

PART IV.

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. Apart from these special funds, the financial transactions are concerned with (a) Consolidated Revenue Fund, (b) Trust Funds, and (c) Loan Funds. In the succeeding tables, the revenue and expenditure relating to the Consolidated Revenue Fund and the public revenue of certain special funds or accounts which appear in the Treasurer's Finance Statement are included. Payments from Consolidated Revenue are made either under the authority of an Annual Appropriation Act passed by the Legislature, or by a permanent appropriation under a Special Act. Permanent appropriations are made in respect of services such as Interest on the Funded Debt, Exchange on Overseas Interest, contributions to the National Debt Sinking Fund, the salaries of the Governor, the Judges and certain other officials, expenditure on State pensions, payments to the Unemployment Relief Fund, contributions to the Hospital and Charities Fund (Totalizator Revenue) and the Railway Renewals and Replacement Fund, etc.

A concise statement of the chief special funds kept at the Treasury is shown in the *Year-Book* for 1928-29, pages 76 to 80. Amongst the funds since established are the Unemployment Relief Fund, the Unemployment Relief Loan (1935-36) Trust Fund, the Winter Relief Fund, the Milk Board Fund, the Farmers Debts Adjustment Fund, the Federal Aid Roads and Works Accounts 1937, the Railways Repayment Account, the Railway Renewals and Replacement Fund and the Public Trustee Fund.

Under Act No. 4597 of 1938 the Closer Settlement, the Discharged Soldiers Settlement and the Discharged Soldiers Concession Funds were abolished. From 28th February, 1939, the finances of these Funds were brought into the Consolidated Revenue system.

The original Financial Agreement between the Commonwealth and the States was made on 12th December, 1927. It was subsequently affected by the Debt Conversion Agreement of 21st July, 1931, the Debt Conversion Agreement (No. 2) of 22nd October, 1931, and the Agreement relating

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to Soldier Settlement Loans of 3rd July, 1934. A brief outline of the principal provisions of the original agreement is given in the *Year-Book* for 1928-29, page 75.

A summary of the transactions for the year ended 30th June, 1944, in the Consolidated Revenue Fund and in certain special funds gives the following result:—

		£
Public Revenue	.. .. .	36,427,814
Public Expenditure	.. .. .	35,807,503
Net Surplus (transferred to Surplus Revenue Account, Act 3341, Section 13.)		620,311

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 public revenue of certain special funds is added to the Consolidated Revenue—an equivalent amount being entered as expenditure. The particulars for 1943-44 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total—Treasurer's Finance Statement	35,544,347	34,924,036
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund*	790,464	790,464
Licensing Fund†	106,823	106,823
Police Superannuation Fund	23,002	23,002
Assurance Fund	1,586	1,586
Cattle Compensation Fund	37,043	37,043
Swine Compensation Fund	10,915	10,915
Metropolitan Roads Fund	36,215	36,215
Mallee Land Account	44,298	44,298
Other Funds	28,353	28,353
<i>Deduct—</i>		
Loss of Revenue on account of (a) reduction in certain periodical fares to outer suburbs, (b) additional concessions to Defence Forces on leave, (c) non-paying lines	195,232	195,232
Total	36,427,814	35,807,503

* Excluding £645,562 recouped to Revenue under Acts Nos. 3944 and 4140.

† In addition to this amount £295,464 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 4969.

The revenue and expenditure of the State for the years 1939-40 to 1943-44, after taking into account the circumstances mentioned above, are shown in the next statement.

VICTORIA—STATE REVENUE AND EXPENDITURE,
1940 TO 1944.

Year ended 30th June—	Public Revenue.	Public Expenditure.	Surplus.	Accumulated Deficiency to end of each Year (i.e., 30th June).
	£	£	£	£
1940	29,480,781	29,474,520	6,261	7,953,429
1941	30,458,071	30,315,771	142,300	7,947,168
1942	34,111,835	33,319,535	792,300	7,946,869
1943	37,244,562	36,490,231	754,331	7,946,569
1944	36,427,814	35,807,503	620,311	7,946,237*

* Of this amount, £988,000 was provided from the proceeds of Treasury Bonds and £6,958,237 from the Public Account.

The surplus in respect of each of the years aforementioned was transferred to the Surplus Revenue Account under Section 13 of Act No. 3341, which provides that any surplus shall be applied to the reduction of the Consolidated Revenue deficit unless otherwise directed by Parliament. The surpluses of the years 1939-40 to 1943-44 were applied as follows:—

Year ended 30th June.	Surplus.	Towards Reduction of Accumulated Deficiency.	To Expenditure on Public Works.	
			Amount Authorized.	Statutory Authority.
	£	£	£	
1940	6,261	6,261	..	..
1941	142,300	300	142,000	Act No. 4829 of 1941
1942	792,300	300	792,000	Act No. 4929 of 1942
1943	754,331	331	754,000	Act No. 4968 of 1943
1944	620,311	311	620,000	Act No. 5047 of 1944

* For details of expenditure from Surplus Revenue, see page 186.

Details of the sources of revenue for each of the financial years 1939-40 to 1943-44 are given in the following statement:—

VICTORIA—SUMMARY OF STATE REVENUE,
1940 TO 1944.

Heads of Revenue.	Year ended 30th June—				
	1940.	1941.	1942.	1943.	1944.
	£	£	£	£	£
Taxation—					
Income Tax	4,737,696	5,009,172	5,903,387	1,185,621	121,208
Income Tax—Commonwealth Reimbursement				5,159,061	6,317,659
Land Tax	490,255	492,939	516,282	355,007	359,983
Probate Duty	1,456,752	1,433,954	1,426,525	1,517,895	1,778,266
Unemployment Relief	1,999,902	1,585,491	1,284,797	545,695	78,133

VICTORIA—SUMMARY OF STATE REVENUE, 1940 TO 1944—
continued.

Heads of Revenue.	Year ended 30th June—				
	1940.	1941.	1942.	1943.	1944.
Taxation (continued)—					
Entertainments Tax*	£ 681,471	£ 726,498	£ 752,250	£ 486,964	£ 487,492
Entertainments Tax—Commonwealth Reimbursement				279,944	373,259
Other Stamp Duties	978,992	973,711	938,551	809,237	823,452
Motor Taxation	1,981,509	1,925,430	1,675,256	1,492,745	1,582,439
Licences—					
Liquor	261,797	286,504	316,544	361,556	381,951
Other	100,609	98,602	95,000	89,786	84,565
Other Taxation	21,679	15,344	15,024	16,684	17,267
Total Taxation	12,710,662	12,547,645	12,923,616	12,300,195	12,405,674
Commonwealth Payment to State—Act No. 355†—Financial Agreement	2,127,159	2,127,159	2,127,159	2,127,159	2,127,159
Public Works and Services—					
Railways	9,813,781	11,045,444	14,029,449	16,829,288	15,913,935
Water Supply	741,864	688,658	713,532	936,382	827,076
State Coal Mine	213,028	263,991	337,361	410,466	395,142
State Electricity Commission Interest, &c.	878,473	889,901	894,204	861,229	859,669
Country Roads Board†	Dr. 145,776	Dr. 145,042	Dr. 143,668	Dr. 143,668	Dr. 143,668
Maffra Beet Sugar Factory	145,288	137,612	113,450	71,011	73,024
Victoria Dock Cool Stores	40,096	41,105	42,189	56,957	60,836
Wharfage Rates, &c.	66,545	50,302	49,353	37,672	33,132
Other	66,733	66,650	130,379	153,551	179,579
Land—					
Land Sales, Rents, Penalties, &c.	464,471	503,624	526,626	536,671	559,345
Interest on Loans—					
Land Settlement	504,093	463,307	512,192	561,979	477,471
Fees, Fines, &c.	284,154	285,023	279,887	290,051	299,997
Tramways Act No. 3732 (Sec. 77)	106,346	108,968	115,428	119,443	128,802
Government Printer	150,885	137,455	144,258	173,956	202,548
Harbor Trust Contributions	139,717	131,223	136,350	152,157	138,461
Royal Mint	48,515	81,869	88,016	134,468	116,885
Interest, N.E.I.	566,205	634,738	687,203	657,049	660,359
Department of Agriculture†	37,920	38,770	38,749	42,540	46,769
Developmental Railways Account—Recoup	85,000	..	..	..	..
Companies Act No. 4602 (Secs. 285 and 577)	76,959	..	..	..	..
Miscellaneous	358,663	359,664	366,102	936,006	1,065,619
Total	29,480,781	30,458,071	34,111,835	37,244,562	36,427,814
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	15 11 11	15 17 2	17 9 1	18 17 7	18 6 4

* Including Racing.

† Represents the difference between the interest received by Consolidated Revenue on account of Country Roads and the recoups to Consolidated Revenue as shown in the Country Roads Board Fund. See remarks on page 180 with reference to the statistical method of arriving at total public revenue.

‡ Excluding "Maffra Beet Sugar Factory" and "Victoria Dock Cool Stores."

The classification of expenditure presented in the following tables appeared for the first time in the *Year-Book* for 1936-37. Under this re-arrangement of items of expenditure, the comparability of the figures with those of previous years is not materially affected.

Interest on the public debt, pensions and gratuities, and the contribution to the National Debt Sinking Fund have not been allotted to the respective heads of expenditure. They are shown separately under the sub-heading "Financial Administration."

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE
REVENUE, 1940 TO 1944.

Heads of Expenditure.	Year ended 30th June—				
	1940.	1941.	1942.	1943.	1944.
	£	£	£	£	£
<i>Legislature and General Administration.</i>					
Legislature—					
Governor	11,867	10,693	10,488	10,793	11,428
Parliament	102,589	99,674	99,828	102,755	102,969
Electoral	34,577	7,930	6,463	27,241	25,255
Financial Administration—					
Public Debt Charges—					
Interest—					
Funded Debt	6,744,667	6,797,067	6,754,671	6,478,474	6,354,326
Temporary Loan	23,317	17,303	16,731	32,886	76,383
Exchange on Interest	700,005	719,066	719,597	696,648	703,085
Expenses of Paying Interest, Redemptions, Conversions, &c.	45,855	66,660	230,784	48,689	74,682
National Debt Sinking Fund	943,647	1,010,769	1,074,410	1,118,107	1,192,159
Pensions and Superannuation Contributions*	1,041,066	1,024,849	1,012,172	996,755	1,013,352
Departmental—					
Treasury (including Taxation, Stamps, &c.)	176,865	170,716	234,292†	135,791	106,901
Pay-roll Tax .. .. .	..	..	282,104	351,458	364,109
Superannuation Board and Pensions Office—Administration	5,284	5,384	5,969	7,420	7,668
Auditor-General	17,707	17,338	17,786	26,918	28,717
Royal Commissions, Boards of Inquiry, &c.	466	82	184	2,355	4,278
Administration, N.E.I.—					
Government Printer	135,397	146,432	137,532	174,775	226,289
Mint Subsidy	28,000	37,000	42,000	53,500	68,000
War Damage Insurance .. .. .	..	..	51,913	119,092	58,635
Other	186,504	202,110	219,353	384,840	283,259
Total	10,197,813	10,333,073	10,916,277	10,768,497	10,701,495
<i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary	15,083	15,500	15,500	15,500	15,422
Attorney-General and Solicitor-General	259,277	252,694	266,996	275,997	284,207
Police	831,977	832,214	843,567	1,052,151	1,105,533
Prisons	131,566	136,114	142,068	151,258	164,983
Prevention of Fire and Flood	75,211	76,749	82,848	83,936	104,901
National Security Act (Public Safety)	40,352	76,396	261,210	358,054	138,170
Other	4,072	6,581	5,909	5,495	2,197
Total	1,357,538	1,396,248	1,618,098	1,942,391	1,815,463

* For details, see page 195.

† Includes £61,026 Public Service Salary adjustment.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1940 to 1944—continued.

Heads of Expenditure.	Year ended 30th June—				
	1940.	1941.	1942.	1943.	1944.
	£	£	£	£	£
<i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation ..	33,403	33,799	41,949	84,014	38,820
Labour Legislation ..	26,278	30,790	38,731	25,280	22,966
Transport Regulation Board ..	33,710	36,665	37,629	24,978	24,791
Liquor Licence Control (Administration, including Compensation)					
Decentralization Fund and concession for establishment of industries in country ..					103,503
Other ..	13,265	13,756	15,306	15,789	18,845
Total ..	106,656	115,010	133,615	150,061	208,925
<i>Education.*</i>					
Primary, Intermediate, Secondary, Technical — Administration, Salaries of Teaching Staffs, &c. . .	2,860,508	2,829,814	2,844,543	2,952,783	3,212,044
Technical N.E.I. including Maintenance Grant ..	170,203	176,413	199,898	202,424	220,663
University † ..	64,000	66,200	88,200	98,200	109,700
Deaf, Dumb, and Blind ..	29				
<i>Agricultural Education—</i>					
Colleges, Experimental Farms, University Grants, &c. . .	38,073	44,685	41,713	39,556	43,128
Other Activities ..	5,349	5,282	5,111	5,839	5,000
Other ..	1,306	1,071	2,006	1,960	2,527
Total ..	3,139,468	3,123,465	3,181,471	3,300,762	3,593,062
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and Art Galleries ..	55,401	55,394	52,562	54,169	58,220
Observatory ..	3,924	3,648	3,589	2,800	2,002
Other Activities and Institutions ..	175	175	175	175	175
Total ..	59,500	59,217	56,326	57,144	60,397
<i>Promotion of Public Health and Recreation.</i>					
<i>Care of Sick and Mentally Afflicted—</i>					
<i>Hospital and Charities Fund (including Totalizator Contribution)</i>					
Various Hospitals, &c. . .	619,709	640,109	656,970	771,139	858,782
Mental Hospitals ..	98,089	98,845	111,249	127,882	134,456
Mental Defectives ..	521,611	532,287	550,178	616,664	658,881
Health of Mothers and Children—	30,075	29,567	32,095	33,011	37,913
Infant Welfare and Clinics ..	12,343	14,209	16,450	17,735	23,316
Medical and Dental Examination of School Children ..	11,202	10,668	9,266	18,736	10,021
<i>Preservation of Public Health—</i>					
<i>Health Department—Administration</i>					
Other ..	36,761	41,767	44,194	50,955	58,848
Parks, Gardens and Recreation Reserves ..	94,152	109,161	85,915	106,311	116,084
Other ..	19,235	19,015	19,436	20,933	21,787
Total ..	1,443,157	1,495,628	1,525,753	1,763,366	1,920,088

* Detailed information regarding expenditure on education will be found in Part " Social Condition " of this Year-Book.

† Additional items of expenditure on University are included under functions to which they relate.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1940 TO 1944—continued.

Heads of Expenditure.	Year ended 30th June—				
	1940.	1941.	1942.	1943.	1944.
	£	£	£	£	£
<i>Social Amelioration.</i>					
Relief of Destitute, Aged, &c. ..	5,466	11,373	13,787	12,966	14,547
Children's Welfare Department ..	325,943	305,952	297,653	235,998	230,867
Miners' Phthisis Allowances ..	23,016	21,637	21,907	22,710	21,304
Care of Aborigines ..	7,430	6,746	5,339	4,505	5,670
Unemployment Relief Fund* ..	1,999,902	1,585,491	1,284,797	1,185,695	478,133
Bush Fire Relief ..	335	..	..	2,042	88,235
Housing Commission ..	24,158	34,253	25,876	15,000	16,500
State Relief Committee ..	..	..	2,400	2,400	6,000
Other ..	1,362	1,275	1,556	1,514	6,850
Total ..	2,387,612	1,966,727	1,656,315	1,482,830	863,106
<i>War Obligations.</i>					
Passes to Soldiers, Superannuation, &c. ..	19,105	28,323	39,509	60,038	62,402
<i>Local Government.</i>					
Licensing Fund Payment to Muni- cipalities ..	59,440	59,304	59,192	59,044	59,032
Other ..	3,551	2,540	1,759	28,346	42,928
Total ..	62,991	61,844	60,951	87,390	101,960
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey ..	241,030	218,263	264,866	280,844	254,198
Mining (excluding State Coal Mine) ..	42,903	45,772	45,190	56,423	53,263
Agricultural, Pastoral and Dairying† Forestry‡ ..	323,785	323,723	328,239	302,655	442,040
..	193,522	245,984	280,707	652,175	831,896
Fisheries and Game ..	11,032	11,271	9,228	6,858	8,281
Roads and Bridges—					
Country Roads Board§ ..	1,151,314	1,113,671	872,511	698,910	790,464
Metropolitan Roads Fund ..	17,014	26,217	30,779	36,759	38,215
Other ..	..	298	38,553	95	18,596
Tourist Activities ..	1,687	1,435	1,120	..	128
Total ..	1,982,287	1,986,634	1,871,193	2,034,719	2,435,081
<i>Business Undertakings.</i>					
Railways ..	7,642,667	8,571,421	10,932,482	13,366,781	12,594,800
Harbours, Rivers, and Lights ..	78,030	83,987	85,683	78,563	82,381
Water Supply, Irrigation, &c. ..	492,352	500,292	507,831	623,402	685,473
State Coal Mine ..	270,186	380,627	430,939	475,188	446,282
Maffra Beet Sugar Factory ..	167,412	128,798	94,930	68,548	28,848
Victoria Dock Cool Stores ..	34,789	30,087	32,145	35,413	45,297
Seasoning Works (Newport) ..	16,993	26,241	42,219	51,150	37,935
Forest Tramways ..	3,112	3,768	4,185	2,889	3,575
Distillation of Eucalyptus Oil ..	2,171	1,785	1,584	1,216	1,310

* Details of actual expenditure on Unemployment Relief are shown in part "Social Condition" of this Year-Book.

† Excluding Maffra Beet Sugar Factory, Victoria Dock Cool Stores, and Maffra Dehydration Plant (see Business Undertakings).

‡ Excluding Newport Seasoning Works, Forest Tramway, Eucalyptus Distillation, State Saw Mill, and Charcoal Production (see Business Undertakings).

§ Represents difference between Public Revenue of Country Roads Board and recoups to revenue made by the Board. Details of Country Roads Board Fund expenditure are shown in part Local Government of this Year-Book.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1940 TO 1944—continued.

Heads of Expenditure.	Year ended 30th June—				
	1940.	1941.	1942.	1943.	1944.
<i>Business Undertakings—continued.</i>	£	£	£	£	£
Wire Netting Manufacture	10,681	4,802	1,417	90	..
State Saw Mill .. .. .	..	13,484	23,919	23,077	19,379
Maffra Dehydration Plant .. .. .	..	..	..	..	30,399
Charcoal Production .. .. .	..	4,310	102,693	116,716	64,845
Total	8,718,393	9,749,602	12,260,027	14,843,033	14,040,524
Grand Total	29,474,520	30,315,771	33,319,535	36,490,231	35,807,503
Per Head of Population	£ s. d. 15 11 9	£ s. d. 15 15 8	£ s. d. 17 1 0	£ s. d. 18 9 11	£ s. d. 18 0 1

On page 181 of this Part particulars are given of the amounts authorized by Parliament during the last five years for expenditure from the Surplus Revenue Account on public works. The following table gives details of such expenditure exclusive of amounts applied towards the reduction of the Consolidated Revenue deficit.

VICTORIA—SURPLUS REVENUE EXPENDITURE TO 30TH
JUNE, 1944.

Service.	Year ended 30th June			Total to 30th June, 1944.
	1942.	1943.	1944.	
Capital Services—	£	£	£	£
Railways .. .. .	..	..	..	250,696
Other .. .. .	..	..	..	64,170
Revenue Services—				
Railways	20,000	20,000	17,887	629,112
Education—				
Primary Technical, Higher Elementary, and High Schools .. .. .	..	28,366	18,483	474,774
University .. .. .	..	..	..	27,066
Crown Lands (including reclamation, drainage, &c.) .. .. .	..	..	..	149,480
Harbours, Rivers, and Lights .. .. .	..	..	..	117,293
Roads and Bridges .. .. .	..	..	..	114,812
Mining Development .. .. .	..	..	..	85,000
Public Health .. .. .	..	..	..	54,635
Charitable Institutions—				
Hospitals for Mental Hygiene .. .. .	..	..	..	106,999
Other	75,528	286,472	304,004	763,120
Water Supply, &c. .. .. .	..	..	17,041	30,223
Developmental Railways Account .. .. .	..	..	..	129,148
Victorian Inland Meat Authority .. .. .	..	..	69,000	69,000*
Redemption of Treasury Bonds and Unfunded Debt .. .. .	..	..	..	503,802
Penal Establishments and Gaols .. .. .	..	..	805	25,252
Department of Reformatory Schools .. .. .	..	..	39	39
Miscellaneous .. .. .	..	..	..	199,312
Total	95,528	334,838	427,259	3,793,933

* Advance to be repaid.

To 30th June, 1944, the total amount authorized for expenditure on public works was £4,624,307, of which £830,374 was unexpended at that date.

TAXATION.

INCOME TAX.

State Income Tax. The history of income tax in Victoria and details of the rates of tax, statutory exemption, concessional deductions, and statistics of assessments on incomes derived during 1940-41 will be found in the *Year Book* for 1941-42, page 292 *et seq.*

Uniform Commonwealth Taxation. The Commonwealth Government's Uniform Income Taxation legislation provided for the Commonwealth to be the sole income taxing authority in Australia for the period of the war and twelve months thereafter, the States to receive grants from the Commonwealth based on the average of their income tax collections in 1939-40 and 1940-41.

As provided for under the States Grants (Income Tax Reimbursement) Act, the States will receive annually from the Commonwealth the following amounts: New South Wales £15,356,000, Victoria £6,517,000, Queensland £5,821,000, South Australia £2,361,000, Western Australia £2,546,000, and Tasmania £888,000.

Uniform taxation was first imposed on incomes derived during the year ended 30th June, 1942, and the rates for that year are shown in the *Year-Book* for 1941-42, page 305.

"Pay-as-you-earn" Taxation. On the old basis, tax for a financial year was levied on income derived during the preceding financial year. On the new basis, "Pay-as-you-earn", tax for a financial year is levied on income derived during that income year. The transition from the old to the new basis has occasioned a special assessment on income derived during the year ended 30th June, 1944. For the purposes of this assessment the rates declared for the financial year 1944-45 are to be applied to taxable incomes derived during the year ended 30th June, 1944. As a general rule three-quarters of the tax so assessed will be cancelled by means of a special rebate. The manner of payment of the remaining quarter depends on whether the income is derived from salary or wages, or other sources. If the former, it will be payable during the financial year 1944-45 and should be met by deductions made from the salary during the period from 1st April, 1944, to 30th June, 1944, if the latter, payment will be by equal instalments spread over three years beginning with the financial year 1944-45.

Rates
of Tax.

The rates of tax imposed on incomes derived during the year ended 30th June, 1944, are set out hereunder:—

INDIVIDUALS—RATES OF TAX.

Personal Exertion.		Property.	
Taxable Income.	Rate.	Taxable Income.	Rate.
£ 1- 300	On first £100, 6d. in £1. Exceeding £100, 30·165d. in £1 and increasing uniformly by ·165d. for each £1 in excess of £101	£ 1- 200	On first £100, 6d. in £1. Exceeding £100, 30·165d. in £1, and increasing uniformly by ·165d. for each £1 in excess of £101
301-1,000	On first £300, 44d. in £1. Exceeding £300, 96·01d. in £1 and increasing uniformly by ·01d. for each £1 in excess of £301	201- 300	On first £200, 26·25d. in £1. Exceeding £200, 75·74d. in £1 and increasing uniformly by ·24d. for each £1 in excess of £201
1,001-2,000	On first £1,000, 85·3d. in £1. Exceeding £1,000, 110·033d. in £1 and increasing uniformly by ·033d. for each £1 in excess of £1,001	301-1,000	On first £300, 50·6d. in £1. Exceeding £300, 123·51d. in £1 and increasing uniformly by ·01d. for each £1 in excess of £301
2,001-3,000	On first £2,000, 114·15d. in £1. Exceeding £2,000, 176·015d. in £1 and increasing uniformly by ·015d. for each £1 in excess of £2,001	1,001-2,000	On first £1,000, 106·55d. in £1. Exceeding £1,000, 137·534d. in £1 and increasing uniformly by ·034d. for each £1 in excess of £1,001
3,001-5,000	On first £3,000, 139·76d. in £1. Exceeding £3,000, 206·004d. in £1 and increasing uniformly by ·004d. for each £1 in excess of £3,001	2,001-5,000	On first £2,000, 139·025d. in £1. Exceeding £2,000, 205·50275d. in £1 and increasing uniformly by ·00275d. for each £1 in excess of £2,001
5,001 and over	On first £5,000, 169·46d. in £1. Exceeding £5,000, 222d. in £1	5,001 and over	On first £5,000, 183·86d. in £1. Exceeding £5,000, 222d. in £1

Where income was derived partly from personal exertion and partly from property, the rate of tax in respect of each class of income is the rate that would be applicable were the total income wholly derived from that class.

Tax was not levied on individual incomes not exceeding £104. Where the net income is between £104 and £112, provision is made that the tax otherwise payable shall not exceed one-half of the excess over £104. On individuals assessed to pay tax the minimum amount payable is ten shillings.

Concessional Deductions. The existing deductions for dependants, medical expenses, &c., life assurance and superannuation, rates on non-income producing property, &c., were withdrawn and replaced by rebates of tax. The rebates are calculated at the personal exertion rate appropriate to the taxpayer's income, with a proviso that dependants' rebates shall not exceed defined limits.

**Exemption
Defence
Forces and
Merchant
Seamen and
Certain
Accredited
Persons.**

Where the income of any member of the Defence Forces or a merchant seaman includes pay or allowances earned by him as a member of that force or as a mariner employed in a sea-going ship, or remuneration received by him as an accredited person, the statutory exemption is £250. On incomes between £251 and £258, a deduction of £146 will be allowed. On incomes between £258 and £300 the deduction of £146 will be diminished by £1 for every £1 by which the income exceeds £258. On incomes between £300 and £350 a deduction of £104 less £1 for every £2 by which the income exceeds £300 is allowed. If the income exceeds £350 the deduction allowable will be £79 less £1 for every £3 by which the income exceeds £350. Provided that the deduction shall not exceed in the case of:—

- (1) members of the Defence Force not engaged in continuous full-time service—the pay and allowances as a member of the Defence Force ;
- (2) merchant seamen—the income derived from employment on a sea-going ship ;
- (3) accredited persons—income from service outside Australia as an accredited person.

**Payment of
Taxation
by Instalments.**

A system has been established to assist the majority of taxpayers in the payment of their taxes by means of regular deductions from salaries and wages.

The amounts to be deducted are regulated so that the employee will have paid the approximate amount of his taxation when his assessment is issued.

Company Tax.

(a) For every pound of taxable income of a company, other than a life assurance company, the rate of tax is 72d. On the income of a life assurance company with respect of its mutual life assurance business only, 60d. in £1. On incomes from other business 72d. in £1.

(b) In the case of companies, other than private companies, for every pound of that portion of the taxable income which has not been distributed as dividends and on which the company is liable under Part 3A of the Assessment Act to pay further tax, the rate of tax is 24d.

(c) In addition to the taxes payable under (a) and (b) above, there is payable, upon the taxable income in excess of £5,000, a super tax at the rate of 12d. for every pound by which the taxable income exceeds £5,000. This super tax does not apply to private companies, co-operative companies, wholly mutual life assurance companies and certain companies whose profits arise from commissions, fees and charges for services rendered.

(d) In addition to (a), the whole of the distributable income of private companies is subject to additional tax calculated by reference to the aggregate amount of tax which would have been payable by shareholders had the undistributed profits been actually distributed.

**War-Time
Company
Tax.** This tax was imposed on the amount by which taxable profit exceeds a percentage standard of 5 per cent. ascertained by applying that percentage to the capital employed. The tax does not apply to companies mentioned in (c) above. Where the taxable profit of a company (other than a subsidiary company) is less than £1,000, no tax is payable.

LAND TAX.

**State
Land Tax.** The State Land Tax Act of 1928 provides for a tax on the unimproved value of land and for the assessment of land and for other purposes. For the purposes of this Act, unimproved value 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 the year ended 31st December, 1943, was one halfpenny on every pound sterling of the unimproved value exceeding £250 of land (other than land used for primary production) and £3,000 in respect of land used for primary production. Where the assessed unimproved value exceeded the amount of exemption, the exemption diminished at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounted to, or exceeded £6,000 in the case of land used for primary production and £500 in the case of other land.

An analysis, in specified groups of unimproved values of holdings, of the 1944 Land Tax assessments is given hereunder.

**VICTORIA—ANALYSIS OF STATE LAND TAX
ASSESSMENTS, 1944.**

(Based on unimproved values as at 31st December, 1943).

Unimproved Values of Holdings Ranging Between—				Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£					
1 and	500	..	..	66,543	22,020,314	28,881
501 "	600	..	..	10,342	5,722,553	11,664
601 "	750	..	..	9,866	6,655,603	13,495
751 "	1,000	..	..	10,228	7,891,121	17,937
1,001 "	1,500	..	..	10,058	11,328,438	24,784
1,501 "	2,000	..	..	5,060	8,786,600	17,485
2,001 "	3,000	..	..	5,153	11,603,495	25,077
3,001 "	4,000	..	..	2,811	9,770,214	19,383
4,001 "	5,000	..	..	1,588	7,087,187	14,151
5,001 "	6,000	..	..	1,154	6,316,261	12,680
6,001 "	7,000	..	..	1,104	7,143,429	14,485
7,001 "	8,000	..	..	785	5,869,640	11,827
8,001 "	9,000	..	..	505	4,274,629	8,604
9,001 "	10,000	..	..	405	3,842,502	7,749
10,001 "	15,000	..	..	982	11,914,517	23,900
15,001 "	20,000	..	..	424	7,316,327	14,682
20,001 "	25,000	..	..	231	5,134,567	10,306
25,001 "	30,000	..	..	134	4,674,824	7,474
30,001 "	35,000	..	..	93	3,010,495	6,077
35,001 "	40,000	..	..	88	3,282,941	6,604
40,001 "	50,000	..	..	98	4,325,116	8,974
50,001 "	75,000	..	..	121	7,113,500	14,820
75,001 "	100,000	..	..	50	4,332,254	8,995
100,001 "	150,000	..	..	35	4,183,687	8,539
150,001 "	200,000	..	..	14	2,337,907	4,758
200,001 "	over	..	..	23	7,423,702	15,466
Total				127,895	183,361,823	358,797

In the succeeding statement details are shown relating to the assessments made during the years 1940 to 1944.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1940 TO 1944.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
		£	£ s. d.	£
1940 ..	160,671	487,511	3 0 8	247,596,712
1941 ..	164,346	490,384	2 19 8	247,933,255
1942 ..	165,512	492,461	2 19 6	240,857,533
1943 ..	126,113	359,101	2 16 11	169,935,830
1944 ..	127,895	358,797	2 16 1	183,361,823

The increase in the amount of the exemption allowed to primary producers contributed to the decline in the assessments in 1943 and 1944 as compared with previous years.

Commonwealth Land Tax. The Commonwealth Government also levies land tax on the lands of the States. Particulars of assessments, &c., for Victoria, given in the table hereunder, have been extracted from the report of the Federal Commissioner of Taxation. It should be noted that resident landowners whose property does not exceed the unimproved value of £5,000 are exempted from the payment of this tax.

**COMMONWEALTH LAND TAX—VICTORIAN ESTATES,
1938 TO 1942.**

Assessment in respect of Year ended 30th June—	Victorian Returns Assessed *	Central Office Assessments. †	Unimproved Value Assessed by Department.	Tax Payable.
	No.	No.	£	£
1938	7,208	1,677	86,865,450	398,532
1939	7,131	1,684	86,578,764	446,651
1940	7,208	1,668	91,858,615	512,937
1941	7,307	1,693	92,775,273	1,055,411
1942	7,242	1,720	91,353,627	1,208,273

* Including absentee returns on which tax was payable as follows:—1937-38, 300, £5,898; 1938-39, 308, £6,468; 1939-40, 311, £8,055; 1940-41, 319, £13,384; and 1941-42, 303, £13,719.

† Includes the Victorian interests of those who owned land in more than one State.

PROBATE DUTIES.

Probate Duties, Victoria. The rates of duty payable under Victorian statutes on estates of deceased persons are briefly summarized hereunder:—

Part 1.—Where estates bequeathed to persons other than widow, children, and grand-children do not exceed £200, no duty is payable but, on estates over £200 and not exceeding £300, duty becomes payable at a rate of 1·815 per cent. The rate rises gradually thereafter until, on estates over £20,000, it reaches 12·1 per cent.

Part 2.—Where the estate is under £500, there is no duty payable on bequests to widow, children, and grand-children. On estates of over £500 in value, the rate of duty commences at 2·42 per cent. and gradually increases until it reaches 12·1 per cent. on estates over £100,000. Under this Part, when the total net value of the estate is over £500 but does not exceed £2,000, half rates apply.

Part 3.—The rates of duty on settlements (a) on brother, sister and other relatives are the same as those applicable to Part 1—mentioned above; (b) on widow, widower, descendant or ancestor of settler—the same as mentioned in Part 2.

Duty on settlements on strangers in blood is rateable at 12·1 per cent.

Exemption.—£5,000 exemption for members of the forces killed on active service and members of the merchant service who die as the result of service in a theatre of war, providing the estate is left to father or mother, widow or widower, lineal descendant or lineal ancestor.

The total amounts of probate duty assessed for the years 1939–40, 1940–41, 1941–42, 1942–43 and 1943–44 were £1,416,067, £1,447,244, £1,457,269, £1,490,978, £1,469,478 and £1,847,245 respectively. Actual collections of probate duty for the years mentioned are shown in the table on page 181.

The Commonwealth Government also levies probate **Commonwealth, Estate Duty.** and succession duties. The amount of duty collected throughout Australia in each of the years 1939–40, 1940–41, 1941–42, 1942–43, and 1943–44 was £2,212,690, £2,364,133, £2,845,005, £2,696,000, and £2,761,562 respectively.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

Taxation in Victoria per head of population levied by the Commonwealth, the State, and the Municipalities for each of the years 1939–40 to 1943–44 was as follows:—

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION IN VICTORIA PER HEAD OF POPULATION, 1939-40 TO 1943-44.

Authority.	1939-40.	1940-41.	1941-42.	1942-43.	1943-44.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	12 17 4	17 14 9	25 2 10	35 14 5	41 15 10
State	6 14 6	6 12 3	6 12 3	3 9 7½	2 17 6½
Total (Commonwealth and State) ..	19 11 10	24 7 0	31 15 1	39 4 0	44 13 4
Municipal.. ..	2 1 10	2 2 1	†	2 2 5	2 1 6
Grand Total ..	21 13 8	26 9 1	†	41 6 5	46 14 10

* Average taxation per head collected throughout Australia by the Commonwealth Government on account of taxation derived from the following sources:—Customs, Excise, Estate and Gift Duties; Income, Land, Sales, Flour, Entertainment, War-time Profits, Gold and Pay-roll Taxes.

† Not available.

‡ Excluding payments by the Commonwealth under the Income Tax and Entertainments Tax Reimbursement Acts of 1942.

TAXATION COLLECTIONS—AUSTRALIAN STATES.

The following statement gives particulars of the total taxation collections (irrespective of whether such moneys had been paid into Consolidated Revenue or not) by each of the Australian States during the years 1939-40 to 1943-44. The information for 1943 and 1944 has been dissected with a view to showing separately the actual collections by each State and the amounts received by each State from the Commonwealth under the provisions of the Income and Entertainments Tax Reimbursement Acts of 1942.

STATE TAXATION COLLECTIONS—TOTAL AND PER HEAD OF POPULATION, 1940 to 1944.

Year ended 30th June—	New South Wales.	Victoria.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total All States.
TOTAL COLLECTIONS.							
	£	£	£	£	£	£	£
1940 ..	22,682,127	12,710,662	8,816,448	4,620,118	3,729,414	1,827,902	54,386,671
1941 ..	24,535,127	12,547,645	9,180,433	4,419,921	3,893,228	1,727,822	56,304,176
1942 ..	24,798,182	12,923,616	8,941,735	4,790,767	3,818,445	1,986,733	57,259,478
1943 {	(a) 11,754,786	6,861,190	3,347,701	1,789,121	1,542,986	1,033,556	26,329,340
{	(b) 11,266,758	5,439,005	5,105,900	2,214,334	2,176,187	803,699	27,005,883
1944 {	(a) 8,292,778	5,714,756	3,166,296	1,773,176	1,328,055	1,039,254	21,314,295
{	(b) 14,719,083	6,690,918	5,616,472	2,373,476	2,503,910	909,270	32,813,129
PER HEAD OF POPULATION.							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1940 ..	8 4 0	6 14 6	8 13 3	7 14 10	7 19 11	7 13 0	7 15 11
1941 ..	8 16 8	6 12 3	9 0 4	7 8 11	8 8 1	7 5 7	8 1 2
1942 ..	8 16 4	6 12 3	8 13 1	7 18 3	8 3 0	8 5 11	8 1 0
1943 {	(a) 4 2 8	3 9 7	3 4 5	2 18 7	3 5 7	4 5 11	3 13 5
{	(b) 3 19 2	2 15 2	4 18 4	3 12 8	4 12 7	3 6 9	3 15 2
1944 {	(a) 2 18 1	2 17 6	2 19 10	2 17 4	2 15 1	4 5 2	2 18 10
{	(b) 5 3 2	3 7 3	5 6 2	3 16 9	5 3 10	3 14 6	4 10 6

(a) State Taxation collections.

(b) Payments by the Commonwealth to the States under Income and Entertainments Tax Reimbursement Acts of 1942.

The total taxation collected by the Commonwealth and all States for the years 1939-40 to 1943-44 is shown hereunder.

COMMONWEALTH AND ALL STATES—TAXATION COLLECTIONS, 1940 TO 1944.

Year ended 30th June—	Taxation by Commonwealth Government.	Taxation by all State Governments.	Total Taxation.	
			Amount.	Per Head of Population.
	£	£	£	£ s. d.
1940 ..	90,010,663	54,386,671	144,397,334	20 12 10
1941 ..	125,383,522	56,304,176	181,687,698	25 14 1
1942 ..	179,435,345	57,259,478	236,694,823	33 3 3
1943 ..	257,143,520	26,329,340*	283,472,860	39 7 6
1944 ..	303,666,943	21,314,295*	324,981,238	44 14 6

* Excluding payments by the Commonwealth to the States under Income and Entertainments Tax Reimbursement Acts of 1942.

PENSIONS AND GRATUITIES.

Pension and Superannuation Schemes in Force.

A statement of Pension and Superannuation schemes in force at 30th June, 1928, in the Public Services of Victoria, was published in the *Year-Book* for 1928-29, page 98.

Cost of Pensions and Gratuities.

During the year 1943-44, the Government expended a sum of £1,013,352 on pensions, gratuities, &c. Of this amount, £130,372 was spent on pensions of a non-contributory nature. The remainder represents payments from State revenue to the Police Superannuation Fund, the Police Pensions Fund, the Superannuation Fund and the Coal Mine Workers' Pensions Funds. The following table gives details of the Government expenditure on pensions for each of the years 1939-40 to 1943-44.

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS GRATUITIES, ETC., 1940 TO 1944.

Heading.	Year ended 30th June—				
	1940.	1941.	1942.	1943.	1944.
Non-contributory Pensions, &c.—	£	£	£	£	£
Railways	103,649	92,110	84,354	74,543	65,640
Lunacy	104	104	104	104	104
Judges	1,611	2,250	2,250	2,250	1,375
Civil Service	6,013	4,443	3,521	2,986	2,815
Public Service	84,676	77,949	70,207	62,748	54,267
Education Department					
Officers transferred to Commonwealth Service	9,668	8,500	6,700	6,339	5,150
Various Allowances, &c.	1,443	1,244	1,288	1,134	1,021
Total Non-contributory Pensions, Gratuities, &c.	207,164	186,600	168,424	150,104	130,372
Contributory Pensions—					
Police Superannuation Fund—					
Government Subsidy	70,534	63,934	56,160	38,208	31,720
Transferred from Licensing Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	12,252	12,777	15,088	23,631	23,001
Total	105,786	99,711	94,248	84,839	77,721
Police Pensions Fund	103,400	105,000	106,500	107,475	124,472
The Superannuation Fund—					
Railways	379,885	383,275	387,766	388,820	393,257
Other	244,831	250,263	255,234	260,623	266,648
Total	624,716	633,538	643,000	649,443	659,905
Coal Mine Workers' Pensions Fund .. .. .	..	..	..	4,894	20,882
Total Contributory Pensions	833,902	838,249	843,748	846,651	882,980
GRAND TOTAL	1,041,066	1,024,849	1,012,172	996,755	1,013,352

**Police
Super-
annuation
Fund.**

This 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 transfers from the Licensing Fund under the provisions of Act No. 3717; and, should the foregoing sources prove insufficient, by a further grant in aid from the Consolidated Revenue.

During the year 1943-44 the total receipts of the fund from Government Revenue amounted to £77,721, as shown in the preceding table. Expenditure on pensions during the year amounted to £77,721.

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

**Police
Pensions Act
(No. 3316)
now included
in Act
No. 3750.**

This Act, which came into operation on 1st January, 1924, provides for pensions to those members of the Police Force who have joined since 25th November, 1902, as well as to persons who may enter the Force in the future. The Police Regulation Act (No. 4592 of 1938) made several amendments regarding pensions and allowances. It provided:—(1) that the total amount of pension paid to any member of the force, appointed on and after the first day of January, 1939, shall be not more than £312 per annum; (2) for an amended scale of widows' and children's pensions and allowances; (3) for an increase in the rateable deduction from pay (by way of contribution towards superannuation) of members of the force to $4\frac{1}{2}$ per cent. per annum; and (4) that rateable deductions be returned in certain cases and that they be paid to personal relatives in certain other cases. The chief provisions of the principal Act were published in the *Year-Book* for 1928-29, page 100.

The receipts of the Police Pensions Fund (established under Act No. 3750) during 1943-44 amounted to £247,668, comprising:—Deductions from pay, £36,712; special appropriation, £124,472; and interest on investments, £86,484. During the year £56,003 was paid in pensions, gratuities £77, and £2,288 represented deductions of pay returned. There was a balance of £2,533,609 at 30th June, 1944, of which £2,499,200 was invested.

**The Super-
annuation
Fund.**

On 24th November, 1925, legislation was enacted by the State Parliament making provision on a contributory basis for superannuation benefits for public servants and railway employees. Contributions of officers, amounts received from the Government, and income from investments are paid into the Superannuation Fund and benefits provided by the Act are paid therefrom. Act No. 3782 of 1928 consolidated existing legislation regarding the Fund. Brief references to the more important amendments to that Act have been made in the *Year-Books* of 1928-29 and subsequent issues. Recent amending legislation relating to the Fund is contained in (1) *The Superannuation (Life Assurance Policies) Act* 1940, No. 4744, which extends the facilities regarding the transfer

of life assurance policies under Section 60 of the *Superannuation Act* 1928 to policies taken out after 25th November, 1925, and to certain temporary employees, and (2) *The Superannuation Act* 1940, No. 4775, which repealed the *Superannuation Act* 1938, No. 4619, and, *inter alia*, amended the provisions of the Superannuation Acts relating to the number of units for which officers are to contribute and the rate payable for certain units.

During the year 1943-44, the receipts of the Superannuation Fund amounted to £1,405,532, consisting of contributions from officers, £472,555; from Consolidated Revenue, £655,950; under Act No. 4085, £189; interest on investments, £276,156; and other receipts, £682. The total payments from the Fund during the year were £873,836, and comprised pensions, £842,876; refund of contributions, £29,448; endowment assurances matured, £1,374; and other expenditure, £138. The balance in the Fund at 30th June, 1944, was £7,456,129, of which £7,454,199 was invested.

Port Phillip Pilot Sick and Superannuation Fund. This fund does not receive contributions from the Government but is maintained by deductions from pilots' earnings and annual income derived from investment of moneys belonging to the fund which, in 1943-44, amounted to £3,230 and £5,459 respectively. During the same period, £7,047 was expended on pensions and £170 on sick allowances.

Coal Mine Workers' Pensions Fund. This fund was established under Act No. 4932 of 1942 which provides for the payment of retiring pensions to mine workers (who before retirement have qualified for such pensions by reason of the length of service in the coal mining industry) in one of the several ways specified in the Act and for the payment of disablement pensions to such qualified mine workers who are totally or partially incapacitated by injury. Provision is also made for the payment of additional amounts in respect of dependants. The Treasurer of Victoria shall contribute one-fourth of the contributions to the fund, based on actuarial estimates (made annually or more frequently) of amounts required for the payment of pensions; of the balance, one-third shall be contributed by the mine workers and two-thirds by the mine owners.

Subject to deductions from pension and additional payments of amounts paid or payable under the Workers' Compensation Acts and under Commonwealth laws relating to invalid or old-age pensions, widows' pensions and child endowment and any allowances payable under the Victorian Coal Mines Regulation Acts, the amount of retiring pension or disablement pension shall be two pounds per week and in the case of dependants one pound per week for the wife and eight shillings and sixpence per week in respect of each child or step-child under the age of sixteen years.

During 1943-44 the Treasurer contributed £7,462 and the State Coal Mines (as owners) £13,420.

**STATE GOVERNMENT, LOCAL GOVERNMENT, SEMI-
GOVERNMENTAL AND OTHER PUBLIC BODIES—
REVENUE AND EXPENDITURE**

In the following statements ordinary revenue and expenditure of the State Government, Local Government and certain semi-Governmental and other Public Bodies in Victoria have been combined for each of the five years 1939 to 1943. Where a grant has been made by one authority to another, such grant has been excluded from both the revenue and expenditure of the recipient.

**VICTORIA—STATE GOVERNMENT, LOCAL GOVERNMENT,
SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES—
REVENUE AND EXPENDITURE, 1939 TO 1943.**

Heading.	Financial Year ended in—				
	1939.	1940.	1941.	1942.	1943.
<i>Revenue.</i>	£	£	£	£	£
State Government	28,106,634	29,234,718	30,217,880	33,860,057	36,972,962
Local Government	6,723,604	7,333,164	7,421,307	*	7,914,779
Semi-Governmental and other Public Bodies—					
Water Supply and Sewerage	2,690,250	2,860,126	2,952,641	2,993,777	3,059,456
Irrigation	64,182	61,027	77,730	63,987	71,329
Harbours	926,703	929,846	887,521	1,044,955	1,010,791
Tramways	2,320,226	2,431,634	2,774,852	3,439,015	3,814,004
Electricity Supply	4,141,892	4,376,929	4,724,056	5,153,649	5,490,089
Fire Brigades	123,758	152,618	131,199	153,699	169,716
Housing Commission .. ..	..	11,579	21,718	52,933	72,410
Grain Elevators Board .. ..	..	101,496	82,630	170,170	242,778
Western Metropolitan Market Trust .. ..	..	2,525	3,294	2,707	2,854
Total	45,106,249	47,495,662	49,294,828	*	58,821,168
<i>Ordinary Expenditure.</i>					
State Government	28,893,876	29,228,457	30,075,580	33,067,757	36,218,631
Local Government	6,809,595	7,280,502	7,149,666	*	7,183,622
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage	2,576,724	2,827,678	2,879,325	2,940,564	2,937,358
Irrigation	85,260	41,580	72,548	63,354	75,680
Harbours	921,062	916,913	867,993	998,133	1,003,206
Tramways	2,318,540	2,440,227	2,783,284	3,414,144	3,788,885
Electricity Supply	4,020,992	4,250,416	4,563,376	5,069,227	5,348,696
Fire Brigades	121,353	149,086	130,450	154,026	169,391
Housing Commission .. ..	..	35,293	55,524	82,302	86,201
Grain Elevators Board .. ..	..	89,882	105,248	146,677	239,576
Western Metropolitan Market Trust .. ..	..	3,410	3,585	3,564	3,575
Total	45,747,402	47,263,444	48,686,579	*	57,054,821

* Not available.

PUBLIC DEBT.

Loans Raised
and
Redeemed.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1944 :—

LOANS RAISED AND REDEEMED TO 30TH JUNE, 1944.

		£
Cash received .. .. .	.. .. .	961,425,798
Discount and expenses after deducting premiums .. ..	.. ..	5,834,341
Securities issued .. .. .	.. .. .	967,260,139
Loans redeemed by—		£
Renewal Loans	749,777,629	
National Debt Sinking Fund	16,412,595	
Other Funds	24,062,803	
Discount (securities purchased under par)	83,739	
Liability transferred to Commonwealth Government Act No. 4246	2,160,960	
		792,497,726
Loans outstanding at 30th June, 1944 . . . . .	.. .. .	174,762,413

It will be seen that, upon the transactions to 30th June, 1944, securities representing £967,260,139 were issued, and that the amount of cash received was £961,425,798. The State thus received £99 7s. 11d. in cash for every £100 bond given.

The following table gives particulars relating to the loans floated in London, New York, and Melbourne, and shows the amounts which were outstanding at 30th June, 1944 :—

VICTORIA—LOANS FLOATED TO 30TH JUNE, 1944.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid off (including Renewal Loans).	Debt Outstanding at 30th June, 1944.		
			Inscribed Stock.	Debentures, &c.	Total.
	£	£	£	£	£
London Register	438,888,133*	372,419,748	28,164,284	38,304,101	66,468,385
Melbourne Register	528,372,006	420,077,978	107,437,475	856,553	108,294,028
Total	967,260,139	792,497,726	135,601,759	39,160,654	..
Total Public Debt at 30th June, 1944					174,762,413†

* Including loans raised in New York through the Commonwealth Government amounting to £5,095,366.

† Including £4,498,878 raised in New York through the Commonwealth Government.

Particulars concerning the due dates of loans outstanding at 30th June, 1944, are given in the following table. Where the Government had the option of redemption during a specified period, the loans have been classified according to the latest date of maturity.

DUE DATES OF VICTORIAN LOANS AT 30TH JUNE, 1944.

Due Date (Financial Year).	Repayable in London.	Repayable in Australia.	Total.
	£	£	£
1944-45	6,439,345	10,584,717	17,024,062
1945-46 .. .. .	..	4,247,610	4,247,610
1946-47 .. .. .	..	5,024,391	5,024,391
1947-48 .. .. .	..	5,962,295	5,962,295
1948-49	12,022,295	5,831,290	17,853,585
1949-50	6,055,545	3,414,772	9,470,317
1950-51 .. .. .	..	4,112,108	4,112,108
1951-52 .. .. .	..	3,795,980	3,795,980
1953-54 .. .. .	..	4,039,194	4,039,194
1954-55 .. .. .	..	8,923,710	8,923,710
1955-56	2,624,319*	8,808,268	11,432,587
1956-57 .. .. .	..	3,609,270	3,609,270
1957-58	1,874,559*	14,758,414	16,632,973
1958-59	13,553,800	4,256,165	17,809,965
1959-60	2,902,116	12,794,066	15,696,182
1960-61	650,075	810,000	1,460,075
1961-62 .. .. .	..	3,889,368	3,889,368
1966-67	5,913,200	..	5,913,200
1975-76	14,433,131	..	14,433,131
Not yet fixed .. .. .	..	3,432,410	3,432,410
Total	66,468,385	108,294,028	174,762,413

* Raised in New York by the Commonwealth Government, but repayable by State Treasurer to Agent-General in London.

In the succeeding statement of the Public Debt of Victoria at various dates, loans repayable outside Australia and the annual interest payable thereon are shown separately. Particulars relating to New York loans are included as indicated in the note to the statement.

In the subsequent statements "interest payable" does not include the cost of paying interest overseas. Particulars of exchange paid in each of the years 1939-40 to 1943-44 are shown on page 207.

Loans and
interest
payable in
London and
Australia.

During 1931-32, the conversion of Victoria's portion of the internal debt of the Commonwealth and States of Australia was effected as provided for by the Debt Conversion Agreement Acts (Nos. 1 and 2) of 1931. The conversion was based on a reduction of 22½ per cent. of the interest rates payable on the then existing securities.

VICTORIA—PUBLIC DEBT AND INTEREST PAYABLE
THEREON IN LONDON AND AUSTRALIA, 1900 TO 1944.

At 30th June—	Amount of Loans Repayable in—		Annual Interest Payable in—	
	London.*	Australia.	London.	Australia.
	£	£	£	£
1900 ..	44,655,579	4,670,306	1,735,307	152,096
1910 ..	39,012,436	16,564,289	1,419,579	560,520
1915 ..	41,333,738	31,750,189	1,520,762	1,131,811
1920 ..	42,406,040	45,241,699	1,637,615	1,902,108
1925 ..	51,869,204	79,300,361	2,319,486	3,999,635
1930 ..	68,750,235	93,538,759	3,225,754	4,831,371
1935 ..	67,638,378	106,522,285	2,651,050	3,930,414
1936 ..	67,457,682	107,600,603	2,627,847	3,973,528
1937 ..	67,380,647	109,216,363	2,639,829	4,038,557
1938 ..	67,207,012	110,021,483	2,633,504	4,085,272
1939 ..	66,996,833	112,701,285	2,624,562	4,182,747
1940 ..	66,963,733	113,586,235	2,623,176	4,274,672
1941 ..	66,963,733	114,255,455	2,623,176	4,274,582
1942 ..	66,549,331	111,167,153	2,536,829	4,040,566
1943 ..	66,547,685	109,386,967	2,536,780	3,949,677
1944 ..	66,468,385	108,294,028	2,534,996	3,852,774

* Loans raised in New York by the Commonwealth Government, are included as follows:—(At 30th June) 1930 and 1931, £4,658,461; 1932, £4,648,084; 1933, £4,615,021; 1934, £4,592,459; 1935, £4,569,473; 1936, £4,547,877; 1937, £4,530,842; 1938, £4,517,207; 1939, 1940, 1941, 1942, 1943, and 1944, £4,498,878.

The appended table shows the rates of interest which were payable on the public debt at 30th June, 1944, and the portions of the debt at each rate in London and Australia respectively:—

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1944.

Rate of Interest.	Amount Repayable in—		
	London.	Australia.	Total.
Per cent.	£	£	£
5	18,171,173*	..	18,171,173
4½	760,836†	..	760,836
4	2,902,116	33,137,410	36,039,526
£3 19s. 2d. .. .. .	..	4,061,000	4,061,000
3¾ .. .. .	..	15,440,124	15,440,124
3¾	6,852,149	6,544,610	13,396,759
3⅝ .. .. .	..	908,550	908,550
3½	25,522,545	764,650	26,287,195
£3 9s. 9d. .. .. .	..	500	500
3⅜ .. .. .	..	3,737,540	3,737,540
3¼	650,075	29,945,726	30,595,801
3⅓ .. .. .	..	1,000	1,000
£3 2s. .. .. .	..	320,190	320,190
3	5,803,966	2,777,654	8,581,620
2¾ .. .. .	..	1,959,930	1,959,930
£2 14s. 3d. .. .. .	..	239,345	239,345
2½ .. .. .	..	7,677,716	7,677,716
£2 6s. 6d. .. .. .	..	778,083	778,083
2¼	5,805,525	..	5,805,525
Total	66,468,385	108,294,028	174,762,413
Average rate of interest	3·81	3·56	3·66

* Including £3,738,042 raised in New York by the Commonwealth Government.

† Raised in New York by the Commonwealth Government.

Growth of
Public Debt.

The growth of the public debt of Victoria since the establishment of responsible government in 1855 is illustrated in the following statement. There was a noticeable increase in the debt between 1918-19 and 1927-28 when it rose from £82,031,929 in the former to £158,183,470 in the latter year.

During 1928-29, the amount at credit of the State Redemption and Sinking Funds—£5,540,369—was applied to the liquidation of the public debt, and in 1934-35, the debt was decreased by the transfer of a liability amounting to £2,160,960 from the State to the Commonwealth Government under Act No. 4246. From £174,160,663 at 30th June, 1935—the first occasion on which the debt was less than that of the immediately preceding year—the public debt increased steadily until it reached the amount of £181,219,188 at 30th June, 1941. During each of the years 1941-42, 1942-43, and 1943-44 the Public Debt decreased and at the end of the latter year amounted to £174,762,413.

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST,
1855 TO 1943-44.

Financial Year ending in—	Loans Outstanding.			Amount per Head of Population.	
	Amount.	Annual Interests Payable.		Debt.	Annual Interest Payable.
		Total.	Average Rate per cent.		
	£	£		£ s. d.	£ s. d.
1855* ..	1,180,000	70,800	6·00	3 4 9	0 3 11
1860* ..	5,643,100	337,905	5·99	10 9 10	0 12 7
1870* ..	12,099,800	699,240	5·78	16 13 1	0 19 3
1880 ..	20,567,700	1,029,991	5·01	24 9 4	1 4 6
1890 ..	41,377,693	1,649,465	3·99	36 19 11	1 9 6
1900 ..	49,325,885	1,887,403	3·83	41 6 8	1 11 8
1910 ..	55,576,725	1,980,099	3·56	43 6 8	1 10 10
1920 ..	87,647,739	3,539,723	4·04	57 19 1	2 6 10
1925 ..	131,169,565	6,319,121	4·82	78 9 11	3 16 3
1930 ..	162,288,994	8,057,125	4·96	90 18 7	4 10 7
1935 ..	174,160,663	6,581,464	3·78	94 15 2	3 11 8
1936 ..	175,058,285	6,601,375	3·77	94 15 9	3 11 6
1937 ..	176,597,010	6,678,386	3·78	95 3 4	3 12 0
1938 ..	177,228,495	6,718,776	3·79	94 18 6	3 11 11
1939 ..	179,698,118	6,807,309	3·79	95 10 3	3 12 4
1940 ..	180,549,968	6,897,848	3·82	94 17 2	3 12 5
1941 ..	181,219,188	6,897,758	3·81	93 9 10	3 11 2
1942 ..	177,716,484	6,577,395	3·70	90 5 3	3 6 10
1943 ..	175,934,652	6,486,457	3·69	88 16 10	3 5 5
1944 ..	174,762,413	6,387,770	3·66	87 9 7	3 3 11

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

The following table shows the capital liability of the State at 30th June, 1944, in respect of its public works and services. The apportionment of the State's equity in the National Debt Sinking Fund is also shown.

VICTORIA—SUMMARY OF CAPITAL LIABILITY UNDER THE VARIOUS WORKS AND SERVICES, TOGETHER WITH THE APPORTIONMENT OF THE STATE'S EQUITY IN THE NATIONAL DEBT SINKING FUND AT 30TH JUNE, 1944.

Works or Services.	Liability.	Deduction on Account of National Debt Sinking Fund.	Net Liability.
Railways*—	£	£	£
As reduced	50,393,958	4,273,160	46,120,798
Transferred	30,019,509	2,681,995	27,337,514
Country Waterworks	28,388,721	2,473,808	25,914,913
Electricity Supply	18,183,348	1,635,312	16,548,036
Land Settlement	31,061,344	3,074,067	27,987,277
Grain Elevators Board	661,612	23,612	638,000
Housing Commission	1,202,194	32,333	1,169,861
Country Roads	10,042,382	1,072,252	8,970,130
Public Works, Buildings, &c. ..	5,300,806	434,037	4,866,769
Forests	1,644,219	68,234	1,575,985
Unemployment Relief	12,406,781	595,390	11,811,391
In Aid of Revenue	990,079	515,919	474,160
Total	190,294,953	16,880,119	173,414,834

* The *Railways (Finances Adjustment) Act* No. 4429 provided for the reduction of railway loan liability by the sum of £30,000,000 on 1st July, 1937, and for the transfer of that amount to the "Reduction of Railway Loan Liability Account."

A reconciliation between the Public Debt at 30th June, 1944, and the net liability shown above is given hereunder:—

Public Debt at 30th June, 1944.. ..	£	174,762,413
Deduct Cash at Credit of National Debt Sinking Fund	£	467,525
Deduct Repayments to State Loans Repayment Fund	12,111,586	12,579,111
		<hr/>
		162,183,302
Add Expenditure from the State Loans Repayment Fund		11,231,532
		<hr/>
Net Liability for Works		173,414,834

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from Loans and on account of Loan Funds. The figures in the following table include all such expenditure, whether the loans have been repaid or are still in existence. The table shows the details for each of the years 1940-41 to 1943-44 and the total to 30th June, 1944.

VICTORIA—EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS, 1940-41 TO 1943-44.

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1944.
	1941.	1942.	1943.	1944.	
	£	£	£	£	£
Public Works—					
Railways*—					
As reduced ..	641,845	740,271	540,441	486,388	50,128,224
Transferred ..	..	..	..	..	29,134,658
Country Roads ..	1,179	2,570	593	165	12,202,519
Bridges ..	..	..	..	..	443,438
Harbours and Rivers ..	..	..	..	3,770	1,408,305
Water Supply—					
Country ..	471,369	274,845	75,479	143,178	28,655,293
Metropolitan ..	..	..	..	..	3,142,577
Sewerage (Country) ..	..	..	..	..	217,784
Electricity Supply ..	..	..	..	..	17,839,227
Public Buildings—					
Schools ..	147,219	131,636	97,005	77,072	6,101,611
Hospitals ..	175,638	247,391	57,990	46,009	790,636
Other ..	102,456	63,487	27,220	36,396	1,454,271
Other Public Works ..	..	..	..	..	702,989
Immigration ..	..	..	..	..	20,000
Municipal Endowment ..	..	..	..	..	698,250
Municipalities, Loans, Grants, &c. ..	..	..	..	..	928,127
Housing ..	250,000	..	..	..	1,190,000
Unemployment Relief ..	589,820	104,897	15,432	3,938	13,142,834
Primary Production—					
Land Settlement† ..	245	..	..	..	41,570,934
Wire Netting Advances ..	5,065	1,008	67	60	879,772
Agriculture ..	..	..	..	..	150,682

* Reduced under the authority of Act No. 4429 of 1936.

† Land Settlement—Closer Settlement and Discharged Soldiers' Settlement Fund abolished during 1938-39.

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

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1944.
	1941.	1942.	1943.	1944.	
Primary Production— <i>continued</i>	£	£	£	£	£
Settlers Advances—					
Cultivation ..	3,191	917	1,047	3,646	2,410,257
Other ..	..	..	..	..	80,633
Bulk Handling of					
Wheat ..	..	..	..	..	1,000,000
Forestry ..	278,742	285,827	216,359	282,411	1,961,491
Mining, N.E.I. ..	..	..	..	..	271,022
Mining—State Coal					
Mine ..	25,052	15,560	4,454	1,556	319,931
Primary Products—					
Advances to Companies	..	..	..	..	331,101
Cool Stores—Advances to Companies ..	35,000	..	..	..	613,299
Other Primary Production ..	..	..	..	..	152,862
Other Purposes ..	7,621	2,379	..	..	360,950
Total Works Expenditure	2,734,442	1,870,788	1,036,087	1,084,589	218,303,677
In Aid of Revenue ..	..	..	..	..	4,863,682
Grand Total ..	2,734,442	1,870,788	1,036,087	1,084,589	223,167,359

The figures in the foregoing table are "Net" in as much as they exclude discounts and flotation expenses, particulars of which are as follow:—1940-41, £15,350; 1941-42, £63,742; and nil in each of the years 1942-43 and 1943-44. The aggregate to 30th June, 1944, was £5,834,341.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1944, sums not yet expended amounted in the aggregate to £190,055, of which £124,946 was for Railways, £8,671 for Country Water Supply, £3,485 for Land Settlement and £52,953 for Public Works, Buildings, &c.

The amounts of interest and expenses paid on the Public Debt of Victoria during each of the financial years 1939-40 to 1943-44 are shown in the next table:—

Interest paid on Loans.

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT,
1940 to 1944.

Year Ended 30th June.	Interest Paid on Loans in—		Interest Paid on Temporary Loans.	Commission on Payment of Interest in London, Expenses of Conversion Loans, etc.	Exchange on Payment of Interest in London.†	Total‡.
	London.*	Melbourne.				
	£	£	£	£	£	£
1940 ..	2,624,861	4,119,806	23,317	45,855	700,005	7,513,844
1941 ..	2,623,177	4,173,890	17,303	66,660	719,066	7,600,096
1942 ..	2,626,816	4,127,855	16,731	230,784	719,597	7,721,783
1943 ..	2,536,818	3,941,656	32,886	48,689	696,648	7,256,697
1944 ..	2,536,694	3,817,632	76,383	74,682	703,085	7,208,476

* Including £221,140 on account of interest paid on loans in New York in respect of each of the years 1939-40 to 1943-44.

† Includes Exchange paid in respect of Loans raised in New York: 1939-40, £94,448; 1940-41, £113,844; and £113,461 for each of the years 1941-42 to 1943-44.

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

NATIONAL DEBT SINKING FUND.

The National Debt Sinking Fund was established under the provisions of the *Commonwealth and States Financial Agreement Act 1927* (No. 3554). The following table gives particulars of the receipts and disbursements during 1943-44 :—

	£
Balance at credit of Victoria at 30th June, 1943	325,973
Contributions during 1943-44—	£
By Commonwealth under Financial Agreement ..	301,155
" " " Federal Aid Roads Act ..	7,457
" " " State under Financial Agreement ..	1,246,864
	<hr/>
	1,555,476
Interest received	12,914
	<hr/>
	1,894,363
Cancellation of securities to the value of £1,406,110	1,426,838
	<hr/>
Balance at credit of the State at 30th June, 1944	467,525
Face value of securities cancelled to 30th June, 1944	16,412,594
	<hr/>
The net credit to Victoria at 30th June, 1944	16,880,119

TRUST FUNDS.

At 30th June, 1944, the liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgments amounted to £19,190,454. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £4,561,728, and cash advances totalled £8,136,953. The balance—£6,491,773—was at the credit of the Public Account.

PUBLIC DEBT OF AUSTRALIA.

The public debts of the six Australian States aggregated £890,759,820 at 30th June, 1944. Details of the indebtedness in respect of each State are shown in the following table. Sinking Funds have not been deducted. Treasury Bills covering Revenue Deficits are included. Revenue Deficits which are not covered by Treasury Bills, overdrafts on Loan Account, and advances from Trust Funds are excluded.

PUBLIC DEBTS OF AUSTRALIAN STATES AT 30TH JUNE, 1944.

Heading.	Victoria.*	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
	£	£	£	£	£	£
Public Debt	174,762,413	351,971,024	129,179,046	108,305,240	96,478,295	30,063,802
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Debt per head of population at 30th June, 1944	87 9 7	122 11 11	21 4 11	174 2 6	198 15 2	122 9 10

The public debt of the Commonwealth exclusive of loans raised on behalf of the States but including debts on account of the Port Augusta—Oodnadatta Railway and the Northern Territory, amounted to £1,476,098,163 at 30th June, 1944.

The total public debt of Australia—Commonwealth and States—at the above date was £2,366,857,983, of which £1,790,918,586 was payable in Australia, £534,733,397 in London, and £41,206,000 in New York. The loan liability of the Australian public at 30th June, 1944, averaged £323 18s. 8d. per head of population.