

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.**

A brief outline of the principal provisions of the "Financial Agreement" is given in the *Year-Book* for 1928-29, page 75.

**State Financial
Transactions.**

A summary of the transactions for the financial year 1936-37 in the Consolidated Revenue Fund and in the special funds gives the following result:—

	£
Revenue, 1936-37	27,704,918
Expenditure, 1936-37	27,675,995
Net Surplus for the year (transferred to Surplus Revenue Account)	28,923
Consolidated Revenue Deficit Account—	
Balance at 30th June, 1937	7,226,055

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 1936-37 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total—Treasurer's Finance Statement	27,221,267	27,192,344
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund	961,568*	961,568
Licensing Fund	139,454†	139,454
Police Superannuation Fund	9,530	9,530
Assurance Fund	1,430	1,430
Cattle Compensation Fund	24,664	24,664
Swine Compensation Fund	7,745	7,745
Metropolitan Roads Fund	9,436	9,436
Milk Board Fund	27,172	27,172
<i>Deduct—</i>		
Loss on non-paying railways	218,900	218,900
Payment to Railways Department on account of reduced Freight Charges	478,448	478,448
Total	27,704,918	27,675,995

* Excluding £603,730 recouped to Revenue under Acts Nos. 3944, and 4140, Sec. 2.

† In addition to this amount £105,406 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 4304.

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:—

STATE REVENUE AND EXPENDITURE, 1932-33 TO 1936-37.

Year.	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (-).	
			For each Year.	Accumulated Deficiency to end of each Year (i.e. 30th June).
1932-33	24,905,985	25,747,486	- 841,501	-6,189,157
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

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

HEADS OF STATE REVENUE, 1932-33 TO 1936-37.

Heads of Revenue.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£	£
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	2,117,000	2,329,629	2,603,512	2,759,324	3,299,440
Land Tax	503,752	535,947	494,593	494,293	492,143
Probate Duty	1,164,200	1,143,330	1,124,933	1,340,701	1,509,693
Unemployment Relief—					
Direct	1,799,212	1,652,997	1,694,571	1,979,153	1,955,269
Stamp Duty	18,336	..	..	..	..
Entertainments Tax	194,621	201,792	228,195	238,456	268,211
Racing Taxation	293,933	313,364	319,389	340,531	353,884
Other Stamp Duties	725,834	733,054	826,056	858,731	917,255
Motor Taxation*	1,222,684	1,280,878	1,403,134	1,592,880	1,682,561
Liquor Licences, &c.†	179,722	184,093	192,682	203,020	222,437
Other Licences	81,366	86,860	85,387	88,272	90,735
Duties on Bank Notes	534	..	..	..	..
Other Taxation .. .. .	..	..	21,266	24,750	27,172
Public Works and Services—					
Railways	9,153,225	8,764,154	8,981,492	9,188,798	9,546,824
Water Supply	604,960	601,118	580,650	634,261	657,427
State Coal Mine	228,775	209,188	242,514	229,428	159,477
State Electricity Commission Interest, &c.	1,009,123	960,179	923,342	905,174	876,282
Country Roads Board ‡	82,706	60,867	17,426	Dr. 32,694	Dr. 89,411
Maffra Beet Sugar Factory	195,757	218,315	177,902	168,559	154,625
Victoria Dock Cool Stores	48,205	44,106	57,074	45,289	45,394
Wharfage Rates, &c.	57,351	58,823	63,418	69,801	69,041
Other	69,953	75,821	59,654	73,433	64,820
Land—					
Land Sales, Rents, Penalties, &c.	360,459	378,878	368,669	431,218	373,824
Interest on Loans—					
Closer Settlement	426,521	437,248	419,653	421,406	427,861
Discharged Soldiers' Settle- ment	1,077,252	1,070,255	1,021,133	1,008,662	1,000,900
Fees, Fines, &c.	207,052	211,141	226,112	245,242	257,486
Tramways Act No. 3732 (Sec. 77) Government Printer	108,218	112,201	113,724	111,658	112,050
.. .. .	103,161	107,510	112,235	117,255	133,066
Harbor Trust Contributions	108,778	113,216	114,169	130,597	136,690
Department of Agriculture §	39,403	32,424	35,547	35,256	35,497
Commonwealth Contribution to Unemployment Relief	200,000	210,000	39,495	..	..
Transfer from Assurance Fund, Act No. 4164 .. .. .	..	50,000	..	..	..
Miscellaneous	396,753	473,192	580,471	612,315	660,106
Total	24,905,985	24,777,739	25,805,557	26,583,510	27,704,918
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	13 14 6	13 11 6	14 1 0	14 8 5	14 19 2

* 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 288 with reference to the statistical method of arriving at total public revenue.

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

**Heads of
State
Expenditure.**

In the following table a more detailed classification of expenditure is presented than that which has appeared in previous *Year-Books*. This re-arrangement of items does not materially affect the comparability of the figures with those of previous years.

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."

**SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1932-33 TO 1936-37.**

Heading of Expenditure.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£	£
<i>Legislature and General Administration.</i>					
Legislature—					
Governor	6,241	10,096	10,606	10,091	13,219
Parliament	85,421	86,305	86,341	98,217	104,940
Electoral	5,636	13,420	30,586	7,000	27,176
Financial Administration—					
Public Debt Charges—					
Interest (including Interest on Temporary Loans)	6,960,092	6,957,817	6,544,417	6,471,741	6,538,240
Exchange on Interest	889,504	739,721	665,963	659,972	657,448
Expenses of Paying Interest, Redemptions, Conversions, &c.	28,266	28,352	91,518	144,061	176,281
National Debt Sinking Fund Pensions and Superannuation Contributions*	542,647	624,951	670,707	693,176	754,258
901,005	918,395	968,015	1,045,997	1,067,871	
Departmental—					
Treasury (including Taxation, Stamps, &c.)	164,588	158,073	175,431	165,480	169,036
Superannuation Board—Ad- ministration	2,711	2,706	2,857	3,400	3,027
Auditor-General	14,033	14,531	14,634	15,161	17,682
Royal Commissions, Boards of Inquiry, &c.	183	775	..	3,922	5,473
Administration, N.E.I.—					
Government Printer	85,581	93,410	109,104	115,631	124,522
Other	175,982	193,724	224,090	211,412	210,068
Total	9,861,890	9,892,276	9,594,269	9,645,261	9,869,250
<i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary	9,240	9,716	12,076	11,419	12,437
Attorney-General and Solicitor- General	201,133	193,939	202,544	216,667	237,520
Police	604,343	620,570	665,750	714,097	793,833
Prisons	95,956	106,332	108,835	114,115	120,896
Prevention of Fire and Flood	61,172	62,017	62,611	62,913	63,376
Other	3,457	2,383	5,701	3,141	2,863
Total	975,301	994,957	1,057,517	1,122,352	1,230,925

* For details see page 307.

SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1932-33 TO
1936-37—continued.

Heading of Expenditure.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£	£
<i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation } Labour Legislation	25,486	24,454	25,803	27,693	31,074
Transport Regulation Board ..	1,017	2,712	17,409	23,175	27,326
Liquor Licence Control (Adminis- tration, including Compensation)	24,865	25,440	27,279	24,231	56,582
Other	6,787	9,531	7,618		10,617
Total	58,155	62,137	78,109	86,110	125,599
<i>Education.</i>					
Primary, Intermediate, Secondary— Administration, &c.	2,185,115	2,191,048	2,313,454	2,493,699	2,688,449
Technical	107,279	113,592	120,428	130,797	147,264
University *	44,800	38,000	42,800	42,800	47,300
Deaf, Dumb, and Blind	100	100	100	150	175
Agricultural Education— Colleges, Experimental Farms, University Grants, &c.	26,231	25,890	28,681	28,117	30,386
Other Activities	1,783	1,746	2,014	2,214	3,843
Other	2,100	2,192	1,957	2,290	2,391
Total	2,367,408	2,372,568	2,509,434	2,700,067	2,919,808
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and Art Galleries	40,458	44,230	43,726	46,950	51,284
Observatories	3,366	3,277	3,497	3,748	4,127
Other Activities and Institutions ..	..	200	1,250	150	400
Total	43,824	47,707	48,473	50,848	55,811
<i>Promotion of Public Health and Recreation.</i>					
Care of Sick and Mentally Afflicted— Hospital and Charities Fund (including Totalizator Con- tribution)	307,184	313,312	314,251	341,430	347,802
Various Hospitals, &c.	95,291	83,356	86,377	86,601	91,919
Mental Hospitals	402,257	406,735	418,346	472,637	504,268
Institutes for Mentally De- ficient Children	3,046	4,337	4,992	5,409	8,995
Health of Mothers and Children— Infant Welfare and Clinics	8,747	9,087	8,901	8,464	9,324
Medical and Dental Examination of School Children	9,547	8,926	8,891	9,823	11,155
Other .. .. .	..	..	..	..	500

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

SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1932-33 TO
1936-37—continued.

Heading of Expenditure.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37
	£	£	£	£	£
<i>Promotion of Public Health and Recreation—continued.</i>					
Preservation of Public Health— Health Department—Adminis- tration	24,261	23,858	28,217	30,244	32,638
Other	52,800	52,539	67,422	77,261	91,791
Parks, Gardens, and Recreation Reserves	17,942	17,125	17,539	19,449	18,717
Total	921,075	919,275	954,936	1,051,318	1,117,109
<i>Social Amelioration.</i>					
Relief of Destitute, Aged, &c. ..	4,694	5,590	5,991	5,873	6,698
Children's Welfare Department ..	310,699	279,208	261,049	264,665	276,563
Miners' Phthisis Allowances ..	17,127	11,852	11,085	20,702	22,106
Care of Aborigines	7,322	7,977	7,456	7,817	7,492
Unemployment Relief Fund * ..	2,017,548	1,863,018	1,734,081	1,979,153	1,955,269
Other	420	419	10,872	810	785
Total	2,357,810	2,168,064	2,030,534	2,279,020	2,268,913
<i>War Obligations.</i>					
Passes to Soldiers, &c.	17,588	19,546	20,889	12,050	12,458
<i>Local Government.</i>					
Licensing Fund Payment to Muni- cipalities	60,740	60,496	60,332	60,252	59,872
Other .. .. .	..	..	100,143†	941	2,221
Total	60,740	60,496	160,475	61,193	62,093
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey	1,009,069	1,042,860	1,054,654	869,994	791,912
British Migrants' (Agreement) Act 1933	50	20,570	24,409	80,300	400
Mining (excluding State Coal Mine)	26,398	33,294	35,065	37,498	41,377
Agricultural Pastoral and Dairying †	290,422	220,640	247,950	278,784	318,898
Forestry §	108,496	130,396	126,158	137,649	155,398
Fisheries and Game	6,609	7,452	8,877	8,976	9,371
Roads and Bridges—					
Country Roads Board ‖	730,472	765,986	807,187	936,573	961,568
Metropolitan Roads Fund ..	4,484	4,674	5,304	7,450	9,436
Other	1,276	2,076	1,828	2,700	49
Tourist Activities	2,121	1,953	2,015	6,929	4,950
Total	2,179,397	2,229,901	2,313,447	2,366,853	2,293,359

* Includes Commonwealth Contribution towards Unemployment Relief, 1932-33, £200,000; 1933-34, £210,000; and 1934-35, £39,495. Details of actual expenditure on Unemployment Relief are shown on page 240 of this Year-Book.

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

‡ Excluding "Mafra 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 149 of this Year-Book.

SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1932-33 TO
1936-37—continued.

Heading of Expenditure.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£	£
<i>Business Undertakings.</i>					
Railways	6,160,693	6,011,887	6,245,420	6,441,359	6,829,136
Tramways			50,000*		
Harbors, Rivers, and Lights	40,365	38,763	65,924	61,791	63,228
Water Supply, Irrigation, &c.	202,762	238,024	301,506	312,534	359,729
State Coal Mine	284,297	280,932	324,840	321,818	295,940
Maffra Beet Sugar Factory	141,267	143,144	134,076	123,585	109,621
Victoria Dock Cool Stores	33,869	27,712	27,878	31,640	29,977
Seasoning Works (Newport)	7,815	5,792	7,972	8,500	10,045
Forest Tramways	3,498	3,864	3,699	3,686	3,836
Distillation of Eucalyptus Oil	705	1,203	1,241	1,112	1,450
Wire Netting Manufacture	28,981	28,683	26,070	18,829	17,663
State Saw Mill	46	48	45	45	45
Total	6,904,298	6,780,052	7,188,671	7,324,899	7,720,670
Grand Total	25,747,486	25,546,979	25,956,754	26,699,971	27,675,995
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	14 3 9	14 0 0	14 2 9	14 9 9	14 18 10

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

Surplus Revenue Expenditure. The total amount appropriated under Surplus Revenue Acts in various years was £2,936,307. At 30th June, 1935, the whole of this amount had been expended, £314,866 having been spent on capital purposes. Particulars of expenditure up to 30th June, 1928, are shown in the *Year-Book* for 1928-29, page 86. Expenditure in each of the following years was applied to the service of "Charitable Institutions" and was as follows:—1928-29, £1,062; 1929-30, £673; 1930-31, £2,472; 1931-32, £517; 1932-33, nil; 1933-34, £221; and 1934-35, £85. The amount of £28,923—surplus disclosed as a result of the financial transactions of the State during 1936-37—has been transferred to the Surplus Revenue Account.

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, with certain amendments and alterations, been retained and continued from year to year until the present time. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding year, and are divided into two classes, viz. :—(1) those derived from personal exertion, and (2) those derived from property. The former consist of salaries, wages, stipends, fees, commissions, bonuses, pensions, superannuation or retiring allowances earned in or derived from Victoria, and all incomes arising or accruing from any profession, trade, or business carried on in Victoria; whilst the latter comprise incomes from all other sources. In computing the taxable income certain deductions are allowed from the assessable income, the principal of which are outgoings and losses incurred in the production of the income, statutory exemption and concessional deductions. Particulars of the two last-mentioned deductions are given hereunder. 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 1931-32 to 1935-36 appear on page 296. The figures are not comparable unless the varying rates of tax imposed are taken into consideration. The rates applicable to incomes earned during 1931-32, 1932-33, 1933-34 and 1934-35 respectively appear in previous issues of the *Year-Book*.

Rates of Tax. The rates of tax on incomes earned in Victoria during 1935-36, and information relating to deductions allowable, &c., are shown hereunder :—

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. <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.
Exceeding £500—			
(First £500) £1 to £500 ..	7	14	
(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.

The minimum income of individuals subject to tax was £201 for persons domiciled in Victoria and £51 for those domiciled outside Victoria. In the case of the former, a general deduction of £200 was allowed on incomes between £201 and £500, after which it diminishes at the rate of £2 for every £1 of income over £500, and finally disappears at £600; while in the latter case the general deduction allowed is £50, which decreases by £1 for every £1 of income over £50, finally disappearing at £100. Dividends are taken into consideration for the purpose of calculating the statutory exemption allowable. No statutory exemption is 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) where the 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 1931-32 to 1935-36 are given below :—

INCOME TAX ASSESSMENTS.

Heading.	On Incomes Earned during—				
	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
Number of Assessments—					
Individuals	82,715	82,453	90,102	100,440	119,217
Companies	3,842	4,294	4,757	5,048	4,908
Total, Distinct Taxpayers ..	86,557	86,747	94,859	105,488	124,125
	£	£	£	£	£
Taxable Incomes—					
Individuals	18,209,473	18,326,048	20,974,085	22,231,249	26,695,000
Companies	10,685,257	12,266,537	14,144,806	15,467,440	17,897,726
Total	28,894,730	30,592,585	35,118,891	37,698,689	44,592,726
	£	£	£	£	£
Tax payable—					
Individuals	796,954	794,114	892,647	937,040	1,106,939
Companies	962,412	1,109,905	1,284,005	1,407,790	1,675,163
Total*	1,759,366	1,904,019	2,176,652	2,344,830	2,782,102
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per taxpayer—					
Individuals	9 12 8	9 12 7	9 18 2	9 6 7	9 5 8†
Companies	250 9 11	258 9 7	269 18 5	278 17 7	341 6 3
	d.	d.	d.	d.	d.
Average tax payable in the £1 on taxable incomes by—					
Individuals	10·50	10·40	10·21	10·12	9·95
Companies	21·62	21·72	21·79	21·84	22·46

* For actual collections in the following financial year, see page 305.

† The average amount of tax payable per individual taxpayer with taxable income not exceeding £500 was £2 14s. 6d.; in the case of those with taxable incomes exceeding £500 the average amount was £56 4s. 6d.

The total net incomes of taxpayers, who were assessed to pay tax on account of incomes earned during 1935-36, amounted to £64,511,713 but, as 96,873 taxpayers were allowed the £200 exemption, equalling £19,374,600, taxpayers numbering 4,493, on grades of income between £301 and £600, were allowed exemption to the amount of £480,023, and 1,239 taxpayers were allowed varying exemptions equalling £64,364, the amount available for taxation was £44,592,726.

The total numbers of individuals and companies who were taxed on incomes earned during 1935-36 are detailed, under specified grades of taxable income, in the following table:—

TOTAL NUMBER OF TAXPAYERS (1935-36 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	66,378	4,511	259	71,148	1,287	72,435
101 " 200	17,588	2,246	412	20,246	463	20,709
201 " 350	8,233	1,290	608	10,131	464	10,595
351 " 500	2,062	512	497	3,071	308	3,379
501 " 700	2,249	620	1,820	4,689	331	5,020
701 " 1,000	1,796	544	1,994	4,334	343	4,677
1,001 " 1,200	528	174	754	1,456	154	1,610
1,201 " 1,500	595	154	768	1,517	193	1,710
1,501 " 2,000	416	109	635	1,160	193	1,353
2,001 " 2,400	140	42	284	466	122	588
2,401 " 3,000	106	35	259	400	150	550
3,001 " 4,000	94	23	199	316	169	485
4,001 " 5,000	24	12	81	117	123	240
5,001 " 6,000	15	4	31	50	84	134
6,001 " 7,400	8	9	30	47	100	147
7,401 and over ..	15	6	48	69	424	493
Total ..	100,247	10,291	8,679	119,217	4,908	124,125

In the succeeding statement particulars of the sources of taxable incomes earned during 1935-36 are arranged in order of groups of taxable incomes:—

TAXABLE INCOMES (1935-36 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion Only.	Property Only.	Combined Personal Exertion and Property.	Total.		
£	£	£	£	£	£	£
Not exceeding 100	2,524,389	191,531	16,245	2,732,165	47,606	2,779,771
101 to 200	2,498,002	324,799	61,919	2,884,720	67,703	2,952,423
201 " 350	2,079,420	332,515	162,278	2,574,213	125,973	2,700,186
351 " 500	862,378	216,285	215,174	1,293,837	129,142	1,422,979
501 " 700	1,362,037	374,248	1,124,132	2,860,417	197,459	3,057,876
701 " 1,000	1,491,970	451,383	1,662,611	3,605,964	287,775	3,893,739
1,001 " 1,200	577,405	190,520	825,627	1,593,552	168,461	1,762,013
1,201 " 1,500	798,879	205,518	1,028,826	2,033,223	258,445	2,291,668
1,501 " 2,000	712,965	185,638	1,005,914	1,994,517	333,697	2,328,214
2,001 " 2,400	306,635	91,253	612,605	1,010,493	267,167	1,277,660
2,401 " 3,000	282,610	93,790	697,890	1,074,290	396,754	1,471,044
3,001 " 4,000	319,470	77,067	686,924	1,083,461	588,524	1,671,985
4,001 " 5,000	105,872	53,245	361,276	520,393	556,464	1,076,877
5,001 " 6,000	81,469	21,666	166,349	269,484	460,744	730,228
6,001 " 7,400	52,814	58,334	196,377	307,525	658,718	966,243
7,401 and over ..	201,688	66,962	588,096	856,746	13,353,074	14,209,820
Total ..	14,258,003	2,934,754	9,502,243	26,695,000	17,897,726	44,592,726

The complete figures relating to the tax payable on incomes earned during 1935-36 are set out hereunder:—

TAX PAYABLE (1935-36 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion Only.	Property Only.	Combined Personal Exertion and Property.	Total.		
	£	£	£	£	£	£
Not exceeding 100	68,398	10,323	636	79,357	4,476	83,833
101 to 200	65,727	17,450	2,342	85,519	6,361	91,880
201 " 350	54,392	17,829	6,027	78,248	11,827	90,075
351 " 500	22,752	11,622	7,410	41,784	12,148	53,932
501 " 700	43,369	24,040	42,771	110,180	18,575	128,755
701 " 1,000	52,122	31,744	67,714	151,580	27,070	178,650
1,001 " 1,200	22,139	14,646	36,612	73,397	15,851	89,248
1,201 " 1,500	32,295	16,595	47,528	96,418	24,301	120,719
1,501 " 2,000	30,210	15,755	52,053	98,018	31,388	129,406
2,001 " 2,400	13,897	8,209	30,683	52,789	25,130	77,919
2,401 " 3,000	13,434	8,953	36,925	59,312	37,320	96,632
3,001 " 4,000	15,597	7,395	37,346	60,338	55,226	115,564
4,001 " 5,000	5,226	5,337	20,018	30,581	52,344	82,925
5,001 " 6,000	4,309	2,292	9,616	16,217	43,338	59,555
6,001 " 7,400	2,823	6,230	11,851	20,904	61,961	82,865
7,401 and over ..	10,369	7,297	34,631	52,297	1,247,847	1,300,144
Total ..	457,059	205,717	444,163	1,106,939	1,675,163	2,782,102

SPECIAL TAX.

Income earned by any person (other than a company) in 1935-36 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 £176. The deductions allowable for Ordinary Income Tax, which are shown on page 295, 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—	
Exceeded	£104	but did not exceed	£1,000	..	..
..	£1,000	..	£1,250	..	6 0
..	£1,250	..	£1,750	..	7 0
..	£1,750	..	£2,000	..	8 0
..	£2,000	..	£2,500	..	9 0
..	£2,500	..	..	..	11 0
..	..	..	..	..	12 6

The total amounts of Special Tax assessed on incomes earned during 1931-32, 1932-33, 1933-34, 1934-35 and 1935-36 were £272,542, £284,916, £312,367, £351,377 and £359,335 respectively.

UNEMPLOYMENT RELIEF TAX.

The first legislative provisions made 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 Amendment Act 1936* (No. 4411) and the *Unemployment Relief Tax (Rates) Act 1936* (No. 4412) made provision for the rates of tax, &c., on incomes earned during 1935-36.

The following table shows the rates of unemployment relief tax charged on incomes earned during 1935-36. (For 1934-35 rates, &c., see *Year-Book* of 1935-36.) 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 295 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.

RATES OF UNEMPLOYMENT RELIEF TAX.

Amount of Taxable Income.	Rate per £100 payable on the Taxable Income.
	<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)

**ANALYSIS OF UNEMPLOYMENT RELIEF TAX ASSESSMENTS
ON INCOMES EARNED DURING 1934-35 AND 1935-36
RESPECTIVELY.**

Taxable Incomes.	1934-35.			1935-36.		
	Number.	Taxable Income.	Tax Payable.	Number.	Taxable Income.	Tax Payable.
		£	£		£	£
Not exceeding 100	99,079	7,596,500	32,396	122	8,974	40
101 to 200	193,932	28,730,092	323,565	188,620	28,470,950	293,140
201 " 350	147,305	37,147,505	524,164	165,676	41,931,485	532,385
351 " 500	28,161	11,563,165	177,899	31,923	13,094,195	181,230
501 " 700	11,783	6,869,429	118,386	13,736	8,007,384	124,122
701 " 1,000	6,003	4,940,002	97,876	7,131	5,866,748	104,436
1,001 " 1,200	1,809	1,970,645	45,194	2,251	2,452,426	50,569
1,201 " 1,500	1,655	2,205,233	57,458	1,939	2,595,461	60,933
1,501 " 2,000	1,339	2,311,450	71,941	1,614	2,772,513	77,500
2,001 " 2,400	498	1,307,152	48,268	663	1,446,270	47,949
2,401 " 3,000	498	1,325,212	58,682	609	1,621,799	64,926
3,001 " 4,000	397	1,355,832	68,008	493	1,694,487	76,437
4,001 " 5,000	197	867,959	43,607	231	1,026,399	46,335
5,001 " 6,000	99	541,660	27,257	132	712,869	32,308
6,001 " 7,400	67	443,217	22,273	92	607,789	27,397
7,401 and over ..	182	3,857,653	194,094	151	2,208,426	99,339
Total ..	493,104	113,032,706	1,911,068	415,383	114,518,175	1,819,546

**UNEMPLOYMENT RELIEF TAX ASSESSMENTS,
1931-32 TO 1935-36.**

On Income Earned in Year.	Number.	Taxable Income.	Tax Payable.
		£	£
1931-32	433,292	92,535,275	1,514,642
1932-33	445,089	95,631,752	1,492,286
1933-34	465,340	102,965,507	1,660,819
1934-35	493,104	113,032,706	1,911,068
1935-36	415,383	114,518,175	1,819,546

In comparing the annual particulars of assessments of Unemployment Relief Tax given in the above statements, it is necessary to take into account the rates of tax applicable during each year.

PAYMENT OF TAXES BY INSTALMENTS.

In November, 1932, there was established a system having for its object the assisting of taxpayers in the payment of their taxes. This is achieved by means of regular deductions from the salaries and wages of those who constitute the majority of taxpayers and are the classes most requiring assistance of this character.

Deductions are made by the employer upon the following scale:—

Weekly Rate of Payment.	Rate of Deduction.*
Exceeds £2 but not exceeding £4	3d. per £1 or fraction over 10s.
" 4 " " " 6	4d. " " " "
" 6 " " " 8	6d. " " " "
" 8 " " " 10	8d. " " " "
" 10 " " " 12	9d. " " " "
" 12	1s. " " " "

* This amended scale of deductions became operative on 2nd September, 1936.

The employer upon making the deduction hands to the employee special Tax Instalment Stamps to the value of the deduction made. The employee must keep his stamps in a special booklet and, after he has received his assessment notice, which issues in the usual way, he produces his Tax Instalment Stamps, and these are credited in payment or part payment of his taxes. If the value of the stamps is in excess of his taxes, he receives an immediate cash refund but, if insufficient, he is required to pay the difference in cash.

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 will be treated as cash when their taxes fall due for payment in the ordinary course.

COMMONWEALTH INCOME TAX.

Commonwealth Income Tax. In addition to the State Income Tax there is a Commonwealth Income Tax, which was first imposed on incomes earned in the financial year 1914-15. The tax collected throughout Australia by the Commonwealth Government, in the years 1935-36 and 1936-37, amounted to £8,775,562 and £8,556,014 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, 1937, reverted to one halfpenny on every pound sterling of the unimproved value exceeding £250—the super tax of 5 per cent. added during the 1923-1936 period having been removed. 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 1937 Land Tax assessments based on unimproved values as at 31st December, 1936, is given hereunder.

ANALYSIS OF LAND TAX ASSESSMENTS, 1937.

Unimproved Values of Estates Ranging Between—				Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£					
1	and 500	..	..	63,877	22,975,811	29,493
501	and 600	..	..	12,552	7,028,074	14,323
601	and 750	..	..	13,061	8,814,378	17,997
751	and 1,000	..	..	14,920	12,979,026	26,468
1,001	and 1,250	..	..	9,386	10,516,351	21,455
1,251	and 1,500	..	..	7,222	9,921,024	20,279
1,501	and 2,000	..	..	9,667	16,783,486	34,337
2,001	and 3,500	..	..	13,897	36,534,072	75,079
3,501	and 5,000	..	..	5,685	23,774,247	49,104
5,001	and 6,000	..	..	1,834	10,020,681	20,734
6,001	and 7,000	..	..	1,131	7,311,851	15,053
7,001	and 8,000	..	..	790	5,909,396	12,197
8,001	and 9,000	..	..	481	4,081,034	8,414
9,001	and 10,000	..	..	340	3,225,874	6,643
10,001	and 15,000	..	..	994	12,008,304	24,805
15,001	and 20,000	..	..	392	6,825,303	14,201
20,001	and 25,000	..	..	200	4,435,223	9,240
25,001	and 30,000	..	..	127	3,492,214	7,278
30,001	and 35,000	..	..	108	3,528,769	7,287
35,001	and 40,000	..	..	60	2,260,199	4,706
40,001	and 50,000	..	..	115	5,100,982	10,627
50,001	and 75,000	..	..	94	5,578,083	11,606
75,001	and 100,000	..	..	59	5,096,515	10,594
100,001	and 150,000	..	..	24	2,903,063	5,939
150,001	and 200,000	..	..	11	1,764,673	3,676
200,001	and over ..	..	..	21	5,960,987	12,399
Total				157,048	238,829,620	473,934

In the succeeding statement details are shown relating to the assessments made during the years 1933 to 1937.

LAND TAX ASSESSMENTS, 1933 TO 1937.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
		£	£ s. d.	£
1933	159,076	513,959	3 4 7	246,787,493
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

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.

Year Ended 30th June—	Victorian Returns Assessed.*	Central Office Assessments.†	Unimproved Value Assessed by Department.	Tax Payable.
	No.	No.	£	£
1933	7,729	1,587	91,836,074	502,121
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

* Including absentee returns on which tax was payable as follows :—1932-33, 290, £6,198 ; 1933-34, 279, £4,680 ; 1934-35, 281, £5,418 ; and 1935-36, 281, £4,819.

† 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 duty becomes payable at a rate of $1\frac{1}{2}$ per cent. on estates over £200 and not exceeding £300. The rate rises gradually thereafter until it reaches 10 per cent. on estates over £20,000.

Part 2.—There is no duty payable on bequests to widow, children, and grand-children where the estate is under £500. The rate of duty commences at 2 per cent. on estates of over £500 and not exceeding £1,000 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 and 1936-37 were £1,138,659, £1,123,556, £1,438,316, and £1,451,238 respectively.

Commonwealth Estate Duty. In addition to those 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 1932-33, 1933-34, 1934-35, 1935-36 and 1936-37 was £1,126,966, £1,511,296, £1,507,827, £1,472,860 and £1,792,600 respectively.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

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 1932-33, 1933-34 and 1934-35 have been revised and are not comparable with those appearing in previous issues of the *Year-Book*.

TAXATION IN VICTORIA—COMMONWEALTH, STATE, AND MUNICIPAL, 1932-33 TO 1936-37.

Heads of Taxation.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£	£
Total Commonwealth Taxation in Victoria*	15,427,000	15,467,000	16,100,000	17,372,000	18,112,000
State—					
Income Tax ..	2,117,000	2,329,629	2,603,512	2,759,324	3,299,440
Land Tax ..	503,752	535,947	494,593	494,293	492,143
Probate Duty ..	1,164,200	1,143,330	1,124,933	1,340,701	1,509,693
Unemployment Relief—					
Direct ..	1,799,212	1,652,997	1,694,571	1,979,153	1,955,269
Stamp Duty ..	18,336	..	..	..	..
Entertainments Tax	194,621	201,792	228,195	238,456	268,211
Racing Taxation	293,933	313,364	319,389	340,531	353,884
Other Stamp Duties	725,834	733,054	826,056	858,731	917,255
Motor Taxation† ..	1,222,684	1,280,878	1,403,134	1,592,880	1,682,561
Liquor Licences &c.	179,722	184,093	192,682	203,602	222,437
Other Licences ..	81,366	86,860	85,387	88,272	90,735
Duties on Bank Notes	534	..	..	..	..
Other Taxation ..	..	..	21,266	24,750	27,172
Total State Taxation ..	8,301,194	8,461,944	8,993,718	9,920,693	10,818,800
Municipal Taxation ..	3,403,294	3,441,151	3,451,010	3,538,627	‡
Total Taxation ..	27,131,488	27,370,095	28,544,728	30,831,320	‡

* Estimated.—See note on next page. † See footnote on page 289. ‡ 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,
1932-33 TO 1936-37.

Authority.	Taxation per Head of Population in Victoria.				
	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	8 10 0	8 9 6	8 15 4	9 8 6	9 4 9
State ..	4 11 6	4 12 9	4 17 11	5 7 8	5 16 10
Municipal ..	1 17 6	1 17 9	1 17 7	1 18 5	†
Total ..	14 19 0	15 0 0	15 10 10	16 14 7	†

* 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, War Time Profits and Wool Taxes.
† 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, 1932-33 TO 1936-37.

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

	£	£	£	£	£	£	£
1932-33 ..	18,052,914	8,301,194	5,661,151	2,733,445	1,573,451	1,003,454	37,325,609
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 ..	16,239,722	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

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1932-33 ..	6 19 4	4 11 6	6 0 4	4 14 4	3 12 0	4 8 0	5 13 3
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

TAXATION FOR FINANCIAL YEAR 1937-38.

Income Tax on 1936-37 Incomes. The *Income Tax (Rates) Act 1937* (No. 4489) fixed the rates of income tax on incomes earned during the year ended 30th June, 1937. They were the same as those applicable to incomes earned in 1935-36, which are shown on pages 294 and 295 of this issue.

Special Income Tax on 1936-37 Incomes. The above-mentioned Act made provision also for the continuation of the Special Tax. The minimum taxable income was fixed at £105 provided, however, that no married person whose spouse is a resident of Australia and has an income of less than £50, and no widower or widow with a child which is under 16 years of age and a resident of Australia, shall pay special tax unless the taxable income of such married person, widower, or widow exceeds £200. The rates of tax remained unchanged. They are shown on page 298 of this *Year-Book*.

Unemployment Relief Taxation on 1936-37 Incomes. The *Unemployment Relief Tax (Rates) Act 1937* (No. 4493) fixed the rates of unemployment relief taxation on incomes earned in the year ended 30th June, 1937. The schedule remains the same as that obtaining for 1935-36 (shown on page 299), but the amount of tax calculated thereunder is subject to deduction of 20 per cent.

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 1936-37, the Government expended a sum of £1,067,873 on pensions, gratuities, etc. Of this amount, £287,735 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.

**GOVERNMENT EXPENDITURE ON PENSIONS,
GRATUITIES, ETC., 1932-33 TO 1936-37.**

Heading.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£	£
Non-contributory Pensions, &c.—					
Railways	147,199	135,349	127,672	133,537	143,850
Lunacy	1,104	898	744	653	702
Judges .. ..	..	313	1,250	2,188	2,250
Civil Service	13,422	12,361	11,559	10,882	9,644
Public Service	129,929	121,876	117,157	117,538	113,421
Education Department } Officers transferred to					
Commonwealth Service	23,500	20,000	14,000	14,499	13,000
Various Allowances ..	1,487	1,379	1,424	1,335	1,953
Compensations and Gratuities	91	659	681	1,478	2,915
Total Non-contributory Pensions, Gratuities, &c.	316,732	292,835	274,487	282,110	287,735
Police Superannuation Fund—					
Government Subsidy ..	65,590	65,026	75,050	79,173	79,410
Transferred from Licen- sing Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	13,158	11,239	9,637	10,939	9,530
Total	101,748	99,265	107,687	113,112	111,940
Police Pensions Fund ..	84,600	87,600	90,900	95,000	96,700
The Superannuation Fund—					
Railways	270,773	290,035	323,293	356,571	360,497
Other	127,152	148,660	171,648	199,204	211,001
Total	397,925	438,695	494,941	555,775	571,498
GRAND TOTAL ..	901,005	918,395	968,015	1,045,997	1,067,873

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 1936-37 the total receipts of the fund amounted to £112,384, consisting of £111,940 from Government Revenue, as shown in the preceding table, and £444 from members of the

Force. Payments out of the Fund amounted to £112,384 (£111,288 for pensions and £1,096 for gratuities).

Pensions are payable out of this fund only to those members of the Police Force who joined it 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. Details of the principal provisions of the Act appear in the *Year-Book* for 1928-29, page 100.

The receipts of the Police Pensions Fund (established under this Act) during 1936-37 amounted to £158,545 as follows:—Deductions from pay, £15,516; special appropriation, £96,700 and interest on investments, £46,329. During the year £9,592 was paid in pensions, £133 in gratuities, and £782 represented deductions of pay returned. There was a balance of £1,326,708 at 30th June, 1937, of which £1,314,730 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. The contributions of officers, the amounts received from the Government, and income from investments are paid into the Superannuation Fund and the 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. The most recent amending legislation relating to the Fund is contained in the Superannuation Act of 1937 which provided *inter alia* (1) for an increase in the rates of contributions, and (2) for amendments regarding the number of units available to certain contributors.

During the year 1936-37, the receipts of the Superannuation Fund amounted to £1,066,502, consisting of contributions from officers, £337,454; from Consolidated Revenue, £568,414; under Act No. 4085, £723; interest on investments, £159,201; and other receipts, £710. The total payments from the Fund during the year were £709,668. The amount paid in pensions was £667,839; in refund of contributions, £23,280; endowment assurances matured, £18,154; and other expenditure, £678. The balance in the Fund at 30th June, 1937, was £4,234,122, of which £4,233,143 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 1936-37, an amount of £4,107 was paid out of the Fund. Expenditure on pensions amounted to £4,102; Sick Allowances, £1; and other expenditure, £4.

EXPENDITURE ON EDUCATION.

During the year 1936-37 the State expended on education generally the sum of £3,176,511. 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:—

STATE EXPENDITURE ON EDUCATION, 1932-33 TO 1936-37.

Expenditure on—	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£	£
Education—					
Primary (including Special Subjects) ..	1,660,924	1,669,617	1,726,940	1,841,691	1,959,807
Intermediate	91,027	89,173	92,996	95,016	101,181
Secondary	196,834	191,466	194,170	212,583	248,337
Training of Teachers ..	27,319	20,375	18,681	20,008	14,168
Administration	65,695	65,250	66,176	70,196	75,624
Buildings and Land (Schools)	51,947	94,850	104,591	132,744	187,859
Pensions	146,724	148,538	154,006	167,317	169,271
Technical Education—					
Junior and Senior Schools	229,753	235,998	253,864	280,867	319,785
Buildings	1,888	3,602	2,251	22,511	38,499
University—					
Special Appropriations, &c.	52,800	46,000	50,800	51,300	55,800
Scholarships	6,440	6,320	7,944	6,740	6,480
Buildings, Apparatus, &c. .. ..	..	..	..	50,000†	..
Total*	2,531,351	2,571,189	2,672,419	2,950,973	3,176,511
Per head of population ..	£ s. d. 1 7 11	£ s. d. 1 8 2	£ s. d. 1 9 1	£ s. d. 1 12 0	£ s. d. 1 14 4

* Excluding expenditure on Bacteriological Laboratory Services, viz.:—1932-33, £2,800; 1933-34, £2,800; 1934-35, £2,800; 1935-36, £3,400 and 1936-37, £3,400.

† Unemployment Relief Loan.

In addition to the expenditure shown in the preceding table, fees, donations, &c., amounting to £37,753 in 1932-33; £45,272 in 1933-34; £50,603 in 1934-35; £60,013 in 1935-36; and £69,369 in 1936-37 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.

EXPENDITURE IN CONNEXION WITH PRIMARY AND SECONDARY EDUCATION OF STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS), 1932-33 TO 1936-37.

Expenditure on—	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
	£	£	£	£	£
Education :—					
Primary—					
Day Schools, including Central Schools ..	1,627,581	1,635,807	1,689,352	1,806,647	1,923,537
Schools for Deaf Mutes and Blind and Feeble-minded Children ..	7,134	7,587	8,224	6,039	6,784
Subsidized Schools ..	183	251	287	300	220
Free Kindergarten Union ..	2,250	2,250	2,250	2,250	2,250
Special Subjects—					
Physical Training ..	982	2,312	3,773	1,777	2,150
Medical Inspection ..	13,995	13,661	13,738	14,970	15,782
Dressmaking and Needlework ..	5,993	4,927	6,410	6,710	6,391
School Gardening and Plantations ..	2,120	2,083	2,062	2,008	1,701
Singing ..	736	739	844	990	992
Total Primary ..	1,660,924	1,669,617	1,726,940	1,841,691	1,959,807
Intermediate—					
Higher Elementary Schools ..	50,744	48,650	49,620	49,075	51,505
Evening Continuation Classes ..	31	23	65	145	140
Schools of Domestic Arts ..	40,252	40,500	43,311	45,796	49,536
Total Intermediate ..	91,027	89,173	92,996	95,016	101,181
Secondary*—					
High Schools† ..	191,370	186,600	190,193	206,166	240,026
Scholarships ..	5,464	4,866	3,977	6,417	8,311
Total Secondary ..	196,834	191,466	194,170	212,583	248,337
Training of Teachers ..	27,319	20,375	18,681	20,008	14,168
Administration ..	65,695	65,250	66,176	70,196	75,624
Buildings—					
Primary Schools ..	41,442	84,068	89,397	116,992	158,244
Primary Schools (expended by School Committees) ..	4,320	5,027	5,095	5,103	5,714
Rents ..	2,939	3,054	3,040	3,575	4,517
Higher Elementary Schools ..	109	274	14	17	215
Domestic Arts Schools, &c. ..	24	37	38	49	23
High Schools ..	3,113	2,390	7,007	7,008	18,846
Total Buildings ..	51,947	94,850	104,591	132,744	187,559
Pensions ..	146,724	148,588	154,006	167,317	169,271
Total ..	2,240,470	2,270,269	2,357,560	2,539,555	2,755,947

* Including Manual Training.

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

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 for each of the last five years :—

COST OF PRIMARY AND SECONDARY EDUCATION OF VICTORIAN STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS), 1932-33 TO 1936-37.

Year.	Expenditure by the State.*	Revenue of the Education Department.	Net Expenditure.	Number of Scholars—Average Attendance †	Cost per Scholar to the State
	£	£	£	No.	£ s. d.
1932-33 ..	2,240,470	88,765	2,151,705	211,034	10 3 11
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	202,116	12 3 10
1936-37 ..	2,755,947	60,342	2,695,605	200,603	13 8 9

* Excluding interest paid by the State on loans for educational purposes, particulars of which are not obtainable. † Excluding Junior and Senior Technical Schools.

STATE, LOCAL, AND SEMI-GOVERNMENT REVENUE AND EXPENDITURE

State and Local Finance.

In the following statements ordinary revenue and expenditure and loan expenditure of the State Government, the Municipalities and certain semi-Government Bodies in Victoria, have been combined for each of the five years 1932 to 1936. Amounts received by one body from another have been excluded from the statement.

STATE AND LOCAL REVENUE AND EXPENDITURE, 1932 TO 1936.

Heading.	Financial Year Ended in—				
	1932.	1933.	1934.	1935.	1936.
	£	£	£	£	£
<i>Revenue.</i>					
State Government	24,356,465	24,686,678	24,550,058	25,569,678	26,336,274
Municipal	5,920,695	5,974,276	6,224,199	6,306,494	6,513,205
Other Local Authorities—					
Harbor Trusts	563,431	632,257	696,105	786,547	867,973
Melbourne and Metropolitan Board of Works	1,733,952	1,703,700	1,677,075	1,684,830	1,927,219
Melbourne and Metropolitan Tramways Board	1,916,071	1,929,739	1,959,547	2,031,656	2,090,755
Fire Brigades Boards	99,802	97,298	98,180	101,484	108,405
Other *	242,793	254,091	435,215	451,438	456,352
Total	34,833,209	35,278,039	35,640,379	36,932,127	38,295,183

* See footnote on next page.

STATE AND LOCAL REVENUE AND EXPENDITURE, 1932 TO 1936—
continued.

Heading.	Financial Year Ended in—				
	1932.	1933.	1934.	1935.	1936.
	£	£	£	£	£
<i>Ordinary Expenditure.</i>					
State Government	25,964,788	25,528,179	25,319,298	25,720,875	26,456,200
Municipal	5,607,803	5,800,601	6,073,579	6,157,050	6,523,638
Other Local Authorities—					
Harbor Trusts	561,124	622,435	691,975	773,544	849,593
Melbourne and Metropolitan Board of Works	1,796,961	1,788,838	1,771,124	1,773,529	1,892,477
Melbourne and Metropolitan Tramways Board	2,064,241	2,014,957	2,022,755	2,061,094	2,089,345
Fire Brigades Boards	97,285	96,108	94,188	97,200	109,301
Other*	244,267	244,074	487,916	433,287	460,121
Total	36,336,469	36,095,192	36,460,835	37,017,179	38,385,675
<i>Loan Expenditure.</i>					
State Government	2,042,043	2,852,556	2,808,738	2,688,521	3,899,452
Municipal	251,937	170,763	362,990	591,555	881,778
Other Local Authorities—					
Harbor Trusts	140,175	113,240	143,963	145,847	106,995
Melbourne and Metropolitan Board of Works	189,401	201,784	318,435	391,732	387,273
Melbourne and Metropolitan Tramways Board	97,672	98,625	130,078	167,501	572,262
Fire Brigades Boards	3,950	511	8,378	3,197	9,858
Other*	36,713	36,608	61,081	79,186	140,623
Total	2,761,891	3,474,087	3,833,663	4,067,539	5,998,241
Per Head of Population—					
Revenue	£ s. d. 19 6 2	£ s. d. 19 8 9	£ s. d. 19 8 8	£ s. d. 20 2 3	£ s. d. 20 15 6
Ordinary Expenditure	20 2 10	19 17 9	19 19 7	20 3 2	20 16 6
Loan Expenditure	1 10 7	1 18 3	2 2 0	2 4 4	3 5 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 Uroan Water Trust, Swan Hill Sewerage Authority, Wangaratta Sewerage Authority, Warnambool 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*).

PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1937:—

Loans Raised
and
Redeemed.

LOANS RAISED AND REDEEMED TO 30TH JUNE, 1937.

	£
Cash received	713,545,202
Discount and expenses after deducting premiums	5,632,383
Securities issued	719,177,585
Add liability to Commonwealth for Treasury Bills issued for revenue purposes	3,985,000
Add liability to Commonwealth on account of flotation in course	1,102,000
	724,264,585
Loans redeemed by—	£
Renewal Loans	513,969,604
National Debt Sinking Fund	7,390,694
Other Funds	24,062,803
Discount (securities purchased under par)	83,514
Liability transferred to Commonwealth Government Act No. 4246	2,160,960
	547,667,575
Loans outstanding at 30th June, 1937	176,597,010

It will be seen that, upon the transactions to 30th June, 1937 (excluding the advances, &c., referred to above), securities representing £719,177,585 were issued, and that the amount of cash received was £713,545,202. The State thus received £99 4s. 4d. in cash for every £100 bond given.

Loans floated. 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, 1937 :—

LOANS FLOATED TO 30TH JUNE, 1937.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid Off (Including Renewal Loans).	Debt Outstanding at 30th June, 1937.			
			Inscribed Stock.	Debentures, &c.	Total Payable in—	
					London.	Australia.
London Register	£ 267,722,975*	£ 199,845,998	£ 34,778,833	£ 33,098,144	£ 67,380,647	£ 496,330†
Melbourne Register	451,454,610	347,821,577	103,423,225	209,808	..	103,633,033
Total ..	719,177,585	547,667,575	138,202,058	83,307,952		
Add Liability to Commonwealth for Treasury Bills issued for revenue purposes					..	3,985,000
Add Liability to the Commonwealth on account of flotation in course					..	1,102,000
Total Public Debt at 30th June, 1937					67,380,647‡	109,216,363

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

† This amount represents the outstanding amount of Inscribed Stock which had been transferred from the London to the Melbourne Register.

‡ Including £4,530,841 raised in New York through the Commonwealth Government.

Public Debt.—
increase in
ten years.

The Public Debt of Victoria, after allowing for the transfer of a liability of £2,160,960 to the Commonwealth Government during 1934-35 amounted to £176,597,010 at 30th June, 1937. There was an increase of £27,050,044, or 18 per

cent. over the ten-year period. The chief works and services for which the additional liabilities were incurred are shown below:—

PUBLIC DEBT—INCREASE IN TEN YEARS.

Work or Service for which raised.	Loans outstanding at 30th June—		Increase.
	1927.	1937.	
	£	£	£
Railways	71,734,059	73,011,802	1,277,743
Waterworks—Country	19,106,572	25,200,557	6,093,985
Discharged Soldiers' Settlement	23,381,654	22,614,336	767,318†
Closer Settlement	6,863,536	10,527,234	3,663,698
Electricity Supply	11,553,838	17,449,334	5,895,496
Roads—Main	8,097,722	9,677,426	1,579,704
Developmental			
State Forests	250,368	675,956	425,588
Unemployment Relief . . . . .	..	7,985,204	7,985,204
All other Works and Services	7,606,713	5,390,706*	2,216,007†
In Aid of Revenue	952,504	4,064,455	3,111,951
Total	149,546,966	176,597,010	27,050,044

* Includes £858,084 advanced from State Loans Repayment Fund not yet allocated to any particular work and £652,000 portion of liability on account of flotation in course.

† Decrease.

Particulars concerning the due dates of loans outstanding at 30th June, 1937, 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, 1937.

Due Date (Financial Year).	Payable in London.	Payable in Australia.	Total.
	£	£	£
1937-38	5,884,825	1,894,750	7,779,575
1938-39 . . . . .	..	16,698,591	16,698,591
1939-40 . . . . .	..	8,529,812	8,529,812
1940-41 . . . . .	..	3,612,300	3,612,300
1941-42	1,049,868	19,683,687	20,733,555
1942-43 . . . . .	..	2,570,295	2,570,295
1943-44 . . . . .	..	2,158,040	2,158,040
1944-45 . . . . .	..	6,211,137	6,211,137
1945-46 . . . . .	..	15,400	15,400
1947-48 . . . . .	..	4,542,045	4,542,045
1948-49	12,061,795	4,235,760	16,297,555
1949-50	6,082,195	3,538,953	9,621,148
1950-51 . . . . .	..	4,206,928	4,206,928
1951-52 . . . . .	..	2,423,730	2,423,730
1953-54 . . . . .	..	4,148,732	4,148,732
1955-56	2,643,492*	3,971,443	6,614,935
1957-58	1,887,350*	3,947,718	5,835,068
1958-59	13,633,800	..	13,633,800

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

DUE DATES OF VICTORIAN LOANS AT 30TH JUNE, 1937—*continued.*

Due Date. (Financial Year).	Payable in London.	Payable in Australia.	Total.
	£	£	£
1959-60	2,962,116	3,958,406	6,920,522
1960-61	6,716,075	..	6,716,075
1961-62 .. .. .	..	4,012,278	4,012,278
1975-76	14,459,131	..	14,459,131
Not yet fixed .. .. .	..	3,769,358	3,769,358
Liability to Commonwealth for Treasury Bills issued for revenue purposes .. .. .	..	3,985,000	3,985,000
Liability to Commonwealth on account of flotation in course .. .. .	..	1,102,000	1,102,000
Total	67,380,647	109,216,363	176,597,010

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 320.

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND AUSTRALIA, 1900 TO 1937.

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

* 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 and £4,530,842 at end of 1936-37.

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, 1937, and the portions of the debt at each rate in London and Australia respectively :—

RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1937.

Rate of Interest.	Amount Payable in—		
	London.	Australia.	Total
	£	£	£
5	18,212,533*	..	18,212,533
$4\frac{3}{4}$	5,999,000	..	5,999,000
$4\frac{1}{2}$	777,440†	..	777,440
£4 5s. 3d. .. .. .	..	193,200	193,200
£4 1s. $4\frac{1}{2}$ d. .. .. .	..	6,670	6,670
4	2,962,116	53,524,323	56,486,439
£3 19s. 4d. .. .. .	..	5,685,910	5,685,910
$3\frac{7}{8}$ .. .. .	..	3,960,332	3,960,332
$3\frac{5}{8}$	6,887,649	16,873,835	23,761,484
$3\frac{3}{8}$ .. .. .	..	877,000	877,000
$3\frac{1}{2}$	19,715,995	3,012,545	22,728,540
£3 9s. 9d. .. .. .	..	500	500
£3 8s. 5d. .. .. .	..	1,130,950	1,130,950
$3\frac{1}{8}$ .. .. .	..	1,535,430	1,535,430
$3\frac{1}{4}$	717,075	9,232,545	9,949,620
$3\frac{1}{8}$ .. .. .	..	1,000	1,000
£3 2s. .. .. .	..	391,049	391,049
£3 0s. 5d. .. .. .	..	2,482,000	2,482,000
3	6,224,014	3,777,146	10,001,160
£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 .. .. .	..	5,087,000	5,087,000
Total	67,380,647	109,216,363	176,597,010
Average Rate of Interest ..	3.92	3.70	3.78

* Including £3,753,402 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 £176,597,010 at 30th June, 1937. 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 nearly 10 per cent. during the ten-year period ended on the 30th June, 1937.

The annual amount of interest payable on the public debt per head of population increased by 8.6 per cent. between 30th June, 1927, and 30th June, 1931, but there was a decrease of 21.7 per cent. between the latter date and 30th June, 1937. Over the decennial period ended on 30th June, 1937, the decrease was slightly over 15 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:—

**GROWTH OF PUBLIC DEBT AND INTEREST,
1855 TO 1936-37.**

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 ..	175,058,295	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

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

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 date:—

EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS.*

Expenditure on—	Expenditure during the year—				Total to 30th June, 1937.
	1933-34.	1934-35.	1935-36.	1936-37.	
	£	£	£	£	£
Railways	194,770	218,419	280,900	361,893	75,141,970
Water Supply—					
Country	315,870	260,736	285,473	360,792	26,327,664
Metropolitan .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	3,142,577
Closer Settlement	373,296	265,650	255,728	167,236	13,433,204
Discharged Soldiers' Settlement	266,012	209,737	209,274	85,593	28,092,820
Country Roads	143,037	129,006	112,183	76,622	11,434,237
Electricity Supply .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	17,839,227
State Schools, Technical Schools, and University .. .. .	.. .. .	.. .. .	7,866	92,817	5,158,679
State Coal Mine .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	249,399
Seed and Fodder Advances to Farmers	146,047	78,965	78,008	71,018	2,154,657
Cool Storage — Advances to Companies, &c. .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	578,299
Municipalities—Loans, Advances, and Grants .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	1,129,414
Primary Products—Advances to Companies, &c. .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	331,101
Wire Netting	37,228	18,384	19,444	19,585	831,777
Parliament Houses, Law Courts, &c. .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	853,708
State Forests	33,784	44,542	46,793	51,425	693,876
Unemployment Relief	1,292,236	1,312,955	2,544,870	1,636,918	7,992,812
Bulk Handling of Wheat .. .. .	.. .. .	.. .. .	.. .. .	350,000	350,000
All other works and services	6,458	127	913	29,602	5,430,721
In aid of Revenue .. .. .	.. .. .	150,000	58,000	.. .. .	4,083,682
Total	2,808,738	2,688,521	3,899,452	3,303,501	205,249,824

* The totals shown in this tables are "Net." Discounts and flotation expenses for each of the periods mentioned were as follows:—1933-34, £526,093; 1934-35, £60,572; 1935-36, £51,619; 1936-37, £66,350; and aggregate to 30th June, 1937, £5,632,383.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1937, sums not yet expended amounted in the aggregate to £855,114, of which £19,668 was for Railways Construction, &c.; £69,956 was for Public Works, Buildings, &c.; £68,238 for Country Water Supply and £77,251 for Unemployment Relief. There was also an amount of £620,000 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:—

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.				
	£	£	£	£	£	£
1933 ..	3,073,944	3,871,987	14,161	28,266	889,504	7,877,862
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

* 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 1936-37:—

	£
Balance at credit of the State at 30th June, 1936	305,605
Contributions during 1936-37—	
By Commonwealth under Financial Agreement	280,645
„ Commonwealth under Federal Aid Roads Act	8,948
„ State under Financial Agreement	771,958
	<hr/>
	1,061,551
Interest received	12,472
	<hr/>
	1,379,628
Cancellation of securities to the value of £997,930	1,101,035
Balance at credit of the State at 30th June, 1937	278,593
Face value of securities cancelled to 30th June, 1937	7,390,693
	<hr/>
	7,669,286

TRUST FUNDS.

At 30th June, 1937, the liability of the Treasurer on **Trust Funds**, account of moneys lodged for investment and for securities and other lodgments amounted to £8,155,665. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £3,813,009, and cash advances totalled £4,116,813. The consequent debit balance of £224,944 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, 1937, 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, 1937.

Heading.	Victoria.*	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
Public Debt	£ 176,597,010	£ 350,291,499	£ 124,898,475	£ 106,594,164	£ 92,332,855	£ 25,247,540
Debt per head of population at 30th June, 1937	£ s. d. 95 3 4	£ s. d. 130 1 10	£ s. d. 125 17 11	£ s. d. 181 1 6	£ s. d. 203 5 5	£ s. d. 108 13 10

* Including liability to Commonwealth for Treasury Bills issued for Revenue purposes £3,985,000; and liability to Commonwealth on account of flotation in course, £1,102,000.

The gross public debt of the six States at 30th June, 1937, was £875,961,543. 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 £386,910,341. The liability (£1,262,871,884) of the Australian public at 30th June, 1937, was therefore equal to an average sum of £184 17s. 3d. per head of population.

Commonwealth and States.—
Public Debt.

The gross indebtedness of the State Government, the Municipalities, and certain semi-Government Bodies of Victoria for the year 1936 is shown in detail hereunder. The amounts of loans received by the local governing bodies from the State Government have been excluded. Amounts relating to Sewerage Authorities include indebtedness on account of house connexions.

STATE, LOCAL AND SEMI-GOVERNMENT DEBTS, 1936.

Heading.	Loans Outstanding—		
	Payable in London.	Payable in Australia.	Total.
State Public Debt—			£
Securities issued	£ 67,457,682	£ 102,640,013	} 175,058,285*
Liability to Commonwealth for Treasury Bills issued for Revenue purposes .. .. .	..	3,695,000	
Liability to Commonwealth on account of flotation in course .. .. .	..	1,265,590	
Municipal Debt .. .. .	..	11,944,237	11,944,237†
Other Local Governing Bodies—			
Melbourne Harbor Trust	968,400	3,134,000	4,102,400
Geelong Harbor Trust‡ .. .. .	..	227,300	227,300
Melbourne and Metropolitan Board of Works	3,724,404	21,378,680	25,103,084
Bendigo Sewerage Authority .. .. .	..	323,280	323,280
Geelong Waterworks and Sewerage Trust .. .. .	..	1,273,348	1,273,348
Ballarat Water Commission and Sewerage Authority‡ .. .. .	..	436,725	436,725
Melbourne and Metropolitan Tramways Board	1,000,000	3,902,242	4,902,242
Metropolitan Fire Brigades Board .. .. .	..	187,747	187,747
Country Fire Brigades Board .. .. .	..	49,877	49,877
Other§ .. .. .	..	478,303	478,303
Grand Total	73,150,486	150,936,342	224,086,828

* Including £4,547,876 raised in New York by the Commonwealth Government.

† Including £52,300 payable in New Zealand.

‡ Excluding outstanding loans received from the State Government as follows:—The Municipalities, £2,555,902; Geelong Harbor Trust, £353,524; Warrnambool Harbor Board, £4,668; Ballarat Water Commission and Sewerage Authority, £290,545; Other Authorities, £274,098.

§ For Authorities included, see footnote page 313.

The total loan liability in respect of the Authorities mentioned above—£224,086,828—represents a debt of £121 11s. 6d. per head of population at 30th June, 1936.