

## PART VIII.

### 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. The special appropriations represent services such as interest on the Public Debt, exchange on interest payable overseas, 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, and the contribution to the Hospital and Charities Fund from totalizator receipts, 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, and the Farmers Debts Adjustment Fund.

**Commonwealth  
and State  
Financial  
Relations.** 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 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 financial year 1937-38 in the Consolidated Revenue Fund and in the special funds gives the following result:—

	£
Revenue, 1937-38 .. .. .	28,938,052
Expenditure, 1937-38 .. .. .	28,907,107
Net Surplus for the year (transferred to Surplus Revenue Account) .. .. .	30,945
Consolidated Revenue Deficit Account—	
Balance to 30th June, 1937 .. .. .	7,226,055
Appropriation from Surplus Revenue Account 1937-38 .. .. .	28,923
Balance to 30th June, 1938 .. .. .	7,197,132

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 1937-38 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
<b>Total—Treasurer's Finance Statement .. .. .</b>	<b>27,614,982</b>	<b>27,584,037</b>
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund .. .. .	1,038,641*	1,038,641
Licensing Fund .. .. .	122,059†	122,059
Police Superannuation Fund .. .. .	8,864	8,864
Assurance Fund .. .. .	2,952	2,952
Cattle Compensation Fund .. .. .	25,907	25,907
Swine Compensation Fund .. .. .	8,491	8,491
Metropolitan Roads Fund .. .. .	11,754	11,754
Milk Board Fund .. .. .	26,726	26,726
Other Funds .. .. .	87,676	87,676
<i>Deduct—</i>		
Loss under guarantees, given by the Darling to Glen Waverley Railway Construction Trust (Act No. 4522) .. .. .	10,000	10,000
<b>Total .. .. .</b>	<b>28,938,052</b>	<b>28,907,107</b>

\* Excluding £658,125 recouped to Revenue under Acts Nos. 3944, and 4140, Sec. 2.

† In addition to this amount £133,764 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 4496.

The revenue and expenditure of the State for the last five years, after taking into account the considerations mentioned above, are shown in the next statement:—

VICTORIA—STATE REVENUE AND EXPENDITURE,  
1933-34 TO 1937-38.

Year.	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (-).	
			For each Year.	Accumulated Deficiency to end of each Year (i.e. 30th June).
	£	£	£	£
1933-34 .. ..	24,777,739	25,546,979	- 769,240	-6,958,397
1934-35 .. ..	25,805,557	25,956,754	- 151,197	-7,109,594
1935-36 .. ..	26,583,510	26,699,971	- 116,461	-7,226,055
1936-37 .. ..	27,704,918	27,675,995	+ 28,923	-7,226,055
1937-38 .. ..	28,938,052	28,907,107	+ 30,945	-7,197,132

**Heads of State Revenue.** Details of the sources of revenue for each of the last five financial years are given in the following statement:—

VICTORIA—HEADS OF STATE REVENUE,  
1933-34 TO 1937-38.

Heads of Revenue.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Commonwealth Payment to State— Act No. 3554—Financial Agree- ment .. .. .	2,127,159	2,127,159	2,127,159	2,127,159	2,127,159
Special Grant .. .. .	..	550,000	140,000	137,000	..
State Taxation—					
Income Tax .. .. .	2,329,629	2,603,512	2,759,324	3,299,440	3,976,958
Land Tax .. .. .	535,947	494,593	494,293	492,143	498,232
Probate Duty .. .. .	1,143,330	1,124,933	1,340,701	1,509,693	1,431,057
Unemployment Relief.. ..	1,652,997	1,694,571	1,979,153	1,955,269	1,934,440
Entertainments Tax .. .. .	201,792	228,195	238,456	268,211	262,039
Racing Taxation .. .. .	313,364	319,389	340,531	353,884	414,560
Other Stamp Duties .. .. .	733,054	826,056	858,731	917,255	952,470
Motor Taxation* .. .. .	1,280,878	1,403,134	1,592,880	1,682,561	1,825,152
Liquor Licences, &c.† .. ..	184,093	192,682	203,602	222,437	233,490
Other Licences .. .. .	86,860	85,387	88,272	90,735	91,521
Other Taxation .. .. .	..	21,266	24,750	27,172	26,726
Public Works and Services—					
Railways .. .. .	8,764,154	8,981,492	9,188,798	9,546,824	9,801,730
Water Supply .. .. .	601,118	580,650	634,261	657,427	675,251
State Coal Mine .. .. .	209,188	242,514	229,428	159,477	188,230
State Electricity Commission					
Interest, &c. .. .. .	960,179	923,342	905,174	876,282	875,405
Country Roads Board‡ .. ..	60,867	17,426	Dr. 32,694	Dr. 89,411	Dr. 145,921
Maffra Beet Sugar Factory ..	218,315	177,902	168,559	154,625	174,971
Victoria Dock Cool Stores ..	44,106	57,074	45,289	45,394	42,319
Wharfage Rates, &c. ... ..	58,823	63,418	69,801	69,041	72,106
Other .. .. .	75,821	59,654	73,433	64,820	64,702

\* Including cost of collection of Motor Fees paid into the Country Roads Board Fund.

† Received by the Licensing Fund.

‡ 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 308 with reference to the statistical method of arriving at total public revenue.

VICTORIA—HEADS OF STATE REVENUE, 1933-34 TO 1937-38—  
continued.

Heads of Revenue.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
<b>Land—</b>					
Land Sales, Rents, Penalties, &c. . . . .	378,878	368,669	431,218	373,824	512,036
Interest on Loans—					
Closer Settlement . . . . .	437,248	419,653	421,406	427,861	434,950
Discharged Soldiers' Settle- ment . . . . .	1,070,255	1,021,133	1,008,662	1,000,900	994,015
Fees, Fines, &c. . . . .	211,141	226,112	245,242	257,486	271,388
Tramways Act No. 3732 (Sec. 77)	112,201	113,724	111,658	112,050	125,746
Government Printer . . . . .	107,510	112,235	117,255	133,066	125,280
Harbor Trust Contributions . . . . .	113,216	114,169	130,597	136,690	152,580
Department of Agriculture* . . . . .	32,424	35,547	35,256	35,497	36,327
Commonwealth Contribution to Unemployment Relief . . . . .	210,000	39,495	..	..	..
Transfer from Assurance Fund, Act No. 4164 . . . . .	50,000	..	..	..	..
Miscellaneous . . . . .	473,192	580,471	612,315	660,106	763,133
<b>Total</b> . . . . .	<b>24,777,739</b>	<b>25,805,557</b>	<b>26,583,510</b>	<b>27,704,918</b>	<b>28,938,052</b>
	£ s. d.				
Per Head of Population . . . . .	13 11 6	14 1 0	14 8 5	14 19 2	15 11 0

\* 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, 1933-34 TO 1937-38.

Heading of Expenditure.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
<i>Legislature and General Administration.</i>					
<b>Legislature—</b>					
Governor . . . . .	10,096	10,606	10,091	13,219	12,012
Parliament . . . . .	86,305	86,341	98,217	104,940	100,168
Electoral . . . . .	13,420	30,586	7,000	27,176	23,755

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,  
1933-34 TO 1937-38—continued.

Heading of Expenditure.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
<i>Legislature and General Administration—continued.</i>					
Financial Administration—					
Public Debt Charges—					
Interest (including Interest on Temporary Loans) ..	6,957,817	6,544,417	6,471,741	6,538,249	6,606,611
Exchange on Interest ..	789,721	665,963	659,972	657,448	657,819
Expenses of Paying Interest, Redemptions, Conversions, &c. ..	28,352	91,518	144,061	176,281	45,459
National Debt Sinking Fund	624,951	670,707	693,176	754,258	808,170
Pensions and Superannuation Contributions* .. ..	918,395	968,015	1,045,997	1,067,871	1,051,791
Departmental—					
Treasury (including Taxation, Stamps, &c.) .. ..	158,073	175,431	165,480	169,036	167,812
Superannuation Board—Administration .. ..	2,706	2,857	3,400	3,027	6,315
Auditor-General .. ..	14,531	14,634	15,161	17,682	17,961
Royal Commissions, Boards of Inquiry, &c. .. ..	775	..	3,922	5,473	1,982
Administration, N.E.I.—					
Government Printer .. ..	93,410	109,104	115,631	124,522	129,144
Other .. ..	193,724	224,090	211,412	210,068	215,172
Total .. ..	9,892,276	9,594,269	9,645,261	9,869,250	9,843,771
<i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary .. ..	9,716	12,076	11,419	12,437	13,000
Attorney-General and Solicitor-General .. ..	193,939	202,544	216,667	237,520	248,057
Police .. ..	620,570	665,750	714,097	793,833	816,964
Prisons .. ..	106,332	108,835	114,115	120,896	122,340
Prevention of Fire and Flood ..	62,017	62,611	62,913	63,376	72,640
Other .. ..	2,383	5,701	3,141	2,863	4,149
Total .. ..	994,957	1,057,517	1,122,352	1,230,925	1,277,150
<i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation	24,454	25,803	27,693	31,074	32,597
Labour Legislation .. ..	..	..	..	..	..
Transport Regulation Board ..	2,712	17,409	23,175	27,326	27,514
Liquor Licence Control (Administration, including Compensation)	25,440	27,279	24,231	56,582	39,399
Other .. ..	9,531	7,618	11,011	10,617	12,015
Total .. ..	62,137	78,109	86,110	125,599	111,525

\* For details see page 328.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,  
1933-34 TO 1937-38—continued.

Heading of Expenditure.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
<i>Education.</i>					
Primary, Intermediate, Secondary—					
Administration, &c. . . . .	2,191,048	2,313,454	2,493,699	2,688,449	2,770,446
Technical . . . . .	113,592	120,428	130,797	147,264	161,748
University * . . . .	38,000	42,800	42,800	47,300	61,500
Deaf, Dumb, and Blind . . . . .	100	100	150	175	175
Agricultural Education—					
Colleges, Experimental Farms,					
University Grants, &c. . . . .	25,890	28,681	28,117	30,386	36,961
Other Activities . . . . .	1,746	2,014	2,214	3,843	4,147
Other . . . . .	2,192	1,957	2,290	2,391	2,367
Total . . . . .	2,372,568	2,509,434	2,700,067	2,919,808	3,037,344
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and					
Art Galleries . . . . .	44,230	43,726	46,950	51,284	51,463
Observatories . . . . .	3,277	3,497	3,748	4,127	3,830
Other Activities and Institutions . . . . .	200	1,250	150	400	150
Total . . . . .	47,707	48,473	50,848	55,811	55,443
<i>Promotion of Public Health and Recreation.</i>					
Care of Sick and Mentally					
Afflicted—					
Hospital and Charities Fund					
(including Totalizator Con-					
tribution) . . . . .	313,312	314,251	341,430	347,802	449,185
Various Hospitals, &c. . . . .	83,356	86,377	86,601	91,919	93,632
Mental Hospitals . . . . .	406,735	418,346	472,637	504,268	511,314
Institutes for Mentally Def-					
icient Children . . . . .	4,337	4,992	5,409	8,995	21,886
Health of Mothers and Children—					
Infant Welfare and Clinics . . . . .	9,087	8,901	8,464	9,324	10,872
Medical and Dental Examination					
of School Children . . . . .	8,926	8,891	9,823	11,155	10,410
Other . . . . .	..	..	..	500	..
Preservation of Public Health—					
Health Department—Adminis-					
tration . . . . .	23,858	28,217	30,244	32,638	37,118
Other . . . . .	52,539	67,422	77,261	91,791	172,217
Parks, Gardens, and Recreation					
Reserves . . . . .	17,125	17,539	19,449	18,717	19,790
Total . . . . .	919,275	954,936	1,051,318	1,117,109	1,326,424
<i>Social Amelioration.</i>					
Relief of Destitute, Aged, &c. . . . .	5,590	5,991	5,873	6,698	9,420
Children's Welfare Department . . . . .	279,203	261,049	264,665	276,563	304,461
Miners' Phthisis Allowances . . . . .	11,852	11,085	20,702	22,106	20,980
Care of Aborigines . . . . .	7,977	7,456	7,817	7,492	7,568
Unemployment Relief Fund † . . . . .	1,863,018	1,734,081	1,979,153	1,955,269	1,934,441
Other . . . . .	419	10,872	810	785	2,138
Total . . . . .	2,168,064	2,030,534	2,279,020	2,268,913	2,279,008

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

† Includes Commonwealth Contribution towards Unemployment Relief, 1933-34, £210,000; and 1934-35, £39,495. Details of actual expenditure on Unemployment Relief are shown on page 246 of this Year-Book.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,  
1933-34 TO 1937-38—continued.

Heading of Expenditure.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
<i>War Obligations.</i>					
Passes to Soldiers, &c. . . . .	19,546	20,889	12,050	12,458	12,021
<i>Local Government.</i>					
Licensing Fund Payment to Municipalities . . . . .	60,496	60,332	60,252	59,872	59,660
Other . . . . .	..	100,143*	941	2,221	3,496
Total . . . . .	60,496	160,475	61,193	62,093	63,156
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey	1,042,860	1,054,654	869,994	791,912	922,649
British Migrants' (Agreement) Act 1933 . . . . .	20,570	24,409	80,300	400	..
Mining (excluding State Coal Mine) . . . . .	33,294	35,065	37,498	41,377	45,239
Agricultural Pastoral and Dairying † . . . . .	220,640	247,950	278,784	318,898	304,039
Forestry † . . . . .	130,396	126,158	137,649	155,398	170,547
Fisheries and Game . . . . .	7,452	8,877	8,976	9,371	9,944
Roads and Bridges—					
Country Roads Board § . . . . .	765,986	807,187	936,573	961,568	1,038,641
Metropolitan Roads Fund . . . . .	4,674	5,304	7,450	9,436	11,754
Other . . . . .	2,076	1,828	2,700	49	..
Tourist Activities . . . . .	1,953	2,015	6,929	4,950	4,824
Total . . . . .	2,229,901	2,313,447	2,366,853	2,293,359	2,507,637
<i>Business Undertakings.</i>					
Railways . . . . .	6,011,887	6,245,420	6,441,359	6,829,136	7,420,586
Tramways . . . . .	..	50,000	..	..	..
Harbors, Rivers, and Lights . . . . .	88,763	65,924	61,791	63,228	64,045
Water Supply, Irrigation, &c. . . . .	238,024	301,506	312,534	359,729	370,775
State Coal Mine . . . . .	280,932	324,840	321,818	295,940	338,451
Maffra Beet Sugar Factory . . . . .	143,144	134,076	123,585	109,621	133,100
Victoria Dock Cool Stores . . . . .	27,712	27,878	31,640	29,977	31,947
Seasoning Works (Newport) . . . . .	5,792	7,972	8,500	10,045	13,047
Forest Tramways . . . . .	3,864	3,699	3,686	3,836	3,433
Distillation of Eucalyptus Oil . . . . .	1,203	1,241	1,112	1,450	1,236
Wire Netting Manufacture . . . . .	28,683	26,070	18,829	17,663	16,960
State Saw Mill . . . . .	48	45	45	45	48
Total . . . . .	6,780,052	7,188,671	7,324,899	7,720,670	8,393,628
Grand Total . . . . .	25,546,979	25,956,754	26,699,971	27,675,995	28,907,107
	£ s. d.				
Per Head of Population . . . . .	14 0 0	14 2 9	14 9 9	14 18 10	15 10 8

\* Includes £100,000 grant to municipalities under "Work in Return for Sustenance Scheme."

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

‡ Excluding "Newport Seasoning Works."

§ 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 on page 148 of this Year-Book.

|| Contribution to State Electricity Commission of Victoria towards reconstruction of Ballarat and Bendigo Tramways systems.

**Surplus Revenue Expenditure.** During 1937-38 an amount of £28,923 from Surplus Revenue was applied towards the reduction of the Accumulated Consolidated Revenue Deficit. Reference to appropriations of Surplus Revenue prior to this year will be found in previous issues of the *Year Book*.

The surplus disclosed as a result of the financial transactions of the State during 1937-38—£30,945—was transferred to Surplus Revenue Account (Act No. 3341, Sec. 13).

**Financial Emergency Legislation.** The principal legislative provisions made by Parliament to enable Victoria to fulfil the conditions of the agreement under the Melbourne Financial Plan, particularly with reference to the public finance of the State, have been shown in the various *Year-Books* from 1930-31 to 1935-36 inclusive.

## TAXATION.

### 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 been retained, with certain amendments and alterations, 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. Outgoings and losses incurred in the production of the income and the statutory exemption and concessional deductions are the principal items taken into consideration in computing the taxable income. Details regarding the two last-mentioned items are given on the next page. Companies are taxed on full profits, but dividends to recipients are not taxable.

Particulars of Income Tax Assessments on incomes earned in each of the years 1932-33 to 1936-37 appear on page 316. The figures are not comparable unless the varying rates of tax imposed are taken into consideration. The rates applicable to incomes earned during 1932-33, 1933-34, 1934-35 and 1935-36 respectively appear in previous issues of the *Year-Book*.

The rates of tax on incomes earned in Victoria during 1936-37, and information relating to deductions allowable, &c., were:—

On Taxable Income—	Rate of Tax per £1 of Taxable Income—Ordinary Income Tax.		
	Individuals.		Companies.
	Personal Exertion.	Property.	
Not exceeding £500 ..	d. 6	d. 12	<i>Mutual Life Assurance Companies—</i> On the income of a Mutual Life Assurance Company, with respect to its mutual life assurance business only 12d. in the £1. On income from other business 21d. in the £1.
Exceeding £500—			
(First £500) £1 to £500 ..	7	14	<i>Other Companies—</i> On the income of Other Companies 21d. in the £1, and in respect of interest paid or credited to persons non-resident in Australia on account of money secured or invested in Victoria, or on money lodged at interest in Victoria with the company, 14d. in the £1.
(Next £500) £501 to £1,000	8	16	
(Next £500) £1,001 to £1,500	9	18	
Balance, excess over £1,500..	10	20	

**Statutory Exemption.** Of individuals subject to tax, the minimum income for persons domiciled in Victoria was £201 and for those outside Victoria, £51. In the case of the former, a general deduction of £200 was allowed on incomes between £201 and £500, after which it diminished at the rate of £2 for every £1 of income over £500 and finally disappeared at £600; in the latter case, the general deduction allowed was £50, which decreased by £1 for every £1 of income over £50, finally disappearing at £100. Dividends were taken into consideration for the purpose of calculating the statutory exemption allowable. No statutory exemption was allowed to companies.

**Concessional Deductions.** The following concessional deductions were granted:—  
(a) £50 for the maintenance of a taxpayer's spouse whose separate income did not exceed £100 per annum; (b) £50 in respect of each child under 16 years of age; (c) certain expenses during illness; (d) funeral and burial expenses not exceeding £20; (e) life assurance premiums; (f) superannuation payments; (g) friendly society contributions.

Where, after deducting from the sum of the assessable income and the net dividends, all allowable deductions except the Statutory Exemption, and items (a), (b), (c) and (d) above, the residue does not exceed £800, these deductions are allowed in full but, where such residue ranges between £801 and £1,200, such deductions are decreased proportionately in the same ratio as the income in excess of £800 bears to £400. Items (e), (f) and (g) are allowable up to an aggregate of £100.

Dividends from any source and interest from State Savings Bank securities are not taxable.

**Additional Tax.** An additional tax at the undermentioned rates was imposed in the case of any person (not being a company) whose income, whether from personal exertion or the produce of property, or both, exceeded £800, viz:—

On incomes from	£801 to £1,000	..	10	per cent. of amount of tax otherwise chargeable		
„	„	£1,001 to £1,250	..	12½	„	„
„	„	£1,251 to £2,200	..	15	„	„
„	„	£2,201 to £5,000	..	20	„	„
„	„	exceeding £5,000	..	25	„	„

**Further additional tax:** A further additional tax in the case of any person (including a company) of 7½ per cent. of the total amount of tax otherwise chargeable was also payable. Such further additional tax was not payable with respect to such income of a life assurance company as was subject to tax at the rate of 12d. in the £1.

Details of the complete assessments on incomes earned during each of the years 1932-33 to 1936-37 are given below:—

### VICTORIA—INCOME TAX ASSESSMENTS.

Heading.	On Incomes Earned during—				
	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
<b>Number of Assessments—</b>					
Individuals .. ..	82,453	90,102	100,440	119,217	140,316
Companies .. ..	4,294	4,757	5,048	4,908	4,946
<b>Total, Distinct Taxpayers ..</b>	<b>86,747</b>	<b>94,859</b>	<b>105,488</b>	<b>124,125</b>	<b>145,262</b>
<b>Taxable Incomes—</b>	£	£	£	£	£
Individuals .. ..	18,326,048	20,974,085	22,231,249	26,695,000	33,619,724
Companies .. ..	12,266,537	14,144,806	15,467,440	17,897,726	22,008,215
<b>Total .. ..</b>	<b>30,592,585</b>	<b>35,118,891</b>	<b>37,698,689</b>	<b>44,592,726</b>	<b>55,627,939</b>
<b>Tax payable—</b>	£	£	£	£	£
Individuals .. ..	794,114	892,647	937,040	1,106,939	1,372,829
Companies .. ..	1,109,905	1,284,005	1,407,790	1,675,163	2,012,071
<b>Total* .. ..</b>	<b>1,904,019</b>	<b>2,176,652</b>	<b>2,344,830</b>	<b>2,782,102</b>	<b>3,384,900</b>
<b>Per taxpayer—</b>	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Individuals .. ..	9 12 7	9 18 2	9 6 7	9 5 8	9 15 8†
Companies .. ..	258 9 7	269 18 5	278 17 7	341 6 3	406 16 2
<b>Average tax payable in the £1 on taxable incomes by—</b>	d.	d.	d.	d.	d.
Individuals .. ..	10·40	10·21	10·12	9·95	9·80
Companies .. ..	21·72	21·79	21·84	22·46	21·94

\* For actual collections in the following financial year, see page 325.

† The average amount of tax payable per individual taxpayer with taxable income not exceeding £500 was £2 14s. 10d.; in the case of those with taxable incomes exceeding £500 the average amount was £55 11s. 11d.

The total net incomes of taxpayers, who were assessed to pay tax on account of incomes earned during 1936-37, amounted to £79,308,613 but, as 115,139 taxpayers were allowed the £200 exemption, equalling £23,027,800, taxpayers numbering 5,403, on grades of income between £301 and £600 were allowed exemption to the amount of £596,480, and 1,331 taxpayers were allowed varying exemptions equalling £56,394, the amount available for taxation was £55,627,939.

The total numbers of individuals and companies who were taxed on incomes earned during 1936-37 are detailed, under specified grades of taxable income, in the following table:—

VICTORIA—TOTAL NUMBER OF TAXPAYERS  
(1936-37 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion Only.	Property Only.	Combined Personal Exertion and Property.	Total.		
£	No.	No.	No.	No.	No.	No.
Not exceeding 100	76,741	4,688	319	81,748	1,101	82,849
101 „ 200	20,987	2,336	465	23,788	471	24,259
201 „ 350	10,309	1,421	627	12,357	485	12,842
351 „ 500	2,615	538	576	3,729	318	4,047
501 „ 700	2,985	634	2,069	5,688	294	5,982
701 „ 1,000	2,611	573	2,457	5,641	318	5,959
1,001 „ 1,200	814	192	877	1,883	206	2,089
1,201 „ 1,500	845	153	988	1,986	199	2,185
1,501 „ 2,000	680	143	796	1,619	274	1,893
2,001 „ 2,400	217	45	348	610	132	742
2,401 „ 3,000	175	33	278	486	157	643
3,001 „ 4,000	93	28	254	375	162	537
4,001 „ 5,000	51	11	125	187	122	309
5,001 „ 6,000	25	5	53	83	105	188
6,001 „ 7,400	18	4	37	59	101	160
7,401 and over ..	22	6	49	77	501	578
Total ..	119,188	10,810	10,318	140,316	4,946	145,262

In the succeeding statement incomes earned during 1936-37 are arranged in groups of taxable incomes according to source thereof:—

VICTORIA—TAXABLE INCOMES (1936-37 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion Only.	Property Only.	Combined Personal Exertion and Property	Total.		
	£	£	£	£	£	£
Not exceeding 100	2,999,980	202,207	19,830	3,222,017	43,763	3,265,780
101 to 200	2,986,831	337,322	70,012	3,394,165	68,672	3,462,837
201 " 350	2,608,539	369,047	166,574	3,144,160	131,475	3,275,635
351 " 500	1,098,279	227,798	248,675	1,574,752	134,694	1,709,446
501 " 700	1,813,950	384,951	1,280,707	3,479,608	175,195	3,654,803
701 " 1,000	2,168,149	475,941	2,036,476	4,680,566	268,069	4,948,635
1,001 " 1,200	887,843	210,711	958,533	2,057,087	225,369	2,282,456
1,201 " 1,500	1,128,242	205,334	1,320,371	2,654,447	266,748	2,921,195
1,501 " 2,000	1,161,857	242,199	1,365,880	2,769,936	471,382	3,241,318
2,001 " 2,400	471,824	99,135	761,965	1,332,924	289,476	1,622,400
2,401 " 3,000	464,924	90,534	741,529	1,296,987	419,587	1,716,574
3,001 " 4,000	327,733	97,018	871,253	1,296,004	564,469	1,860,473
4,001 " 5,000	216,760	49,749	553,929	820,438	541,520	1,361,958
5,001 " 6,000	135,988	26,858	286,214	449,010	575,277	1,024,287
6,001 " 7,400	120,099	27,363	247,571	395,033	669,663	1,064,696
7,401 and over ..	264,742	64,880	722,968	1,052,590	17,172,856	18,225,446
Total ..	18,855,690	3,111,047	11,652,987	33,619,724	22,008,215	55,627,939

The complete figures relating to the tax payable on incomes earned during 1936-37 are set out hereunder:—

VICTORIA—TAX PAYABLE (1936-37 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion Only.	Property Only.	Combined Personal Exertion and Property.	Total.		
	£	£	£	£	£	£
Not exceeding 100	81,095	10,857	783	92,735	4,104	96,839
101 to 200	77,990	13,085	2,618	98,693	6,458	105,151
201 " 350	66,721	19,804	6,064	92,589	12,345	104,934
351 " 500	28,572	12,228	8,697	49,497	12,652	62,149
501 " 700	57,163	24,686	47,759	129,608	16,449	146,057
701 " 1,000	75,358	33,321	82,404	191,083	25,215	216,298
1,001 " 1,200	33,913	16,190	41,833	91,936	21,199	113,135
1,201 " 1,500	45,310	16,526	59,867	121,703	25,038	146,741
1,501 " 2,000	49,129	20,510	64,259	133,898	44,339	178,237
2,001 " 2,400	21,323	8,950	37,938	68,211	27,227	95,438
2,401 " 3,000	22,081	8,630	39,272	69,983	39,242	109,225
3,001 " 4,000	15,998	9,526	47,166	72,690	52,009	124,699
4,001 " 5,000	10,886	4,967	30,395	46,248	50,639	96,887
5,001 " 6,000	7,192	2,767	17,290	27,249	54,112	81,361
6,001 " 7,400	6,258	2,930	14,275	23,463	62,990	86,453
7,401 and over ..	14,143	7,063	42,037	63,243	1,558,053	1,621,296
Total ..	613,132	217,040	542,657	1,372,829	2,012,071	3,384,900

## VICTORIA—SPECIAL TAX.

Income earned by any person (other than a company) in 1936-37 was subject also to a Special Tax. The minimum taxable income was £105 but, in the case of a married taxpayer whose spouse is a resident of Australia and has an income of not more than £50, or a widow or widower with a child under 16 years of age who is a resident of Australia, the minimum income taxable is £201. The deductions allowable for Ordinary Income Tax, which are shown on page 315, were not allowable in calculating the taxable income for this tax. Dividends from any source were subject to, but interest from State Savings Bank Securities was free from tax. The rates of the Special Tax were as follows :—

Where the Taxable Income—						The Rate per £100 was—
						s. d.
Exceeded	£104	but did not exceed	£1,000	..	..	6 0
..	£1,000	..	£1,250	..	..	7 0
..	£1,250	..	£1,750	..	..	8 0
..	£1,750	..	£2,000	..	..	9 0
..	£2,000	..	£2,500	..	..	11 0
..	£2,500	..	..	..	..	12 6

The total amounts of Special Tax assessed on incomes earned during 1932-33, 1933-34, 1934-35, 1935-36 and 1936-37 were £284,916, £312,367, £351,377, £359,335 and £400,741 respectively.

## UNEMPLOYMENT RELIEF TAX.

The first legislative provisions for the relief of unemployment in Victoria are embodied in the *Unemployment Relief Act 1930* (No. 3866) and the *Stamps (Unemployment Relief) Act 1930* (No. 3868). Brief references to these Acts and to amending and continuing legislation arising in connexion therewith have been made in the *Year-Book* of 1929-30 and subsequent issues.

The *Unemployment Relief Tax (Rates) Act 1938* (No. 4575) made provision for the rates of tax, &c., on incomes earned during 1936-37

The following table shows the rates of unemployment relief tax charged on incomes earned during 1936-37. (For 1935-36 rates, &c., see *Year-Book* of 1936-37.) The minimum income subject to tax was £105, and the general exemption of £200 and concessional allowances (wife, children, medical expenses, life assurance, &c.) mentioned on page 315 are not deductible. Dividends from any source and interest on Victorian Government Loans (other than 3 per cent. stock) and State Savings Bank securities are taxable, but the profits earned by companies are not subject to tax.

VICTORIA—RATES OF UNEMPLOYMENT RELIEF TAX 1936-37.

Amount of Taxable Income.	Rate per £100 payable on the Taxable Income.
	(The tax calculated under this schedule is subject to deduction of 20 per cent.)
	<i>s. d.</i>
Not less than £105 but not amounting to £208 ..	20 7
„ „ £208 but not exceeding £312 ..	25 9
Over £312 but not exceeding £350 ..	26 4
„ „ £350 but not exceeding £400 ..	26 11
Thereafter for every increase of £50 in taxable income up to the group exceeding £900 but not exceeding £950	The rate of tax increases by either 11d. or 1s. until it reaches 37s. 5d.
Thereafter for every increase of £50 in taxable income up to the group exceeding £2,350 but not exceeding £2,400	The rate of tax increases by either 1s. 1d. or 1s. 2d. until it reaches 70s. 9d.
Thereafter for every increase of £50 in taxable income up to the group exceeding £2,950 but not exceeding £3,000	The rate of tax increases by either 1s. 6d. or 1s. 7d. until it reaches 89s. 1d.
Over £3,000 .. .. .	90s. 7d. (the maximum rate of tax)

VICTORIA—ANALYSIS OF UNEMPLOYMENT RELIEF TAX ASSESSMENTS ON INCOMES EARNED DURING 1935-36 AND 1936-37 RESPECTIVELY.

Taxable Incomes.	1935-36.			1936-37.		
	Number.	Taxable Income.	Tax Payable.	Number.	Taxable Income.	Tax Payable.
		£	£		£	£
Not exceeding 100	122	8,974	40			
101 to 200	188,620	28,470,950	293,140	192,085	29,015,322	238,942
201 „ 350	165,676	41,931,485	532,885	183,133	46,679,817	475,391
351 „ 500	31,923	13,094,195	181,230	37,349	15,312,798	169,603
501 „ 700	13,786	8,007,384	124,122	16,646	9,702,239	120,290
701 „ 1,000	7,131	5,866,748	104,436	9,057	7,486,290	106,890
1,001 „ 1,200	2,251	2,452,426	50,569	2,822	3,085,016	50,947
1,201 „ 1,500	1,939	2,595,461	60,933	2,492	3,328,609	62,426
1,501 „ 2,000	1,614	2,772,513	77,500	2,093	3,591,234	80,136
2,001 „ 2,400	663	1,446,270	47,949	878	1,915,058	50,733
2,401 „ 3,000	609	1,621,799	64,926	770	2,062,290	66,063
3,001 „ 4,000	493	1,694,487	76,437	556	1,914,315	69,427
4,001 „ 5,000	231	1,026,399	46,335	315	1,402,131	50,529
5,001 „ 6,000	132	712,869	32,308	156	844,737	30,546
6,001 „ 7,400	92	607,789	27,397	123	848,408	30,723
7,401 and over ..	151	2,208,426	99,339	211	2,941,504	105,845
<b>Total ..</b>	<b>415,383</b>	<b>114,518,175</b>	<b>1,819,546</b>	<b>448,691</b>	<b>130,129,768</b>	<b>1,708,491</b>



The general public, apart from salary and wage earners, may also participate in the system, for they may at any time purchase Tax Instalment Stamps which, when their taxes fall due for payment in the ordinary course, will be treated as cash.

Arrangements may also be made whereby employers may dispense with stamps, but shall make periodical deductions from the salary or wages of their employees and pay such deductions to the Commissioner of Taxes. Provisions regarding insufficient deductions or refunds are similar to those obtaining in relation to stamps.

### COMMONWEALTH INCOME TAX.

There is in addition to the State Income Tax a Commonwealth Income Tax, which was first imposed on incomes earned in the financial year 1914-15. The tax collected throughout Australia by the Commonwealth Government, in the years 1936-37 and 1937-38, amounted to £8,556,014 and £9,398,503 respectively.

### 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 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 ending 31st December, 1938, was one halfpenny on every pound sterling of the 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.

An analysis, in specified groups of estates, of the 1938 Land Tax assessments based on unimproved values as at 31st December, 1937, is given hereafter.

VICTORIA—ANALYSIS OF STATE LAND TAX  
ASSESSMENTS, 1938.

Unimproved Values of Estates Ranging Between—				Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£				£	£
1	and 500	..	..	64,131	23,027,462	29,571
501	and 600	..	..	12,708	7,100,077	14,823
601	and 750	..	..	13,144	8,875,338	18,117
751	and 1,000	..	..	14,840	12,914,714	26,338
1,001	and 1,250	..	..	9,498	10,646,674	21,712
1,251	and 1,500	..	..	7,218	9,539,622	20,273
1,501	and 2,000	..	..	9,681	16,789,322	34,329
2,001	and 3,500	..	..	13,889	36,501,682	74,976
3,501	and 5,000	..	..	5,788	23,990,639	49,534
5,001	and 6,000	..	..	1,842	10,074,182	20,801
6,001	and 7,000	..	..	1,118	7,231,868	14,933
7,001	and 8,000	..	..	783	5,850,291	12,129
8,001	and 9,000	..	..	457	3,875,032	8,020
9,001	and 10,000	..	..	361	3,426,663	7,041
10,001	and 15,000	..	..	967	11,679,526	24,154
15,001	and 20,000	..	..	402	7,001,638	14,567
20,001	and 25,000	..	..	200	4,435,419	9,243
25,001	and 30,000	..	..	137	3,765,310	7,792
30,001	and 35,000	..	..	105	3,436,057	7,096
35,001	and 40,000	..	..	62	2,327,253	4,844
40,001	and 50,000	..	..	116	5,160,646	10,751
50,001	and 75,000	..	..	96	5,735,285	11,834
75,001	and 100,000	..	..	55	4,716,504	9,802
100,001	and 150,000	..	..	27	3,225,140	6,606
150,001	and 200,000	..	..	12	2,016,095	4,200
200,001	and over ..	..	..	20	5,927,891	12,332
Total .. .. .				157,657	239,270,330	475,818

In the succeeding statement details are shown relating to the assessments made during the years 1934 to 1938.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1934 TO 1938.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
		£	£ s. d.	£
1934 .. .. .	156,278	503,129	3 4 5	242,980,860
1935 .. .. .	156,827	501,441	3 3 11	241,242,265
1936 .. .. .	156,930	497,832	3 3 5	239,022,192
1937 .. .. .	157,048	473,934	3 0 4	238,829,620
1938 .. .. .	157,657	475,818	3 0 4	239,270,330

**Commonwealth Land Tax.**

In addition to the State Land Tax there is also a Commonwealth Land Tax—assented to on 17th November, 1910—levied on the lands of the State. 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.**

Year Ended 30th June—	Victorian Returns Assessed.*	Central Office Assessments.†	Unimproved Value Assessed by Department.	Tax Payable.
	No.	No.	£	£
1934 .. ..	7,231	1,611	86,710,216	349,890
1935 .. ..	7,253	1,703	85,763,202	353,798
1936 .. ..	7,158	1,693	84,916,146	362,843
1937 .. ..	7,071	1,625	86,165,970	389,060

\* Including absentee returns on which tax was payable as follows:—1933-34, 279, £4,680; 1934-35, 281, £5,418; 1935-36, 281, £4,819; and 1936-37, 291, £5,858.

† 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 bequests 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  $1\frac{1}{2}$  per cent. The rate rises gradually thereafter until, on estates over £20,000, it reaches 10 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 and not exceeding £1,000 in value, the rate of duty commences at 2 per cent. and gradually increases until it reaches 10 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 10 per cent.

Additional Duty.—On all statements filed on and after 23rd October, 1930, an additional amount of 21 per cent. on the duty otherwise chargeable, is payable.

The total amounts of probate duty assessed for the years 1933-34, 1934-35, 1935-36, 1936-37 and 1937-38 were £1,138,659, £1,123,556, £1,438,316, £1,451,238 and £1,429,440 respectively. Actual collections of probate duty for the years mentioned are shown in the table below.

In addition to those duties levied under the Victorian law, the Commonwealth Government also levies probate and succession duties. The amount of duty collected for the Commonwealth in each of the years 1933-34, 1934-35, 1935-36, 1936-37 and 1937-38 was £1,511,296, £1,507,827, £1,472,860, £1,792,600 and £1,872,654 respectively.

### COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

The following table shows in detail, for each of the last five financial years, the amount of taxation collected in Victoria by the Commonwealth and State Governments, and by the Municipalities. Figures relating to Municipal Taxation for 1933-34 and 1934-35 have been revised and are not comparable with those appearing in issues of the *Year-Book* prior to 1936-37.

#### TAXATION IN VICTORIA—COMMONWEALTH, STATE, AND MUNICIPAL, 1933-34 TO 1937-38.

Heads of Taxation.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
Total Commonwealth Taxation in Victoria* .. ..	£ 15,467,000	£ 16,100,000	£ 17,372,000	£ 17,088,000	£ 18,719,000
State—					
Income Tax .. ..	2,329,629	2,603,512	2,759,324	3,299,440	3,976,958
Land Tax .. ..	535,947	494,593	494,293	492,143	498,232
Probate Duty .. ..	1,143,330	1,124,933	1,340,701	1,509,693	1,431,057
Unemployment Relief .. ..	1,652,997	1,694,571	1,979,153	1,955,269	1,934,440
Entertainments Tax†	201,792	228,195	238,456	268,211	262,039
Racing Taxation .. ..	313,364	319,389	340,531	353,884	414,560
Stamp Duties† .. ..	733,054	826,056	858,731	917,255	952,470
Motor Taxation‡ .. ..	1,280,878	1,403,134	1,592,880	1,682,561	1,825,152
Liquor Licences &c. .. ..	184,093	192,682	203,602	222,437	233,490
Other Licences .. ..	86,860	85,387	88,272	90,735	91,521
Other Taxation .. ..	..	21,266	24,750	27,172	26,726
Total State Taxation .. ..	8,461,944	8,993,718	9,920,693	10,818,800	11,646,645
Municipal Taxation .. ..	3,441,151	3,451,010	3,538,627	3,698,118	§
Total Taxation .. Duties on Bank .. ..	27,370,095	28,544,728	30,831,320	31,604,918	§

\* Estimated.—See note on next page. † Not elsewhere included. ‡ See footnote on page 309. § Not available.

The taxation in Victoria per head of population by the Commonwealth, the State, and the Municipalities for each of the last five years was as follows:—

**COMMONWEALTH, STATE, AND MUNICIPAL TAXATION IN VICTORIA PER HEAD OF POPULATION, 1933-34 TO 1937-38.**

Authority.	Taxation per Head of Population in Victoria.				
	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth*	8 9 6	8 15 4	9 8 6	9 4 6	10 1 2
State .. .. .	4 12 9	4 17 11	5 7 8	5 16 10	6 5 2
Municipal .. .. .	1 17 9	1 17 7	1 18 5	1 19 11	†
Total .. .. .	15 0 0	15 10 10	16 14 7	17 1 3	†

\* Average taxation per head collected by the Commonwealth Government on account of taxation derived from the following sources:—Customs, Excise, Probate and Succession Duties, Income, Land, Sales, Flour, Entertainment, and War Time Profits.

† Not available.

**TAXATION COLLECTIONS—AUSTRALIAN STATES.**

In the following statement of taxation collections in each of the Australian States during the last five years, Commonwealth taxation has been excluded. The particulars shown include all State taxation whether paid into Consolidated Revenue or not.

**STATE TAXATION COLLECTIONS—TOTAL AND PER HEAD OF POPULATION, 1933-34 TO 1937-38.**

Year.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total All States.
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**TOTAL COLLECTIONS.**

	£	£	£	£	£	£	£
1933-34 ..	14,198,932	8,461,944	5,846,301	2,925,106	1,835,829	1,132,889	34,401,001
1934-35 ..	13,964,226	8,993,718	6,546,263	3,267,099	2,436,076	1,227,328	36,434,710
1935-36 ..	16,289,722	9,920,693	7,323,028	3,267,389	2,762,735	1,418,256	40,981,823
1936-37 ..	18,726,370	10,818,800	7,730,782	3,610,431	3,085,944	1,484,808	45,457,135
1937-38 ..	20,504,582	11,646,645	8,539,471	3,998,132	3,306,804	1,697,159	49,692,793

**PER HEAD OF POPULATION.**

	£ s. d.						
1933-34 ..	5 8 8	4 12 9	6 3 0	5 0 5	4 3 4	4 18 11	5 3 7
1934-35 ..	5 6 0	4 17 11	6 16 3	5 11 11	5 9 11	5 7 1	5 8 11
1935-36 ..	6 2 8	5 7 8	7 10 8	5 11 6	6 3 5	6 3 2	6 1 8
1936-37 ..	6 19 8	5 16 10	7 17 1	6 2 9	6 16 7	6 8 1	6 13 11
1937-38 ..	7 11 5	6 5 2	8 11 8	6 15 4	7 4 9	7 4 5	7 5 2

**TAXATION FOR FINANCIAL YEAR, 1938-39.**

The *Income Tax (Rates) Act* 1938 (No. 4581) which fixed the rates of income tax on incomes earned during the year ended 30th June, 1938, provides that, when the income is derived from personal exertion, if the taxable income does not exceed £2,000, the rate of tax for every pound of taxable income

shall be 6 1/400 pence where the taxable income is one pound; and shall increase uniformly by 1/400 pence for every pound by which the taxable income exceeds one pound. If the taxable income exceeds £2,000 but does not exceed £6,000, the rate of tax for every pound of taxable income shall be 11 1/2,000 pence where the taxable income is £2,001 and shall increase uniformly by 1/2,000 pence for every pound by which the taxable income exceeds £2,001. If the taxable income exceeds £6,000, the rate of tax for every pound of taxable income shall be 13 pence.

The rate of tax on income derived from property shall be double that applicable to income from personal exertion.

Where income is derived partly from personal exertion and partly from property, the rate of tax to be applied to the respective portions of the taxable income shall be the rate that would be applicable if the total taxable income were derived exclusively from that source.

The rate of tax on the income of companies, including the income of Mutual Life Assurance Companies in respect of other than mutual life assurance business, shall be 22·575 pence for every pound of taxable income. Other details regarding the rate of tax on the income of companies remain the same as those for 1936-37 which appear on page 315 of this issue. "Additional" taxes levied in previous years have not been continued.

**Special  
Income Tax  
on 1937-38  
Incomes.**

Details regarding this tax were the same as those relating to the previous year. They are shown on page 319 of this *Year-Book*.

**Unemployment  
Relief  
Taxation  
on 1937-38  
Incomes.**

The *Unemployment Relief Tax (Rates) Act 1938* (No. 4575) fixed the rates of unemployment relief taxation on incomes earned in the year ended 30th June, 1938. An abridgment of the new schedule is shown hereunder:—

Amount of Taxable Income.	Rate per £100 on the Taxable Income.
Not less than £105 but not amounting to £208	<i>s. d.</i> 15 5
" " " £208 " " exceeding £312 ..	19 4
Over £312 but not exceeding £350 .. ..	19 9
" " £350 " " " £400 .. ..	20 2
Thereafter for every increase of £50 in taxable income up to the group exceeding £900 but not exceeding £950	The rate of tax increases by either 8d. or 9d. until it reaches 28s. 1d.
Thereafter for every increase of £50 in taxable income up to the group exceeding £2,350 but not exceeding £2,400	The rate of tax increases by either 9d., 10d. or 11d. until it reaches 53s. 2d.
Thereafter for every increase of £50 in taxable income up to the group exceeding £2,400 but not exceeding £3,000	The rate of tax increases by either 1s. 1d., 1s. 2d. or 1s. 3d. until it reaches 66s. 11d.
Over £3,000 .. .. .	68s. 1d. (the maximum rate of tax)

## 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, appears in the *Year-Book* for 1928-29, page 98.

Cost of Pensions and Gratuities.

During the year 1937-38, the Government expended a sum of £1,051,390 on pensions, gratuities, etc. Of this amount, £252,514 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, and the Superannuation Fund. The following table gives details of the Government expenditure on pensions for each of the last five years.

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS, GRATUITIES, ETC., 1933-34 TO 1937-38.

Heading.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Non-contributory Pensions, &c.—					
Railways .. ..	135,349	127,672	133,537	143,850	123,292
Lunacy .. ..	898	744	653	702	388
Judges .. ..	313	1,250	2,188	2,250	2,250
Civil Service .. ..	12,361	11,559	10,882	9,644	7,863
Public Service	121,876	117,157	117,538	113,421	105,128
Education Department } Officers transferred to Commonwealth Service	20,000	14,000	14,499	13,000	11,000
Various Allowances ..	1,379	1,424	1,335	1,953	2,412
Compensations and Gratuities .. ..	659	681	1,478	2,915	181
<b>Total Non-contributory Pensions, Gratuities, &amp;c.</b>	<b>292,835</b>	<b>274,487</b>	<b>282,110</b>	<b>287,735</b>	<b>252,514</b>
Police Superannuation Fund—					
Government Subsidy ..	65,026	75,050	79,173	79,410	85,093
Transferred from Licen- sing Fund (Act No. 3717) .. ..	23,000	23,000	23,000	23,000	23,000
Fines .. ..	11,239	9,637	10,939	9,530	8,864
<b>Total .. ..</b>	<b>99,265</b>	<b>107,687</b>	<b>113,112</b>	<b>111,940</b>	<b>116,957</b>
Police Pensions Fund ..	87,600	90,900	95,000	96,700	98,200
The Superannuation Fund—					
Railways .. ..	290,035	323,293	356,571	360,497	361,697
Other .. ..	148,660	171,648	199,204	211,001	222,022
<b>Total .. ..</b>	<b>438,695</b>	<b>494,941</b>	<b>555,775</b>	<b>571,498</b>	<b>583,719</b>
<b>GRAND TOTAL ..</b>	<b>918,395</b>	<b>968,015</b>	<b>1,045,997</b>	<b>1,067,873</b>	<b>1,051,390</b>

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 a deduction, not exceeding  $2\frac{1}{2}$  per cent., from the pay of the members of the Police Force entitled to pensions; 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 1937-38 the total receipts of the fund amounted to £117,216, consisting of £116,957 from Government Revenue, as shown in the preceding table, and £259 from members of the Force. Payments out of the Fund amounted to £117,216 (£114,280 for pensions and £2,936 for gratuities).

Pensions are payable out of this fund only to those who joined the Police Force prior to the 25th November, 1902.

This Act, which came into operation on 1st January, 1924, provides for pensions to those members of the Police Force who have joined it 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 childrens' 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 appear in the *Year-Book* for 1928-29, page 100.

The receipts of the Police Pensions Fund (established under Act 3750) during 1937-38 amounted to £165,596 comprising:—Deductions from pay, £15,832; special appropriation, £98,200 and interest on investments, £51,564. During the year £12,236 was paid in pensions, and £552 represented deductions of pay returned. There was a balance of £1,479,517 at 30th June, 1938, of which £1,464,030 was invested.

**The Superannuation Fund.**

On 24th November, 1925, legislation was enacted by the State Parliament making provision on a contributory basis for superannuation benefits for public servants 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 1923 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. The most recent amending legislation relating to the Fund is contained in the *Superannuation (Investment of Fund) Act* 1937 (which gives the Board a wider field for the investment of its moneys) and the *Superannuation Act* 1938, which was enacted to meet the position arising out of the introduction of National Insurance by the Commonwealth Parliament.

During the year 1937-38, the receipts of the Superannuation Fund amounted to £1,135,515, consisting of contributions from officers, £351,354; from Consolidated Revenue, £598,002; under Act No. 4085, £458; interest on investments, £172,105; and other receipts, £13,596. The total payments from the Fund during the year were £760,424, and comprised pensions, £718,317; refund of contributions, £30,098; endowment assurances matured, £11,097; and other expenditure, £912. The balance in the Fund at 30th June, 1938, was £4,609,213, of which £4,587,503 was invested.

**Port Phillip Pilot Fund.**

This fund does not receive contributions from the Government but is maintained by deductions from pilots' earnings and the annual income derived from investment of the moneys belonging to the fund. In the year 1937-38, expenditure amounted to £4,207, and comprised pensions, £4,138; Sick Allowances, £44; and other expenditure, £25.

**EXPENDITURE ON EDUCATION.**

During the year 1937-38 the State expended on education generally the sum of £3,340,755. This amount includes expenditure from loan moneys and the cost of pensions and gratuities, but excludes the interest paid by the State on loans for educational purposes, particulars of which are not now obtainable. The expenditure on

education in each of the last five years, as detailed in the report of the Minister of Public Instruction, was as follows:—

VICTORIA—EXPENDITURE ON EDUCATION,  
1933-34 TO 1937-38.

Expenditure on—	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.
	£	£	£	£	£
Education—					
Primary (including Special Subjects) ..	1,669,617	1,726,940	1,841,691	1,959,807	2,000,444
Intermediate .. ..	89,173	92,996	95,016	101,181	108,523
Secondary .. ..	191,466	194,170	212,583	248,337	267,264
Training of Teachers ..	20,375	18,681	20,008	14,168	15,722
Administration .. ..	65,250	66,176	70,196	75,624	83,881
Buildings and Land (Schools)	94,850	104,591	132,744	187,559	184,251
Pensions .. ..	148,538	154,006	167,317	169,271	169,525
Technical Education—					
Junior and Senior Schools	235,998	253,864	280,867	319,785	350,792
Buildings .. ..	3,602	2,251	22,511	38,499	83,033
University—					
Special Appropriations, &c. .. ..	46,000	50,800	51,300	55,800	70,800
Scholarships .. ..	6,320	7,944	6,740	6,480	6,520
Buildings, Apparatus, &c. .. ..	..	..	50,000†	..	..
Total* .. ..	2,571,189	2,672,419	2,950,973	3,176,511	3,340,755
Per head of population ..	£ s. d. 1 8 2	£ s. d. 1 9 1	£ s. d. 1 12 0	£ s. d. 1 14 4	£ s. d. 1 15 11

\* Excluding expenditure on Bacteriological Laboratory Services, viz.:—1933-34, £2,800; 1934-35, £2,800; 1935-36, £3,400; 1936-37, £3,400; and 1937-38, £3,400.

† Unemployment Relief Loan.

In addition to the expenditure shown in the preceding table, fees, donations, &c., amounting to £45,272 in 1933-34; £50,603 in 1934-35; £60,013 in 1935-36; £69,369 in 1936-37 and £79,484 in 1937-38 were retained and expended by the various technical school councils.

The foregoing statement deals with expenditure by the State on education generally but, in the two following tables, an effort has been made to account for the expenditure incurred in connexion with primary and secondary education of the State Schools only (excluding amount expended on technical education). Owing to the difficulty in apportioning the items of expenditure, training of teachers, administration, &c., such items are slightly overstated.

VICTORIA—EXPENDITURE ON PRIMARY AND SECONDARY EDUCATION—STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS), 1933-34 TO 1937-38.

Expenditure on—	1933-34.	1934 35.	1935 36.	1936-37.	1937-38.
Education :—	£	£	£	£	£
Primary—					
Day Schools, including Central Schools ..	1,635,807	1,689,352	1,806,647	1,923,537	1,940,748
Schools for Deaf Mutes and Blind and Feeble-minded Children ..	7,587	8,224	6,039	6,784	26,967
Subsidized Schools ..	251	287	300	220	107
Free Kindergarten Union ..	2,250	2,250	2,250	2,250	2,500
Special Subjects—					
Physical Training ..	2,312	3,773	1,777	2,150	4,562
Medical Inspection ..	13,661	13,738	14,970	15,782	14,997
Dressmaking and Needle-work ..	4,927	6,410	6,710	6,391	6,280
School Gardening and Plantations ..	2,083	2,062	2,008	1,701	2,018
Singing ..	739	844	990	992	1,852
Young Farmers' Clubs ..	..	..	..	..	413
Total Primary ..	1,669,617	1,726,940	1,841,691	1,959,807	2,000,444
Intermediate—					
Higher Elementary Schools ..	48,650	49,620	49,075	51,505	56,321
Evening Continuation Classes ..	23	65	145	140	288
Schools of Domestic Arts ..	40,500	43,311	45,796	49,536	51,914
Total Intermediate ..	89,173	92,996	95,016	101,181	108,523
Secondary*—					
High Schools† ..	186,600	190,193	206,166	240,026	259,818
Scholarships ..	4,866	3,977	6,417	8,311	7,446
Total Secondary ..	191,466	194,170	212,583	248,337	267,264
Training of Teachers ..	20,375	18,681	20,008	14,168	15,722
Administration ..	65,250	66,176	70,196	75,624	83,381‡
Buildings—					
Primary Schools ..	84,068	89,397	116,992	158,244	161,127
Primary Schools (expended by School Committees) ..	5,027	5,095	5,103	5,714	6,109
Rents ..	3,054	3,040	3,575	4,517	3,915
Higher Elementary Schools ..	274	14	17	215	2
Domestic Arts Schools, &c. ..	37	38	49	23	114
High Schools ..	2,390	7,007	7,008	18,846	12,984
Total Buildings ..	94,850	104,591	132,744	187,559	184,251
Pensions ..	148,538	154,006	167,317	169,271	169,525
Grand total ..	2,279,269	2,357,560	2,539,555	2,755,947	2,829,110

\* Including Manual Training.

† Including Refund of Tuition Fees, £57 in 1933-34; £115 in 1934-35 and £142 in 1935-36.

‡ Including £4,662 expenses in connexion with lessons to pupils on account of Poliomyelitis epidemic.

The following return summarizes the expenditure and revenue connected with primary and secondary education of the Victorian State Schools (excluding technical schools), and shows the cost per scholar in average attendance. Particulars are shown for each of the last five years :—

**VICTORIA—COST OF PRIMARY AND SECONDARY EDUCATION  
—STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS),  
1933-34 TO 1937-38.**

Year.	Expenditure by the State.*	Revenue of the Education Department.	Net Expenditure.	Number of Scholars—Average Attendance. †	Cost per attending Scholar to the State.
	£	£	£	No.	£ s. d.
1933-34 ..	2,279,269	85,733	2,193,536	210,454	10 8 5
1934-35 ..	2,357,560	89,857	2,267,703	204,315	11 2 0
1935-36 ..	2,539,555	71,715	2,467,840	202,416	12 3 10
1936-37 ..	2,755,947	60,342	2,695,605	200,603	13 8 9
1937-38 ..	2,829,110	63,464	2,765,646	175,502‡	15 15 2

\* Excluding interest paid by the State on loans for educational purposes, particulars of which are not obtainable † Excluding Junior and Senior Technical Schools. ‡ Decline due to Pollomyelitis epidemic.

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

In the following statements ordinary revenue and expenditure and loan expenditure of the State Government, the Municipalities and certain semi-Governmental and other Public Bodies in Victoria, have been combined for each of the five years 1933 to 1937. Amounts received by one body from another have been excluded from the statement.

**VICTORIA—STATE GOVERNMENT, LOCAL GOVERNMENT,  
SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES—  
REVENUE AND EXPENDITURE, 1933 TO 1937.**

Heading.	Financial Year Ended in—				
	1933.	1934.	1935.	1936.	1937.
<i>Revenue.</i>	£	£	£	£	£
State Government .. ..	24,686,678	24,550,058	25,569,678	26,336,274	27,446,355
Municipal .. ..	5,974,276	6,224,199	6,306,494	6,513,205	6,835,371
Other Local Authorities—					
Harbor Trusts .. ..	632,257	696,105	786,547	867,973	937,160
Melbourne and Metropolitan Board of Works .. ..	1,703,700	1,677,075	1,684,830	1,927,219	2,005,170
Melbourne and Metropolitan Tramways Board .. ..	1,929,739	1,959,547	2,031,656	2,090,755	2,188,241
Fire Brigades Boards .. ..	97,293	98,180	101,484	103,405	109,202
Other * .. ..	254,091	435,215	451,438	456,352	516,885
Total .. ..	35,278,039	35,640,379	36,932,127	38,295,183	40,038,384

\* See footnote on next page.

VICTORIA—STATE GOVERNMENT, LOCAL GOVERNMENT, SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES—REVENUE AND EXPENDITURE, 1933 TO 1937—*continued.*

Heading.	Financial Year Ended in—				
	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
<i>Ordinary Expenditure.</i>					
State Government .. ..	25,528,179	25,319,298	25,720,875	26,456,200	27,417,432
Municipal .. ..	5,800,601	6,073,579	6,157,650	6,523,638	6,777,738
Other Local Authorities—					
Harbor Trusts .. ..	622,435	691,975	773,544	849,593	919,641
Melbourne and Metropolitan Board of Works .. ..	1,788,838	1,771,124	1,773,529	1,892,477	1,954,404
Melbourne and Metropolitan Tramways Board .. ..	2,014,957	2,022,755	2,061,094	2,089,345	2,187,145
Fire Brigades Boards .. ..	96,103	94,188	97,200	109,301	128,152
Other* .. ..	244,074	487,916	433,287	460,121	500,515
Total .. ..	36,095,192	36,460,835	37,017,179	38,385,675	39,885,027
<i>Loan Expenditure.</i>					
State Government .. ..	2,852,556	2,808,738	2,688,521	3,899,452	3,303,501
Municipal .. ..	170,763	362,990	591,555	881,778	842,832
Other Local Authorities—					
Harbor Trusts .. ..	113,240	143,963	145,847	106,995	90,794
Melbourne and Metropolitan Board of Works .. ..	201,784	318,435	391,732	387,273	436,494
Melbourne and Metropolitan Tramways Board .. ..	98,625	130,078	167,501	572,262	376,611
Fire Brigades Boards .. ..	511	8,378	3,197	9,858	268
Other* .. ..	36,608	61,081	79,186	140,623	233,686
Total .. ..	3,474,087	3,833,663	4,067,539	5,998,241	5,284,186
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population—					
Revenue .. ..	19 8 9	19 8 8	20 2 3	20 15 6	21 12 4
Expenditure .. ..	19 17 9	19 19 7	20 3 2	20 16 6	21 10 8
Loan Expenditure .. ..	1 18 3	2 2 0	2 4 4	3 5 1	2 17 1

\* Ballarat Water Commission and Sewerage Authority; Bendigo Sewerage Authority; Geelong Waterworks and Sewerage Trust; and the First Mildura Irrigation Trust. The Mildura Sewerage Authority and Colac Sewerage Authority added in 1933, and the following added in 1934:—Echuca Sewerage Authority, Horsham Sewerage Authority, Kerang Sewerage Authority, Mildura Urban Water Trust, Swan Hill Sewerage Authority, Wangaratta Sewerage Authority, Warrnambool Sewerage Authority, and 106 Waterworks Trusts (*Water Act 1928*). Bairnsdale Sewerage Authority added in 1935; and the following added in 1936:—Ararat, Benalla, Dandenong, Hamilton, Shepparton, and Warragul Sewerage Authorities; and two Waterworks Trusts (*Water Act 1928*). During 1937 one Waterworks Trust was closed.

## PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1938 :—

## LOANS RAISED AND REDEEMED TO 30TH JUNE, 1938.

		£
Cash received .. .. .		741,533,790
Discount and expenses after deducting premiums .. ..		5,663,219
Securities issued .. .. .		747,197,009
Add liability to Commonwealth for Treasury Bills issued for revenue purposes .. .. .		3,385,000
Add liability to Commonwealth on account of flotation in course .. .. .		834,700
		751,416,709
Loans redeemed by—	£	
Renewal Loans .. .. .	539,476,389	
National Debt Sinking Fund .. .. .	8,404,548	
Other Funds .. .. .	24,062,803	
Discount (securities purchased under par) .. .. .	83,514	
Liability transferred to Commonwealth Government Act No. 4246 .. .. .	2,160,960	
		574,188,214
Loans outstanding at 30th June, 1938 .. .. .		177,228,495

It will be seen that, upon the transactions to 30th June, 1938, (excluding the advances, &c., referred to above), securities representing £747,197,009 were issued, and that the amount of cash received was £741,533,790. The State thus received £99 4s. 10d. in cash for every £100 bond given.

The following table gives particulars relating to the loans raised in London, New York, and Melbourne, and shows the amounts which were outstanding at 30th June, 1938 :—

## VICTORIA—LOANS FLOATED TO 30TH JUNE, 1938.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid Off (Including Renewal Loans).	Debt Outstanding at 30th June, 1938.			
			Inscribed Stock.	Debentures, &c.	Total Payable in—	
					London.	Australia.
	£	£	£	£	£	£
London Register	291,262,275*	223,558,932	34,731,264	32,972,079	67,207,013	496,330†
Melbourne Register	455,934,734	350,629,282	105,095,645	209,807	..	105,305,452
Total ..	747,197,009	574,188,214	139,826,909	33,181,886		
Add Liability to Commonwealth for Treasury Bills issued for revenue purposes .. .. .					..	3,385,000
Add Liability to the Commonwealth on account of flotation in course .. .. .					..	834,700
Total Public Debt at 30th June, 1938 .. .. .					67,207,013‡	110,021,482

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

† Represents the outstanding amount of Inscribed Stock transferred from London to the Melbourne Register.

‡ Including £4,517,207 raised in New York through the Commonwealth Government.

Particulars concerning the due dates of loans outstanding at 30th June, 1938, 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, 1938.

Due Date (Financial Year).	Payable in London.	Payable in Australia.	Total.
	£	£	£
1938-39 .. .. .	5,884,825	16,341,616	22,226,441
1939-40 .. .. .	..	8,529,812	8,529,812
1940-41 .. .. .	..	3,612,200	3,612,200
1941-42 .. .. .	1,049,868	4,446,045	20,733,555
1942-43 .. .. .	..	4,446,045	4,446,045
1943-44 .. .. .	..	2,158,040	2,158,040
1944-45 .. .. .	..	6,196,237	6,196,237
1945-46 .. .. .	..	15,400	15,400
1947-48 .. .. .	..	4,542,045	4,542,045
1948-49 .. .. .	12,061,795	5,109,250	17,171,045
1949-50 .. .. .	6,082,195	3,531,783	9,613,978
1950-51 .. .. .	..	4,165,198	4,165,198
1951-52 .. .. .	..	3,802,870	3,802,870
1953-54 .. .. .	..	4,148,332	4,148,332
1955-56 .. .. .	2,637,059*	3,928,303	6,565,362
1957-58 .. .. .	1,880,148*	3,930,618	5,810,766
1958-59 .. .. .	13,583,800	..	13,583,800
1959-60 .. .. .	2,917,116	3,912,186	6,829,302
1960-61 .. .. .	6,651,075	..	6,651,075
1961-62 .. .. .	..	3,971,328	3,971,328
1975-76 .. .. .	14,459,131	..	14,459,131
Not yet fixed .. .. .	..	3,776,833	3,776,833
Liability to Commonwealth for Treasury Bills issued for revenue purposes .. .. .	..	3,385,000	3,385,000
Liability to Commonwealth on account of flotation in course .. .. .	..	834,700	834,700
<b>Total .. .. .</b>	<b>67,207,012</b>	<b>110,021,483</b>	<b>177,228,495</b>

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

Loans and  
interest  
payable in  
London and  
Australia.

Information relating to the loans outstanding and interest payable thereon, in London and Australia respectively, for the years indicated, is given in the succeeding table. Loans payable in London in each of the five last-mentioned years include those raised in New York by the Commonwealth Government for Victoria, but which are repayable to the Agent-General in London by the State Treasurer.

In the subsequent tables "interest payable" does not include the cost of paying interest overseas. Particulars of exchange paid in each of the last five years are shown on page 342.

VICTORIA—PUBLIC DEBT AND INTEREST PAYABLE  
THEREON IN LONDON AND AUSTRALIA, 1900 TO 1938.

At 30th June—	Amount of Loans Payable 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
1929 ..	68,056,026	91,496,627	3,166,399	4,708,873
1930 ..	68,750,235	93,538,759	3,225,754	4,831,371
1931 ..	68,976,946	98,039,650	3,157,330	5,088,867
1932 ..	68,707,872	101,126,092	3,144,480	3,990,364
1933 ..	68,059,626	103,339,405	3,010,355	3,978,515
1934 ..	67,843,364	107,289,385	2,677,474	4,080,640
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

\* Including outstanding loans raised in New York by the Commonwealth Government, amounting to £4,658,461 at end of 1928-29, 1929-30, and 1930-31, £4,648,084 at end of 1931-32, £4,615,021 at end of 1932-33, £4,592,459 at end of 1933-34, £4,569,473 at end of 1934-35, £4,547,877 at end of 1935-36, £4,530,842 at end of 1936-37, and £4,517,207 at end of 1937-38.

**Rates of  
Interest on  
Public Debt.**

During 1931-32 the conversion of Victoria's portion of the internal debt of the Commonwealth and States 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  $22\frac{1}{2}$  per cent. per annum of the interest rates payable on existing securities. The appended table shows the rates of interest which were payable on the public debt at 30th June, 1938, and the portions of the debt at each rate in London and Australia respectively:—

**VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT  
30TH JUNE, 1938.**

Rate of Interest.	Amount Payable in—		
	London.	Australia.	Total
	£	£	£
5 .. .. .	18,202,762*	..	18,202,762
$4\frac{1}{2}$ .. .. .	5,999,000	..	5,999,000
$4\frac{1}{2}$ .. .. .	773,576†	..	773,576
£4 5s. 3d. .. .. .	..	193,200	193,200
£4 1s. $4\frac{1}{2}$ d. .. .. .	..	6,570	6,570
4 .. .. .	2,917,116	53,036,164	55,953,280
£3 19s. 4d. .. .. .	..	5,685,910	5,685,910
£3 19s. 1d. .. .. .	..	1,875,750	1,875,750
$3\frac{7}{8}$ .. .. .	..	5,097,479	5,097,479
$3\frac{3}{4}$ .. .. .	6,887,649	16,405,606	23,293,255
$3\frac{3}{8}$ .. .. .	..	877,000	877,000
$3\frac{1}{2}$ .. .. .	19,665,995	2,972,690	22,638,685
£3 9s. 9d. .. .. .	..	500	500
£3 8s. 5d. .. .. .	..	1,130,950	1,130,950
$3\frac{3}{8}$ .. .. .	..	1,528,179	1,528,179
$3\frac{1}{4}$ .. .. .	652,075	8,920,735	9,572,810
$3\frac{1}{8}$ .. .. .	..	1,000	1,000
£3 2s. .. .. .	..	391,048	391,048
£3 0s. 5d. .. .. .	..	2,482,000	2,482,000
3 .. .. .	6,224,014	3,752,074	9,976,088
£2 18s. $1\frac{1}{2}$ d. .. .. .	..	220,000	220,000
£2 14s. 3d. .. .. .	..	446,845	446,845
£2 6s. 6d. .. .. .	..	778,083	778,083
£2 $\frac{1}{4}$ .. .. .	5,884,825	..	5,884,825
Not fixed .. .. .	..	4,219,700	4,219,700
Total .. .. .	67,207,012	110,021,483	177,228,495
Average Rate of Interest .. .. .	3·92%	3·71%	3·79%

\* Including £3,743,631 raised in New York by the Commonwealth Government

† Raised in New York by the Commonwealth Government.

**Growth of  
Public Debt.**

The public debt of Victoria amounted to £177,228,495 at 30th June, 1938. The debt increased each year until it reached £175,132,749 at the end of 1933-34 but, owing to the transfer

of a liability amounting to £2,160,960 from the State to the Commonwealth under Act No. 4246, it decreased to £174,160,663 at 30th June, 1935. Other features with regard to the public debt were the noticeable increase which occurred between the years 1918-19 and 1927-28 and the application of the amount at credit of the State Redemption and Sinking Funds to the liquidation of £5,540,369 of the debt during 1928-29.

The amount of the public debt per head of population increased by slightly over 5 per cent. during the ten-year period ended on the 30th June, 1938. During the same period, the annual amount of interest payable on the public debt per head of population decreased by nearly 19 per cent.

The growth of the public debt and of the interest payable thereon since the date of the establishment of responsible government in 1855 is shown in the following statement:—

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST,  
1855 TO 1937-38.

Financial Year ending in—	Loans Outstanding.			Amount per Head of Population.	
	Amount.	Annual Interest 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
1929 ..	159,552,653	7,875,272	4·94	90 4 3	4 9 5
1930 ..	162,288,994	8,057,125	4·96	90 18 7	4 10 7
1931 ..	167,016,596	8,246,197	4·94	92 16 2	4 12 0
1932 ..	169,833,964	7,134,844	4·20	93 18 9	3 19 1
1933 ..	171,399,031	6,988,870	4·08	94 3 2	3 17 0
1934 ..	175,132,749	6,758,114	3·86	95 16 6	3 14 1
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

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

The following table shows the capital liability of the State at 30th June, 1938, 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, 1938.

Works or Services.	Liability.	Deduction on Account of National Debt Sinking Fund.	Net Liability.
	£	£	£
Railways*—			
As Reduced .. ..	46,685,701	2,289,700	44,396,001
Transferred .. ..	30,000,000	1,482,597	28,517,403
Country Waterworks ..	26,559,841	1,289,526	25,270,314
Electricity Supply .. ..	18,177,456	866,821	17,310,635
Closer Settlement .. ..	10,717,296	533,023	10,184,273
Discharged Soldiers' Settlement	23,294,126	1,169,639	22,124,487
Country Roads .. ..	10,195,928	581,137	9,614,791
Public Works, Buildings, &c.	4,620,441	212,485	4,407,956
Forests .. ..	740,462	27,248	713,214
Unemployment Relief ..	9,583,054	152,807	9,430,248
Unapportioned .. ..	344,700†	..	344,700
In Aid of Revenue .. ..	209,808	28,020	181,788
	181,128,813	8,633,003	172,495,810
Treasury Bills in Aid of Revenue current at 30th June, 1938	3,385,000	141,148	3,243,852
Total .. ..	184,513,813	8,774,151	175,739,662

\* 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."

† This amount represents liability on account of portion of loan flotation in course.

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 last four years and the total to 30th June, 1938.

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

Expenditure on—	Expenditure during the Year—				Total to 30th June, 1938.
	1934-35.	1935-36.	1936-37.	1937-38.	
	£	£	£	£	£
Public Works—					
Railways*—					
As Reduced ..	218,419	280,900	361,893	492,208	46,499,520
Transferred ..	..	..	..	..	29,134,658
Country Roads ..	129,006	112,183	76,622	57,972	11,929,619
Bridges ..	127	..	..	1,207	443,438
Harbours and Rivers ..	..	..	..	..	1,404,535
Water Supply—					
Country ..	260,736	285,473	360,792	353,606	26,681,270
Metropolitan ..	..	..	..	..	3,142,577
Sewerage (Country) ..	..	..	..	..	217,784
Electricity Supply ..	..	..	..	..	17,839,227
Public Buildings—					
Schools ..	..	7,866	92,817	137,138	5,310,304
Hospitals ..	..	..	645	22,599	194,929
Other ..	..	..	..	13,021	1,160,064
Other Public Works ..	..	..	..	..	763,427
Immigration ..	..	..	..	..	20,000
Municipal Endowment ..	..	..	..	..	698,250
Municipalities, Loans, Grants, &c. ..	..	..	..	..	1,129,414
Housing ..	..	913	28,957	490,130	520,000
Unemployment Relief ..	1,312,955	2,544,870	1,636,918	1,566,870	9,559,682
Primary Production—					
Closer Settlement ..	265,650	255,728	167,236	26,855	13,460,059
Discharged Soldiers Settlement ..	209,737	209,274	85,593	1,275	28,094,095
Wire Netting Advances ..	18,384	19,444	19,585	14,235	846,012
Agriculture ..	..	..	..	..	150,682
Settlers' Advances—					
Cultivation ..	78,965	78,008	71,018	11,242	2,165,899
Other ..	..	..	..	..	80,633
Bulk Handling of Wheat ..	..	..	350,000	..	350,000

\* Under the authority of Act No. 4429 of 1936 the loan liability of the Railways has reduced by £30,000,000.

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

Expenditure on—	Expenditure during the year—				Total to 30th June, 1938.
	1934-35.	1935-36.	1936-37.	1937-38.	
Primary Production— <i>continued.</i>					
Forestry .. ..	£ 44,542	£ 46,793	£ 51,425	£ 42,093	£ 735,969
Mining, N.E.I. ..	..	..	..	..	271,022
Mining—State Coal Mine .. ..	..	..	..	..	249,399
Primary Products— Advances to Coys. . .	..	..	..	..	331,101
Cool Stores—Advances to Coys. . .	..	..	..	..	578,299
Other Primary Production .. ..	..	..	..	..	152,862
Other Purposes ..	..	..	..	..	281,863
Total Works Expenditure	2,538,521	3,841,452	3,303,501	3,230,451	204,396,593
In Aid of Revenue ..	150,000	58,000	..	..	4,083,682
Grand Total ..	2,688,521	3,899,452	3,303,501	3,230,451	208,480,275

The figures in the foregoing table are "Net" in as much as they exclude discounts and flotation expenses, particulars of which are as follows:—1934-35, £60,572; 1935-36, £51,619; 1936-37, £66,350; 1937-38, £30,836, and aggregate to 30th June, 1938, £5,663,219.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1938, sums not yet expended amounted in the aggregate to £392,117, of which £114,760 was for Public Works, Buildings, &c.; and £47,357 for Unemployment Relief. There was also an amount of £230,000 cash in the Loan Proceeds Suspense Account.

The amounts of interest and expenses paid on the Public Debt of Victoria during each of the last five financial years are shown in the next table:—

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT.

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.				
1934 ..	£ 3,096,949	£ 3,848,691	£ 12,177	£ 28,352	£ 789,721	£ 7,775,890
1935 ..	2,665,308	3,868,945	10,164	91,518	665,963	7,301,898
1936 ..	2,641,907	3,822,151	7,682	144,062	659,972	7,275,774
1937 ..	2,636,680	3,895,281	6,288	176,281	657,448	7,371,978
1938 ..	2,637,607	3,962,022	6,982	45,459	657,819	7,309,889

\* 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 1937-38 :—

		£
Balance at credit of the State at 30th June, 1937	.. ..	278,593
Contributions during 1937-38—		£
By Commonwealth under Financial Agreement	.. ..	287,368
" Commonwealth under Federal Aid Roads Act	.. ..	8,203
" State under Financial Agreement	.. ..	825,870
		1,121,441
Interest received	.. ..	12,988
		1,413,022
Cancellation of securities to the value of £1,013,854	.. ..	1,043,419
Balance at credit of the State at 30th June, 1938	.. ..	369,603
Face value of securities cancelled to 30th June, 1938	.. ..	8,404,547
		8,774,150

## TRUST FUNDS.

At 30th June, 1938, the liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgments amounted to £9,071,891. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £3,885,297, and cash advances totalled £5,029,061. The balance—£157,533—was at the credit of the Public Account.

## PUBLIC DEBTS OF AUSTRALIAN STATES.

The following is a statement of the public debts of each of the Australian States at 30th June, 1938, showing the total amounts and the amounts per head of population. 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, 1938.

Heading.	Victoria.*	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania
Public Debt	£ 177,228,495	£ 354,167,254	£ 125,781,564	£ 107,450,639	£ 93,711,942	£ 25,840,807
Debt per head of population at 30th June, 1938	£ s. d. 94 18 6	£ s. d. 130 5 3	£ s. d. 125 7 8	£ s. d. 181 8 4	£ s. d. 203 13 0	£ s. d. 110 6 11

\* Including liability to Commonwealth for Treasury Bills issued for Revenue purposes £3,385,000; and liability to Commonwealth on account of flotation in course, £334,700.

The gross public debt of the six States at 30th June, 1938, was £884,180,701. Excluding loans raised on behalf of the States, but including the debts on account of the Port Augusta-Oodnadatta Railway and of the Northern Territory, the gross public debt of the Commonwealth was £390,845,061. The liability (£1,275,025,763) of the Australian public at 30th June, 1938, was therefore equal to an average sum of £184 19s. 5d. per head of population.

### STATE AND LOCAL GOVERNMENT, ETC.—DEBTS.

The loan liability of the State Government, Local Government and Semi-Governmental and Other Public Bodies for the year ended 30th June, 1938, is shown hereunder.

#### VICTORIA—LOAN LIABILITY OF STATE GOVERNMENT, LOCAL GOVERNMENT, AND SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES AT 30TH JUNE, 1938.

Authorities.	Loans Outstanding (excluding Overdrafts) at 30th June, 1938, due to—				Total Interest Payable on Loan Outstanding at 30th June, 1938.
	Central Government.	Public Creditor.			
		In Australia.	In London.	Total.	
	£	£	£	£	£
State Government ..	..	110,021,483	67,207,012*	177,228,495*	6,718,776
Local Government ..	663,780	12,074,330	31,150†	12,769,260	566,933
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage ..	2,311,906	24,172,987	3,754,000	30,238,893	1,359,225
Irrigation and Drainage ..	39,690	51,375	..	91,065	3,891
Harbours ..	351,546	3,416,832	968,400	4,736,778	204,744
Tramways ..	..	3,740,357	1,000,000	4,740,357	220,802
Electricity Supply ..	..	863,444	946,540	1,809,984	67,178
Fire Brigades ..	..	230,473	..	230,473	10,103
<b>Total ..</b>	<b>3,366,922</b>	<b>154,571,281</b>	<b>73,907,102</b>	<b>231,845,305</b>	<b>9,151,652</b>

\* Including £4,517,207 raised in New York by the Commonwealth Government.

† £31,150 payable in New Zealand.

The total liability—£231,845,305—in respect of the Authorities mentioned above represented a debt of £124 3s. 7d. per head of population at 30th June, 1938, and the average rate of interest payable amounted to £3 18s. 11d. per cent.