts ..	1,674,680	1,989,968	2,001,305	2,021,309	1,758,039
Interest on Cost of Construction ..	2,012,447	2,126,906	2,164,902	2,234,202	2,409,674
Deficit ..	337,767	136,938	163,597	212,893	651,635

In 1914-15 there was a large expenditure due to efforts to minimize unemployment, and there was a loss in revenue on account of adverse conditions occasioned by a drought. The result was that a deficit of £842,436, the first since 1907-8, was shown for that year, and, although there has since been an improvement, the transactions for 1920-21 showed a deficit of £651,635.

RAILWAY ACCIDENT AND FIRE INSURANCE FUND.

The establishment of a permanent fund to be kept at the Treasury, and called the Railway Accident and Fire Insurance Fund, was effected by provision in the *Railways Act 1907* (now the *Railways Act 1915*). This provision requires the Railway Commissioners to pay into such fund the sum of 10s. for every £100 sterling of the revenue of the Victorian Railways until the fund amounts to £100,000, at which amount it is to be maintained. During the year ended 30th June, 1921, the receipts of the fund amounted to £74,250, whilst the payments made therefrom were £4,336 for compensation, damages, costs, &c., to persons other than employees injured; £10,468 as compensation on account of injuries to or deaths of employees; and £65,881 as compensation for goods or parcels lost, and for damages caused by fire, &c.

STATE EXPENDITURE.

The following table shows for the last five years the principal heads of State expenditure from Consolidated Revenue:—

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE: 1916-17 TO 1920-21.

Heads of Expenditure.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
	£	£	£	£	£
<i>General Government.</i>					
Governor	8,341	7,486	7,448	6,915	8,777
Parliament and Ministry	71,055	82,591	74,059	74,402	103,494
Civil Establishment	302,345	293,836	309,583	349,029	404,575
Pensions and Gratuities	382,160	391,521	415,295	420,726	466,636
<i>Law, Order, and Protection.</i>					
Judicial and Legal ..	168,021	165,613	166,675	194,149	226,608
Police	334,010	341,364	366,079	462,303	533,920
Penal Establishments and Gaols ..	59,614	55,027	54,268	61,947	75,981
<i>Education, &c.</i>					
State Schools, &c. ..	1,045,203	1,084,050	1,111,276	1,324,595	1,659,663
Technical Schools ..	51,946	70,247	65,455	69,661	92,001
University	26,284	26,500	27,000	31,500	37,975
Libraries, &c. ..	27,289	26,253	26,006	27,672	33,500
Art and Science ..	9,506	8,830	9,136	8,976	9,305
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts ..	23,981	21,547	22,563	31,565	36,939
Public Health ..	85,870	50,439	180,684	190,844	80,848
Charitable Institutions, &c. ..	574,840	564,535	583,008	666,697	818,539

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE :
1916-17 TO 1920-21—continued.

Heads of Expenditure.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
<i>Crown Lands, &c.</i>	£	£	£	£	£
Crown Lands ..	151,588	142,540	157,557	167,818	207,760
Agriculture and Stock ..	185,831	198,193	214,001	266,314	244,968
Mining ..	322,799	409,502	379,556	587,031	538,855
<i>Public Works.</i>					
Railways ..	4,184,199	4,475,717	4,261,082	6,042,136	7,857,380
Water Supply ..	111,052	120,789	116,153	154,534	165,145
Harbors, Rivers, and Lights ..	75,932	75,928	92,825	81,436	93,929
Roads and Bridges ..	4,086	6,546	6,001	3,930	6,068
Country Roads Board Fund ..	71,807	83,268	140,873	158,288	170,638
Municipal Endowment, &c. ..	61,611	60,753	60,138	67,396	52,212
Works and Buildings, n.e.i. ..	37,242	67,460	50,666	61,610	56,675
Interest and Expenses of Public Debt ..	2,869,511	3,010,358	3,087,059	3,249,393	3,882,095
Interest on Advances from Savings Banks ..	7,879	8,453	8,638	8,212	7,975
Redemption Funds, &c. ..	296,345	299,578	301,466	359,100	508,344
Settlement of Discharged Soldiers ..	..	..	58,011	75,000	75,000
<i>Other Expenditure.</i>					
Mint Subsidy ..	20,000	25,000	25,000	29,778	40,000
Fire Brigades ..	32,820	32,882	33,309	37,164	45,615
Immigration ..	13,286	9,895	7,275	6,870	11,885
Licensing Fund ..	144,732	143,501	164,128	197,630	257,288
Expeditionary Forces — Allowance to Railway Department for carriage ..	738	6,610	74,673	117,345	10,428
Assurance Fund ..	2,050	1,917	1,393	1,615	2,852
Surplus Revenue appropriated to "Revenue Services" ..	..	220,156	274,521	103,716	56,936
Miscellaneous ..	31,322	42,284	46,547	55,162	60,889
Total ..	11,795,295	12,631,169	12,979,407	15,752,459	18,941,698
Per Head of Population	£ s. d. 8 7 11	£ s. d. 8 18 3	£ s. d. 9 0 7	£ s. d. 10 9 7	£ s. d. 12 7 11

Compared with the previous year the ordinary expenditure of the State for 1920-21 showed an increase of £3,189,239. The heads of expenditure showing the largest increases were—Railways, £1,815,244; State Schools, £335,068; Interest and Expenses of Public Debt, £632,702; and Charitable Institutions, £151,842. The chief decreases were—Public Health, £109,996; and Mining, £48,176.

PENSIONS AND GRATUITIES.

Pensions and gratuities to Government servants.

The bestowal of pensions or superannuation allowances was abolished on 24th December, 1881, in the case of persons, except Supreme Court Judges, police, and railway employees, entering the Public Service after that date. Pensions to railway employees were abolished on 1st November, 1883.

During the year 1920-21, 3,290 pensions, amounting to £395,516, were paid to ex-public servants not including police, viz., 3,140 under special appropriations, amounting to £387,105; and 150 from annual votes, amounting to £8,411. Twenty-four compensations and gratuities were also paid, the amount being £19,960. These pensions, compensations, and gratuities were paid entirely out of Consolidated Revenue, no contributions having been received from the persons entitled thereto, or from any other source. The following statement shows the numbers and amounts of payments made in the last financial year:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC., PAID: 1920-21.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Education Department	1,042	£ 117,947	10	£ 364	1,052	118,311
Railways	1,428	158,202	120	7,003	1,548	165,205
Defence	4	368	..	..	4	368
Lunacy	29	3,147	..	..	29	3,147
Under Constitution Act	1	1,500	..	..	1	1,500
Officers of Parliament	1	509	..	..	1	509
County Court Judges..	1	750	..	..	1	750
Under Act 1988 ..	1	246	..	..	1	246
Under Civil Service Act 160	205	44,933	..	..	205	44,933
Under Public Service Act 773	141	30,972	..	..	141	30,972
Commonwealth Service —Officers of trans- ferred Departments	287	28,531	..	..	287	28,531
Various allowances ..	..	..	20	1,044	20	1,044
Total Pensions and Superannuation Allowances ..	3,140	387,105	150	8,411	3,290	395,516
Compensations and Gra- tuities .. ..	..	..	24	19,960	24	19,960
Subsidy to Police Super- annuation Fund ..	..	2,000	..	40,000	..	42,000
Total amount paid	..	389,105	..	68,371	..	457,476

In 1920-21 the payments out of the Police Superannuation Fund were as follows:—431 pensions, amounting to £63,584, and 18

gratuities, amounting to £13,992. The Police Superannuation Fund is maintained by an annual subsidy of £2,000 from the Consolidated Revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by a deduction, not exceeding 2½ per cent., from the pay of the members of the force entitled to pensions; by transfers from the Licensing Fund under the provisions of Act No. 2855; and, should the foregoing sources prove insufficient, by a further grant in aid from the Consolidated Revenue.

Pensions are payable only to those members of the police force who joined prior to the 25th November, 1902.

In the year 1920-21, 21 pensions amounting to £2,859 were paid out of the Port Phillip Pilot Sick and Superannuation Fund, towards which, however, the Government does not contribute, the fund being maintained by deductions from pilots' earnings and the annual income from investments belonging to the fund.

South Africa
Contingent
pensions.

Pensions to members and relatives of members of the South African war contingents amounted to £631 in 1920-21.

EXPENDITURE ON EDUCATION.

During the year 1920-21 the State expended on education generally the sum of £2,117,151. This amount includes the interest payable on loan moneys expended on buildings and expenditure in connexion with pensions and gratuities. The expenditure in each of the last five years was as follows:—

STATE EXPENDITURE ON EDUCATION: 1916-17 TO 1920-21.

Expenditure on—	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
	£	£	£	£	£
Education—Primary ..	783,612	814,087	834,461	995,171	1,232,440
Intermediate and secondary	75,059	77,203	80,899	100,253	127,673
Special Subjects	25,633	29,074	30,540	37,231	49,214
Training of Teachers ..	19,130	17,836	18,049	21,873	26,353
Administration	49,193	47,745	50,308	55,436	63,252
Buildings (State Schools)..	116,010	62,532	87,273	131,265	176,099
Technical Schools (including Building Grants)	98,661	132,943	123,466	127,544	192,215
University (including Build- ing Grants)	31,345	32,407	32,874	38,584	67,498
Interest payable on Loan Money expended on Build- ings	57,873	57,981	57,853	55,071	64,404
Miscellaneous	110,876	113,267	114,854	116,336	118,003
Total	1,367,392	1,385,075	1,430,577	1,678,764	2,117,151*

* In addition, an amount of £29,132, paid by students as fees during the calendar year 1920, was expended on technical education.

The foregoing statement deals with the expenditure by the State on education generally, and includes expenditure connected with the

University and technical schools, but the statement which follows relates to that portion of the expenditure which has been incurred in connexion with the State schools of Victoria, primary and secondary, excluding the amount expended on scholarships, in each of the last five years:—

EXPENDITURE IN CONNEXION WITH STATE SCHOOLS:
1916-17 TO 1920-21.

Items.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
	£	£	£	£	£
Education:					
Primary—					
Day Schools	778,649	808,506	829,127	989,654	1,226,049
Night Schools	67	64	64	64	44
Schools for Deaf Mutes and Blind and Feeble-minded Children	3,158	3,501	3,231	3,405	4,391
Grant to Collingwood Play- ground	100	100	100	100	100
Subsidies to Schools in sparsely populated districts	343	616	639	648	556
Free Kindergarten Union	1,000	1,000	1,000	1,000	1,000
State Schools Horticultural Society	300	300	300	300	300
	783,612	814,987	834,461	995,171	1,232,460
Intermediate—					
Higher Elementary Schools	5,613	5,685	6,548	10,926	19,791
Evening Continuation Classes	531	461	353	360	365
Secondary—					
High Schools	40,474	62,814	65,650	79,352	97,785
Agricultural High Schools	20,648				
	67,266	68,960	72,551	90,638	117,961
Special Subjects—					
Cookery	12,146	14,052	15,623	18,464	24,789
Manual Training	10,519	12,245	12,163	15,364	19,460
Physical Training	769	843	729	714	1,125
Medical Inspection	1,673	1,462	1,522	2,147	2,893
Dressmaking and Needlework	246	247	253	252	379
School Gardening	280	225	250	290	568
	25,633	29,074	30,540	37,231	49,214
Training of Teachers—					
Training College	9,923	9,867	10,352	12,753	16,023
University Practising School	2,940	2,580	2,767	3,198	4,187
Miscellaneous	6,567	5,389	4,930	5,922	6,143
	19,130	17,836	18,049	21,873	26,353
Administration	49,193	47,745	50,308	55,436	63,252
Buildings—					
Primary Schools	94,664	46,383	66,140	98,163	126,112
Primary Schools (expended by School Committees)	6,147	5,767	6,263	9,770	11,112
Rent	4,481	4,500	5,300	6,492	6,999
Higher Elementary Schools	400	278	3,812	3,278	18,656
High Schools	10,318	5,604	5,758	13,562	13,220
	116,010	62,532	87,273	131,265	176,099
Interest payable on Loan Money expended on Buildings	57,789	57,897	57,769	54,987	62,597
Pensions and Gratuities	110,823	113,215	114,799	116,284	117,950
Total	1,229,456	1,211,346	1,265,750	1,502,885	1,845,866

The following return summarizes the expenditure and revenue connected with the Victorian State Schools, and shows the cost per scholar for each of the last ten years :—

**COST OF INSTRUCTION IN VICTORIAN STATE SCHOOLS :
1911-12 TO 1920-21.**

Year.	Expenditure by the State.	Revenue of the Education Department.	Net Expenditure.	Number of Scholars— Average Attendance.	Cost per Scholar to the State.
	£	£	£		£ s. d.
1911-12 ..	1,119,240	24,540	1,094,700	154,807	7 1 6
1912-13 ..	1,201,649	28,646	1,173,003	156,965	7 9 6
1913-14 ..	1,259,990	26,175	1,233,815	163,200	7 11 3
1914-15 ..	1,426,408	28,612	1,397,796	166,407	8 8 0
1915-16 ..	1,329,272	26,403	1,302,869	167,989	7 15 1
1916-17 ..	1,229,456	28,477	1,200,879	167,588	7 3 4
1917-18 ..	1,211,346	30,577	1,180,769	167,653	7 0 10
1918-19 ..	1,265,750	21,666	1,244,084	171,640	7 5 0
1919-20 ..	1,502,885	23,917	1,478,968	168,314	8 15 9
1920-21 ..	1,845,866	26,520	1,819,346	167,627	10 17 1

This table includes the amount payable each year as interest on loan moneys expended on school buildings.

COMMONWEALTH FINANCE IN VICTORIA.

Commonwealth Finance. A statement of the Commonwealth revenue and expenditure in Victoria for the last five years is given below :—

COMMONWEALTH REVENUE AND EXPENDITURE IN THE STATE OF VICTORIA (ESTIMATED) : 1916-17 TO 1920-21.

Heads of Revenue and Expenditure.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
REVENUE.	£	£	£	£	£
Customs Duties ..	3,845,131	2,970,677	4,010,055	4,371,405	7,345,609
Excise Duties ..	887,895	1,003,085	1,631,074	1,963,915	2,525,847
Income Tax ..	1,683,000	1,856,000	2,527,000	3,601,000	4,203,000
Post, Telegraph, &c.	1,478,667	1,520,518	1,621,218	1,803,551	2,272,719
War-time Profits Tax ..	..	208,500	327,000	474,000	495,000
Land Tax ..	471,056	486,250	534,000	486,000	492,436
Succession Duties ..	275,774	357,995	370,000	619,000	435,873
War Postage ..	..	..	132,000	215,000	56,000
Entertainments Tax	32,947	72,209	110,815	176,411	203,769
Miscellaneous ..	1,051,530	1,772,766	1,594,838	1,108,718	1,238,747
Total ..	9,726,000	10,248,000	12,858,000	14,819,000	19,269,000
EXPENDITURE.					
Trade and Customs ..	186,000	204,500	232,400	282,860	272,500
Post, Telegraph, &c.	1,320,832	1,434,928	1,337,453	1,538,872	1,901,864
Payment to the State Government ..	1,722,409	1,739,481	1,764,239	1,847,085	1,878,449
Other Expenditure ..	6,098,759	6,865,091	8,976,908	10,981,183	14,109,187
Total ..	9,328,000	10,244,000	12,311,000	14,650,000	18,162,000

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

Commonwealth and State Finance. The total Government revenue and expenditure within the State of Victoria is shown by combining State and Commonwealth receipts and expenditure. The figures relating to the principal items are given in the following table:—

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: 1916-17 TO 1920-21.

Hheads of Revenue and Expenditure.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
REVENUE.					
	£	£	£	£	£
Customs and Excise	4,733,026	3,973,762	5,641,129	6,335,320	9,871,456
Post, Telegraph, &c.	1,478,667	1,520,518	1,621,218	1,803,551	2,272,719
State Railways ..	5,882,968	6,615,914	6,422,133	8,081,947	9,848,061
State Taxation ..	2,282,372	2,310,723	2,744,946	3,159,767	3,846,833
Other sources ..	5,440,437	6,760,389	7,708,423	9,457,514	10,605,957
Total Revenue..	19,817,470	21,181,306	24,137,849	28,838,099	36,445,026
EXPENDITURE.					
Trade and Customs	186,000	204,500	232,400	282,860	272,500
Post, Telegraph, &c.	1,320,832	1,434,928	1,337,453	1,538,872	1,901,864
State Railways ..	4,184,199	4,475,717	4,261,082	6,042,136	7,857,380
Public Instruction*..	1,123,433	1,180,797	1,203,731	1,425,756	1,789,639
Public Debt (Victoria)—					
Interest and Ex-					
penses ..	2,869,511	3,010,358	3,087,059	3,249,393	3,882,095
Redemption ..	296,345	299,578	301,466	359,100	508,344
Other Expenditure..	9,420,566	10,529,810	13,102,977	15,657,257	19,013,427
Total Expenditure	19,400,886	21,135,688	23,526,168	28,555,374	35,225,249

* Primary and Technical Schools, and University.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

Commonwealth, State, and Local Finance. A statement of the ordinary revenue and expenditure and of the loan expenditure of the Federal Government in Victoria, also of the State Government and of the municipal and local bodies, during the last five years, will be found in the next table. From the totals of revenue and

expenditure the amounts received by one body from another have been deducted.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND
EXPENDITURE: 1917 TO 1921.

	Financial Year ended in—				
	1917.	1918.	1919.	1920.	1921.
<i>Revenue.</i>	£	£	£	£	£
Government—					
Federal ..	9,726,000	10,248,000	12,858,000	14,819,000	19,269,000
State ..	10,031,774	10,873,610	11,220,153	13,964,354	17,129,995
Municipal ..	2,222,890	2,392,851	2,713,540	3,081,726	3,460,727
Harbor Trusts ..	291,291	303,521	318,373	362,439	451,784
Melbourne and Metro- politan Board of Works ..	725,846	742,534	783,043	854,992	877,441
Fire Brigades Boards	38,024	41,248	43,838	51,906	68,865
Total ..	23,035,825	24,601,794	27,936,947	33,134,417	41,257,812
 <i>Ordinary Expenditure.</i>					
Government—					
Federal ..	9,328,000	10,244,000	12,311,000	14,650,000	18,162,000
State ..	10,013,190	10,831,992	11,155,472	13,850,629	17,017,218
Municipal ..	2,198,535	2,412,562	2,751,303	2,960,882	3,466,396
Harbor Trusts ..	285,811	259,646	325,247	347,335	410,350
Melbourne and Metro- politan Board of Works ..	687,533	737,241	750,700	751,588	804,096
Fire Brigades Boards	41,700	43,890	45,278	50,171	70,318
Total ..	22,554,769	24,529,331	27,339,000	32,610,605	39,930,378

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
1917 TO 1921—*continued.*

	Financial Year ended in—				
	1917.	1918.	1919.	1920	1921.
<i>Loan Expenditure.</i>	£	£	£	£	£
Government—					
Federal	15,240,144	16,267,280	18,095,454	13,502,000	10,245,000
State	2,440,966	1,931,679	2,932,521	7,601,266	11,095,158
Municipal	290,824	190,184	194,627	259,498	480,166
Harbor Trusts	191,882	188,571	179,030	158,311	188,779
Melbourne and Metro- politan Board of Works	214,655	207,602	236,263	289,930	423,692
Fire Brigades Boards	5,209	14,721	8,344	7,046	23,782
Total	18,333,680	18,800,037	21,646,239	21,818,051	22,456,577
<i>Expenditure—Grand Total</i>	40,938,449	43,329,368	48,985,239	54,428,656	62,386,955
Per Head of Popula- tion—					
Revenue	£ s. d. 16 8 0	£ s. d. 17 7 2	£ s. d. 19 8 8	£ s. d. 22 0 10	£ s. d. 27 0 0
Ordinary Expen- diture	16 1 1	17 6 2	19 0 5	21 13 10	26 2 6
Loan Expenditure	13 1 9	13 5 6	15 1 2	14 10 3	14 14 0

The loan expenditure of the Federal Government for 1920-21, exclusive of loans to the States, amounted to £36,285,292. The proportion shown in the table above as being chargeable to Victoria has been calculated on a population basis.

The total revenues in Victoria of the Federal and State Governments, the municipalities, and other corporations in the financial

year 1921 amounted to 41 millions sterling, which was £8,123,395 more than the revenues of the previous year. The total expenditure in 1921 exceeded that of 1920 by £7,958,299, or about 14½ per cent.

PUBLIC DEBT.

The following statement shows the result of loan transactions including Treasury Bonds in aid of revenue to 30th June, 1921, with the exception of Melbourne and Hobson's Bay Railway Debentures taken over, which are not treated in the Treasury accounts as a loan raised by the State :—

CASH RECEIPTS AND LOANS RAISED AND REDEEMED TO 30th JUNE, 1921.

	£	s.	d.
Cash received	167,994,256	15	6
Discount and expenses after deducting premiums received	2,467,695	5	1
Securities issued	170,461,952	0	7
Securities redeemed	73,145,121	12	9
Loans outstanding	97,316,830	7	10*

It will be seen that, upon the transactions to date, for cash amounting to £167,994,257 securities representing £170,461,952 were issued, which is equivalent to the State receiving £98 11s. 1d. in cash for every £100 bond given.

Excluding London debentures for £388,100 taken over with the Melbourne and Hobson's Bay Railway and since paid off, the total amount of the loans which have been raised in London at varying rates of interest is £85,924,739 after allowing for conversion operations. The amount which has been paid off by means of new loans is £43,737,205 and by means of appropriations from revenue, &c., £3,007,400, while £471,084 has been transferred to the Melbourne register, leaving a balance due in London on 30th June, 1921, of £38,709,050, consisting of debentures amounting to £3,950,900, and inscribed stock £34,758,150. The following table gives particulars respecting the various loans which have been raised in London since 1859, together with the average prices obtained after

* There are, in addition to this amount, the overdue debentures for £1,000, which are referred to further on.

deducting flotation expenses as well as accrued interest, and the rates of interest to which such prices are equivalent :—

LOANS FLOATED IN LONDON: 1859 TO 1921.

When Raised.	Debentures or Stock.				Average Price Obtained per £100 Debenture Stock or Bond.		Actual Rate of Interest per £100 net.
	Currency.		Amount Sold.	Rate of Interest.	Ex Accrued Interest.	Ex Interest and Expenses. (Net Proceeds.)	
	When Due.	No. of Years.					
			£	Per cent.	£ s. d.	£ s. d.	£ s. d.
1859	1883	24	1,000,000	6	105 1 11½	103 18 11½	5 14 0
"	"	"	750,000	6	107 17 7½	106 14 7½	5 9 10
1860	"	23	1,837,500	6	104 17 10½	103 14 10½	5 14 1
"	1884	"	812,500				
1861	1885	24	1,000,000	6	103 1 6½	101 18 6½	5 17 0
1862	"	23	1,600,000	6	102 19 7	101 16 7	5 17 2
1866	1891	25	850,000	6	100 8 11½	99 5 11½	6 1 1
1869	1894	"	588,000	5	98 4 2½	97 1 2½	5 4 3
1870	"	24	1,518,400	5	100 17 6½	99 14 6½	5 0 5
1874	1899	25	1,500,000	4	90 2 7	88 19 7	4 15 9
1876	1901	"	500,000	4	94 16 10½	93 18 11½	4 8 1
"	"	"	2,500,000				
1878	1904	26	457,000	4	..	..	..
1879	"	25	3,000,000	4½	97 17 5½	96 19 2½	4 14 0
1880	"	24	2,000,000	4½	103 3 8½	102 5 11	4 6 11
1915	1920-25	5-10	784,700	4½	100 0 0	98 2 9	4 18 6
1916	1920-22	4-6	550,000	5½	97 9 4½	97 9 4½	5 15 1
1916	1920-22	4-6	100,000	5½	97 9 4½	97 9 4½	5 15 1
1917	1927	11	1,109,481	5½	95 18 7½	95 18 7½	5 14 8
1917	1927	10	194,519	5½	95 17 8½	95 17 8½	5 14 9
1919	1924-34	5-15	149,600	5½	100 0 0	98 5 0	5 13 6
			Stock.				
1883	1907	24	4,000,000	4	98 16 8½	97 13 7½	4 3 0
"	1908	"	2,000,000	4	97 14 1½	96 10 11½	4 4 6
1884	1913	29	1,957,500	4	98 5 7	97 2 8½	4 3 3
"	1918-22	34	2,042,500				
1885	1919	34	3,180,620	4	98 18 6½	97 15 9½	4 2 5
"	"	"	819,380	4	105 12 3½	104 9 0	3 15 5
1886	1920	"	1,500,000				
1887	"	33	3,000,000	4	102 5 6½	101 2 9	3 18 9
1888	"	32	1,500,000	4	106 1 1½	106 18 0½	3 12 9
1889	1923	34	3,000,000	3½	102 14 10	101 11 11½	3 8 5
1890	"	33	4,000,000	3½	100 2 4	98 19 6	3 11 1
1891	1921-26	30-35	850,000	3½	96 3 7	95 0 10	3 15 6
"	"	"	2,150,000				
1892	"	29-34	2,000,000	3½	91 13 7	90 10 8	4 1 5
1893	1911-26	17-32	2,107,000	4	94 7 5	93 4 8	4 11 7
1899	1929-49	30-50	1,600,000	3	94 7 1	93 4 2	3 7 3
1901	"	28-48	3,000,000	3	92 2 1	89 14 5	3 11 10
1902	"	27-47	1,000,000	3	95 16 6½	93 8 3½	3 7 6
1903	"	26-46	3,148,176	3½	91 14 9½	89 8 0	4 3 8
1906	"	23-43	587,808				
1907	"	22-42	702,140	3½	100 0 0	98 19 1	3 11 5
1909	"	20-40	1,500,000				
1910	"	19-39	538,352	3½	97 3 11½	91 15 8½	3 17 7
1913	1918-22	5-9	3,000,000	4	99 2 6	97 10 0	3 13 8
"	"	27-47	1,000,000	4	98 0 0	96 4 7	4 17 4
"	"	27-47	1,000,000	4	97 15 0	95 7 5	4 5 10
"	"	"	2,000,000	4	96 18 9	94 0 10	4 7 0
1915	1920-25	5-10	1,465,300	4½	100 0 0	98 4 3½	4 18 2
1919	1924-34	5-15	2,850,400	5½	100 0 0	98 10 0	5 13 0
1920	1923-25	3-5	2,302,333	6½	100 0 0	99 12 2	6 7 4
			Treasury-bonds				
1892	1893	1	1,000,000	4½	99 3 11	99 1 5	5 0 0
1898	1900	2	500,000	3½	100 0 0	100 0 0	3 15 0
1903	1906	3	2,254,800	4	99 10 8½	96 18 10	5 2 7
Total			85,358,639				
Paid off			46,179,505				
Transferred to Melbourne register			471,084				
Outstanding			38,709,050				

The figures in the last column represent the rates of interest payable by the State for the actual amount of money which was obtained after deduction of all expenses that had been incurred in connexion with the flotation, and with allowance for redemption at par on maturity.

With the exception of a loan raised in 1920, the nominal rate of interest has varied from 6 per cent. for earlier loans to 3 per cent. for those of later date, and the actual rate paid by the Government has varied from 6 per cent. in 1866 to $3\frac{3}{8}$ per cent. in 1899 and 1902. The first six loans raised were obtained at about $5\frac{1}{2}$ per cent., but money was secured in 1870 at 5 per cent. In 1883 it was obtained at about $4\frac{1}{8}$ per cent., in 1885 at $4\frac{1}{8}$ per cent., in 1888 at $3\frac{5}{8}$ per cent., and in 1889 at less than $3\frac{1}{2}$ per cent. In 1891 there was a reaction, when the money obtained cost $3\frac{3}{4}$ per cent., and the rate was further increased to over $4\frac{1}{2}$ per cent. in 1893, while 5 per cent. was paid on short-dated Treasury bonds issued in 1892. Some later loans show a marked improvement, as in 1899 the actual rate of interest was less than $3\frac{3}{8}$ per cent., being the lowest rate at which loans were raised in London, while for loans floated in 1901 and 1907 the money was obtained at slightly over $3\frac{1}{2}$ per cent.; for a loan in 1902 the rate was $3\frac{3}{8}$ per cent., for one in 1909 it was $3\frac{3}{8}$ per cent., and in 1910 portion of a loan falling due was converted at $3\frac{3}{8}$ per cent. On the other hand, the interest on loans raised in 1903 was as high as $5\frac{1}{2}$ per cent. on short-dated Treasury bonds, and $4\frac{1}{8}$ per cent. on stock sold. As regards recent loans, the average rate was $4\frac{3}{8}$ per cent. in 1913, nearly 5 per cent. in 1915, $5\frac{1}{4}$ per cent. in 1916 and 1917, $5\frac{3}{8}$ per cent. in 1919, and $6\frac{3}{8}$ per cent. in 1920.

Excluding Treasury bonds in aid of revenue and Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, of which £62,000 have since been paid off, the total amount of the loans which have been floated in Melbourne exclusive of conversion operations is £77,141,030. Of this amount £13,889,875 has been redeemed by loans, and £6,267,743 by revenue, &c., leaving due a balance of £56,983,412 on 30th June, 1921, consisting of debentures, £29,549,727, inscribed stock, £24,833,685, and Treasury bonds, £2,600,000. In addition, outstanding inscribed stock for £470,584, and debentures for £500 have been transferred from the London to the Melbourne register, so that of the debt outstanding the total amount payable in Melbourne is £57,454,496. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the following twenty-three years the local debt was increased by over 54 millions sterling. This increase was brought about principally by the replacing of certain London loans as they fell due, by local issues, and by the raising of local loans to acquire estates for closer settlement purposes, &c. Of the total amount of loans payable in Melbourne on 30th June, 1921, £7,860,120 was bearing interest at $6\frac{1}{4}$ per cent.; £1,069,100 at 6 per cent.; £510,000 at $5\frac{1}{2}$ per cent.; £9,705,435 at $5\frac{1}{2}$ per cent.; £3,563,724 at £5 6s. 11d. per cent.; £1,644,915 at £5 5s. 3d.

Loans
Floated in
Melbourne.

per cent.; £2,267,859 at 5¼ per cent.; £13,571 at £5 3s. 10d. per cent.; £1,068,927 at 5 per cent.; £5,882,390 at 4¾ per cent.; £460,175 at 4½ per cent.; £696,260 at 4¼ per cent.; £3,900,000 at 4¼ per cent.; £3,532,149 at 4 per cent.; £229,683 at 3¾ per cent.; £9,932,284 at 3½ per cent.; and £4,693,146 at 3 per cent. On £364,758, which is a portion of an amount borrowed through the Commonwealth Government, no decision had been arrived at in regard to the exact rate of interest to be paid.

The amount of the loans raised in London and Melbourne to 30th June, 1921, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over, was £163,516,869, and of this sum a total of £67,352,323 (exclusive of conversion loans) had been repaid, viz., £9,275,143 out of the general revenue, and £58,077,180 out of the proceeds of redemption loans. The balance outstanding on 30th June, 1921, was £96,164,546. The purposes for which the amount outstanding was borrowed and the annual interest payable thereon are as follows:—

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1921.	Annual Interest Payable.
REVENUE-YIELDING WORKS.		
	£	£
Railways and Tramways	58,315,473	2,454,690
Waterworks—Melbourne	938,182	31,020
" Country	10,140,767	434,823
Harbors	1,428,131	63,826
Graving Dock	225,621	8,058
Agriculture and Advances to Farmers, &c. ..	481,804	21,853
Closer Settlement	17,991,954	936,979
Development of Mining	308,936	11,225
Country Roads	3,057,754	156,178
Total Revenue-yielding Works	92,888,622	4,118,652
OTHER WORKS OF A PERMANENT CHARACTER.		
Public Offices, Law Courts, and Parliament Houses	270,119	11,080
Defence Works	112,510	3,875
State Schools, Technical Schools, and University ..	1,672,839	64,404
Other	1,220,456	52,439
Total other Permanent Works	3,275,924	131,798
Net Borrowings	96,164,546	4,250,450

Of the proceeds of these loans outstanding on 30th June, 1921, sums not yet expended amounted in the aggregate to £283,225, of which £164,570 was for discharged soldiers' land settlement, £44,784 for country water supply, £22,974 for railways, £21,653 for State schools, and £29,244 for various other services. Of the amount of the loans outstanding 97 per cent. has been allotted to revenue-yielding works, as detailed above.

The total amount of loans outstanding on 30th June, 1921, inclusive of Treasury bonds in aid of revenue, was £97,317,831. Of this sum £33,502,127 was in the form of debentures; £34,758,150 of inscribed stock (London Register); £25,304,269 of inscribed stock (Melbourne Register); and £3,753,285 of Treasury bonds, of which bonds for £1,153,285 were in aid of revenue. The dates on which the different loans are repayable in many instances cover a series of years during which the Government, by giving twelve months' notice, has the option of fixing the particular year of redemption. On the assumption (a) that loans at 4 per cent. and under will be redeemed at the latest date of option, and (b) that all optional loans will be redeemed at the latest dates, the following table shows the years in which the outstanding debt will be met:—

DUE DATES OF VICTORIAN LOANS ON 30th JUNE, 1921.

(Including Treasury Bonds in aid of Revenue.)

When Payable.	Amount Payable, assuming that—	
	Loans at 4 per cent. and under are redeemed at latest, and all others at earliest date of option.	All loans are redeemed at latest date of option.
	£	£
Overdue and Unclaimed	1,000	1,000
1921	6,780,697	3,823,040
1922	14,827,785	12,710,125
1923	20,126,744	17,189,789
1924	4,634,410	4,517,437
1925	4,904,890	9,490,463
1926	5,116,250	5,239,560
1927	2,055,450	2,055,450
1928	965,525	965,825
1929	827,361	827,361
1930	1,814,850	1,944,800
1931	1,061,648	1,345,288
1932	929,550	929,550
1934 .. .. .	..	3,000,000
1936	300,000	300,000
1940	248,900	248,900
1941	324,380	324,380
1942	485,100	485,100
1943	3,600	3,600
1944	400	400
1946	217,400	217,400
1949	11,699,471	11,699,471
1954	123,874	123,874
1960	2,979,700	2,979,700
Optional	5,546,846	5,553,318
Indefinite	11,342,000	11,342,000
To end of 1925	51,275,526	47,731,854
After 1925	34,700,305	38,243,977
Indefinite	11,342,000	11,342,000
Total	97,317,831	97,317,831

Loans and
Interest
payable in
London and
Melbourne.

In connexion with the replacing of London loans, as they fall due, by local issues, and the practice which, except in a few instances, has been followed of late years, of borrowing money in the State instead of going to London for it, the following particulars are of interest :—

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND MELBOURNE: 30th JUNE, 1900, AND 1910 TO 1921.

(Including Treasury Bonds in aid of Revenue.)

On 30th June.	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.	Melbourne.	London.	Melbourne.
	£	£	£	£
1900 ..	44,655,579	4,669,306	1,735,307	152,046
1910 ..	39,012,436	16,564,289	1,419,579	560,520
1911 ..	37,417,128	20,566,636	1,353,208	701,154
1912 ..	37,392,128	23,345,088	1,352,333	799,227
1913 ..	37,281,578	25,495,146	1,348,306	875,621
1914 ..	39,275,178	26,855,548	1,428,076	926,666
1915 ..	41,333,738	31,750,189	1,520,762	1,131,811
1916 ..	42,160,566	34,614,466	1,562,884	1,270,886
1917 ..	42,907,086	35,218,309	1,604,171	1,327,518
1918 ..	43,437,719	36,157,927	1,633,681	1,407,419
1919 ..	43,400,300	38,631,629	1,632,372	1,547,192
1920 ..	42,406,040	45,241,699	1,637,615	1,902,108
1921 ..	38,709,050	58,606,781	1,527,541	2,780,300

An important point in relation to the London loans is that certain expenses occur each year in connexion with the payment of interest on them which are not common to local issues. In the last financial year the amount was £7,658, which was paid as commission; the corresponding totals in preceding years were :—£6,310 in 1909-10, £6,079 in 1910-11, £5,625 in 1911-12, £5,611 in 1912-13, £10,740 in 1913-14, £6,276 in 1914-15, £6,265 in 1915-16, £8,245 in 1916-17, £8,127 in 1917-18, £6,544 in 1918-19, and £7,099 in 1919-20.

Rates of
Interest on
Loans.

The average rate of interest on the outstanding loans of the State, notwithstanding its increase after the commencement of the war, was less than the rate prior to Federation until 1919, when it was about the same as in 1898. The following table shows the loans outstanding at each rate of interest in 1900 (the year before Federation) and in each of the last four years:—

AMOUNT OF OUTSTANDING LOANS AT EACH RATE OF INTEREST: 1900, AND 1918 TO 1921.

(Including Treasury Bonds in aid of Revenue.)

Rate of Interest per cent.	Nominal amount outstanding on 30th June—				
	1900.	1918.	1919.	1920.	1921.
	£	£	£	£	£
6½ .. ..	..	..	..	..	10,162,483
6 .. ..	..	..	..	..	1,060,100
5¾ .. ..	..	..	..	..	510,000
5½ .. ..	..	1,304,000	1,304,000	4,304,000	11,326,850
5/8/10 .. ..	..	..	..	1,250,000	..
5/6/11 .. ..	..	..	..	..	3,563,724
5/5/3 .. ..	..	..	..	1,644,915	1,644,915
5¼ .. ..	..	650,000	1,428,459	2,821,522	3,192,859
5/3/10 .. ..	..	..	17,085	17,085	13,571
5 .. ..	..	4,067,335	4,297,542	5,849,920	4,284,397
4¾ .. ..	..	20,000	20,000	..	..
4¾ .. ..	..	1,468,900	6,638,860	6,775,350	6,082,390
4/13/10 .. ..	..	..	..	73,247	..
4/13/7 .. ..	..	..	..	20,000	..
4⅝ .. ..	..	20,000	20,000	20,000	..
4½	5,000,000	5,859,350	3,131,975	2,917,575	2,910,075
4⅜ .. ..	..	400,000	350,000	..	..
4¼ .. ..	..	660,250	505,500	500,000	696,260
4⅛ .. ..	..	3,900,000	3,900,000	3,900,000	3,900,000
4	27,060,795	19,301,678	19,356,965	15,370,867	9,492,127
3¾ .. ..	..	230,183	230,183	229,683	229,683
3½	12,250,000	31,604,311	30,682,992	30,670,644	27,977,932
3¼	300,000	..	..	..	..
3	4,714,090	10,108,639	10,147,368	9,977,329	9,895,707
Not fixed .. ..	..	..	..	1,304,602	364,758
Overdue* .. ..	..	1,000	1,000	1,000	1,000
Total	49,324,885	79,595,646	82,031,929	87,647,739	97,317,831

* Not bearing interest.

Growth of Funded Debt. The next return shows the growth of the funded debt and interest since the date of the establishment of responsible government in 1855. The average rate of interest payable on the indebtedness declined from 6 per cent. in 1855 to 3½ per cent. in the years 1911 to 1913, after which there was a gradual increase to 4 per cent. in 1920; in 1921 the rate was nearly 4½ per cent. In relation to population, the annual interest per head increased considerably from 1855 to 1900; from that year to 1914 there was only a slight increase, but since 1914 there has again been a marked advance.

**GROWTH OF FUNDED DEBT AND INTEREST:
1855 TO 1921.**

End of Financial Year in—	Loans Outstanding.			Amount per head of population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest.
		Total.	Average rate per cent.		
	£	£		£ s. d.	£ s. d.
1855 ..	480,000	28,800	6·00	1 6 4	0 1 7
1860 ..	5,118,100	306,405	5·99	9 10 4	0 11 5
1870 ..	11,924,800	688,740	5·78	16 8 3	0 19 0
1880 ..	20,056,600	1,004,436	5·01	23 11 9	1 3 7
1890 ..	41,377,693	1,649,465	3·99	36 19 11	1 9 6
1900 ..	48,774,885	1,867,604	3·83	40 17 4	1 11 3
1910 ..	55,501,725	1,977,662	3·56	42 14 6	1 10 5
1920 ..	86,394,454	3,478,184	4·03	57 8 8	2 6 3
1921 ..	96,164,546	4,250,450	4·42	62 12 2	2 15 4

Expenditure from Loans. In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from amounts raised by means of loans. The following table shows the details of such expenditure in each of the last five years :—

LOAN EXPENDITURE : 1916-17 TO 1920-21.

(Excluding Loans in aid of Revenue.)

Works.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
	£	£	£	£	£
Railways	1,266,352	761,705	878,384	982,182	1,685,329
Water Supply ..	302,893	302,955	412,267	570,028	692,659
Closer Settlement and Small Holdings ..	103,647	273,494	1,157,230	5,204,308	6,894,557
Wire Netting ..	3,203	9,472	3,766	20,985	36,935
State Schools ..	63,490	14,016	642	18,223	96,352
Country Roads ..	252,836	241,892	360,524	623,570	965,646
Other Public Works	448,545	328,145	119,708	181,970	723,680
Total ..	2,440,966	1,931,679	2,932,521	7,601,266	11,095,158
Per Head of Population ..	£ s. d. 1 14 10	£ s. d. 1 7 3	£ s. d. 2 0 10	£ s. d. 5 1 2	£ s. d. 7 5 3

The following statement shows the average annual amount expended in each decade from 1881 to 1911, and in each of the last ten years :—

AVERAGE AMOUNT OF LOAN EXPENDITURE PER ANNUM.

	£
10 years ended 30th June, 1891	2,270,128
10 years ended 30th June, 1901	755,194
10 years ended 30th June, 1911	976,497
Year ended 30th June, 1912	2,974,149
Year ended 30th June, 1913	2,693,844
Year ended 30th June, 1914	3,276,994
Year ended 30th June, 1915	4,451,830
Year ended 30th June, 1916	4,028,099
Year ended 30th June, 1917	2,440,966
Year ended 30th June, 1918	1,931,679
Year ended 30th June, 1919	2,932,521
Year ended 30th June, 1920	7,601,266
Year ended 30th June, 1921	11,095,158

SINKING FUNDS.

Sinking Funds
of Australian
States and
the Common-
wealth.

On 30th June, 1921, the sinking funds in Australia were as follows:—

SINKING FUNDS IN AUSTRALIA: 30th JUNE, 1921.

Held in—	Sinking Funds in Connexion with—	
	Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria	2,579,019	963,921
New South Wales	409,988	951,261
Queensland	376,899	176,357
South Australia	1,438,415	25,592
Western Australia	7,641,564	367,250
Tasmania	815,835	256,629
The Commonwealth	1,004,527	..
Total	14,266,247	2,741,010

* Figures for 1920.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1921:—

	Balance at Credit.
Mallee Land Account	£52,035
Closer Settlement Redemption Fund	40,000
Victorian Loans Redemption Fund	274,873
Victorian Government Consolidated Inscribed Stock Redem- tion Fund	2,076,376
Main Road Board's Sinking Fund	62,266
State Coal Mines Sinking Fund	73,469
Total	£2,579,019

By Act No. 2676 of 1915 the moneys accruing from licensing, leasing, or selling of land in the Mallee country or Mallee border are to be paid into the Treasury and placed to the credit of a separate account, to be called the "Mallee Land Account." The sums standing at credit of this account are available solely for the repurchase, redemption, or paying off of any Victorian stock or debentures. The amount in hand on 30th June, 1920, was £76,534, and during 1920-21 the receipts amounted to £243,501, and the expenditure to £238,000, so that the balance in the fund on 30th June, 1921, was £52,035.

Closer Settlement Fund. By Act No. 1749 of 1901 it was provided that all moneys received by the Board of Land and Works from lessees or purchasers of farm allotments or purchasers of any land acquired by the Board, pursuant to the general provisions of the Act, should be paid into the Treasury, and placed to the credit of a separate account to be called "The Farm Settlements Fund," which fund should be applied principally to the redemption of stock and debentures issued for Closer Settlement purposes, and the payment of interest thereon. Under the Closer Settlement Act of 1904 this fund was transferred to the Board appointed to administer that Act, and is called the "Closer Settlement Fund."

Consolidated Inscribed Stock Redemption Fund. By Act No. 1561 of 1898 it was enacted that a "Victorian Government Consolidated Inscribed Stock Redemption Fund" should be kept in the Treasury, and should be applied to the purchase or repurchase, and ultimately to the redemption of consolidated stock—that is, stock on the London Register—and to the payment of expenses connected with such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. During 1920–21 there was no expenditure from this fund and receipts amounted to £215,588. Transactions to 30th June, 1921, were as follows:—

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK REDEMPTION FUND: 30th JUNE, 1921.

Transactions.	To 30th June, 1921.
RECEIPTS.	
Waterworks Trusts	£ 303,963
Mallee Land Account	922,000
Revenue	680,093
Interest on Investments	444,129
Miscellaneous	101,812
Total receipts	2,451,997
EXPENDITURE.	
Purchase of Stock	374,398
Commission, &c.	1,211
Investment Expenses	12
Total expenditure	375,621
Balance in the Fund	2,076,376
Amount of stock repurchased and cancelled	397,305

The miscellaneous receipts include £62,827, surplus after redemption of loans under Acts Nos. 531 and 608. Of the balance in the fund, £2,081,111 was invested in Victorian Government debentures and stock, and £45,265 held in cash.

By Act No. 1565 of 1898 it was enacted that a "Victorian Loans Redemption Fund" should be kept in the Treasury and should be available for the purchase, repurchase, or redemption of Victorian Government stock and debentures payable at Melbourne, and for the payment of expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue and repayments of advances made under any Act for "Resumption of Land in Mallee District," and of sundry loans made by the Government to municipalities, &c. During 1920-21 receipts amounted to £379,246, and £412,431 was expended in the purchase for cancellation of £413,717 stock and debentures, of which £153,521 bore interest at 3 per cent., £6,683 at 3½ per cent., £74,731 at 4 per cent., £6,700 at 4½ per cent., £82,182 at 4¾ per cent., £89,490 at 5 per cent., and £410 at 5½ per cent. Transactions in this fund to 30th June, 1921, are shown in the following statement:—

THE VICTORIAN LOANS REDEMPTION FUND:
30th JUNE, 1921.

Transactions.	To 30th June, 1921.
RECEIPTS.	
From Revenue	£ 2,219,214
Resumption of land in Mallee Districts and valuation of improvements	25,368
Payments by Municipalities	361,019
Geelong Municipal Waterworks Trust	265,000
Interest on Investments	152,870
Shipbuilding Yard (realization)	180,000
Repayment of Loans—	
Bush fires relief	22,598
Floods relief	1,453
Seed advances	585,101
New pilot steamer	13,486
Yarrowee Channel	15,011
Wire netting	296,289
Cool Stores	23,227
Municipalities	303,793
Country roads	80,000
Cattle advances	57,672
Royal Agricultural Society	600
Excess of face value of securities over amount invested	409
Total receipts	4,609,110
EXPENDITURE.	
Purchase of stock and debentures	4,334,237
Balance in the Fund	274,873
Amount of stock and debentures repurchased and cancelled	4,357,388

The balance in the fund was represented by Victorian Government debentures and stock having a face value of £231,208, and £40,665 held in cash.

DEBTS IN AUSTRALIA AND NEW ZEALAND.

Funded debts
of Australia
and New
Zealand.

The following is a statement of the funded debts of the Australian States, the Commonwealth, and New Zealand on 30th June, 1921, showing the amounts, the amounts per head of population, the total interest payable, the average rate per cent, and the rate *per capita*. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

FUNDED DEBTS OF THE AUSTRALIAN STATES, THE COMMONWEALTH, AND NEW ZEALAND: 30th JUNE, 1921.

	Funded Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	
Victoria ..	96,164,546	62 12 2	4,250,450	2 15 4	4.42
New South Wales ..	168,577,927	80 4 5	7,463,389	3 11 0	4.43
Queensland (31.12.20)	69,058,595	91 16 1	2,895,585	3 17 0	4.19
South Australia ..	48,556,552	97 11 11	2,171,239	4 7 3	4.47
Western Australia ..	46,123,252	138 9 2	1,872,604	5 12 5	4.06
Tasmania ..	18,776,306	88 11 6	834,319	3 18 9	4.44
The Commonwealth	371,816,656	68 3 1	19,277,903	3 10 8	5.18
Total ..	819,073,834	150 2 9	38,765,489	7 2 1	4.73
New Zealand (31.3.21)	206,324,319	169 5 5	8,789,507	7 4 4	4.26

In the next statement will be found the indebtedness per head of the various States of Australia and New Zealand at the close of each of the last five financial years:—

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN AUSTRALIAN STATES, THE COMMONWEALTH, AND NEW ZEALAND: 1917 TO 1921.

	At 30th June—*				
	1917.	1918.	1919.	1920.	1921.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria ..	54 8 6	54 18 0	54 15 3	57 2 6	62 12 2
New South Wales ..	72 11 6	78 11 8	73 12 4	75 18 1	80 4 5
Queensland ..	86 15 5	87 0 0	85 14 2	89 15 7	91 16 1
South Australia ..	89 0 9	89 19 4	91 0 10	89 17 8	97 11 11
Western Australia ..	131 8 11	132 13 3	127 10 3	133 6 0	138 9 2
Tasmania ..	75 10 8	76 7 0	74 10 6	79 0 6	88 11 6
The Commonwealth ..	28 12 5	40 18 11	47 12 6	53 2 7	68 3 1
Total ..	103 0 2	117 18 6	122 1 9	130 6 8	150 2 9
New Zealand (31st March)	117 18 2	136 10 8	156 0 2	169 9 2	169 5 5

* In the case of Queensland the figures are as at 31st December of previous year.

State and
Local debts.

The table which follows shows the total indebtedness of the Australian States and the Commonwealth in 1921 :—

FUNDED AND UNFUNDED DEBTS OF AUSTRALIA : 1921.

	State and Federal Debts.		Municipal and Corporation Debts (exclusive of Loans from Government). (1920.)	Grand Total.	
	Funded	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria	96,164,546	1,290,706	18,224,592	115,679,844	75 6 4
New South Wales	168,577,927	12,031,663	9,854,639	190,464,229	90 12 8
Queensland(31.12.20)*	69,053,595	1,805,960	1,817,756	72,682,311	96 12 5
South Australia . .	48,556,552	1,489,923	379,440	50,425,915	101 7 1
Western Australia	46,123,252	4,271,365	1,888,508	52,283,125	156 19 0
Tasmania	18,776,306	228,719	1,632,782	20,637,807	97 7 1
The Commonwealth	371,816,656	13,151,369	..	384,970,025	70 11 4
Total	819,073,834	34,271,705	33,797,717	887,143,256	162 12 4

* Excluding Government Savings Bank Stock and Debentures, £1,349,590.

The figures in the table show the full public indebtedness of the Commonwealth, including Federal, State, municipal, and corporation debts, to the latest date at which comparison can be made. Of the States, Victoria has the smallest amount of debt *per capita*, New South Wales the next smallest, and Western Australia the largest. The State debts are those for the year ended in 1921, while the municipal and corporation debts are for the year ended in 1920, figures for 1921 for other States than Victoria not being available. The complete figures for Victoria for 1921 appear in the succeeding statement :—

STATE AND LOCAL DEBTS : 1921.

State Debts (Funded)—	£	£
London Register . . . . .	.. .. .	38,709,050
Melbourne Register . . . . .	.. .. .	57,454,496
State Debts (Unfunded) . . . . .	.. .. .	1,290,706
Overdue Debentures, late Melbourne and Hobson's Bay Railway—unpresented . . . . .	.. .. .	1,000
Total State Debts . . . . .	.. .. .	97,455,252
Municipal . . . . .	.. .. .	4,249,420
Harbor Trusts . . . . .	.. .. .	2,778,679
Metropolitan Fire Brigades Board . . . . .	.. .. .	219,096
Melbourne and Metropolitan Board of Works . . . . .	.. .. .	12,075,979
Total Debts of Municipalities and Corporations . . . . .	.. .. .	19,323,174
Total Debts.. . . . . .	.. .. .	116,778,426

This sum (£116,778,426) is equal to a debt of £76 Os. 7d. per head of the population on 30th June, 1921.

COMMONWEALTH, STATE, AND LOCAL TAXATION.

Taxation. The subjoined table shows approximately, for the last five financial years, the amount of revenue collected under the various heads of taxation by the Commonwealth, the State, and local bodies in Victoria:—

TAXATION IN VICTORIA—COMMONWEALTH, STATE, AND LOCAL: 1916-17 TO 1920-21.

Heads of Taxation.	Amount Received.				
	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
	£	£	£	£	£
Federal—					
Customs Duties ..	3,845,131	2,970,677	4,010,055	4,371,405	7,345,609
Excise Duties ..	887,895	1,003,085	1,631,074	1,963,915	2,525,847
Income Tax*	1,683,000	1,856,000	2,527,000	3,601,000	4,203,000
Land Tax ..	471,056	486,250	534,000	486,000	492,436
Succession Duties	275,774	357,995	370,000	619,000	435,873
War-time Profits Tax* ..	..	208,500	327,000	474,000	495,000
War Postage ..	..	..	132,000	215,000	56,000
Entertainments Tax	32,947	72,209	110,815	176,411	203,769
Total Federal Taxation ..	7,195,803	6,954,716	9,641,944	11,906,731	15,757,534
State—					
Licences ..	154,542	158,842	179,338	213,204	274,020
Probate and Succession Duties ..	546,400	506,662	718,194	881,423	702,468
Duties on Bank Notes ..	1,995	1,936	1,901	1,871	1,854
Stamp Duties ..	430,352	505,637	581,917	820,618	928,367
Land Tax ..	369,486	353,156	324,232	314,217	331,756
Income Tax ..	766,746	773,468	928,210	915,551	1,591,198
Race Clubs' percentage ..	12,851	11,022	11,154	12,883	17,170
Total State Taxation ..	2,282,372	2,310,723	2,744,946	3,159,767	3,846,833
Municipal Taxation ..	1,453,145	1,522,804	1,648,403	1,840,062	2,167,757
Total Taxation	10,931,320	10,788,243	14,035,293	16,906,560	21,772,124

* Estimated.

The taxation in Victoria per head of population by the Commonwealth, the State, and local bodies is as follows:—

COMMONWEALTH, STATE, AND LOCAL TAXATION PER HEAD OF POPULATION: 1916-17 TO 1920-21.

Division.	Taxation per Head of Population in—				
	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Federal	5 2 5	4 18 2	6 14 2	7 18 5	10 6 3
State	1 12 6	1 12 7	1 18 2	2 2 0	2 10 4
Local	1 0 8	1 1 6	1 2 11	1 4 6	1 8 4
Total	7 15 7	7 12 3	9 15 3	11 4 11	14 4 11

In the return following will be found, for the purpose of comparison, particulars of taxation by Government and local bodies in the States of Australia:—

TAXATION BY GOVERNMENT AND LOCAL BODIES IN THE STATES OF AUSTRALIA.

	Total Amount of Taxation by Government and Local Bodies.	Rate per Head of Population—			
		Federal Taxation. (1921.)	State Taxation. (1921.)	Local Taxation. (1920.)	Total Taxation.
	£	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria	21,444,429	10 6 3	2 10 4	1 4 1	14 0 8
New South Wales ..	33,700,820	11 4 10	3 10 7	1 6 7	16 2 0
Queensland	9,735,844	6 12 3	4 17 11	1 8 8	12 18 10
South Australia	6,360,177	8 17 0	3 5 6	0 14 6	12 17 0
Northern Territory					
Western Australia ..	4,000,738	8 0 5	2 17 9	1 3 8	12 1 10
Tasmania	2,094,825	5 5 7	3 6 7	1 4 8	9 16 10
Commonwealth ..	77,336,833	9 13 9	3 7 3	1 4 10	14 5 10

As the Federal taxation in each State cannot be given exactly, the figures in the above return should be regarded as being only fairly accurate for the individual States. The Commonwealth and the State taxation have been taken for the year 1920-21, and the local taxation (from which charges have been excluded) for the year 1919-20, and it is shown that the total taxation for Australia is £77,336,833 or an average of £14 5s. 10d. per head per annum. The lowest rate, £9 16s. 10d. per head, prevails in Tasmania; Western Australia and South Australia (combined with the Northern Territory owing to difficulty in separating some of the Federal items) are next in order, the former with £12 1s. 10d., and the latter with £12 17s.

per head; then follow Queensland, Victoria, and New South Wales, with £12 18s. 10d., £14 0s. 8d., and £16 2s. per head respectively. Excluding taxation by the local bodies, the average taxation by Governments in Australia was £13 1s. per head of population, as compared with about £22 per head in the United Kingdom for the financial year 1920-21.

For the year 1920-21 the only additional taxation was a supertax of 5 per cent. imposed by the Commonwealth Government under the heading of Federal Income Tax.

On 27th October, 1921, the stamp duty chargeable upon Victorian betting tickets was increased, and the duty was amended, as from 1st January, 1922, by the *Betting Tax Act*, No. 3165.

LICENCES.

The following is a statement of the net revenue received from each description of licences during the year 1920-21 (*vide* page 50). Municipal licences for slaughtering, dairies, noxious trades, &c., are excluded, also insurance licences (£70,883), and book-makers' licences (£13,751), the two last mentioned having been shown under Stamp Duties.

REVENUE FROM LICENCES: 1920-21.

Description of Licence.	Net Revenue Received.
	£
Spirit Merchants and Grocers	25,829
Victuallers	197,883
" Temporary	3,280
Railway Refreshment Rooms	2,683
Packet	114
Australian Wine	4,026
Billiard Table	3,754
Brewers	168
Vignerons	100
Club Certificates	5,368
Permits (Extra Bars and Extended Hours)	1,609
Auctioneers	22,181
Tobacco and Cigars—Selling	1,760
Pawnbrokers	870
Hawkers	1,500
Carriage, Stage Carriage, Forwarding Agents	408
Marine Stores	223
Explosives	646
Race Clubs	561
Gold-buyers	216
Second-hand Dealers	672
Farm Produce Agents	169
Total	274,020

In addition to the preceding, there are other licences issued in Victoria by the Department of Trade and Customs; the fees collected in respect of these during the calendar year 1921 were as follows:—

Description of Licence.	Amount of Fees collected.
<i>Customs.</i>	
Carriage	268
Lighter and Boat	8
Custom House Agents	316
Bond	3,712
<i>Excise.</i>	
Distilling—	
General Distillers	300
Wine Distillers	150
Vignerons	75
Brewers	1,450
Manufacturing Tobacco, Cigars, Cigarettes, and Snuff ..	1,998
Starch	18