

## FINANCE.

Commonwealth and State Financial Relations. Early in 1901 the Customs, Post and Telegraph, and Defence Departments were transferred to the Commonwealth Government, and in return the State received at least three-fourths of the net revenue in Victoria from Customs and Excise duties. From 1st January, 1911, to 1st July, 1927, the payments to the State by the Commonwealth Government were computed on the basis of a fixed payment of 25s. per head of the population. The amounts received under the foregoing arrangement up to 30th June, 1927, and the payments made during 1927-28 in accordance with the Financial Agreement (as indicated below), appear in the statement of State Revenue under the heading of "Commonwealth payments to State."

As a result of conferences of the Commonwealth and State Ministers held in Melbourne and Sydney in June and July, 1927, an agreement was reached whereby the last-mentioned payments ceased on 30th June, 1927. From the latter date, the following financial arrangements have been provided for:—

- (a) The Commonwealth shall take over on 1st July, 1929, the whole of the public debts of the States existing on 30th June, 1927, and shall contribute £7,584,912 a year (Victoria's share, £2,127,159) for 58 years towards the interest charges thereon.
- (b) The Commonwealth shall contribute 2s. 6d. per cent. per year and the States 5s. per cent. per year of the net public debt (£136,949,942), towards a sinking fund to extinguish this liability in 58 years.
- (c) The Commonwealth shall contribute 5s. per cent. per year and the States 5s. per cent. per year towards a sinking fund to extinguish within 53 years from the date of raising all future loans of the States raised after 1st July, 1927.
- (d) The Commonwealth shall arrange all future borrowing on behalf of Commonwealth and States according to the decisions of the Loan Council, which shall be composed of representatives of Commonwealth and all State Governments.
- (e) The Commonwealth, in full payment for transferred properties, shall take over State debts bearing interest at 5 per cent. per annum, amounting to the agreed value of the transferred properties—£11,036,000 (Victoria's quota, £2,302,862).

At a referendum of Commonwealth electors taken on 17th November, 1928, the question of validating the above-mentioned agreement was agreed to, and the *Financial Agreement Validation Act* (No. 4 of 1929) was passed by the Commonwealth Parliament.

**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 (shown below), the financial transactions are concerned with one or other of three Funds, viz. :—(a) Consolidated Revenue Fund, (b) Trust Funds, and (c) Loan Funds. The Treasurer's Finance Statement of revenue and expenditure relates to the Consolidated Revenue Fund, but in the succeeding tables the public revenue of certain special funds or accounts is 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, sinking fund contributions, the salaries of the Governor, the Judges and some other officials, expenditure on State pensions, endowments to municipalities, etc. The expenditure under special appropriations during the year 1927-28 amounted to £8,541,815.

Below is given a concise statement of the chief special funds kept at the Treasury, with the exception of Redemption and Sinking Funds as shown on page 119 *et seq.* :—

#### SPECIAL FUNDS (EXCLUDING SINKING FUNDS) KEPT AT THE TREASURY.

Fund.	Act No.	Remarks.
The Assurance Fund	2740, sec. 239	Established for the purpose of assuring and indemnifying the Government in granting a clear title on land brought under the Transfer of Land Act. A contribution of $\frac{1}{4}$ d. in the £ is levied on all lands brought under the Act.
The Closer Settlements Fund	2629	Created for the purposes of civilian closer settlement. All moneys received under the Closer Settlement Acts, except proceeds of loans raised by the Government, are paid into this Fund. The receipts consist chiefly of amounts paid by settlers as instalments of principal and interest in respect of land and advances granted to them. Payments from the Fund are made for redemption of loans raised under the Closer Settlement Acts by the Government, interest on such loans, and administration expenses. Power is given also to apply the Fund to payments for the purchase of land, advances to settlers, and improvement of land.

SPECIAL FUNDS (EXCLUDING SINKING FUNDS) KEPT AT THE TREASURY  
—continued.

Fund.	Act No.	Remarks.
The Discharged Soldiers' Settlement Fund	2916	Functions similarly to the Closer Settlements Fund except that it relates to settlement of discharged soldiers.
The Discharged Soldiers' Concessions Fund	2988	Established to meet concessions granted under the Discharged Soldiers Settlement Acts. The soldiers are allowed to occupy land for the first three years free of charge, and interest at the rate of 5 per cent. only is charged on the cost of the land and advances, the Government having raised loans for the purposes of the Acts at a higher rate. The cost of the concessions is made good to the Discharged Soldiers Settlement Fund by proceeds of loans raised by the Government, and these loans are redeemed by payments from the Concessions Fund. The State Government contributes annually the sum of £75,000 to the Fund, and the Commonwealth Government, for a period of five years in each instance, pays annually to the Fund an amount equal to 2½ per cent. on loan moneys made available by it to the State for Discharged Soldiers Settlement.
The Country Roads Board Fund	2635	<p>Established for the maintenance of main roads. This account is credited with all moneys paid to the Treasurer by any municipality in respect of permanent works and the maintenance of main roads; amounts received by the Board under the provisions of the Country Roads Act; annual Government subsidy of £10,000; all fees and fines, less the cost of collection, paid under the <i>Motor Car Act 1915</i>; fees, less the cost of collection, received by the Crown in respect of unused roads and water frontages under part 39 of the <i>Local Government Act 1915</i>, and all moneys which, as provided by Sections 481 and 485 of the said Act, are to be paid into the said Fund; and fees paid on the registration or renewal of registration of traction engines. The money to the credit of the Fund is applied as follows:—</p> <p>(a) 6 per cent. per annum on the amount due by the municipalities in respect of permanent works is applied in payment of interest on half the amount borrowed under the provisions of the Country Roads Act at the rate of 4½ per cent. per annum, the balance being paid into a Sinking Fund until half the amount borrowed is paid off.</p> <p>(b) The balance, after the payment of the said 6 per cent., is applied in payment of the cost of maintenance of main roads, and in payment of any liabilities incurred by the Board under the provisions of the Act.</p>

SPECIAL FUNDS (EXCLUDING SINKING FUNDS) KEPT AT THE TREASURY  
—continued.

Fund.	Act No.	Remarks.
Developmental Railways Account	2640	Established for the construction of developmental railways. The chief source of revenue is the proceeds of the sale of lands by auction, exclusive of Mallee lands, and interest paid by municipalities under the Developmental Roads Act 2944. The Fund is required to pay the interest on the liability under the last-named Act.
Licensing Fund.	2683 and various amendments	Is controlled by the Licences Reduction Board. All the State licence fees in connexion with the sale and manufacture of liquor, together with Court fees, fines, and forfeitures under the Licensing Act, constitute the revenue. The expenditure consists of:— (a) The administration expenses of the Board; (b) Allowances to and expenses of Licensing Inspectors, Licensing Prosecutions, and Clerks of Licensing Courts; (c) Compensation for licences taken away or surrendered; (d) Annual statutory payments to specified municipalities; and (e) Annual transfer of £23,000 to the Police Superannuation Fund. The 1922 Act provides for an annual increment in the Fund of £20,000. Any surplus over and above this increment is transferred on 30th June to Consolidated Revenue.
Police Superannuation Fund	2709	Established to pay superannuation allowances and gratuities, &c., to members of the Police Force who joined it prior to 25th November, 1902. The revenue consists of an annual subsidy of £2,000, an annual transfer of £23,000 from the Licensing Fund, a deduction of 2½ per cent. from the pay of members, and 50 per cent. of the fines inflicted in Courts of Petty Sessions; should the foregoing prove insufficient, the deficiency is provided from Consolidated Revenue. In 1927-28 the amount so provided was £82,000.
Police Pensions Fund	3316	Established to provide pensions, &c., for all members of the Police Force not already entitled to them, i.e., those who joined it after 25th November, 1902. The revenue is derived from an annual payment of £50,000 from Consolidated Revenue, a deduction of 2½ per cent. from the pay of members, interest on surplus moneys invested, and such additional sum as may be paid into the Fund from Consolidated Revenue to ensure its solvency.

SPECIAL FUNDS (EXCLUDING SINKING FUNDS) KEPT AT THE TREASURY  
—continued.

Fund.	Act No.	Remarks.
The Superannuation Fund	3408	Established to make provision for superannuation benefits on a contributory basis from 1st January, 1926, for State public servants and railway employees (see page 101).
The Port Phillip Pilot Sick and Superannuation Fund	2688	Established to provide pensions for pilots. It is maintained by deductions from pilots' earnings and the annual income derived from investment of the moneys belonging to the Fund. There is no contribution from the Government.
The State Accident Insurance Fund	2496	Receives and disburses all moneys (including expenses of administration) on account of the State Accident Insurance Office, which conducts Workers' Compensation Insurance. The General Reserve is invested in Victorian Stock.
Mallee Land Account	2676 and amendments	The revenue of this Fund is derived from land sales, rents, &c., in the Mallee. The total revenue could only be used for redemption of Victorian Stock or Debentures, prior to 1st July, 1927. Since the latter date, provision has been made for the payment of all receipts towards the State's contribution to the National Debt Sinking Fund.
The Railway Accident and Fire Insurance Fund	2716	This Fund was established as a reserve to meet the cost incurred by the Railways Department in connexion with:—(a) The injury or death of any person by reason of an accident due to the neglect or default of the Department; (b) Compensation to employees injured on duty; (c) Damage to property by fire; and (d) Damage to or loss of goods while in the possession of the Department for transportation. The Fund is regularly credited with an amount equal to ten shillings per centum of the Railway Revenue, subject to the condition that the amount at the credit of the Fund shall not exceed £100,000.
Metropolitan Roads Fund	3378	Established to receive the additional fees paid by motor omnibuses, as well as all moneys (less cost of collection) received by the licensing authority, under the provisions of the <i>Motor Omnibus Act</i> 1925. Moneys standing to the credit of the fund shall be allocated and paid to the several municipalities wherein the motor omnibuses are used, and shall be applied by the councils of those municipalities towards the construction, renewals, &c., of the streets or roads.

SPECIAL FUNDS (EXCLUDING SINKING FUNDS) KEPT AT THE TREASURY  
—continued.

Fund.	Act No.	Remarks.
The Forestry Fund	2976	Established for the improvement and re-forestation of State Forests and for the development of forestry. The State Government contributes annually the sum of £40,000 to the fund, in addition it contributes annually a sum equal to one-half of the gross amount of forest revenue in excess of £80,000.
Cattle Compensation Fund	3365	This fund was established for the purpose of paying compensation, in accordance with the Cattle Compensation Act, to owners of cattle destroyed by the order of any authorized stock inspector. The fund is credited with all sums received by or for the Comptroller of Stamps in respect of stamp duty on statements under this Act, and all penalties recovered under the Act.
Swine Compensation Fund	3523	Functions similarly to the Cattle Compensation Fund except that it relates to payment of compensation to owners of swine destroyed by the order of any authorized stock inspector.
State Loans Repayment Fund	3554	This fund was established in accordance with the Commonwealth and States Financial Agreement. Where loan moneys have been advanced by the Treasurer under terms providing for their repayment, such repayments shall be placed to the credit of the fund. Advances may be made from the fund for loan purposes.

Under the Local Government Act the municipalities have power to levy rates, and are assisted with grants by the State Government. Particulars regarding municipal finance are given in another section of the *Year-Book*. Allied to the municipalities are the Boards and Trusts which control water supply, irrigation, and sewerage, and have rating powers in connexion therewith. There are also the Metropolitan Fire Brigades Board and the Country Fire Brigades Board, which are concerned with fire extinction in the metropolis and urban districts, and derive their revenues from the State Government, the Municipalities, and Insurance Companies; and the Melbourne and Geelong Harbour Trusts, which are entrusted with the management of those respective ports, and derive their revenues mainly from wharfage rates.

A summary of the transactions for the financial year 1927-28 in the Consolidated Revenue Fund and in the special funds referred to above gives the following result :—

	£	£
Revenue deficit at 30th June, 1927 .. .. .	.. .. .	1,593,708
Revenue, 1927-28 .. .. .	27,357,917	
Expenditure, 1927-28 .. .. .	27,521,270	
Deficit for the year .. .. .	.. .. .	163,353
Revenue deficit at 30th June, 1928 .. .. .	.. .. .	1,757,061

The Revenue and Expenditure Account is a statement of cash transactions, the revenue representing actual receipts less refunds, and the expenditure actual payments made during the year. The accumulated revenue deficiency had its beginning in the year 1890-91, when it amounted to £206,843, and in the course of the next five years it was added to year by year, until it reached its greatest magnitude (£2,711,436) on 30th June, 1896. On 30th June, 1914, the amount was £251,652, but by the 30th June, 1916, it was increased to £1,642,091. This deficiency has since been steadily reduced each year to £687,678 on 31st December, 1925. As the transactions during each of the years 1925-26, 1926-27 and 1927-28 resulted in deficits of £289,827, £616,203, and £163,353 respectively, the accumulated revenue deficiency was increased to £1,757,061. An Act (No. 3341), passed on 21st May, 1924, provides for a yearly appropriation of at least £25,000 from revenue towards the reduction of the deficit, and by section 13 of the same Act the excess of receipts over expenditure for any financial year is also applied thereto by the following 31st December.

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 1927-28 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total according to Treasurer's Finance Statement ..	26,566,864	26,730,217
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund* .. .. .	927,040	927,040
Licensing Fund† .. .. .	153,288	153,288
Police Superannuation Fund .. .. .	14,015	14,015
Assurance Fund .. .. .	3,836	3,836
Cattle Compensation Fund .. .. .	26,933	26,933
Metropolitan Roads Fund .. .. .	7,557	7,557
Swine Compensation Fund .. .. .	8,806	8,806
<i>Deduct—</i>		
Loss on non-paying railways .. .. .	203,410	203,410
Payment to Railways Department on account of reduced Freight Charges .. .. .	147,012	147,012
Total .. .. .	27,357,917	27,521,270

\* Excluding £10,000 transferred to Revenue under Section 5 of Act No. 3425.

† Excluding £238,662 transferred to Revenue under Section 39 of Act No. 3259.

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

### STATE REVENUE AND EXPENDITURE: 1918-19 TO 1927-28.

Year.	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (-).		
			For each Year.	Reduction of Consolidated Revenue Deficit by Revenue Surplus Acts.	Accumulated Deficiency to end of each Year (i.e. 30th June).
	£	£	£	£	£
1918-19 ..	13,044,088	13,023,407	+ 20,681	44,000	-1,517,208
1919-20 ..	15,866,184	15,852,459	+ 13,725	100,000	-1,403,483
1920-21 ..	19,054,475	19,041,698	+ 12,777	100,000	-1,290,706
1921-22 ..	20,357,733	20,297,279	+ 60,454	25,000	-1,205,252
1922-23 ..	21,634,677	21,611,309	+ 23,368	..	-1,181,884
					At 31st December following:—
1923-24 ..	23,075,968	22,950,968	+ 125,000*	234,802	- 822,082
1924-25 ..	24,304,887	24,170,483	+ 134,404†	..	- 687,678
1925-26 ..	25,269,756	25,559,583	- 289,827	..	- 977,605
1926-27 ..	27,128,700	27,744,903	- 616,203	..	-1,593,708
1927-28 ..	27,357,917	27,521,270	- 163,353	..	-1,757,061

\* Only £25,000 appropriated towards reduction of deficit by 30th June, balance (£100,000) by 31st December following (Act No. 3341).

† Only £25,000 appropriated towards reduction of deficit by 30th June, balance (£109,404) by 31st December following (Act No. 3341).

#### Heads of State Revenue.

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

### HEADS OF STATE REVENUE, 1923-24 TO 1927-28.

Heads of Revenue.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
Commonwealth Payments to State ..	£ 2,014,746	£ 2,055,834	£ 2,090,951	£ 2,127,159	£ 2,152,615
State Taxation—					
Income Tax ..	1,702,483	2,076,656	2,238,429	2,382,991	3,035,014
Land Tax ..	412,165	421,662	457,441	517,229	560,013
Probate Duty ..	798,315	802,333	940,609	1,111,876	1,117,164
Betting Taxation (Stamp duties, licences, and percentage) ..	186,141	170,998	133,067	142,071	135,265
Other Stamp Duties	1,011,966	963,307	1,017,351	1,059,655	1,004,079
Motor Car and Motor Omnibus Acts*	233,300	418,840	641,765	804,903	922,437
Liquor Taxation and Licences† ..	320,331	343,524	352,826	354,096	365,453

\* Moneys paid into the Country Roads Board Fund and Metropolitan Roads Fund. Included under "Taxation" in accordance with the recommendation of the Perth Conference of Statisticians.

† Received by the Licensing Fund. For details relating to 1927-28, see page 125.



## HEADS OF STATE REVENUE, 1923-24 TO 1927-28—continued.

Heads of Revenue.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
State Taxation— <i>continued</i> —	£	£	£	£	£
Other Licences* ..	43,007	39,360	37,647	37,551	36,695
Duties on Bank Notes ..	1,750	1,740	1,899	1,564	1,878
Public Works and Services—					
Railways ..	11,922,195	12,549,878	12,423,715	13,373,119	12,624,544
Water Supply ..	443,384	439,442	470,072	539,981	574,559
Harbour Trusts, Wharfage, &c.	207,692	213,510	209,242	213,111	225,388
State Coal Mine ..	568,897	428,579	524,137	670,540	705,307
State Electricity Commission ..	255,195	295,572	448,341	518,802	598,414
Interest on properties transferred to Commonwealth	80,844	80,760	80,454	80,426	80,600
Maffra Beet Sugar Factory ..	92,231	129,732	137,997	79,435	58,900
Brown Coal Sales† ..	61,921	23	..	..	..
Other ..	109,598	125,034	141,766	165,169	179,610
Land—					
Land Sales, Rents, Penalties, &c.‡ ..	461,250	438,241	461,650	438,257	426,616
Interest on Loans—					
Closer Settlement Discharged Soldiers Settlement Acts ..	1,113,158	1,172,246	1,186,764	1,193,727	1,229,426
Fees, Fines, &c.§ ..	266,292	261,894	265,993	277,758	295,150
Tramways Act 2995 (Sec. 88) ..	92,998	106,211	104,393	108,453	109,252
Sale of Books and Documents, &c. (Govt. Printer) ..	83,531	85,915	82,085	143,112	145,013
Department of Agriculture—					
Victoria Dock Cool Stores ..	18,898	29,365	27,886	32,455	28,205
All other ..	54,384	52,322	49,661	52,985	50,432
Miscellaneous ..	341,327	366,249	486,801	430,529	406,998
Total ..	23,075,968	24,304,887	25,269,756	27,128,700	27,357,917
Per Head of Population ..	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	14 3 11	14 13 4	15 0 1	15 16 11	15 14 2

\* Excluding Race Clubs, which are included in "Betting Taxation".

† Transferred to the State Electricity Commission on 1st April, 1924.

‡ Excluding proceeds of land by auction, which are payable into the Developmental Railways Account; such payments amounted to £25,598 in 1923-24, £22,982 in 1924-25, £21,898 in 1925-26, £24,131 in 1926-27, and £23,231 in 1927-28.

§ Excluding fees payable under Motor Car Act (see "Taxation").

The revenue for 1927-28 represents an increase of £229,217 on that for the previous year. The chief increases were under the following headings:—Taxation, £766,063; State Electricity Commission, £79,612; and Land revenue, £41,201. The receipts from the Railways Department were £748,575 less than in 1926-27.

### STATE EXPENDITURE.

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

#### SUMMARY OF EXPENDITURE FROM STATE REVENUE : 1923-24 TO 1927-28.

Heads of Expenditure.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
<i>General Government.</i>	£	£	£	£	£
Governor .. ..	9,694	9,376	10,504	12,940	9,141
Parliament and Ministry .. ..	110,028	100,841	98,859	138,898	124,518
Civil Establishment, n.e.i. .. ..	450,254	437,374	442,581	483,272	475,861
Pensions and Gratuities* .. ..	580,181	621,695	656,797	735,955	800,297
<i>Law, Order, and Protection.</i>					
Judicial and Legal ..	253,285	259,216	270,029	292,383	296,804
Police .. ..	663,319	622,331	647,075	710,449	721,106
Penal Establishments and Gaols ..	101,122	99,732	116,542	114,397	111,502
<i>Education, &amp;c.</i>					
State Schools ..	1,819,852	1,885,826	2,108,112	2,286,103	2,517,679
Technical Schools ..	217,539	236,008	143,808	152,428	164,837
University ..	56,450	64,398	64,628	71,261	70,103
Libraries, &c. ..	38,367	41,574	42,817	53,785	56,053
Art and Science ..	7,370	10,540	9,661	10,155	9,211
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts ..	31,843	34,464	32,234	33,860	33,701
Public Health ..	93,878	109,401	115,982	137,369	138,395
Charitable Institutions, &c. ..	890,840	1,026,789	1,096,300	1,156,358	1,235,839

\* For details, see page 99.

SUMMARY OF EXPENDITURE FROM STATE REVENUE : 1923-24 TO  
1927-28—continued.

Heads of Expenditure.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
<i>Crown Lands, &amp;c.</i>	£	£	£	£	£
Crown Lands ..	268,216	253,062	257,743	267,249	267,898
Agriculture and Stock ..	347,502	391,931	414,036	448,857	458,322
Mining .. ..	657,520	472,539	570,374	717,236	747,076
<i>Public Works.</i>					
Railways .. ..	8,818,314	9,513,613	9,598,888	10,234,464	9,844,477
Water Supply ..	219,105	229,049	236,194	249,246	260,179
Harbours, Rivers, and Lights .. ..	97,071	112,338	114,642	104,821	119,447
Roads and Bridges ..	6,900	40,795	29,302	84,573	73,416
Country Roads Board ..	293,523	455,613	664,069	808,663	937,094
State Electricity Commission ..	14,826	20,936	19,144	14,662	12,497
Municipal Endow- ment, &c.* ..	122,384	143,101	183,862	188,824	210,492
Works and Buildings, n.e.i. .. ..	103,350	145,094	137,999	144,245	120,389
Interest and Expenses of Public Debt ..	5,669,970	5,905,947	6,372,993	6,826,662	6,937,764
Redemption Funds, &c. .. ..	484,825	563,287	618,304	689,913	..
Contribution to National Debt Sinking Fund† ..	..	..	..	..	349,616
Discharged Soldiers Concessions Fund	75,000	75,000	75,000	75,000	75,000
<i>Other Expenditure.</i>					
Mint Subsidy ..	25,000	26,000	25,000	29,000	31,000
Fire Brigades ..	53,433	58,433	62,254	66,733	70,198
Immigration ..	27,378	26,798	26,352	26,060	20,131
Licences Reduction Board, including Compensation ..	56,168	43,663	81,293	101,275	48,533
Railway passes to Blind and Incapaci- tated Soldiers ..	7,253	9,263	10,400	11,299	12,115
Liquidation of guar- anteed Bank Over- drafts of Freezing Companies, &c. ..	..	..	74,194	113,676	27,142
Cattle Compensation Fund .. ..	..	..	24,614	21,895	26,933
Surplus Revenue ap- propriated to "Re- venue Services" ..	132,216	..	..	..	..
Miscellaneous ..	146,992	124,456	106,997	130,937	106,504
<b>Total ..</b>	<b>22,950,968</b>	<b>24,170,483</b>	<b>25,559,583</b>	<b>27,744,903</b>	<b>27,521,270</b>
<b>Per Head of Population</b>	<b>£ s. d.</b>	<b>£ s. d.</b>	<b>£ s. d.</b>	<b>£ s. d.</b>	<b>£ s. d.</b>
	14 2 5	14 11 9	15 3 7	16 4 2	15 16 1

\* Including annual payment from Licensing Fund.

† See page 75.

Compared with the previous year the ordinary expenditure of the State for 1927-28 showed a decrease of £223,633. The heads of expenditure showing the largest decreases were:—Railways, £389,987; and Redemption Funds (now National Debt Sinking Fund), £340,297. The chief increases occurred in the following items:—State Schools, £231,576; Country Roads Board, £128,431; Public Debt charges, £111,102; and Charitable Institutions, &c., £79,481.

In regard to the surpluses of various years which are included in the preceding table under the item "Surplus Revenue Expenditure. Revenue Appropriated to Revenue Services" it is interesting to note to what purposes the money so appropriated was applied in subsequent years. Up to 30th June, 1928, the total amount appropriated was £2,936,307, of which all but £5,031 had been expended. These figures do not include appropriations under Act 3341 passed 21st May, 1924, which thereafter provides for the yearly surplus being applied towards the reduction of the accumulated deficit. The following table shows the details of such expenditure for each of the last four years and the total up to 30th June, 1928:—

#### SURPLUS REVENUE EXPENDITURE.

(Excluding surplus revenue appropriations under Act No. 3341.)

Service.	1924-25.	1925-26.	1926-27.	1927-28.	Total to 30th June, 1928.
	£	£	£	£	£
Capital Services—					
Railways .. ..	..	..	..	..	250,696
Other .. ..	..	..	..	..	64,170
Revenue Services—					
Railways .. ..	..	..	..	..	497,729
Education—					
State schools .. ..	..	..	..	..	340,692
Other .. ..	..	..	..	65	136,878
Crown Lands (including reclamation, drainage, &c.) .. ..	..	..	..	..	149,480
Harbours, Rivers, and Lights .. ..	..	..	..	..	117,293
Roads and Bridges .. ..	750	713	950	169	114,812
Mining Development, &c. .. ..	..	..	..	..	85,000
Railways salaries (arrears) .. ..	..	..	..	..	73,496
Public Health .. ..	..	21	8,463	11,524	54,635
Charitable Institutions .. ..	33,753	38,966	5,146	14,992	199,083
Redemption of Treasury Bonds and Unfunded Debt .. ..	..	..	..	..	503,802
Developmental Railways Account—Refund .. ..	..	..	..	..	129,148
Miscellaneous .. ..	401	8,813	5,647	541	214,362
<b>Total .. ..</b>	<b>34,904</b>	<b>48,513</b>	<b>20,206</b>	<b>27,292</b>	<b>2,931,276</b>

The following table sets out in a different form to pages 82 and 84 the heads of State Revenue and Expenditure, but specially shows the operations of the Government Business undertakings in their relation to State Revenue and Expenditure.

## STATE REVENUE AND EXPENDITURE, 1927-28.

STATE REVENUE.		STATE EXPENDITURE.	
Particulars.		Particulars.	
	£		£
Taxation .. .. .	7,177,999	Public Debt Charge (excl. interest paid on business undertakings)	2,369,795
Land Revenue (excl. State Saw Mill) .. .. .	399,758	Lands and Survey (excl. Forests Commission) .. .. .	81,230
Business Undertakings—		Business Undertakings (incl. interest paid by State)—	
Railways .. .. .	12,624,544	Railways (incl. Pensions)	13,514,039
Water Supply and Sewerage (incl. interest) .. .. .	574,559	Water Supply and Sewerage	1,165,561
Electricity Commission (interest only) .. .. .	593,414	Electricity Commission .. .. .	602,825
Harbours (incl. Melb. Harbour Trust contr. oution) .. .. .	225,388	Harbours, Rivers, and Lights .. .. .	167,147
State Coal Mine (incl. interest)	705,307	State Coal Mine .. .. .	704,557
Maffra Beet Sugar Factory .. .. .	58,960	Maffra Beet Sugar Factory	95,625
Cool Stores .. .. .	23,205	Cool Stores .. .. .	86,151*
Newport Seasoning Works .. .. .	10,324	Newport Seasoning Works	10,000
State Saw Mill .. .. .	16,034	State Saw Mill .. .. .	15,312
Wire Netting Manufacture .. .. .	19,780	Wire Netting Manufacture	27,348
Explosive Dues .. .. .	11,188	Explosives .. .. .	9,912
Lighterage and Explosives (excl. licences and fees) .. .. .	4,076		
Melbourne Tramways Board Contribution .. .. .	109,252	Mines (excl. State Coal Mine) .. .. .	52,193
		Agriculture (excl. Cool Stores and Beet Sugar Factory) .. .. .	307,435
		Forests (excl. Newport Seasoning Works and State Saw Mill) .. .. .	161,356
		Justice .. .. .	296,804
Fees, fines, &c. .. .. .	295,150	Penal Establishments .. .. .	111,502
		Police (incl. Pensions) .. .. .	894,121
Interest (less amounts included with Business Undertakings) .. .. .	1,843,514	Grants to Municipalities .. .. .	210,492
Commonwealth Payments to State	2,152,615	Education, &c. .. .. .	2,817,883
Other Sources .. .. .	502,410	Public Health .. .. .	138,395
		Hospitals and Charitable Institutions .. .. .	1,235,839
		Parliament (incl. Governor, Elections, &c.) .. .. .	133,659
		Pensions and Gratuities (other than Police and Railways) .. .. .	291,332
		Civil Establishment, N.E.I. .. .. .	475,861
		Country Roads Board .. .. .	937,094
		Other .. .. .	607,802
Total Revenue .. .. .	27,357,917	Total Expenditure .. .. .	27,521,270

\* Including expenditure on Export Development.

## 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, life assurance premiums not exceeding £50, and calls or contributions actually paid into any mining company registered under the *Companies Act* 1915, or to any company in liquidation.

In the statement shown on page 91, relating to Income Tax assessments on *incomes* of each of the last five years, the figures are not comparable unless the varying rates of tax imposed are taken into consideration. The rates for the years specified were as follows :—

(a) *On incomes of the year 1922-23.*—The minimum income subject to tax was £201, and the exemption allowed on incomes between £201 and £500 was £150. No exemption was allowed on incomes exceeding £500, or to companies. The rate of tax for individuals on the amount of taxable income from personal exertion up to but not exceeding £500, was 3d. in the £1. Where the taxable income exceeded £500, the rates on incomes from personal exertion were 4d. for every £1 of the taxable amount thereof up to £500, 5d. for every £1 between £501 and £1,000, 6d. for every £1 between £1,001 and £1,500, and 7d. for every £1 over £1,500. The rates on incomes from property were respectively double the rates on incomes from personal exertion. In the case of life assurance companies, the tax was 12d. in the £1 on 30 per cent. of the premium income from ordinary business and on 15 per cent. of that from industrial business. In the case of mining companies the tax was 12d. in the £1 on the total amount of dividends declared and debenture interest paid. In the case of other companies liable to tax, the rate was 12d. in the £1 on the profits. The following further deductions were allowed to taxpayers whose incomes did not exceed £800 per annum :—(1) £30 in respect of each child under 16 years of age ; (2) certain expenses during illness ; (3) friendly society contributions ; and (4) funeral and burial expenses not exceeding £20.

(b) *On incomes of the year 1923-24* :—The rates of tax were unaltered, but the exemption on incomes from £201 to £500 was £200 (instead of £150 as formerly). A super-tax was imposed on incomes (excluding companies) over £800. The amount of super-tax was as follows :—

From £800 to £1,000	..	..	10 per cent.
„ 1,001 to 1,250	..	..	12½ „
„ 1,251 to 2,200	..	..	15 „
„ 2,201 to 5,000	..	..	20 „
Exceeding £5,000	..	..	25 „

Companies (other than Mutual Life Assurance Companies) were taxed at the rate of 15d. in the £1 of the taxable amount of income. Mutual Life Assurance Companies were taxable at the rate of 12d. in the £1 in respect of their Mutual Life Assurance business, and at the rate of 15d. in the £1 on all other business.

On incomes not exceeding £800 an additional deduction of £50 was allowed to a married taxpayer for the maintenance of his wife provided that she had not an income of her own exceeding £100 per annum. The amount deductible from income in respect of children under sixteen years of age was increased from £30 to £50.

(c) *On incomes of the years 1924-25 and 1925-26* :—The exemption on incomes £201 to £500, and allowable deductions on incomes not exceeding £800, were the same as (b), but the rates of tax were as follows :—

Taxable Income.	Rate of Tax per £1 of Taxable Income.		
	Personal Exertion.	Pro- perty.	Companies.
Up to £500 ..	3½d.	d.	Mutual Life Assurance Companies, 12d. in the £1 in respect of their Mutual Life Assurance business, and 16d. in the £1 on all other business. Other Companies, 16d. in the £1 of the taxable amount of income.
£500 to £1,000 ..	£1 to £500 4½d.	7	
£1,000 to £1,500 ..	£500 to £1,000 5½d.	9	
£1,500 to £2,000 ..	£1,000 to £1,500 6½d.	11	
	£1,500 and upwards	13	
£2,001 and upwards	7½d.	15	

A super-tax on incomes (excluding Companies) over £800 was also imposed similar to that shown under (b).

(d) *On incomes of the year 1926-27.*—The exemption on incomes £201 to £500, and allowable deductions on incomes not exceeding £800, were the same as (b), but the rates of tax were as follows :—

Taxable Income.	Rate of Tax per £1 of Taxable Income.		
	Personal Exertion.	Pro- perty.	Companies.
Up to £500 ..	4½d.	9	Mutual Life Assurance Companies, 12d. in the £1 in respect of their Mutual Life Assurance business, and 18d. in the £1 on all other business. Other Companies, 18d. in the £1 of the taxable amount of income.
£500 to £1000 ..	5½d.	11	
£1,000 to £1,500 ..	6½d.	13	
£1,500 to £2,000 ..	7½d.	15	
£2,001 and upwards	£1,500 and upwards	17	
	8½d.		

A super-tax on incomes (excluding Companies) over £800 was also imposed similar to that shown under (b).

For the purpose of simplifying the collection of income tax, the *Income Tax Amendment Act 1923* was passed on 22nd December, 1923. This Act provides that the Victorian Income Tax Department shall be the collecting authority for the income tax payable in the State under Commonwealth law. In cases where income is received in two or more States, no alteration has been made—the tax being assessed and collected by the Central Office of the Commonwealth Income Tax Department.

In previous issues of this part prior to 1924-25 the particulars relating to income tax assessments, &c., had been taken from the Income Tax Report, which only gave an analysis as at the 30th June



of each year. In the following table the figures have been amended, and they now represent complete details of the assessments on incomes for each of the five years specified :—

## INCOME TAX ASSESSMENTS.

Heading.	On Incomes of—				
	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.
Number of Assessments:					
Individuals ..	153,519	127,818	139,183	142,892	153,108
Companies ..	2,678	2,890	2,982	3,349	3,662
Total, Distinct Taxpayers ..	156,197	130,708	142,165	146,241	156,770
	£	£	£	£	£
Taxable Incomes:					
Individuals ..	46,227,420	38,509,468	44,143,795	41,132,659	42,175,690
Companies ..	16,122,969	16,372,972	17,580,245	16,853,965	18,190,171
Total ..	62,350,389	54,882,440	61,724,040	57,986,624	60,365,861
	£	£	£	£	£
Tax payable:					
Individuals ..	936,515	970,815	1,224,038	1,129,200	1,382,856
Companies ..	805,996	1,014,945	1,159,459	1,110,516	1,345,340
Total* ..	1,742,511	1,985,760	2,383,497	2,239,716	2,728,196
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per taxpayer:					
Individuals ..	6 2 0	7 11 11	8 15 11	7 18 1	9 0 8†
Companies ..	300 19 4	351 3 10	388 16 5	331 11 11	367 7 7
	d.	d.	d.	d.	d.
Average tax payable in the £ on taxable incomes by—					
Individuals ..	4.86	6.05	6.65	6.58	7.87
Companies ..	12.00	14.88	15.83	15.82	17.75

\* For actual collections in the following financial year, see page 82.

† The average amount of tax payable per individual taxpayer with taxable incomes not exceeding £500 was £1 16s. 1d.; and of those exceeding £500 the average amount was £43 1s. 7d.

The total net incomes of taxpayers in 1926-27, who were assessed to pay tax, amounted to £85,621,861, but, as 126,280 taxpayers were allowed the £200 exemption, the amount available for taxation was £60,365,861.

The total number of individuals and companies who paid tax on their incomes for 1926-27 is detailed, under specified grades of taxable income, in the following table :—

**TOTAL NUMBER OF TAXPAYERS (1926-27 INCOMES).**

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
£	No.	No.	No.	No.	No.	No.
Not exceeding 100	79,146	4,735	312	84,193	705	84,898
101 to 200	25,986	2,477	589	29,052	376	29,428
201- 350	10,887	1,502	646	13,035	324	13,359
351- 500	2	2	8	12	212	224
501- 700	4,371	1,356	5,053	10,780	224	11,004
701-1,000	2,250	840	3,167	6,257	250	6,507
1,001-1,200	960	319	1,458	2,737	127	2,864
1,201-1,500	825	271	1,315	2,411	167	2,578
1,501-2,000	606	217	1,184	2,007	207	2,214
2,001-2,400	205	86	506	797	99	896
2,401-3,000	173	69	403	645	119	764
3,001-4,000	130	58	345	533	131	664
4,001-5,000	53	27	185	265	133	398
5,001-6,000	29	15	83	127	82	209
6,001-7,400	26	10	75	111	91	202
7,401 and over ..	21	17	108	146	415	561
<b>Total ..</b>	<b>125,670</b>	<b>12,001</b>	<b>15,437</b>	<b>153,108</b>	<b>3,662</b>	<b>156,770</b>

Of the individual taxpayers, 82·1 per cent. obtained their incomes wholly from personal exertion, 7·8 per cent. from property, and 10·1 per cent. from personal exertion and property combined. Seventy-four per cent. of the individual taxpayers were in receipt of taxable incomes not exceeding £200, but the tax payable by them amounted to only about 12 per cent. of the total for individuals.

In the succeeding statement particulars of the sources of taxable incomes for 1926-27 are arranged in order of groups of taxable incomes :—

### TAXABLE INCOMES (1926-27 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
£	£	£	£	£	£	£
Not exceeding 100	3,602,758	218,875	19,736	3,841,369	28,635	3,870,004
101 to 200	3,693,676	360,717	89,534	4,143,927	54,922	4,198,849
201 - 350	2,671,216	371,445	161,538	3,204,199	88,189	3,292,388
351 - 500	761	794	3,397	4,952	89,237	94,189
501 - 700	2,534,294	794,580	2,947,595	6,276,469	133,940	6,410,409
701 - 1,000	1,924,237	702,434	2,682,128	5,308,799	212,647	5,521,446
1,001 - 1,200	1,050,555	347,259	1,589,588	2,987,402	139,303	3,126,705
1,201 - 1,500	1,101,623	363,646	1,755,439	3,220,708	224,382	3,445,090
1,501 - 2,000	1,049,688	375,214	2,041,723	3,466,630	360,285	3,826,915
2,001 - 2,400	447,389	188,101	1,104,978	1,740,468	214,812	1,955,280
2,401 - 3,000	460,917	183,245	1,072,962	1,717,124	320,552	2,037,676
3,001 - 4,000	447,074	196,497	1,182,422	1,825,993	453,710	2,279,703
4,001 - 5,000	235,974	121,462	823,597	1,181,033	595,654	1,776,687
5,001 - 6,000	156,325	81,948	450,143	688,416	444,563	1,132,979
6,001 - 7,400	166,067	67,519	495,426	729,012	612,633	1,341,645
7,401 and over ..	196,582	299,636	1,342,971	1,839,189	14,216,707	16,055,896
Total ..	19,739,136	4,673,372	17,763,182	42,175,690	18,190,171	60,365,861

The division showing the highest amount of taxable income of individuals is that from £501 to £700; the next in order being the group £701 to £1,000. Nearly fifty-four per cent. of the taxable income of individuals was earned by persons in receipt of taxable incomes not exceeding £1,000. The great bulk of the taxable income of companies

was earned by a few of the larger ones—415, which were in receipt of £7,401 and upwards, having had taxable incomes representing 78 per cent. of the total for all companies.

The complete figures relating to the tax payable on the 1926-27 incomes are set out hereunder:—

### TAX PAYABLE ON 1926-27 INCOMES.

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
£	£	£	£	£	£	£
Not exceeding 100	68,316	8,248	529	77,093	2,143	79,236
101 to 200	67,930	13,520	2,316	83,766	4,108	87,874
201 — 350	48,561	13,931	4,126	66,618	6,597	73,215
351 — 500	14	60	43	117	6,669	6,786
501 — 700	59,001	37,409	79,249	175,659	10,040	185,699
701 — 1,000	50,752	36,747	81,131	168,630	15,942	184,572
1,001 — 1,200	30,030	19,926	52,174	102,130	10,438	112,568
1,201 — 1,500	33,443	22,151	60,489	116,083	16,817	132,900
1,501 — 2,000	33,968	24,343	74,312	132,623	27,021	159,644
2,001 — 2,400	15,515	13,135	43,246	71,896	16,092	87,988
2,401 — 3,000	16,955	13,506	44,506	74,967	24,042	99,009
3,001 — 4,000	17,046	14,962	51,505	83,513	33,972	117,485
4,001 — 5,000	9,234	9,524	36,628	55,386	44,674	100,060
5,001 — 6,000	6,467	6,787	20,210	33,464	33,342	66,806
6,001 — 7,400	6,946	5,665	23,361	35,972	45,892	81,864
7,401 and over ..	8,359	25,999	70,581	104,939	1,047,551	1,152,490
Total ..	472,537	265,913	644,406	1,382,856	1,345,340	2,728,196

Companies with taxable incomes of £7,401 and over were assessed for an amount which represented 38·4 per cent. of the total tax payable; for all companies the proportion was 49·3 per cent. The tax payable by persons in the group £501 to £1,000 was 24·9 per cent. of the total for individuals. Exclusive of the amount payable by companies, 34 per cent. of the tax payable was derived from personal exertion, 19 per cent. from property, and 47 per cent. from personal exertion and property combined.

In addition to the State Income Tax there is a Commonwealth Income Tax, which was first imposed on incomes earned in the financial year 1914-15. The tax collected by the Commonwealth Government, in the year 1927-28, amounted to £10,165,175, and it is estimated that the payments made on Victorian income would be about £2,745,000.

### LAND TAX.

#### State Land Tax.

The State Land Tax Act of 1915 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might in ordinary circumstances be expected to require, and assuming

that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act, at a rate declared for each year by Act of Parliament. Previously to 1923 the rate of tax was one halfpenny on every pound sterling of the unimproved value of all land having an unimproved value exceeding £250, but since the year mentioned an increased amount has been payable—a super-tax of 5 per cent. having been added to the old rate. 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 1928 Land Tax assessments based on unimproved values as at 31st December, 1927, is given hereunder.

## ANALYSIS OF LAND TAX ASSESSMENTS, 1928.

Unimproved Values of Estates ranging between—	Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	No.	£	£
1 and 500 ..	56,248	20,058,007	26,629
501 and 600 ..	11,217	6,211,846	13,399
601 and 750 ..	11,614	7,832,664	16,842
751 and 1,000 ..	13,154	11,456,210	24,551
1,001 and 1,250 ..	8,304	9,301,274	19,963
1,251 and 1,500 ..	6,393	8,773,991	18,818
1,501 and 2,000 ..	8,566	14,901,941	32,054
2,001 and 3,500 ..	12,740	33,498,391	72,239
3,501 and 5,000 ..	5,495	22,953,496	49,633
5,001 and 6,000 ..	2,081	11,368,445	24,631
6,001 and 7,000 ..	1,392	8,999,014	19,468
7,001 and 8,000 ..	980	7,338,067	15,944
8,001 and 9,000 ..	651	5,500,907	11,767
9,001 and 10,000 ..	485	4,595,501	9,937
10,001 and 15,000 ..	1,280	15,383,322	33,266
15,001 and 20,000 ..	506	8,694,412	18,990
20,001 and 25,000 ..	277	6,190,212	13,514
25,001 and 30,000 ..	174	4,725,398	10,337
30,001 and 35,000 ..	121	3,912,153	8,554
35,001 and 40,000 ..	81	3,030,292	6,629
40,001 and 50,000 ..	118	5,257,511	11,505
50,001 and 75,000 ..	131	7,950,038	17,391
75,001 and 100,000 ..	57	4,919,069	10,761
100,001 and 150,000 ..	35	4,205,570	9,044
150,001 and 200,000 ..	15	2,587,480	5,658
200,001 and over ..	12	3,447,150	7,467
Total ..	142,127	243,092,361	508,991

In the succeeding statement details are shown relating to the assessments made since the inception of the present method of land taxation, which is levied on the unimproved value.

LAND TAX ASSESSMENTS, 1911 TO 1928.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
	No.	£	£ s. d.	£
1911 .. ..	73,730	276,272	3 14 11	137,871,741
1912 .. ..	76,169	280,055	3 13 6	139,687,581
1913 .. ..	77,071	279,827	3 12 7	138,618,141
1914 .. ..	79,533	285,209	3 11 9	142,160,541
1915 .. ..	80,896	295,378	3 13 0	147,042,621
1916 .. ..	85,895	304,317	3 10 10	151,333,341
1917 .. ..	88,783	309,429	3 9 8	153,091,687
1918 .. ..	88,926	310,142	3 9 9	154,129,341
1919 .. ..	89,363	310,059	3 9 5	154,089,501
1920 .. ..	94,463	317,174	3 7 2	157,504,701
1921 .. ..	103,237	335,566	3 5 0	166,332,861
1922 .. ..	108,269	353,970	3 5 5	175,166,781
1923 .. ..	114,614	392,434	3 8 6	193,629,501
1924 .. ..	121,023	420,771	3 9 6	197,132,061
1925 .. ..	126,552	451,896	3 11 5	212,877,604
1926 .. ..	132,029	467,137	3 10 9	223,862,138
1927 .. ..	137,099	480,887	3 10 2	229,995,614
1928 .. ..	142,127	508,991	3 11 7	243,092,361

In addition to the State Land Tax there is upon the lands in the State a Commonwealth Land Tax, which was assented to on 17th November, 1910. The following particulars of land tax assessment for Victoria for the financial year 1925-26 have been furnished by the Federal Commissioner of Land Tax. The estates assessed numbered 5,857, of which 5,519 belonged to resident and 338 to absentee taxpayers. The unimproved value of these estates, as ascertained by the Department, and including the Victorian interests in the returns of 1,743 Central Office taxpayers, who owned land in more than one State, was £75,556,954. The tax payable on the latter amount was £711,976, being £702,283 for residents and £9,693 for absentees.

### RAILWAYS REVENUE AND EXPENDITURE.

Victorian  
Railways,  
financial  
results.

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

#### RAILWAYS BALANCES: 1923-24 TO 1927-28.

Item.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
	£	£	£	£	£
Gross Revenue ..	12,025,987	12,830,283	12,743,566	13,760,769	12,953,039
Working Expenses ..	8,776,514	9,489,368	9,595,132	10,227,442	9,830,186
Pensions, Gratuities, &c. ..	206,366	215,087	219,396	215,015	213,080
Payment to the Super- annuation Fund ..	..	..	18,712	78,575	122,870
Net Receipts ..	3,043,107	3,125,828	2,910,326	3,239,737	2,786,903
Interest on Cost of Construction ..	3,015,455	3,099,885	3,092,695	3,287,277	3,340,612
Surplus (+) or Deficit (-)	+ 27,652*	+25,943	- 182,369	- 47,540	- 553,709

\* Subject to deduction of an amount of £136,417, which has been written off. This represents a loss on non-paying lines in previous years. The net result was, therefore, a deficit of £108,765.

### RAILWAY ACCIDENT AND FIRE INSURANCE FUND.

The establishment of a permanent fund to be kept at the Treasury, and called the Railway Accident and Fire Insurance Fund, was effected by provision in the *Railways Act 1907* (now the *Railways Act 1915*). This provision requires the Railways Commissioners to pay into such fund the sum of 10s. for every £100 sterling of the revenue of the Victorian Railways until the fund amounts to £100,000, at which amount it is to be maintained. During the year ended 30th June, 1928, the receipts of the fund amounted to £31,468, whilst the payments made therefrom were £3,388 for compensation, damages, costs, &c., to persons other than employees injured; £7,851 as compensation on account of injuries to or deaths of employees; and £21,734 as compensation for goods or parcels lost, and for damages caused by fire, &c. The balance at the credit of the Fund at 30th June, 1928, was £98,530.

## PENSIONS AND GRATUITIES.

Pension and Superannuation Schemes in force.

The following statement of Pension and Superannuation schemes in force at 30th June, 1928, in the Public Services of Victoria, gives details relating to the enacting legislation and description of the recipients.

PENSION AND SUPERANNUATION SCHEMES OF PUBLIC SERVICES IN FORCE AT 30TH JUNE, 1928.

Authority under which Legalized.	Title of Act.	Description of Recipients.	Remarks.
18 and 19 Vict. Cap. 55, Schedule "D," Part V. (Proclaimed 23rd November, 1855)	Constitution	To Officers appointed during good behaviour	
Act No. 160 of 1862 .. .. .	Civil Service	Civil Servants	Officers who joined the Service prior to 24th December, 1881
(Passed 18th June, 1862) .. .. .			
Act No. 2713 of 1915 .. .. .			
Act No. 773 of 1883 .. .. .	Public Service	Public Servants	See Pensions Abolition Act (45 Vict. No. 710) passed on 24th December, 1881, exempting Supreme Court Judges, Police, and Railways Employees
(Passed 1st November, 1883)			
Act No. 1133 of 1890 .. .. .			
Act No. 2713 of 1915 .. .. .			
Act No. 777 of 1883 .. .. .	Defences and Discipline	Members of Naval and Military Forces	
Act No. 1083 of 1890 .. .. .			
Act No. 1248 of 1891 .. .. .			
Act No. 160 of 1862 .. .. .	Railways	Railways Employees who joined the service prior to 2nd November, 1883	Railways Pensions were abolished by Act No. 767 of 1883
Act No. 767 of 1883 .. .. .			
Act No. 1135 of 1890 .. .. .			
Act No. 2716 of 1915 .. .. .			
Act No. 160 of 1862 .. .. .			
Act No. 773 of 1883 .. .. .	Public Service, &c.	Transferred Officers to Commonwealth	
Act No. 2713 of 1915 .. .. .			
Act No. 345 of 1869 .. .. .	County Court	County Court Judges	
Act No. 1078 of 1890 .. .. .			
Act No. 2636 of 1915 .. .. .			
Act No. 309 of 1867 .. .. .	Lunacy ..	Officers of Asylums, &c.	
Act No. 1133 of 1890 .. .. .			
Act No. 2687 of 1915 .. .. .	Police Regulations	Police Superannuation Fund for members of Police Force who joined prior to 25th November, 1902	See page 99 post
Act No. 476 of 1873 .. .. .			
Act No. 1127 of 1890 .. .. .			
Act No. 2709 of 1915 .. .. .			
Act No. 3316 of 1923 .. .. .	Police Pensions	Police Pensions Fund for members of Police Force who joined since 25th November, 1902	See page 100 post
Act No. 3408 of 1925 .. .. .	The Superannuation Act	The Superannuation Fund for benefits for public and railway servants and certain of their dependants	See page 101 post
Act No. 965 of 1887 .. .. .	Marine	Port Phillip Pilot Sick and Superannuation Fund for pilots and their dependants—controlled by the Treasurer from 26th April, 1889	No contribution from State Government. See page 103 post, also Year Book 1895-8, page 335
(Royal Assent, 10th September, 1888)			
Act No. 1165 of 1890 .. .. .			
Act No. 2688 of 1915 .. .. .			
Act No. 1997 of 1905 .. .. .	South Africa Contingents Pensions	Members, &c., South Africa War Contingents	See page 104 post



During the year 1927-28, the Government expended on pensions, gratuities, etc., the sum of £800,297. Of this amount, £455,698 was spent on ex-public servants who had contributed nothing towards their pensions. 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 for each of the last five years.

**GOVERNMENT EXPENDITURE ON PENSIONS, GRATUITIES, ETC., 1923-24 TO 1927-28.**

Heading.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
	£	£	£	£	£
Officers of Parliament ..	509	509	467	..	..
Railways .. ..	200,576	210,233	215,789	214,900	211,730
Defences .. ..	229	221	221	221	222
Lunacy .. ..	2,942	2,545	2,223	1,968	1,861
Under Constitution Act	1,500	1,500	1,500	1,500	1,500
County Court Judges ..	750	750	750	750	750
Civil Service .. ..	38,262	35,962	32,646	30,465	26,394
Public Service .. ..	37,317	41,010	44,078	42,513	183,954
Education Department ..	129,418	137,395	138,927	141,670	}
Officers transferred to Commonwealth Service	29,434	27,863	28,728	27,400	25,568
Various Allowances ..	762	971	1,427	1,581	1,759
Compensations and Grat- uities .. ..	12,610	8,782	5,638	1,793	1,960
<b>Total Pensions, Gratuities, &amp;c. .. ..</b>	<b>454,309</b>	<b>467,741</b>	<b>472,394</b>	<b>464,761</b>	<b>455,698</b>
<b>Police Superannuation Fund—</b>					
Government Subsidy	66,500	68,000	71,000	74,000	84,000
Transferred from Licensing Fund (Act No. 2855) ..	23,000	23,000	23,000	23,000	23,000
Fines .. ..	11,372	12,954	13,570	15,106	14,015
Police Pensions Fund ..	25,000	50,000	50,000	50,000	52,000
The Superannuation Fund	..	..	26,833	109,088	171,584
<b>GRAND TOTAL</b>	<b>580,181</b>	<b>621,695</b>	<b>656,797</b>	<b>735,955</b>	<b>800,297</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 2½ per cent., from the pay of the members of the Force entitled to pensions; by transfers from the Licensing Fund under the provisions of Act No. 2855; and, should the foregoing sources prove insufficient, by a further grant in aid from the Consolidated Revenue.

**Police  
Superannuation  
Fund.**

During the year 1927-28 the total receipts of the fund amounted to £123,596, consisting of £121,015 from Government revenue as shown in the preceding table, £2,324 from members of the force, and £257 balance brought forward. Payments out of the Fund amounted to £122,158 (£111,687 for pensions and £10,471 for gratuities), thus leaving a balance of £1,438 at 30th June, 1928.

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. Retirement is compulsory for senior constables and constables on attaining age 55; for sergeants, inspectors, and superintendents on attaining age 60, and for the Chief Commissioner on attaining age 65, except that in special cases any such person may be required to serve for a further period not exceeding five years. The ordinary pension payable on attainment of the retiring age varies from one-fourth of the annual pay at the date of retirement after 15 years' service to two-thirds of such annual pay after 30 or more years' service. Retirement on a medical certificate entitles a member of the Force to a pension for life after completion of 10 years' service, and to a gratuity after a service of less than 10 years. Except in the cases mentioned below, the amount of the pension which is payable on retirement on a medical certificate is, for like durations of service of not less than 15 years, the same as the amount of an ordinary pension payable on attainment of the retiring age. If a member of the Force is incapacitated for the performance of duty owing to an injury received in the execution of duty without his own default, he shall be entitled to a special pension for life which, except in a few instances, is larger than the ordinary pension and, in certain specified circumstances, is the full amount of salary. Provision is made for widows and children, the ordinary pension for a widow being approximately from £40 to £60 per annum, and the allowance for children under sixteen years of age, from £10 to £15 per annum.

A deduction of  $2\frac{1}{2}$  per cent. per annum is made from the pay of every member of the Force. When a member leaves the Force of his own accord after having completed 25 years' service or by reason of his having reached the age for compulsory retirement (whichever first happens) and does not receive a pension or gratuity, there shall be paid to him the whole of the rateable deductions which have been made from his pay without any interest thereon.

All pensions, gratuities, and allowances to members or their dependants shall be paid out of a special fund to be kept at the Treasury and to be known as the Police Pensions Fund. Into this fund shall be paid (a) an annual amount of £50,000 from Consolidated Revenue, (b) the deduction of  $2\frac{1}{2}$  per cent. from the pay of members which is referred to above, (c) all interest on surplus moneys in the fund invested as

**Police Pensions  
Act 1923, No.  
3316.**

provided, and (d) all other moneys payable into the fund under the Act or any future Act.

All surplus moneys are to be invested in Victorian Government stock or debentures in the name of the Treasurer, and shall carry interest at the rate of 5 per cent. per annum.

The Government Statist shall make an actuarial valuation of the fund at least once in three years, and shall certify each year what additional sum, if any, is required to be paid into the fund from Consolidated Revenue in order to provide that the assets shall be sufficient to meet the liabilities. Any such additional sum shall be appropriated and paid into the fund.

The receipts of the fund for the year amounted to £78,452 as follows:—Deductions from pay, £11,228; special appropriation, £52,000; interest on investments, £8,758; and £6,466 balance brought forward. Pensions paid during the year amounted to £677, gratuities to £625, deductions of pay returned to £205, and there was a balance of £281,945 at 30th June, 1928, of which £280,000 was invested.

**The Superannuation Fund.** An Act (No. 3408) to make provision on a contributory basis for superannuation benefits for State public servants and railway employees was passed by the State Parliament on 24th November, 1925. The date of commencement of the Act was 25th November, 1925, and contributions were made payable as from the 1st January, 1926, which date is the "appointed day." Pensions were made payable as from the same date. A fund has been established into which is paid the contributions of officers and the amounts received from the Government; also the income derived from investments. The benefits provided by the Act are paid from the fund.

*Board of Management.*—The fund is managed by a Board consisting of four members appointed by the Governor in Council for a term of five years. One of the members so appointed is Chairman of the Board, and one a qualified actuary. One member is elected by officers in the railway service and one by officers in the other services.

*Retiring Age.*—The maximum age for retirement is 65 years for males, and in the case of females, 60 or 65, at their option. An officer who is contributing for a pension payable at the age of 65 years may retire at any time after reaching the age of 60 years, and draw a pension which is the actuarial equivalent of a full pension. If he so desires, he may pay to the fund the actuarial equivalent of the amount necessary to complete his payments to a later age and draw a higher rate of pension.

*Contributions by Officers.*—All officers in the various services, except those with existing pension rights, "twilighters," and those who were not less than 65 years of age on 1st January, 1926, are required to contribute to the Superannuation Fund. An officer over the age of 65 years on 1st January, 1926, cannot contribute to the fund. He will be entitled on retirement to a free pension of a maximum amount of £104 per annum. Officers over the age of 30 years are entitled to contribute for a pension of £104 per annum at the rate prescribed

for age 30. For higher amounts they pay half the full contribution required. Officers aged 30 and under contribute half the cost of their pensions.

*Payments by Government.*—The Government reimburses to the fund the proportion of each pension which represents the equivalent of the difference between the payment made by the contributor each year and the full annual contribution required to provide the pension.

*Amount of Pension.*—A unit of pension is £26 per annum. The amount of pension for which an officer may contribute is regulated by his salary. For example, a person aged 25 next birthday, whose salary exceeds £260 and does not exceed £312, makes a fortnightly contribution of 8s. 4d. for a pension of £130 per annum with half pension for his widow, and £13 per annum for each child under 16 until that age is attained. The pension to the officer commences at age 65, or on retirement before that age if that should take place by reason of ill-health or incapacity. The number of units an officer can take varies from a minimum of two (£52 per annum) to a maximum of twelve (£312 per annum).

*Pensions to Widows and Children.*—The widow and children of an officer who was a contributor or a pensioner at date of death are entitled to the following benefits:—

*Widow.*—One half the rate of pension for which the officer was contributing, or one half the rate of pension being drawn (as the case may be) at date of death, subject to a minimum of £26 per annum. Such pension ceases on re-marriage.

*Children.*—£13 per annum in respect of each child under the age of 16 years until that age is attained.

*Retirement on the Ground of Ill-Health.*—Upon retirement on the ground of ill-health or incapacity, if such ill-health or incapacity is not due to contributor's own fault, a full pension is payable. If, however, the ill-health or incapacity is due to his own fault he is entitled to the return of his contributions or a pension based on his contributions, at his option.

*Officers with Existing Pension Rights.*—A person may exchange such right for rights in the new scheme, thus enabling him to secure benefits for his widow and children under 16 years of age, and he may purchase from the Board a pension equivalent to the difference, if any, between the actuarial value of his existing right and the amount of pension for which he would have been entitled to contribute if he had not had an existing right. A widow's pension up to £52 per annum and a children's pension of £13 per annum for each child under 16 years of age may be purchased by an officer with an existing pension right or by a "twilighter."

*Twilighters.*—This term embraces the persons who entered the Public Service between the 31st December, 1881, and the 31st December, 1884, or who entered the Railway Service between the 1st November, 1883, and 1st July, 1884. The pension payable to a "twilighter" is one-half the amount that would have been

payable if he had had the full pension right provided by Act No. 160, subject to a maximum of £312 per annum and a minimum of £104 per annum. If a full pension computed under Act No. 160 is less than £104, then the lesser amount is payable.

A "twilighter" who retired prior to the 1st July, 1924, and was then over 65 years of age, is entitled to a pension on the above basis payable from 1st January, 1926, but such pension does not carry reversionary rights to widow or children.

A "twilighter" who retired on or after 1st July, 1924, and before 1st January, 1926, is entitled to a pension calculated as stated above, and the first four units of such pension will carry widow's and children's benefits. The widow's pension will be at the rate of £52 per annum, and the payment to children under 16 years of age will be £13 each year.

A "twilighter" who is employed on 1st January, 1926, and who retires on or after attaining the maximum age for retirement, which is 65 years for males and 60 years for females, or who retires on the ground of ill-health, will be entitled to a pension equal to one half the amount that would have been payable had he had full pension rights under Act No. 160, subject to a maximum of £312 per annum and a minimum of £104 per annum, or the amount of pension which would have been payable under the Act referred to, whichever is the lower. This pension will not carry widow's or children's benefits, but these may be secured on terms prescribed by the Board, as well as a further pension representing the difference between the pension provided and that on the salary basis fixed by the Act.

*Assurance Policies.*—No officer will be required in future to effect an insurance on his life. Policies now held by the various authorities will be returned to the assured. Any moneys invested by an officer in lieu of assurance will be repaid on such officer becoming a contributor. On the application of an officer the Board may take over his assurance policy. If it decides to do so it will pay the premiums on the policy and at maturity date hand to the assured the proceeds thereof, less premiums paid by it with 4 per cent. compound interest.

*Receipts and Expenditure.*—During the year 1927–28, the receipts of the fund amounted to £609,875, consisting of contributions from officers, £407,041; from revenue, £170,543; and interest on investments, £32,291. The items of expenditure were as follows:—Pensions, £193,424, and payments of Assurance Premiums, £901. The balance in the Fund at 30th June, 1928, was £998,393, of which £998,253 was invested.

In the year 1927–28, £3,656 was paid out of the Port Phillip Sick and Superannuation Fund (£3,654 for pensions, and £2 for sick allowances). The Government does not contribute to this Fund, it being maintained by deductions from pilots' earnings and the annual income derived from investment of the moneys belonging to the fund.

Port Phillip  
Pilot Fund.

South Africa  
Contingents  
Pensions.

Pensions to members and relatives of members of the South African War Contingents amounted to £605 in 1927-28, but this amount has been included in "miscellaneous" expenditure.

### EXPENDITURE ON EDUCATION.

During the year 1927-28 the State expended on education generally the sum of £3,570,537. This amount includes expenditure from loan moneys and the interest payable thereon, and also the cost of pensions and gratuities. The expenditure 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: 1923-24 TO 1927-28.

Expenditure on—	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
	£	£	£	£	£
Education—					
Primary (including Special Subjects) ..	1,410,200	1,430,681	1,499,792	1,602,065	1,762,722
Intermediate .. ..	48,570	52,336	66,683	74,399	86,750
Secondary .. ..	125,337	129,748	137,737	161,873	186,570
Training of Teachers ..	28,440	32,775	39,260	53,209	62,010
Administration .. ..	69,932	74,511	77,334	89,625	86,710
Buildings (State Schools)	481,372	531,571	459,303	508,121	578,691
Pensions and Gratuities ..	132,979	139,708	142,358	151,286	155,819
Interest payable on loan moneys*—					
State Schools .. ..	95,808	121,494	137,775	144,239	157,908
Technical Schools ..	4,338	9,339	15,744	25,732	33,990
University .. ..	6,654	6,904	7,459	7,895	8,775
Technical Education—					
Junior and Senior Schools	215,320	239,319	255,790	282,555	313,124
Buildings .. ..	45,649	53,572	95,686	64,448	49,297
University—					
Special Appropriations, &c. .. ..	74,400	71,198	71,675	78,241	77,804
Buildings, Apparatus, &c. .. ..	23,437	6,736	19,086	10,837	10,167
Miscellaneous .. ..	777	50	50	50	200
Total .. ..	2,763,213	2,899,942	3,025,732	3,254,575	3,570,537†
Per head of population ..	£ s. d. 1 14 0	£ s. d. 1 15 0	£ s. d. 1 15 11	£ s. d. 1 18 0	£ s. d. 2 1 0

\* Obtained from the Treasury Department.

† In addition, £42,711 paid by students in fees during the calendar year 1927, was expended on technical education.

The foregoing statement deals with expenditure by the State on education generally, but in the following two 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 certain items of expenditure, viz.:—training of teachers, administration, &c., the totals shown hereunder are slightly overstated.

EXPENDITURE IN CONNEXION WITH PRIMARY AND SECONDARY EDUCATION OF STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS): 1923-24 TO 1927-28.

Items.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
	£	£	£	£	£
Education :—					
Primary—					
Day Schools, including Central Schools ..	1,347,531	1,371,491	1,435,593	1,537,084	1,691,358
Schools for Deaf Mutes and Blind and Feeble-minded Children ..	6,070	6,563	6,450	6,437	6,514
Subsidized Schools ..	275	155	64	124	89
Free Kindergarten Union ..	2,000	2,000	2,166	2,026	2,000
Special Subjects—					
Domestic Arts ..	17,153	17,690	15,279	14,976	16,727
Manual Training ..	26,656	21,880	23,037	23,059	21,385
Physical Training ..	1,273	835	1,280	1,887	1,480
Medical Inspection ..	5,345	6,350	12,143	12,615	14,105
Dressmaking and Needlework ..	430	488	513	326	4,289
School Gardening and Plantations ..	2,189	2,173	2,126	1,452	2,831
Singing ..	1,278	1,056	1,141	2,579	1,944
Total Primary ..	1,410,200	1,430,681	1,499,792	1,602,065	1,762,722
Intermediate—					
Higher Elementary Schools ..	35,149	36,807	40,421	43,368	49,062
Evening Continuation Classes ..	492	502	547	699	954
Schools of Domestic Arts ..	12,929	15,027	25,715	30,332	36,734
Total Intermediate ..	48,570	52,336	66,683	74,399	86,750
Secondary—					
High Schools ..	117,971	122,390	130,199	154,225	178,200
Scholarships ..	7,366	7,358	7,538	7,648	8,370
Total Secondary ..	125,337	129,748	137,737	161,873	186,570
Training of Teachers ..	28,440	32,775	39,260	53,209	62,010
Administration ..	69,932	74,511	77,334	89,625	86,710
Buildings—					
Primary Schools ..	423,494	452,680	373,069	329,448	423,292
Primary Schools (expended by School Committees) ..	16,697	16,777	18,496	20,650	20,287
Rents ..	8,500	10,475	6,989	7,350	5,946
Higher Elementary Schools ..	20,404	31,680	6,841	22,255	14,081
High Schools ..	12,277	19,959	53,908	128,418	110,085
Total Buildings ..	481,372	531,571	459,303	508,121	578,691
Pensions and Gratuities ..	132,979	139,708	142,358	151,286	155,819
Interest payable on Loan Moneys expended on State School Buildings ..	95,808	121,404	137,775	144,239	157,908
Total ..	2,392,638	2,512,824	2,560,242	2,784,817	3,077,180

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 ten years :—

**COST OF PRIMARY AND SECONDARY EDUCATION OF VICTORIAN STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS): 1918-19 TO 1927-28.**

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.
1918-19 ..	1,274,098	21,666	1,252,432	171,640	7 5 11
1919-20 ..	1,512,500	23,917	1,488,583	168,314	8 16 11
1920-21 ..	1,855,579	26,520	1,829,059	167,627	10 18 3
1921-22 ..	2,090,160	25,439	2,064,721	177,487	11 12 8
1922-23 ..	2,194,412	25,450	2,168,962	183,045	11 17 0
1923-24 ..	2,392,638	24,979	2,367,659	179,848	13 3 4
1924-25 ..	2,512,824	24,682	2,488,142	184,606	13 9 7
1925-26 ..	2,560,242	26,423	2,533,819	190,305	13 6 3
1926-27 ..	2,784,817	29,266	2,755,551	191,547	14 7 9
1927-28 ..	3,077,180	33,459	3,043,721	193,705	15 14 3

\* Excluding Junior and Senior Technical Schools

**COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.**

**Commonwealth, State, and Local Finance.**

A statement of the ordinary revenue and expenditure and of the loan expenditure of the Commonwealth Government in Victoria (estimated), also of the State Government and of municipal and local bodies, during each of the last five years, will be found in the next table. From the totals of revenue and expenditure the amounts received by one body from another have been deducted.



COMMONWEALTH, STATE, AND LOCAL REVENUE AND  
EXPENDITURE: 1924 TO 1928.

Heading.	Financial Year ended in—				
	1924.	1925.	1926.	1927.	1928.
<i>Revenue.</i>					
	£	£	£	£	£
<b>Government—</b>					
Commonwealth*	18,806,000	18,873,000	19,089,000	21,156,000	19,874,000
State .. .. .	20,805,420	22,006,348	22,931,410	24,744,806	24,952,402
Municipal .. ..	4,847,899	5,426,507	5,902,059	6,356,439	6,629,037
Other Local Authorities—					
Harbor Trusts ..	785,799	818,800	823,323	882,675	785,346
Melbourne and Metropolitan Board of Works	1,069,898	1,178,862	1,361,093	1,353,289	1,452,134
Melbourne and Metropolitan Tramways Board	1,889,513	1,968,785	2,154,007	2,505,855	2,494,100
Fire Brigades					
Boards .. .. .	75,934	90,564	101,014	111,971	121,403
Other† .. .. .	174,454	194,425	225,938	231,842	225,226
<b>Total .. .. .</b>	<b>48,454,917</b>	<b>50,557,291</b>	<b>52,587,844</b>	<b>57,342,877</b>	<b>56,533,648</b>
<i>Ordinary Expenditure.</i>					
<b>Government—</b>					
Commonwealth*	19,492,000	19,334,000	19,352,000	19,553,000	20,003,000
State .. .. .	20,780,420	21,871,944	23,221,237	25,361,009	25,115,655
Municipal .. ..	5,093,809	5,747,882	6,082,235	6,539,783	6,756,341
Other Local Authorities—					
Harbor Trusts ..	697,946	762,559	773,924	812,816	775,963
Melbourne and Metropolitan Board of Works	1,083,016	1,189,285	1,356,277	1,341,611	1,497,585
Melbourne and Metropolitan Tramways Board	2,023,840	2,201,031	2,396,484	2,503,927	2,521,161
Fire Brigades					
Boards .. .. .	72,608	88,178	104,241	106,276	120,880
Other† .. .. .	188,440	185,007	204,067	217,402	225,554
<b>Total .. .. .</b>	<b>49,432,079</b>	<b>51,379,886</b>	<b>53,490,465</b>	<b>56,435,824</b>	<b>57,016,139</b>

\* Estimated revenue and expenditure in Victoria. † Ballarat Water Commission and Sewerage Authority; Bendigo Sewerage Authority; Geelong Waterworks and Sewerage Trust; and First Mildura Irrigation Trust.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE  
1924 TO 1928—*continued.*

Heading.	Financial Year ended in—				
	1924.	1925.	1926.	1927.	1928.
<i>Loan Expenditure.</i>	£	£	£	£	£
<b>Government—</b>					
Commonwealth*	2,220,000	2,064,000	2,249,000	2,706,000	2,154,000
State .. ..	8,407,526	7,940,589	8,001,375	9,277,180	9,119,441
Municipal .. ..	1,146,166	1,184,890	1,318,187	1,678,352	1,744,378
<b>Other Local Authorities—</b>					
Harbor Trusts ..	414,195	660,302	433,693	682,521	550,189
Melbourne and Metropolitan Board of Works	888,269	1,211,912	1,651,921	1,508,383	2,110,967
Melbourne and Metropolitan Tramways Board	400,000	908,916	541,239	985,216	823,715
Fire Brigades Boards ..	1,201	19,048	14,236	40,823	5,917
Other .. ..	126,223	111,745	153,775	188,091	168,652
<b>Total .. ..</b>	<b>13,603,580</b>	<b>14,101,402</b>	<b>14,363,426</b>	<b>17,066,566</b>	<b>16,677,259</b>
<b>Expenditure—Grand Total .. ..</b>	<b>63,035,659</b>	<b>65,481,288</b>	<b>67,853,891</b>	<b>73,502,390</b>	<b>73,693,398</b>
<b>Per Head of Population—</b>					
<b>Revenue .. ..</b>	£ s. d. 29 16 3	£ s. d. 30 10 1	£ s. d. 31 4 7	£ s. d. 33 10 0	£ s. d. 32 9 4
<b>Ordinary Expenditure .. ..</b>	30 8 3	31 0 1	31 15 3	32 19 4	32 14 10
<b>Loan Expenditure</b>	8 7 5	8 10 2	8 10 7	9 19 5	9 11 6

\* Estimated loan expenditure in Victoria.

## PUBLIC DEBT.\*

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1928.

## LOANS RAISED AND REDEEMED TO 30th JUNE, 1928.

	£
Cash received .. .. .	332,091,157
Discount and expenses after deducting premiums .. ..	4,216,733
	<hr/>
Securities issued .. .. .	336,307,890
Add temporary advance pending loan flotation .. ..	150,000
	<hr/>
	336,457,890
Loans redeemed by—	£
Redemption loans .. .. .	161,982,257
Melbourne and Metropolitan Board's repayments .. .. .	2,389,934
Revenue (Special appropriations and Surplus Revenue) .. .. .	4,544,808
Redemption Funds .. .. .	6,739,299
Closer Settlement Fund .. .. .	1,323,790
Coal Mines Sinking Fund .. .. .	7,050
Discharged Soldiers Concessions Fund .. .. .	1,040,600
Discharged Soldiers Settlement Fund .. .. .	174,101
Discount (securities purchased under par) .. .. .	72,581
	<hr/>
	178,274,420
	<hr/>
Loans outstanding as at 30th June, 1928 .. .. .	158,183,470

It will be seen that, upon the transactions to date (excluding the temporary advance referred to above), securities representing £336,307,890 have been issued, and that the amount of cash received has been £332,091,157. This means that the State has received £98 14s. 11d. in cash for every £100 bond given.

Excluding London debentures for £388,100 taken over with the Melbourne and Hobson's Bay Railway and since paid off, the total amount of the loans which have been raised in London at varying rates of interest is £132,325,846. The latter includes an amount of £4,695,367, raised in New York by the Commonwealth Government, which is repayable to the Agent-General in London by the State Treasurer. The amount which has been paid off by means of new loans is £63,500,944, and by means of appropriations from revenue, &c., £3,634,106; a sum of £627,265 has been transferred to the Melbourne register, leaving a balance due in London at 30th June, 1928, of £64,563,531, consisting of debentures amounting to £7,542,529, inscribed stock, £56,977,737, and Treasury bonds in aid of revenue, £670,530. In addition there was an amount outstanding of £150,000 (advanced temporarily in London pending flotation of loan, under Act No. 3200). The following table gives particulars respecting the various loans which have been raised in London:—

Loans Floated  
in London.

\* See also page 75 for Commonwealth and State Financial relations.

## LOANS FLOATED IN LONDON.

Auth- orization Act No.	Nominal amount raised (amount for which securities have been issued).	Rate of In- terest.	When repay- able.	Loans paid off (including Redemp- tion Loans).	Debt outstanding at 30th June, 1928.			
					Inscribed Stock.	Deben- tures.	Total payable in—	
							London.	Mel- bourne.
(Period 1855 to 1893)	£	%		£	£	£	£	
	58,587,100	..	..	58,587,100	..	..	..	..
	4,600,000	3	1929-49	137,986	4,462,014	..	4,202,146	259,868
	4,976,476	3½	1929-49	244,519	4,731,957	..	4,619,695	112,262
	1,000,000	4	1940-60	20,300	979,700	..	979,700	..
	10,908,300		1932-42					
1560	1,049,868	5	1935-45	52,359	20,700,666	..	20,576,466	124,200
	6,868,421		1945-75					
	1,926,436		1952-55					
	2,850,400	5½	1924-34	..	2,850,400	..	2,831,249	19,151
	2,302,363	6½	1923-25	2,302,363	..	..	..	..
1562	1,000,000	3	1929-49	..	1,000,000	..	1,000,000	..
1574	500,000	4	1903	500,000	..	..	..	..
	130,173		1935-45	..	..	233,775	233,775	..
	103,602	1	1945-75	..	..	..	..	..
2020	807,075	5	1945	130,173	..	1,874,702	1,874,702	..
	1,197,800		1945-75	..	..	..	..	..
	149,600	5½	1924-34	..	..	149,600	149,600	..
2167	1,500,000	3½	1929-49	..	1,500,000	..	1,500,000	..
2428	2,000,000	4	1940-60	..	2,000,000	..	1,982,416	17,584
	1,465,300	4½	1920-25	1,465,300	..	..	..	..
2480	1,034,700	5½	1930-40	..	1,034,700	..	941,500	93,200
	284,700	5	1932-42	..	284,700	..	284,700	..
2530	2,215,300	5½	1930-40	..	2,215,300	..	2,215,300	..
2531	784,700	4½	1920-25	784,700	..	..	..	..
	623,426	1	1945-75	..	..	623,426	623,426	..
2629	722,904	4½	1956	100,000	..	622,904	622,904	..
	327,250	5	1945-75	206,250	..	121,000	121,000	..
2635/2415	100,000	5½	1922	100,000	..	..	..	..
	550,000	5½	1922	550,000	..	..	..	..
2794	1,109,481	5½	1927	1,109,481	..	..	..	..
2871	194,519	5½	1927	194,519	..	..	..	..
2916	484,776	4½	1956	300,000	..	184,776	184,776	..
	425,000	5	1945-75	350,000	..	78,000	78,000	..
3124	750,000	5½	1930-40	..	750,000	..	750,000	..
3189	461,000	5	1945-75	..	..	461,000	461,000	..
	850,000	4½	1940-60	..	850,000	..	849,000	1,000
3233	2,807,000	5	1932-42	..	4,150,000	..	4,150,000	..
	1,343,000		1945-75	..	..	..	..	..
3274	3,500,000	4½	1940-60	..	3,500,000	..	3,500,000	..
	1,500,000	5	1945-75	..	891,517	608,483	1,500,000	..
3345	1,650,000	4½	1940-60	..	1,650,000	..	1,650,000	..
	2,850,000	5	1945-75	..	2,850,000	..	2,850,000	..
3446	264,626	1	1945-75	..	..	264,626	264,626	..
	189,000	5	1952-57	..	..	189,000	189,000	..
3476	1,606,368	5	1945-75	..	576,783	1,912,285	2,489,068	..
	882,768		1952-57	..	..	..	..	..
3505	179,000	5	1952-57	..	..	179,000	179,000	..
3534	670,530	5	1952-57	..	..	670,530*	670,530	..
3551	39,952	4½	1956	..	..	39,952	39,952	..
	132,325,846	..	..	67,185,050	56,977,737	7,542,529	64,563,531	627,265
						670,530*		
							150,000	..
							64,713,531†	627,265

Add temporary advance pending flotation of Loan, Act 3200 .. .. .

Total London Loans .. .. .

\* Treasury bonds in aid of revenue.

† Including £4,695,367 raised in New York by the Commonwealth Government, but which is repayable by the State Treasurer to Agent-General in London. (For details see page 114).

**Loans  
Floated in  
Melbourne.** Excluding Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, and since paid off, the total amount of the loans which have been floated in Melbourne is £203,982,044. Of this amount £98,481,313 has been redeemed by loans, and £12,658,057 by revenue, &c., leaving due a balance of £92,842,674 at 30th June, 1928, consisting of debentures, £42,317,291, inscribed stock, £49,572,879, and Treasury bonds in aid of revenue, £952,504. In addition, outstanding inscribed stock for £627,265 has been transferred from the London to the Melbourne Register, so that of the debt outstanding the total amount payable in Melbourne was £93,469,939.

**Purposes for  
which  
Outstanding  
Loans were  
raised.** The amount of the loans raised in London and Melbourne to 30th June, 1928 (excluding £451,100 of Melbourne and Hobson's Bay Debentures taken over and since redeemed), was £336,307,890, and of this sum a total of £178,274,420 had been repaid at that date, viz., £16,292,163 out of the general revenue, and £161,982,257 out of the proceeds of redemption loans. The balance outstanding at 30th June, 1928, was £158,183,470, which includes an amount of £150,000 temporarily advanced in London. The purposes for which this amount was borrowed and the annual interest payable thereon are as follows:—

**PURPOSES FOR WHICH OUTSTANDING LOANS WERE  
RAISED.**

Loans Raised for—	Amount of Loans outstanding at 30th June, 1928.	Annual Interest Payable.
<b>REVENUE-YIELDING WORKS.</b>	<b>£</b>	<b>£</b>
Railways .. .. .	73,419,566	3,461,772
Discharged Soldiers' Settlement .. .. .	24,354,751	1,365,450
Closer Settlement .. .. .	8,068,251	335,114
Waterworks—Country .. .. .	20,750,027	979,043
Roads—		
Main .. .. .	4,148,209	212,626
Developmental .. .. .	4,434,533	229,193
Proportion with Commonwealth .. .. .	339,658	17,737
Tourists' Resorts .. .. .	45,407	2,061
Electricity Supply .. .. .	13,004,238	662,518
Maffra Beet Sugar Factory .. .. .	106,397	5,684
Harbours .. .. .	550,487	24,373
State Coal Mine .. .. .	242,955	9,679
Forests .. .. .	348,660	17,780
Other Revenue-yielding Works .. .. .	921,072	46,498
<b>Total Revenue-yielding Works .. .. .</b>	<b>150,734,211</b>	<b>7,369,528</b>

PURPOSES FOR WHICH OUTSTANDING LOANS WERE RAISED—*continued.*

Loans Raised for—	Amount of Loans outstanding at 30th June, 1928.	Annual Interest Payable.
<b>OTHER WORKS.</b>		
	£	£
State Schools, Technical Schools, and University	4,149,824	200,673
Public Offices, Law Courts, and Parliament Houses .. .. .	52,974	} 92,940
Wire Netting Advances .. .. .	141,935	
Loans to Municipalities (incl. Kerang Tramway)	230,976	
Hospitals for the Insane .. .. .	159,689	
Bridges .. .. .	212,141	
Miscellaneous .. .. .	759,615	
Unapportioned .. .. .	119,071	
Total Other Works .. .. .	5,826,225	293,613
In aid of Revenue .. .. .	1,623,034	83,527
Net Borrowings .. .. .	158,183,470	7,746,668

Of the proceeds of the loans outstanding at 30th June, 1928, sums not yet expended amounted in the aggregate to £876,702, of which £210,453 was for Public Works, Buildings, &c.; £340,276 for Country Water Supply; £171,026 for Railways; £122,540 for Country Roads (Main and Developmental); £8,639 for Closer Settlement; and £23,768 for Discharged Soldiers' Settlement. Of the amount of the loans which were raised for public works and are still outstanding, about 96 per cent. was obtained for works of a revenue-yielding nature.

During the last ten years there has been a very large increase in the Public Debt, the actual increase having been £78,587,824, or nearly 99 per cent. Below is given a statements hoving the chief works and services for which the additional liabilities were incurred :—

## PUBLIC DEBT—INCREASE IN TEN YEARS.

Work or Service for which raised.	Loans outstanding at 30th June—		Increase.
	1918.	1928.	
	£	£	£
Railways .. .. .	56,118,795	73,419,566	17,300,771
Waterworks—Country .. .. .	8,930,732	20,750,027	11,819,295
Metropolitan .. .. .	1,559,786	..	1,559,786*
Discharged Soldiers' Settlement .. .. .	5,219,426	24,354,751	27,203,576
Closer Settlement .. .. .		8,068,251	
Electricity Supply .. .. .	..	13,004,238	13,004,238
Roads .. .. .	1,382,984	8,967,807	7,584,823
State Coal Mine .. .. .	242,950	242,955	5
State Schools, Technical Schools, and University .. .. .	1,691,075	4,149,824	2,458,749
All other Works and Services .. .. .	3,046,612	3,483,946	437,334
In Aid of Revenue .. .. .	1,403,286	1,623,034	219,748
Unapportioned .. .. .	..	119,071	119,071
<b>Total .. .. .</b>	<b>79,595,646</b>	<b>158,183,470</b>	<b>78,587,824</b>

\* Decrease.

The total amount of loans outstanding at 30th June, 1928, inclusive of Treasury bonds in aid of revenue, was £158,183,470, as mentioned above. Of this sum £49,859,820 was in the form of debentures; £56,977,737 of inscribed stock (London Register); £150,000 temporary advance pending flotation of loan (London) Act No. 3200; £49,572,879 of inscribed stock (Melbourne Register); and £1,623,034 of Treasury bonds in aid of revenue. Particulars concerning the due dates of loans outstanding at 30th June, 1928, are given in the following table. Where the Government has the option of redemption during a specified period the loans have been classified according to the latest date of maturity :—

Due Dates of Loans.

## DUE DATES OF VICTORIAN LOANS AT 30TH JUNE, 1928.

Due Date, (Financial Year.)	Payable in London.	Payable in Melbourne.	Total.
	£	£	£
1928-29 .. .. .	..	17,622,955	17,622,955
1929-30 .. .. .	..	19,842,994	19,842,994
1930-31 .. .. .	..	8,001,460	8,001,460
1931-32 .. .. .	..	4,654,528	4,654,528
1932-33 .. .. .	..	7,805,147	7,805,147
1933-34 .. .. .	..	5,420,685	5,420,685
1934-35 .. .. .	2,980,849	1,285,051	4,265,900
1935-36 .. .. .	..	4,537,084	4,537,084
1936-37 .. .. .	..	345,700	345,700
1937-38 .. .. .	..	523,000	523,000
1939-40 .. .. .	..	312	312
1940-41 .. .. .	3,906,800	627,980	4,534,780
1941-42 .. .. .	..	2,095,270	2,095,270
1942-43 .. .. .	13,875,800	1,321,600	15,197,400
1944-45 .. .. .	807,075	400	807,475
1945-46 .. .. .	1,049,868	15,400	1,065,268
1946-47 .. .. .	..	202,000	202,000
1948-49 .. .. .	5,202,146	265,168	5,467,314
1949-50 .. .. .	6,119,695	112,262	6,231,957
1953-54 .. .. .	..	123,874	123,874
1955-56 .. .. .	2,774,068*	..	2,774,068
1957-58 .. .. .	1,921,299*	..	1,921,299
1959-60 .. .. .	2,962,116	17,584	2,979,700
1960-61 .. .. .	5,999,000	1,000	6,000,000
1975-76 .. .. .	16,964,815	..	16,964,815
Government Option† .. .. .	..	6,767,708	6,767,708
Not yet fixed‡ { (a) .. .. .	..	11,794,075	11,794,075
{ (b) .. .. .	..	86,702	86,702
Temporary advance from Westminster Bank, London, pending flotation .. .. .	150,000	..	150,000
Total .. .. .	64,713,531	93,469,939	158,183,470

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

† At option of Government on giving twelve months' notice.

‡ Amounts received from Commonwealth for purposes of—(a) Discharged Soldiers' Settlement, and (b) Loans to Municipalities.



Loans and  
Interest  
payable in  
London and  
Melbourne.

The next table gives information relating to the loans outstanding and interest payable thereon, in London and Melbourne respectively, for the years indicated. Included in the London loans for the last three years are 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.

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN  
LONDON AND MELBOURNE, 1900 to 1928.

At 30th June—	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.*	Melbourne.	London.	Melbourne.
	£	£	£	£
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
1921 ..	38,709,050	58,608,781	1,527,541	2,780,300
1922 ..	42,708,244	66,390,955	1,761,734	3,324,535
1923 ..	45,685,997	72,876,032	1,933,000	3,641,693
1924 ..	48,551,314	75,557,012	2,158,199	3,740,433
1925 ..	51,869,204	79,300,361	2,319,486	3,999,635
1926 ..	54,503,506	85,761,483	2,525,676	4,355,216
1927 ..	58,040,287	91,506,679	2,652,314	4,663,048
1928 ..	64,713,531	93,469,939	2,980,545	4,766,123

\* Including outstanding loans raised in New York by the Commonwealth Government, amounting to £1,926,436 at end of 1925-26 and 1926-27, and £4,695,367 at end of 1927-28,

Rates of  
Interest on  
Public Debt.

The appended table shows the rates of interest which were payable on the public debt at 30th June, 1928, and the portions of the debt at each rate in London and Melbourne respectively :—

RATES OF INTEREST ON PUBLIC DEBT AT 30TH  
JUNE, 1928.

Rate of Interest.	Amount Payable in—		
	London.	Melbourne.	Total.
%	£	£	£
7½ .. ..	..	565,814	565,814
6/15/2 .. ..	..	613,248	613,248
6/7/0 .. ..	..	5,480,743	5,480,743
6 .. ..	..	5,885,589	5,885,589
5½ .. ..	6,887,649	17,667,158	24,554,807
5⅜ .. ..	..	200,000	200,000
5/6/11 .. ..	..	3,553,124	3,553,124
5/5/3 .. ..	..	1,581,146	1,581,146
5¼ .. ..	..	18,473,502	18,473,502
5⅛ .. ..	..	140,000	140,000
5 .. ..	35,423,466	24,460,186	59,883,652
4⅞ .. ..	..	480,000	480,000
4¾ .. ..	5,999,000	86,980	6,085,980
4⅝ .. ..	..	60,000	60,000
4½ .. ..	847,632	905,092	1,752,724
4 .. ..	2,962,116	2,241,609	5,203,725
3⅞ .. ..	..	220,000	220,000
3½ .. ..	6,119,695	6,446,741	12,566,436
3 .. ..	5,202,146	4,409,007	9,611,153
1 .. ..	1,121,827	..	1,121,827
Not fixed .. ..	150,000	..	150,000
Total .. ..	64,713,531	93,469,939	158,183,470
Average Rate of Interest	4·61	5·10	4·90

**Growth of Public Debt.** While the public debt has increased from year to year a very noticeable feature is the rapid increase which has occurred during the last few years. As compared with 1920 the debt per head of population at 30th June, 1928, had increased by 56 per cent.; the interest payable per head had increased by 89 per cent. in the same period. In the following statement is shown the growth of the public debt and of the interest payable thereon since the date of the establishment of responsible government in 1855 :—

**GROWTH OF PUBLIC DEBT AND INTEREST,  
1855 TO 1928.**

End of Financial Year 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
1921 ..	97,317,831	4,307,841	4·43	63 5 11	2 16 0
1922 ..	109,099,199	5,086,269	4·66	69 9 3	3 4 10
1923 ..	118,562,029	5,574,693	4·70	73 15 0	3 9 4
1924 ..	124,108,326	5,898,632	4·75	75 13 9	3 11 11
1925 ..	131,169,565	6,319,121	4·82	78 10 1	3 16 3
1926 ..	140,264,989	6,880,892	4·91	82 15 7	4 1 3
1927 ..	149,546,966	7,315,362	4·89	86 12 5	4 4 9
1928 ..	158,183,470	7,746,668	4·90	90 8 5	4 8 7

\* 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 Loan Funds. The figures in the following table include all expenditure from the latter, 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.

Purpose.	Expenditure during the Year—				Total to 30th June, 1928.
	1924-25.	1925-26.	1926-27.	1927-28.	
	£	£	£	£	£
Railways .. ..	1,379,182	1,489,285	1,821,005	1,651,884	71,107,724
Water Supply—					
Country .. ..	1,405,623	1,587,477	1,541,900	1,529,759	20,582,216
Metropolitan .. ..	.. ..	.. ..	.. ..	.. ..	3,142,577
Closer Settlement .. ..	592,372	150,753	881,450	1,153,498	9,240,712
Discharged Soldiers' Settlement .. ..	1,133,588	1,157,066	984,912	941,524	25,463,878
Country Roads .. ..	992,568	960,452	1,042,441	882,896	9,169,202
Electricity Supply .. ..	1,595,064	1,822,378	1,893,740	1,433,747	12,804,244
State Schools, Technical Schools, and University .. ..	476,930	394,655	403,354	447,927	4,464,554
State Coal Mine .. ..	9,967	..	..	..	249,399
Seed and Fodder Advances to Farmers .. ..	..	..	..	97,246	701,861
Cool Storage—Advances to Companies, &c. .. ..	..	..	..	5,000	578,299
Municipalities—Loans, Advances, and Grants .. ..	12,881	300	600	..	1,129,414
Primary Products—Advances to Companies, &c. .. ..	7,500	5,000	..	..	331,101
Wire Netting .. ..	32,399	42,628	32,337	32,635	540,459
All other works and services .. ..	302,515	391,381	360,614	302,122	5,938,049
In aid of Revenue .. ..	..	..	314,827	641,203	3,875,682
<b>Total .. ..</b>	<b>7,940,589</b>	<b>8,001,375</b>	<b>9,277,180</b>	<b>*9,119,441</b>	<b>169,319,371</b>

\* Signifies the amount charged to Loan Funds during 1927-28, which differs from the actual expenditure from Loan Funds and on account of Loans, viz :—£9,016,208.

The total interest paid (including all expenses of payment) on loans raised to 30th June, 1928, amounted on that date to about £135,000,000, of which £89,000,000 had been paid in London and £46,000,000 in Melbourne. The amount of interest and expenses paid during each of the last five financial years is shown in the next table :—

Interest paid on Loans.

## 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.	Commission on Redemption, Expenses of Conversion, &c.	Total.
	London.	Melbourne.				
	£	£	£	£	£	£
1924 ..	2,066,948	3,589,245	1,917	6,905	4,955	5,669,970
1925 ..	2,104,561	3,790,631	1,190	6,757	2,808	5,905,947
1926 ..	2,315,702	4,037,915	7,678	8,071	3,627	6,372,993
1927 ..	2,500,564	4,317,124	267	8,707	..	6,826,662
1928 ..	2,576,136	4,342,269	6,597	12,762	..	6,937,764

## SINKING FUNDS.

## Sinking Funds.

Under the provisions of the *Commonwealth and States Financial Agreement Act 1927*, the State Sinking Funds then in existence, with the exception of the Mallee Land Account (see page 179), ceased to function, as the National Debt Sinking Fund was established. The balances to the credit of all State Sinking Funds at 30th June, 1928, were as follows:—

	Balance at Credit.
	£
Mallee Land Account .. .. .	81,947
Victorian Government Consolidated Inscribed Stock Redemption Fund .. .. .	3,962,933
Victorian Loans Redemption Fund .. .. .	749,000
Closer Settlement Redemption Fund .. .. .	30,000
Coal Mines Sinking Fund .. .. .	142,457
Main Roads Sinking Funds .. .. .	276,711
Railways Sinking Fund.. .. .	214,286
Public Works Sinking Fund .. .. .	88,308
Developmental Roads Sinking Fund .. .. .	55,083
Irrigation and Water Supply Works Sinking Fund .. .. .	21,582
Total State Sinking Funds .. .. .	5,622,307
National Debt Sinking Fund .. .. .	529,658
Total Amount at Credit of Sinking Funds.. .. .	6,151,965

Excluding the Mallee Land Account, the balance at credit of the State Sinking Funds (£5,540,360) was invested in Victorian Government securities. The latter will ultimately be cancelled in accordance with the above-mentioned Act, and the State debt will be reduced by a similar amount. The annual revenue relating to the repayment of loans previously received by the State Sinking Funds is now placed

either to the credit of the State Loans Repayment Fund (see page 80), or transferred to Consolidated Revenue in order to recoup the latter on account of contributions to the National Debt Sinking Fund.

### TRUST FUNDS.

In the succeeding table the liabilities and investments of the various Trust Funds held by the Treasurer are shown for each of the last five years, investments in Victorian securities being distinguished :—

Heading.	Year ended 30th June—				
	1924.	1925.	1926.	1927.	1928.
<i>Liabilities.</i>	£	£	£	£	£
<i>At Credit of—</i>					
Public Debt Sinking Funds .. ..	3,560,225	4,084,795	4,897,751	5,674,172	5,622,307
Savings Bank Commissioners Trust Account ..	64,103	64,103	..	..	..
Other Trust Funds ..	4,436,882	5,206,083	5,219,701	5,272,317	5,930,312*
Balance—From General Cash Account ..	195,447	..	..	..	..
<b>Total .. ..</b>	<b>8,256,657</b>	<b>9,354,981</b>	<b>10,117,452</b>	<b>10,946,489</b>	<b>11,552,619</b>
<i>Investments, Advances, &amp;c.</i>					
Invested in Victorian Stock or Debentures ..	5,955,771	6,438,453	7,082,512	8,189,073	8,400,399
Other Investments, Fixed Deposits, &c. ..	474,053	479,054	431,348	465,867	389,500
Advances Made ..	1,826,833	2,006,307	2,206,902	2,159,361	2,054,254
Cash Held .. ..	..	431,167	396,690	132,188	708,466
<b>Total .. ..</b>	<b>8,256,657</b>	<b>9,354,981</b>	<b>10,117,452</b>	<b>10,946,489</b>	<b>11,552,619</b>

\* Including National Debt Sinking Fund (£286,162) transferred to a Trust Account pending the Financial Agreement coming into force.

## PUBLIC DEBTS OF AUSTRALIAN STATES.

The following is a statement of the public debts of the Australian States at 30th June, 1928, showing the amounts, the amounts per head of population, the total interest payable, the average rates per cent., and the rates *per capita*. 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.

The particulars of the debts, &c., of the States (excepting Victoria) have been supplied by the Commonwealth Statistician. The Victorian figures appearing in the Treasurer's Finance Statement have been adopted.

PUBLIC DEBTS OF AUSTRALIAN STATES AT  
30TH JUNE, 1928.

State.	Public Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	%
Victoria* ..	158,183,470	90 8 5	7,746,668	4 8 7	4·90
New South Wales	258,474,898	106 13 6	12,914,412	5 6 7	4·99
Queensland ..	112,208,970	123 1 5	5,395,032	5 18 4	4·81
South Australia ..	92,223,165	159 12 6	4,637,639	8 0 6	5·03
Western Australia	77,172,906	193 1 6	3,506,043	8 15 5	4·54
Tasmania ..	24,826,560	117 19 4	1,214,665	5 15 5	4·89

\* Including £150,000 temporary advance pending loan flotation.

After deducting from the Victorian debt shown above the temporary advance pending the loan flotation (£150,000), and £750,000 advanced by the Commonwealth Treasury, the gross public debt of the six States

amounted to £722,189,969. 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 £372,784,089. Therefore the liability of the Australian public (£1,094,974,058) at 30th June, 1928, is equal to £174 4s. 9d. per head of the population.

The gross and net indebtedness of the Government, Municipalities, and other Local Governing Bodies of Victoria for the year 1928 are shown in detail hereunder. From the debts of all Local Governing Bodies the amounts of outstanding loans received from the Government have been excluded.

## STATE AND LOCAL DEBTS, 1928.

Heading.	Loans Outstanding—			Accrued Sinking Fund.	Net Indebtedness.
	Payable in London.	Payable in Australia.	Total.		
	£	£	£	£	£
State Public Debt—					
Securities issued .. ..	64,563,531*	93,469,939	159,273,574	6,151,965	153,121,609
Advance on account of loan to be floated .. ..	150,000				
Public Account Advances .. ..	..	766,662			
Treasurer's Advance .. ..	..	323,442			
Municipalities†—					
Melbourne City Council .. ..	..	3,879,250	3,879,250	461,346	3,417,904
Geelong City Council .. ..	..	95,152	95,152	16,800	78,352
Other Municipalities .. ..	..	6,474,063	6,474,063	149,105	6,324,963
Other Local Governing Bodies—					
Melbourne Harbor Trust .. ..	1,502,600	2,224,200	3,726,800	70,885	3,655,915
Geelong Harbor Trust† .. ..	..	223,700	223,700	..	223,700
Melbourne and Metropolitan Board of Works .. ..	2,140,000	17,762,020	19,902,020	734,457	19,167,563
Bendigo Sewerage Authority .. ..	..	291,867	291,867	..	291,867
Geelong Waterworks and Sewerage Trust .. ..	..	1,287,250	1,287,250	75,307	1,211,943
Ballarat Water Commission and Sewerage Authority† .. ..	..	299,664	299,664	1,104	298,560
Melbourne and Metropolitan Tramways Board .. ..	1,000,000	4,258,718	5,258,718	338,585	4,920,133
Metropolitan Fire Brigades Board .. ..	..	196,860	196,860	..	196,860
Grand Total .. ..	69,356,131*	131,552,792	200,908,923	7,999,554	192,909,369

\* Including £4,695,367 raised in New York by the Commonwealth Government.

† Excluding outstanding loans received from State Government, as follows:—Municipalities, £943,297; Geelong Harbor Trust, £399,106; and Ballarat Water Commission and Sewerage Authority, £306,534.

The net amount of State and Local Debts (£192,909,369) is equal to £110 5s. 5d. per head of the population at 30th June, 1928.



## COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

**Taxation.** The subjoined 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.

## TAXATION IN VICTORIA—COMMONWEALTH, STATE, AND MUNICIPAL: 1923-24 TO 1927-28.

Heads of Taxation.	Amount received during—				
	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
	£	£	£	£	£
<b>Commonwealth—</b>					
Customs Duties ..	8,226,378	8,167,185	8,237,801	9,920,596	8,667,707
Excise Duties ..	2,764,938	2,823,889	2,897,845	3,022,973	2,933,302
Income Tax*	2,986,000	3,007,000	2,932,000	3,004,000	2,745,000
Land Tax*	467,000	580,000	580,000	602,000	696,000
Succession Duties*	489,000	511,000	522,000	504,000	648,000
War-time Profits Tax* ..	18,000	..	..	..	..
Entertainments Tax	212,011	223,555	162,000*	121,000*	118,000*
<b>Total Commonwealth Taxation</b>	<b>15,163,327</b>	<b>15,312,629</b>	<b>15,321,646</b>	<b>17,174,569</b>	<b>15,808,009</b>
<b>State—</b>					
Income Tax ..	1,702,483	2,076,656	2,238,429	2,382,991	3,035,014
Land Tax ..	412,165	421,662	457,441	517,229	560,013
Probate Duty ..	798,315	802,333	940,609	1,111,876	1,117,164
Betting Taxation (Stamp duties, licences, and percentage) ..	186,141	170,998	133,067	142,071	135,265
Other Stamp Duties	1,011,966	963,307	1,017,351	1,059,655	1,004,079
Motor Car and Motor Omnibus Acts †	233,300	418,840	641,765	804,903	922,437
Liquor Taxation and Licences ..	320,331	343,524	352,826	354,096	365,453
Other Licences ..	43,007	39,360	37,647	37,551	36,696
Duties on Bank Notes ..	1,750	1,740	1,899	1,564	1,878
<b>Total State Taxation</b> ..	<b>4,709,458</b>	<b>5,238,420</b>	<b>5,821,034</b>	<b>6,411,936</b>	<b>7,177,999</b>
<b>Municipal Taxation..</b>	<b>2,963,431</b>	<b>3,278,598</b>	<b>3,507,089</b>	<b>3,745,745</b>	<b>3,902,894</b>
<b>Total Taxation</b>	<b>22,836,216</b>	<b>23,829,647</b>	<b>24,649,769</b>	<b>27,332,250</b>	<b>26,888,902</b>

\* Estimated. † See footnote on page 82.

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

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION  
PER HEAD OF POPULATION, 1923-24 TO 1927-28.

Division.	Taxation per Head of Population in Victoria.				
	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth (Estimated)	9 6 7	9 4 10	9 2 0	10 0 8	9 1 7
State .. .. .	2 17 11	3 3 3	3 9 2	3 14 11	4 2 5
Municipal .. .. .	1 16 5	1 19 7	2 1 7	2 3 9	2 4 10
<b>Total .. .. .</b>	<b>14 0 11</b>	<b>14 7 8</b>	<b>14 12 9</b>	<b>15 19 4</b>	<b>15 8 10</b>

The estimated Commonwealth taxation imposed in Victoria for 1927-28 was £9 1s. 7d. per head of the population, whilst the taxation levied by the Commonwealth Government throughout Australia was equal to £9 1s. 8d. per head (£6 12s. 11d. indirect taxation and £2 8s. 9d. direct taxation).

### LICENCES.

The following is a statement of the net revenue received from each description of licence during the year 1927-28. Municipal licences for slaughtering, dairies, noxious trades, &c., are excluded, as well as insurance licences (£70,497), book-makers' licences (£14,600), and motor-car licences, fees, etc. (£922,437). The last three mentioned items are included under the heading "State Taxation," see pages 82 and 123.

**REVENUE OF STATE GOVERNMENT FROM LICENCES :  
1927-28.**

Description of Licence.	Net Revenue Received.
	£
Spirit Merchants and Grocers .. .. .	39,063
Victuallers .. .. .	297,620
"    Temporary .. .. .	4,607
Railway Refreshment Rooms .. .. .	1,592
Packet .. .. .	104
Australian Wine .. .. .	4,953
Billiard Table .. .. .	6,125
Brewers .. .. .	90
Vignerons .. .. .	80
Club Certificates .. .. .	8,022
Permits (Extra Bars and Extended Hours) .. .. .	3,197
Total, Liquor Licences .. .. .	365,453*
Auctioneers .. .. .	22,467
Real Estate Agents .. .. .	6,330
Tobacco and Cigars—Selling .. .. .	2,220
Pawnbrokers .. .. .	670
Hawkers .. .. .	2,574
Carriage, Stage Carriage, Forwarding Agents .. .. .	375
Marine Stores .. .. .	222
Explosives .. .. .	870
Race Clubs .. .. .	690†
Gold-buyers .. .. .	130
Second-hand Dealers .. .. .	614
Farm Produce Agents .. .. .	224
Total, Other Licences .. .. .	37,386
Total, all Licences .. .. .	402,839

\* Received by the Licensing Fund.

† Included in "Betting Taxation" on pages 82 and 123.

In addition to the preceding, there are other licences issued in Victoria by the Department of Trade and Customs; the fees collected and received by the Commonwealth Government in respect of these during the calendar year 1928 were as follows:—

Description of Licence.	Amount of Fees collected.
	<b>£</b>
<i>Under Customs Act.</i>	
Carriage .. .. .	312
Lighter and Boat .. .. .	6
Customs House Agents and Sub-Agents .. .. .	454
Bonding Warehouse .. .. .	7,535
<i>Under Excise Act.</i>	
Distilleries .. .. .	405
Breweries .. .. .	959
Tobacco, Cigar, and Cigarette Factories .. .. .	1,806
Methylators .. .. .	4
Starch Manufacturers .. .. .	12