

PART IV.

FINANCE.

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

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

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

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

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

A summary of the transactions for the year ended 30th June, 1945, in the Consolidated Revenue Fund and in certain special funds gives the following result:—

	£
Public Revenue	36,235,902
Public Expenditure	35,886,778
Net Surplus (transferred to Surplus Revenue Account, Act 3341, Section 13)	349,124

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 1944-45 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total—Treasurer's Finance Statement	35,273,211	34,924,087
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund*	858,702	858,702
Licensing Fund†	106,125	106,125
Police Superannuation Fund	20,669	20,669
Assurance Fund	2,011	2,011
Cattle Compensation Fund	36,758	36,758
Swine Compensation Fund	14,817	14,817
Metropolitan Roads Fund	37,026	37,026
Mallee Land Account	30,818	30,818
Other Funds	30,107	30,107
<i>Deduct—</i>		
Loss of Revenue on account of (a) reduction in certain periodical fares to outer suburbs, (b) additional concessions to Defence Forces on leave, (c) non-paying lines	174,342	174,342
Total	36,235,902	35,886,778

* Excluding £642,629 recouped to Revenue under Acts Nos. 3944 and 4140.

† In addition to this amount £292,687 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 5035.

The revenue and expenditure of the State for the years 1940-41 to 1944-45, after taking into account the circumstances mentioned above, are shown in the next statement.

**VICTORIA—STATE REVENUE AND EXPENDITURE,
1941 TO 1945.**

Year ended 30th June—	Public Revenue.	Public Expenditure.	Surplus.	Accumulated Deficiency to end of each Year (i.e., 30th June).
	£	£	£	£
1941	30,458,071	30,315,771	142,300	7,947,168
1942	34,111,835	33,319,535	792,300	7,946,869
1943	37,244,562	36,490,231	754,331	7,946,569
1944	36,427,814	35,897,503	620,311	7,946,237
1945	36,235,902	35,886,778	349,124	7,945,926*

* Of this amount, £5,243,000 was provided from the proceeds of Treasury Bonds and £2,702,926 from the Public Account.

The surplus in respect of each of the years aforementioned was transferred to the Surplus Revenue Account under Section 13 of Act No. 3341, which provides that any surplus shall be applied to the reduction of the Consolidated Revenue deficit unless otherwise directed by Parliament. The surplus for each of the years 1940-41 to 1944-45 was applied as follows:—

Year ended 30th June.	Surplus.	Towards Reduction of Accumulated Deficiency.	To Expenditure on Public Works.*	
			Amount Authorized.	Statutory Authority.
	£	£	£	
1941	142,300	300	142,000	Act No. 4829 of 1941
1942	792,300	300	792,000	Act No. 4929 of 1942
1943	754,331	331	754,000	Act No. 4968 of 1943
1944	620,311	311	620,000	Act No. 5047 of 1944
1945	349,124	124	349,000	Act No. 5093 of 1945

* For details of expenditure from Surplus Revenue, see page 152.

Heads of State Revenue. Details of the sources of revenue for each of the financial years 1940-41 to 1944-45 are given in the following statement:—

**VICTORIA—SUMMARY OF STATE REVENUE,
1941 TO 1945.**

Heads of Revenue.	Year ended 30th June—				
	1941.	1942.	1943.	1944.	1945.
	£	£	£	£	£
Taxation—					
Income Tax	5,009,172	5,903,387	1,185,621	121,208	63,250
Income Tax—Commonwealth Reimbursement			5,159,061	6,317,659	6,422,764
Land Tax	492,939	516,282	355,007	359,983	357,603
Probate Duty	1,433,954	1,426,525	1,517,895	1,778,266	1,853,991
Unemployment Relief	1,585,491	1,284,797	545,695	78,133	30,986

VICTORIA—SUMMARY OF STATE REVENUE, 1941 TO 1945—
continued.

Heads of Revenue.	Year ended 30th June—				
	1941.	1942.	1943.	1944.	1945.
	£	£	£	£	£
Taxation (continued)—					
Entertainments Tax ..	726,498	752,250	*486,964	*487,492	*616,117
Entertainments Tax—Commonwealth Reimbursement ..			279,944	373,259	373,259
Other Stamp Duties ..	973,711	938,551	809,237	823,452	886,718
Motor Taxation ..	1,925,430	1,675,256	1,492,745	1,582,439	1,655,159
Licences—					
Liquor ..	286,504	316,544	361,556	381,951	381,600
Other ..	98,602	95,000	89,738	84,565	88,345
Other Taxation ..	15,344	15,024	16,684	17,267	19,043
Total Taxation ..	12,547,645	12,923,616	12,300,195	12,405,674	12,778,835
Commonwealth Payment to State—Act No. 3554—Financial Agreement ..	2,127,159	2,127,159	2,127,159	2,127,159	2,127,159
Public Works and Services—					
Railways ..	11,045,444	14,029,449	16,829,288	15,913,935	15,415,687
Water Supply ..	688,658	713,532	936,382	827,076	839,488
State Coal Mine ..	263,991	337,361	410,466	395,142	397,739
State Electricity Commission					
Interest, &c. ..	889,901	894,204	861,229	859,669	856,090
Country Roads Board† ..	Dr. 145,042	Dr. 143,668	Dr. 143,668	Dr. 143,668	Dr. 143,668
Maffra Beet Sugar Factory ..	137,612	113,450	71,011	73,024	26,869
Victoria Dock Cool Stores ..	41,105	42,189	56,957	60,836	87,380
Wharfage Rates, &c. ..	50,302	49,353	37,672	33,132	36,263
Other ..	66,650	130,379	153,551	179,579	228,314
Land—					
Land Sales, Rents, Penalties, &c. ..	503,624	526,626	536,671	559,345	546,166
Interest on Loans—					
Land Settlement ..	463,307	512,192	561,979	477,471	406,206
Fees, Fines, &c. ..	285,028	279,887	290,051	299,997	306,587
Tramways Act No. 3732 (Sec. 77) ..	108,968	115,428	119,443	128,802	129,348
Government Printer ..	137,455	144,258	173,956	202,548	208,489
Harbor Trust Contributions ..	131,223	136,350	152,157	138,461	135,280
Royal Mint ..	81,869	88,016	134,468	116,885	104,574
Interest, N.E.I. ..	634,738	687,203	657,049	660,359	678,942
Department of Agriculture‡ ..	38,770	38,749	42,540	46,769	55,393
Miscellaneous ..	359,664	366,102	936,006	1,065,619	1,014,761
Total ..	30,458,071	34,111,835	37,244,562	36,427,814	36,235,902
Per Head of Population ..	£ s. d. 15 17 2	£ s. d. 17 9 1	£ s. d. 18 17 7	£ s. d. 18 6 4	£ s. d. 18 1 4

* Mainly Racing.

† Represents the difference between the interest received by Consolidated Revenue on account of Country Roads and the recoups to Consolidated Revenue as shown in the Country Roads Board Fund. See remarks on page 146 with reference to the statistical method of arriving at total public revenue.

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

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

Heads of
State
Expenditure.

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1941 TO 1945.

Heads of Expenditure.	Year ended 30th June—				
	1941.	1942.	1943.	1944.	1945.
	£	£	£	£	£
<i>Legislature and General Administration.</i>					
Legislature—					
Governor	10,693	10,488	10,793	11,428	11,988
Parliament	99,674	99,828	102,755	102,969	113,468
Electoral	7,930	6,463	27,241	25,255	6,653
Financial Administration—					
Public Debt Charges—					
Interest—					
Funded Debt	6,797,067	6,754,671	6,478,474	6,354,326	6,285,214
Temporary Loan	17,303	16,731	32,886	76,383	93,138
Exchange on Interest	719,066	719,597	696,648	703,085	687,029
Expenses of Paying Interest, Redemptions, Conversions, &c.	66,660	230,784	48,689	74,682	39,395
National Debt Sinking Fund	1,010,769	1,074,410	1,118,107	1,192,159	1,327,108
Pensions and Superannuation Contributions*	1,024,849	1,012,172	996,755	1,013,352	1,005,864
Departmental—					
Treasury (including Taxation, Stamps, &c.)	170,716	234,292†	135,791	106,901	110,720
Pay-roll Tax .. .. .	..	282,104	351,458	364,109	374,720
Superannuation Board and Pensions Office—Administration	5,384	5,969	7,420	7,668	7,842
Auditor-General	17,938	17,786	26,918	28,717	30,448
Royal Commissions, Boards of Inquiry, &c.	82	184	2,355	4,278	1,256
Administration, N.E.I.—					
Government Printer	146,432	137,532	174,775	226,289	208,304
Mint Subsidy	37,000	42,000	53,500	68,000	55,000
War Damage Insurance .. .. .	..	51,913	119,092	58,635	116
Other	202,110	219,353	384,840	283,259	315,526
Total	10,333,073	10,916,277	10,768,497	10,701,495	10,673,789
<i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary	15,500	15,500	15,500	15,422	15,500
Attorney-General and Solicitor-General	252,694	266,996	275,997	284,207	295,005
Police	832,214	843,567	1,052,151	1,105,583	1,094,933
Prisons	136,114	142,068	151,258	164,983	161,400
Prevention of Fire and Flood	76,749	82,848	83,936	104,901	138,142
National Security Act (Public Safety)	76,396	261,210	358,054	138,170	83,822
Other	6,581	5,909	5,495	2,197	2,622
Total	1,396,248	1,618,098	1,942,391	1,815,463	1,791,424

* For details, see page 161.

† Includes £61,026 Public Service Salary adjustment.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1941 to 1945—continued.

Heads of Expenditure.	Year ended 30th June—				
	1941.	1942.	1943.	1944.	1945.
	£	£	£	£	£
<i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation ..	} 33,799	41,949	84,014	38,820	41,984
Labour Legislation ..					
Transport Regulation Board ..					
Liquor Licence Control (Adminis- tration, including Compensation)					
Decentralization Fund and concession for establishment of industries in country	36,665	37,629	24,978	24,791	24,137
Other	13,756	15,306	15,789	18,845	13,929
Total	115,010	133,615	150,061	208,925	206,253
<i>Education.*</i>					
Primary, Intermediate, Secondary, Technical — Administration, Salaries of Teaching Staffs, &c. . .	2,829,814	2,844,543	2,952,783	3,212,044	3,495,594
Technical N.E.I. including Main- tenance Grant	176,413	199,898	202,424	220,663	225,781
University †	66,200	88,200	98,200	109,700	112,200
Deaf, Dumb, and Blind .. .. .	..	..	..	..	..
Agricultural Education— Colleges, Experimental Farms, University Grants, &c. . .	44,685	41,713	39,556	43,128	66,754
Other Activities	5,282	5,111	5,839	5,000	4,782
Other	1,071	2,006	1,960	2,527	2,168
Total	3,123,465	3,181,471	3,300,762	3,593,062	3,907,279
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and Art Galleries	55,394	52,562	54,169	58,220	68,603
Observatory	3,648	3,589	2,800	2,002	..
Other Activities and Institutions ..	175	175	175	175	164
Total	59,217	56,326	57,144	60,397	68,767
<i>Promotion of Public Health and Recreation.</i>					
Care of Sick and Mentally Afflicted— Hospital and Charities Fund (in- cluding Totalizator Contribu- tion)	640,109	656,970	771,139	858,782	953,837
Various Hospitals, &c. . .	98,845	111,249	127,882	134,456	152,443
Mental Hospitals	532,287	550,178	616,664	658,881	677,177
Mental Defectives	29,567	32,095	33,011	37,913	37,291
Health of Mothers and Children— Infant Welfare and Clinics ..	14,209	16,450	17,735	23,316	54,577
Medical and Dental Examination of School Children	10,668	9,266	18,736	10,021	7,777
Preservation of Public Health— Health Department—Administra- tion	41,767	44,194	50,955	58,848	75,813
Other	109,161	85,915	106,311	116,084	138,522
Parks, Gardens and Recreation Reserves	19,015	19,436	20,933	21,787	22,066
Total	1,495,628	1,525,753	1,763,366	1,920,088	2,119,503

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

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1941 TO 1945—*continued.*

Heads of Expenditure.	Year ended 30th June—				
	1941.	1942.	1943.	1944.	1945.
	£	£	£	£	£
<i>Social Amelioration.</i>					
Relief of Destitute, Aged, &c.	11,373	13,787	12,966	14,547	16,989
Children's Welfare Department	305,952	297,653	235,998	230,867	215,851
Miners' Phthisis Allowances	21,637	21,907	22,710	21,304	19,712
Care of Aborigines	6,746	5,339	4,505	5,670	7,260
Unemployment Relief Fund*	1,585,491	1,284,797	1,185,695	478,133	430,986
Bush Fire Relief . . . . .	..	..	2,042	88,235	1,094
Housing Commission	34,253	28,876	15,000	16,500	23,000
State Relief Committee . . . . .	..	2,400	2,400	6,000	6,000
Other	1,275	1,556	1,514	6,850	..
Total	1,966,727	1,656,315	1,482,830	868,106	720,892
<i>War Obligations.</i>					
Passes to Soldiers, Superannuation, &c.	28,323	39,509	60,038	62,402	61,799
<i>Local Government.</i>					
Licensing Fund Payment to Muni- cipalities	59,304	59,192	59,044	59,032	58,988
Other	2,540	1,759	28,346	42,928	41,007
Total	61,844	60,951	87,390	101,960	99,995
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey	218,263	264,866	280,844	254,198	248,443
Mining (excluding State Coal Mine)	45,772	45,190	56,423	53,263	57,251
Agricultural, Pastoral and Dairying† Forestry‡	323,723	328,239	302,655	442,040	408,405
Forestry‡	245,984	280,707	652,175	831,896	786,009
Fisheries and Game	11,271	9,228	6,858	8,281	10,205
Roads and Bridges—					
Country Roads Board§	1,113,671	872,511	698,910	790,464	858,797
Metropolitan Roads Fund	26,217	30,779	36,759	33,215	37,026
Other	298	38,553	95	18,596	2,496
Tourist Activities	1,435	1,120	..	128	142
Total	1,986,634	1,871,193	2,034,719	2,435,081	2,408,774
<i>Business Undertakings.</i>					
Railways	8,571,421	10,932,482	13,366,781	12,594,800	12,252,418
Harbours, Rivers, and Lights	83,987	85,683	78,563	82,381	79,844
Water Supply, Irrigation, &c.	500,292	507,831	623,402	685,473	816,962
State Coal Mine	380,627	430,939	475,188	446,282	446,479
Maffra Beet Sugar Factory	128,798	94,930	68,548	28,848	32,478
Victoria Dock Cool Stores	30,087	32,145	35,413	45,297	51,215
Seasoning Works (Newport)	26,241	42,219	51,150	37,935	41,844
Forest Tramways	3,768	4,185	2,889	3,575	9,197
Distillation of Eucalyptus Oil	1,785	1,584	1,216	1,310	76
Wire Netting Manufacture	4,802	1,417	90	..	3,456
State Saw Mill	13,484	23,919	23,077	19,379	20,662
Maffra Dehydration Plant . . . . .	..	..	..	30,399	60,507

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

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

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

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1941 TO 1945—continued.

Heads of Expenditure.	Year ended 30th June—				
	1941.	1942.	1943.	1944.	1945.
<i>Business Undertakings—continued.</i>	£	£	£	£	£
Charcoal Production	4,310	102,693	116,716	64,845	13,165
Total	9,749,002	12,260,027	14,843,033	14,040,524	13,828,303
Grand Total	30,315,771	33,319,535	36,490,231	35,807,503	35,886,778
Per Head of Population	£ s. d. 15 15 8	£ s. d. 17 1 0	£ s. d. 18 9 11	£ s. d. 18 0 1	£ s. d. 17 17 10

On page 147 of this Part particulars are given of the amounts authorized by Parliament during the last five years for expenditure from the Surplus Revenue Account on public works. The following table gives details of such expenditure exclusive of amounts applied towards the reduction of the Consolidated Revenue deficit.

VICTORIA—SURPLUS REVENUE EXPENDITURE, 1943 TO 1945, AND TOTAL TO 30TH JUNE, 1945.

Service.	Year ended 30th June.			Total to 30th June, 1945.
	1943.	1944.	1945.	
Capital Services—	£	£	£	£
Railways	250,696
Other	64,170
Revenue Services—
Social Services—
Education—
State Schools and Technical Schools ..	28,366	18,483	14,827	507,601
University	27,066
Other	22,579
Health—
Hospitals—
Mental Hygiene	106,999
Other (including Sanatoria)	286,472	304,004	249,238	1,043,358
Other Health	4,200	35,756
Law, Order, and Public Safety—
Penal Establishments and Gaols	805	3,223	28,475
Other	39	11,416	16,196
Public Works—
Crown Lands (including reclamation, drainage, &c.)	149,480
Harbours, Rivers, and Lights	117,293
Mining Development	85,000
Railways	20,000	17,887	2,113	631,740
Roads and Bridges	114,812
Water Supply, &c.	17,041	50,178	80,401
Other	62,826
Other Purposes—
Developmental Railways Account	129,148
Drought Relief Fund	100,000	100,000
Redemption of Treasury Bonds and Unfunded Debt	503,802
Victorian Inland Meat Authority	69,000	..	69,000
Other	82,730
Total	334,838	427,259	435,195	4,229,128

To 30th June, 1945, the total amount authorized for expenditure on public works was £5,244,307, of which £1,015,179 was unexpended at that date.

TAXATION.

INCOME TAX.

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

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

As provided for under the States Grants (Income Tax Reimbursement) Act, the States received from the Commonwealth during 1944-45 the following amounts:—New South Wales £14,829,990, Victoria £6,422,764, Queensland £5,733,737, South Australia £2,311,791, Western Australia £2,488,238, and Tasmania £879,796.

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

On the old basis, tax for a financial year was levied on income derived during the preceding financial year. On the new basis—"Pay-as-you-earn"—tax for a financial year is levied on income derived during that income year. The transition from the old to the new basis occasioned a special assessment on income derived during the year ended 30th June, 1944. As a general rule three-quarters of the tax so assessed was cancelled by means of a special rebate. If the income was in the form of salary and wages, the remaining quarter tax was payable during the financial year 1944-45. If the income was from sources other than salary and wages, balance of tax was payable in equal instalments spread over three years.

In order to preserve the "pay-as-you-earn" basis, in the case of income other than salary and wages, a Provisional Tax is incorporated in the assessment. This is the tax, which it is estimated will be payable on income being received during the financial year following the year of income under assessment. An adjustment in respect of the Provisional Tax so incorporated is made when the return for the following year is received and assessed.

Deductions made from salary and wages earned during the period 1st July, 1944, to 30th June, 1945, in accordance with the "Pay-as-you-earn" scheme will be used in payment, or part payment, of the assessment on this income.

**Rates
of Tax.**

The rates of tax imposed on incomes derived during the year ended 30th June, 1945, are set out hereunder:—

INDIVIDUALS—RATES OF TAX.

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

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

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

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

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

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

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

**Payment of
Taxation
by Instalments.**

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

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

Company Tax.

(a) For every pound of taxable income of a company, other than a life assurance company, the rate of tax is 72 pence ; on the income of a life assurance company with respect of its mutual life assurance business only, 60 pence ; on incomes from other business 72 pence.

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

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

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

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

LAND TAX.

**State
Land Tax.** The State Land Tax Act of 1928 provides for a tax on the unimproved value of land and for the assessment of land and for other purposes. For the purposes of this Act, unimproved value means the sum which might be expected to be realized at the time of valuation, if the land were offered for sale on such terms as a seller might in ordinary circumstances be expected to require, and assuming that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act, at a rate declared for each year by Act of Parliament. The rate of tax for the year ended 31st December, 1944, was one halfpenny on every pound sterling of the unimproved value exceeding £250 of land (other than land used for primary production) and £3,000 in respect of land used for primary production. Where the assessed unimproved value exceeded the amount of exemption, the exemption diminished at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounted to, or exceeded £6,000 in the case of land used for primary production and £500 in the case of other land.

An analysis, in specified groups of unimproved values of holdings, of the 1945 Land Tax assessments is given in the following table.

**VICTORIA—ANALYSIS OF STATE LAND TAX
ASSESSMENTS, 1945.**

(Based on unimproved values as at 31st December, 1944).

Unimproved Values* of Holdings Ranging Between—				Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£				£	£
1 and	500	..	..	67,910	22,631,697	29,489
501 "	600	..	..	10,460	5,797,597	11,805
601 "	750	..	..	9,904	6,683,002	13,527
751 "	1,000	..	..	10,378	8,024,309	18,161
1,001 "	1,500	..	..	10,113	12,408,579	24,851
1,501 "	2,000	..	..	5,119	8,836,964	17,631
2,001 "	3,000	..	..	5,227	12,774,504	25,377
3,001 "	4,000	..	..	2,862	12,971,435	19,574
4,001 "	5,000	..	..	1,625	7,230,708	14,449
5,001 "	6,000	..	..	1,148	6,259,722	12,561
6,001 "	7,000	..	..	1,133	7,285,231	14,704
7,001 "	8,000	..	..	816	6,092,852	12,286
8,001 "	9,000	..	..	508	4,303,805	8,616
9,001 "	10,000	..	..	414	3,919,626	7,857
10,001 "	15,000	..	..	969	12,732,289	23,525
15,001 "	20,000	..	..	438	7,546,522	15,068
20,001 "	25,000	..	..	229	5,082,529	10,146
25,001 "	30,000	..	..	132	3,632,243	7,389
30,001 "	35,000	..	..	94	3,050,420	6,193
35,001 "	40,000	..	..	83	3,100,233	6,298
40,001 "	50,000	..	..	95	4,185,788	8,664
50,001 "	75,000	..	..	115	6,695,683	13,957
75,001 "	100,000	..	..	52	4,489,068	9,324
100,001 "	150,000	..	..	36	4,263,844	8,446
150,001 "	200,000	..	..	16	2,645,443	5,398
200,001 "	over	..	..	23	7,481,382	15,584
Total	..	..	..	129,899	190,125,475	360,880

In the succeeding statement details are shown relating to the assessments made during the years 1941 to 1945.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1941 TO 1945.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
		£	£ s. d.	£
1941	164,346	490,384	2 19 8	247,933,255
1942	165,512	492,461	2 19 6	240,857,533
1943	126,113	359,101	2 16 11	169,935,830
1944	127,895	358,797	2 16 1	183,361,823
1945	129,899	360,880	2 15 7	190,125,475

The increase in the amount of the exemption allowed to primary producers contributed to the decline in the assessments in 1943, 1944, and 1945, as compared with previous years.

Commonwealth Land Tax. The Commonwealth Government also levies land tax on the lands of the States. Particulars of assessments, &c., for Victoria, shown in previous issues of the *Year-Book*, were extracted from the report of the Federal Commissioner of Taxation. During the period of operation of the National Security (Values of Land Tax) Regulations, however, the compilation of statistics was discontinued and details subsequent to the year 1941-42 are therefore not available.

PROBATE DUTIES.

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

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

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

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

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

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

The total amounts of probate duty assessed for the years 1940-41, 1941-42, 1942-43, 1943-44 and 1944-45 were £1,447,244, £1,457,269, £1,490,978, £1,469,478, £1,847,245 and £1,898,840 respectively. Actual collections of probate duty for the years mentioned are shown in the table on page 147.

The Commonwealth Government also levies probate **Commonwealth, Estate Duty.** and succession duties. The amount of duty collected throughout Australia in each of the years 1940-41, 1941-42, 1942-43, 1943-44, and 1944-45 was £2,364,133, £2,845,005, £2,696,000, £2,761,562, and £3,090,200 respectively.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

Taxation in Victoria per head of population levied by the Commonwealth, the State, and the Municipalities for each of the years 1940-41 to 1944-45 was as follows :—

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION IN VICTORIA PER HEAD OF POPULATION, 1940-41 TO 1944-45.

Authority.	1940-41.	1941-42.	1942-43.	1943-44.	1944-45.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	17 14 9	25 2 10	35 14 5	41 15 10	46 0 7
State	6 12 3	6 12 3	3 9 7‡	2 17 6‡	2 19 8‡
Total (Commonwealth and State) ..	24 7 0	31 15 1	39 4 0	44 13 4	49 0 3
Municipal	2 2 1	†	2 2 5	2 1 6	†
Grand Total ..	26 9 1	†	41 6 5	46 14 10	†

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

† Not available.

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

TAXATION COLLECTIONS—AUSTRALIAN STATES.

The following statement gives particulars of the total taxation collections (irrespective of whether such moneys had been paid into Consolidated Revenue or not) by each of the Australian States during the years 1940-41 to 1944-45. The information for 1943, 1944 and 1945 has been dissected with a view to showing separately the actual collections by each State and the amounts received by each State from the Commonwealth under the provisions of the Income and Entertainments Tax Reimbursement Acts of 1942.

STATE TAXATION COLLECTIONS—TOTAL AND PER HEAD OF POPULATION, 1941 to 1945.

Year ended 30th June—	New South Wales.	Victoria.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total All States.
TOTAL COLLECTIONS.							
	£	£	£	£	£	£	£
1941 ..	24,535,127	12,547,645	9,180,433	4,419,921	3,893,228	1,727,822	56,304,176
1942 ..	24,798,182	12,923,616	8,941,735	4,790,767	3,818,445	1,986,733	57,259,478
1943	(a) 11,754,786	6,861,190	3,347,701	1,789,121	1,542,986	1,033,556	26,329,340
	(b) 11,266,758	5,439,005	5,105,900	2,214,334	2,176,187	803,699	27,005,883
1944	(a) 8,292,778	5,714,756	3,166,296	1,773,176	1,328,035	1,039,254	21,314,295
	(b) 14,719,083	6,690,918	5,616,472	2,373,476	2,503,910	909,270	32,813,129
1945	(a) 8,452,608	5,982,812	3,194,414	2,021,360	1,312,696	1,147,077	22,110,967
	(b) 14,990,820	6,796,023	5,733,737	2,408,834	2,586,424	916,265	33,432,108
PER HEAD OF POPULATION.							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1941 ..	8 16 8	6 12 3	9 0 4	7 8 11	8 8 1	7 5 7	8 1 2
1942 ..	8 16 4	6 12 3	8 13 1	7 18 3	8 3 0	8 5 11	8 1 0
1943	(a) 4 2 8	3 9 7	3 4 5	2 18 7	3 5 7	4 5 11	3 13 5
	(b) 3 19 2	2 15 2	4 18 4	3 12 8	4 12 7	3 6 9	3 15 2
1944	(a) 2 18 1	2 17 6	2 19 10	2 17 4	2 15 1	4 5 2	2 18 10
	(b) 5 3 2	3 7 3	5 6 2	3 16 9	5 3 10	3 14 6	4 10 6
1945	(a) 2 18 7	2 19 8	2 19 8	3 4 9	2 13 9	4 13 1	3 0 0
	(b) 5 3 11	3 7 9	5 7 0	3 17 0	5 6 0	3 14 3	4 11 4

(a) State Taxation collections.

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

The total taxation collected by the Commonwealth and all States for the years 1940-41 to 1944-45 is shown hereunder.

COMMONWEALTH AND ALL STATES—TAXATION COLLECTIONS, 1941 TO 1945.

Year ended 30th June—	Taxation by Commonwealth Government.	Taxation by all State Governments.	Total Taxation.	
			Amount.	Per Head of Population.
			£	£ s. d.
1941 ..	125,383,522	56,304,176	181,687,698	25 14 1
1942 ..	179,435,345	57,259,478	236,694,823	33 3 3
1943 ..	257,143,520	26,329,340*	283,472,860	39 7 6
1944 ..	303,666,943	21,314,295*	324,981,238	44 14 6
1945 ..	337,919,567	22,110,967*	360,030,534	49 0 10

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

PENSIONS AND GRATUITIES.

Pension and Superannuation Schemes in Force.

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

Cost of Pensions and Gratuities.

During the year 1944-45, the Government expended a sum of £1,005,864 on pensions, gratuities, &c. Of this amount, £111,911 was spent on pensions of a non-contributory nature. The remainder represents payments from State revenue to the Police Superannuation Fund, the Police Pensions Fund, the Superannuation Fund and the Coal Mine Workers' Pensions Funds. The following table gives details of the Government expenditure on pensions for each of the years 1940-41 to 1944-45.

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS GRATUITIES, ETC., 1941 TO 1945.

Heading.	Year ended 30th June—				
	1941.	1942.	1943.	1944.	1945.
Non-contributory Pensions, &c.—	£	£	£	£	£
Railways	92,110	84,354	74,543	65,640	57,035
Lunacy	104	104	104	104	104
Judges	2,250	2,250	2,250	1,375	2,250
Civil Service	4,443	3,521	2,986	2,815	1,795
Public Service	77,949	70,207	62,748	54,267	45,189
Education Department					
Officers transferred to Commonwealth Service					
Various Allowances, &c. .. .	1,244	1,288	1,134	1,021	951
Total Non-contributory Pensions, Gratuities, &c. .. .	186,600	168,424	150,104	130,372	111,911
Contributory Pensions—					
Police Superannuation Fund—					
Government Subsidy	63,934	56,160	38,208	31,720	29,982
Transferred from Licensing Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	12,777	15,088	23,631	23,001	20,669
Total	99,711	94,248	84,839	77,721	73,651
Police Pensions Fund	105,000	106,500	107,475	124,472	125,000
The Superannuation Fund—					
Railways	383,275	387,766	388,820	393,257	403,041
Other	250,263	255,234	260,623	266,648	267,856
Total	633,538	643,000	649,443	659,905	670,897
Coal Mine Workers' Pensions Fund .. .. .	..	..	4,894	20,882	24,405
Total Contributory Pensions	838,249	843,748	846,651	882,980	893,953
GRAND TOTAL	1,024,849	1,012,172	996,755	1,013,352	1,005,864

**Police
Super-
annuation
Fund.**

This fund is maintained by an annual subsidy of £2,000 from the Consolidated Revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by transfers from the Licensing Fund under the provisions of Act No. 3717; and, should the foregoing sources prove insufficient, by a further grant in aid from the Consolidated Revenue.

During the year 1944-45 the total receipts of the fund from Government Revenue amounted to £73,651, as shown in the preceding table. Expenditure on pensions during the year amounted to £73,651.

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

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

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

The receipts of the Police Pensions Fund (established under Act No. 3750) during 1944-45 amounted to £253,985, comprising:—Deductions from pay, £35,790; special appropriation, £125,000; and interest on investments, £93,195. During the year £62,706 was paid in pensions, gratuities, £1,010, and £4,337 represented deductions of pay returned. There was a balance of £2,715,135 at 30th June, 1945, of which £2,697,795 was invested.

**The Super-
annuation
Fund.**

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

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

During the year 1944-45, the receipts of the Superannuation Fund amounted to £1,430,866, consisting of contributions from officers, £470,042; from Consolidated Revenue, £668,526; under Act No. 4085, £159; interest on investments, £291,946; and other receipts, £193. The total payments from the Fund during the year were £912,407, and comprised pensions, £871,350; refund of contributions, £39,662; endowment assurances matured, £1,282; and other expenditure, £113. The balance in the Fund at 30th June, 1945, was £7,994,314, of which £7,993,117 was invested.

Port Phillip Pilot Sick and Superannuation Fund. This fund does not receive contributions from the Government but is maintained by deductions from pilots' earnings and annual income derived from investment of moneys belonging to the Fund which, in 1944-45, amounted to £3,648 and £5,485 respectively. During the same period, £6,397 was expended on pensions.

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

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

During 1944-45 the Treasurer contributed £10,618 and the State Coal Mines (as owners) £13,787.

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

In the following statements ordinary revenue and expenditure of the State Government, Local Government and certain semi-Governmental and other Public Bodies in Victoria have been combined for each of the five years 1940 to 1944. Where a grant has been made by one authority to another, such grant has been excluded from both the revenue and expenditure of the recipient.

**VICTORIA—STATE GOVERNMENT, LOCAL GOVERNMENT,
SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES—
REVENUE AND EXPENDITURE, 1940 TO 1944.**

Heading.	Financial Year ended in—				
	1940.	1941.	1942.	1943.	1944.
<i>Revenue.</i>	£	£	£	£	£
State Government	29,234,718	30,217,880	33,860,057	36,972,962	36,160,551
Local Government	7,333,164	7,421,307	*	7,914,779	8,041,246
Semi-Governmental and other Public Bodies—			*		
Water Supply and Sewerage ..	2,860,126	2,952,641	2,993,777	3,059,456	3,090,600
Irrigation	61,027	77,730	63,987	71,329	86,100
Harbours	929,846	887,521	1,044,955	1,010,791	969,948
Tramways	2,431,634	2,774,852	3,439,015	3,814,004	3,956,828
Electricity Supply	4,376,929	4,724,056	5,153,649	5,490,089	5,628,780
Fire Brigades	152,618	131,199	153,699	169,716	173,860
Housing Commission	11,579	21,718	52,933	72,410	76,741
Grain Elevators Board	101,496	82,630	170,170	242,778	181,913
Western Metropolitan Market Trust	2,525	3,294	2,707	2,854	3,234
Total	47,495,662	49,294,828	*	58,821,168	58,360,801
<i>Ordinary Expenditure.</i>					
State Government	29,228,457	30,075,580	33,067,757	36,218,631	35,540,240
Local Government	7,280,502	7,149,666	*	7,183,622	7,492,738
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage ..	2,827,678	2,879,325	2,940,564	2,937,358	3,059,482
Irrigation	41,580	72,548	63,354	75,680	89,929
Harbours	916,913	867,993	998,133	1,003,206	983,605
Tramways	2,440,227	2,783,284	3,414,144	3,788,885	3,928,064
Electricity Supply	4,250,416	4,563,376	5,069,227	5,348,696	5,503,908
Fire Brigades	149,086	130,450	154,026	169,391	162,521
Housing Commission	35,293	55,524	82,302	86,201	95,357
Grain Elevators Board	89,882	105,248	146,677	239,576	177,208
Western Metropolitan Market Trust	3,410	3,585	3,564	3,575	3,559
Total	47,263,444	48,686,579	*	57,054,821	57,036,611

* Not available.

PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1945 :—

LOANS RAISED AND REDEEMED TO 30TH JUNE, 1945.

		£
Cash received .. .. .	.. .. .	1,000,772,812
Discount and expenses after deducting premiums .. .. .	.. .. .	5,893,966
Securities issued .. .. .	.. .. .	<u>1,006,666,778</u>
Loans redeemed by—		£
Renewal Loans .. .. .	.. .. .	782,945,079
National Debt Sinking Fund .. .. .	.. .. .	18,009,006
Other Funds .. .. .	.. .. .	24,062,803
Discount (securities purchased under par)	.. .. .	83,739
Liability transferred to Commonwealth Government Act No. 4246 .. .. .	.. .. .	<u>2,160,960</u>
		<u>827,261,587</u>
Loans outstanding at 30th June, 1945 .. .. .	.. .. .	<u>179,405,191</u>

It will be seen that, upon the transactions to 30th June, 1945, securities representing £1,006,666,778 were issued, and that the amount of cash received was £1,000,772,812. The State thus received £99 8s. 3d. in cash for every £100 bond given.

The following table gives particulars relating to the loans raised in London, New York, and Melbourne, and shows the amounts which were outstanding at 30th June, 1945 :—

VICTORIA—LOANS FLOATED TO 30TH JUNE, 1945.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid off (including Renewal Loans).	Debt Outstanding at 30th June, 1945.		
			Inscribed Stock.	Debentures, &c.	Total.
	£	£	£	£	£
London Register ..	462,110,231*	396,275,666	28,164,284	37,670,281	65,834,565†
Melbourne Register ..	544,556,547	430,985,921	108,759,023	4,811,603	113,570,626
Total	1,006,666,778	827,261,587	136,923,307	42,481,884	..
Total Public Debt at 30th June, 1945					179,405,191

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

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

Particulars concerning the due dates of loans outstanding at 30th June, 1945, are given in the following table. Where the Government had the option of redemption during a specified period, the loans have been classified according to the latest date of maturity.

DUE DATES OF VICTORIAN LOANS AT 30TH JUNE, 1945.

Due Date (Financial Year).	Repayable in London.	Repayable in Australia.	Total.
	£	£	£
1945-46	5,805,525	4,247,610	10,053,135
1946-47 .. .. .	..	5,024,391	5,024,391
1947-48 .. .. .	..	5,962,295	5,962,295
1948-49	12,022,295	5,831,290	17,853,585
1949-50	6,055,545	6,056,982	12,112,527
1950-51 .. .. .	..	4,637,108	4,637,108
1951-52 .. .. .	..	3,795,980	3,795,980
1953-54 .. .. .	..	4,039,194	4,039,194
1954-55 .. .. .	..	8,923,710	8,923,710
1955-56	2,624,319*	8,808,268	11,432,587
1956-57 .. .. .	..	3,609,270	3,609,270
1957-58	1,874,559*	14,758,414	16,632,973
1958-59	13,553,800	4,253,325	17,807,125
1959-60	2,902,116	12,794,066	15,696,182
1960-61	650,075	9,571,330	10,221,405
1961-62 .. .. .	..	3,889,368	3,889,368
1966-67	5,913,200	..	5,913,200
1975-76	14,433,131	..	14,433,131
1982-83 .. .. .	..	3,955,050	3,955,050
Not yet fixed .. .. .	..	3,412,975	3,412,975
Total	65,834,565	113,570,626	179,405,191

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

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

In the subsequent statements "interest payable" does not include the cost of paying interest overseas. Particulars of exchange paid in each of the years 1940-41 to 1944-45 are shown on page 173.

**Loans and
Interest
payable in
London and
Australia.**

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

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

At 30th June—	Amount of Loans Repayable in—		Annual Interest Payable in—	
	London.*	Australia.	London.	Australia.
	£	£	£	£
1900 ..	44,655,579	4,670,306	1,735,307	152,096
1910 ..	39,012,436	16,564,289	1,419,579	560,520
1915 ..	41,333,738	31,750,189	1,520,762	1,131,811
1920 ..	42,406,040	45,241,699	1,637,615	1,902,108
1925 ..	51,869,204	79,300,361	2,319,486	3,999,635
1930 ..	68,750,235	93,538,759	3,225,754	4,831,371
1935 ..	67,638,378	106,522,285	2,651,050	3,930,414
1940 ..	66,963,733	113,586,235	2,623,176	4,274,672
1941 ..	66,963,733	114,255,455	2,623,176	4,274,582
1942 ..	66,549,331	111,167,153	2,536,829	4,040,566
1943 ..	66,547,685	109,386,967	2,536,780	3,949,677
1944 ..	66,168,385	108,294,028	2,534,996	3,852,774
1945 ..	65,834,565	113,570,626	2,515,982	3,840,676

* Loans raised in New York by the Commonwealth Government are included as follows:—(At 30th June) 1930 and 1931, £4,658,461; 1932, £4,648,084; 1933, £4,615,021; 1934, £4,592,459; 1935, £4,569,473; 1936, £4,547,877; 1937, £4,530,842; 1938, £4,517,207; 1939, 1940, 1941, 1942, 1943, 1944 and 1945, £4,498,878.

The appended table shows the rates of interest which were payable on the public debt at 30th June, 1945, and the portions of the debt at each rate in London and Australia respectively:—

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT 30TH JUNE, 1945.

Rate of Interest.	Amount Repayable in—		
	London.	Australia.	Total.
Per cent.	£	£	£
5	18,171,173*	..	18,171,173
4½	760,836‡	..	760,836
4	2,902,116	27,564,063	30,466,179
3¾ .. .. .	..	15,422,781	15,422,781
3½	6,852,149	6,544,610	13,396,759
3¼ .. .. .	..	908,550	908,550
3½	25,522,545	254,650	25,777,195
£3 9s. 9d. .. .. .	..	500	500
3¾ .. .. .	..	3,737,540	3,737,540
3¼	650,075	38,704,216	39,354,291
3½ .. .. .	..	1,000	1,000
£3 2s. .. .. .	..	320,190	320,190
3	5,170,146	2,334,592	7,504,738
2¾ .. .. .	..	1,959,930	1,959,930
£2 14s. 3d. .. .. .	..	238,945	238,945
2½ .. .. .	..	10,845,926	10,845,926
£2 6s. 6d. .. .. .	..	778,083	778,083
2¼	5,805,525	..	5,805,525
1 .. .. .	..	3,955,050	3,955,050
Total	65,834,565	113,570,626	179,405,191
Average rate of interest	3·82	3·38	3·54

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

‡ Raised in New York by the Commonwealth Government.

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

During 1928-29, the amount at credit of the State Redemption and Sinking Funds—£5,540,369—was applied to the liquidation of the public debt, and in 1934-35, the debt was decreased by the transfer of a liability amounting to £2,160,960 from the State to the Commonwealth Government under Act No. 4246. From £174,160,663 at 30th June, 1935—the first occasion on which the debt was less than that of the immediately preceding year—the public debt increased steadily until it reached the amount of £181,219,188 at 30th June, 1941. Although the Public Debt decreased during each of the years 1941-42, 1942-43 and 1943-44 it increased during 1944-45 and at 30th June, 1945, amounted to £179,405,171.

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST,
1855 TO 1944-45.

Financial Year ending in—	Loans Outstanding.			Amount per Head of Population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest Payable.
		Total.	Average Rate per cent.		
	£	£		£ s. d.	£ s. d.
1855* ..	1,180,000	70,800	6·00	3 4 9	0 3 11
1860* ..	5,643,100	337,905	5·99	10 9 10	0 12 7
1870* ..	12,099,800	699,240	5·78	16 13 1	0 19 3
1880 ..	20,567,700	1,029,991	5·01	24 9 4	1 4 6
1890 ..	41,377,693	1,649,465	3·99	36 19 11	1 9 6
1900 ..	49,325,885	1,887,403	3·83	41 6 8	1 11 8
1910 ..	55,576,725	1,980,099	3·56	43 6 8	1 10 10
1920 ..	87,647,739	3,539,723	4·04	57 19 1	2 6 10
1925 ..	131,169,565	6,319,121	4·82	78 9 11	3 16 3
1930 ..	162,288,994	8,057,125	4·96	90 18 7	4 10 7
1935 ..	174,160,663	6,581,464	3·78	94 15 2	3 11 8
1940 ..	180,549,968	6,897,848	3·82	94 17 2	3 12 5
1941 ..	181,219,188	6,897,758	3·81	93 9 10	3 11 2
1942 ..	177,716,484	6,577,395	3·70	90 5 3	3 6 10
1943 ..	175,934,652	6,486,457	3·69	88 16 10	3 5 5
1944 ..	174,762,413	6,387,770	3·66	87 9 7	3 3 11
1945 ..	179,405,191	6,356,658	3·54	89 2 0	3 3 2

* Including outstanding liabilities of the Melbourne and Geelong Corporations Guarantee Loans.
13251/46.—12

Capital Liability, etc., of the State. The following table shows the capital liability of the State at 30th June, 1945, in respect of its public works and services. The apportionment of the State's equity in the National Debt Sinking Fund is also shown.

VICTORIA—SUMMARY OF CAPITAL LIABILITY UNDER THE VARIOUS WORKS AND SERVICES, TOGETHER WITH THE APPORTIONMENT OF THE STATE'S EQUITY IN THE NATIONAL DEBT SINKING FUND AT 30TH JUNE, 1945.

Works or Services.	Liability.	Deduction on Account of National Debt Sinking Fund.	Net Liability.
	£	£	£
Railways*—			
As reduced	50,342,735	4,648,719	45,694,016
Transferred	30,029,750	2,901,546	27,128,204
Country Waterworks	28,671,765	2,694,604	25,977,161
Electricity Supply	18,189,547	1,776,364	16,413,183
Land Settlement	30,358,557	3,318,199	27,040,358
Grain Elevators Board	661,612	27,836	633,776
Housing Commission	1,920,053	40,112	1,879,941
Country Roads	10,018,998	1,161,940	8,857,058
Public Works, Buildings, &c.	6,885,365	491,577	6,393,788
Forests	1,965,824	78,837	1,886,927
Unemployment Relief	12,231,208	680,473	11,550,735
In Aid of Revenue	5,245,079	611,452	4,633,627
Total	196,520,493	18,431,659	178,088,834

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

A reconciliation between the Public Debt at 30th June, 1945, and the net liability shown above is given hereunder:—

Public Debt at 30th June, 1945.. ..	£	179,405,191
	£	
Deduct Cash at Credit of National Debt Sinking Fund	422,653	
Deduct Repayments to State Loans Repayment Fund	13,711,360	
		14,134,013
		165,271,178
Add Expenditure from the State Loans Repayment Fund		12,817,656
Net Liability for Works		178,088,834

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from Loans and on account of Loan Funds. The figures in the following table include all such expenditure, whether the loans have been repaid or are still in existence. The table shows the details for each of the years 1941-42 to 1944-45 and the total to 30th June, 1945.

VICTORIA—EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS, 1941-42 TO 1944-45.

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1945.
	1942.	1943.	1944.	1945.	
Public Works—	£	£	£	£	£
Railways*—					
As reduced ..	740,271	540,441	486,388	496,294	50,624,518
Transferred ..	..	..	..	..	29,134,658
Country Roads ..	2,570	593	165	..	12,202,519
Bridges ..	..	..	..	9,443	452,881
Harbours and Rivers ..	..	..	3,770	..	1,408,305
Water Supply—					
Country ..	274,845	75,479	143,178	315,729	28,971,022
Metropolitan ..	..	..	..	..	3,142,577
Sewerage (Country) ..	..	..	..	..	217,784
Electricity Supply ..	..	..	..	..	17,839,227
Public Buildings—					
Schools ..	131,636	97,005	77,072	164,784	6,266,395
Hospitals ..	247,391	57,990	46,009	605,747	1,396,383
Other ..	63,487	27,220	36,396	49,076	1,503,347
Other Public Works ..	..	..	..	..	702,989
Immigration ..	..	..	..	..	20,000
Municipal Endowment ..	..	..	..	..	698,250
Municipalities, Loans, Grants, &c. ..	..	..	..	..	928,127
Housing ..	..	..	..	750,000	1,940,000
Unemployment Relief	104,897	15,432	3,938	3,891	13,146,725
Primary Production—					
Land Settlement† ..	..	..	..	..	41,570,934
Wire Netting Advances	1,008	67	60	79	879,851
Agriculture ..	..	..	..	..	150,682

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

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

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

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1945.
	1942.	1943.	1944.	1945.	
Primary Production— <i>continued</i>	£	£	£	£	£
Settlers Advances—					
Cultivation	917	1,047	3,646	86,256	2,496,513
Other .. .. .	..	..	..	5,961	86,594
Bulk Handling of					
Wheat .. .. .	..	..	..	..	1,000,000
Forestry	285,827	216,359	282,411	480,600	2,442,091
Mining, N.E.I. .. .. .	..	..	..	..	271,022
Mining—State Coal Mine	15,560	4,454	1,556	437	320,368
Primary Products—					
Advances to Com- panies .. .. .	..	..	..	..	331,101
Cool Stores—Advances to Companies .. .. .	..	..	..	45	613,344
Drought Relief .. .. .	..	..	..	625,000	625,000
Other Primary Pro- duction .. .. .	..	..	..	..	152,862
Other Purposes	2,379	..	..	90,000	450,950
Total Works Expenditure	1,870,788	1,036,087	1,084,589	3,683,342	221,987,019
In Aid of Revenue .. .. .	..	..	..	4,255,000	9,118,682
Grand Total	1,870,788	1,036,087	1,084,589	7,938,342	231,105,701

The figures in the foregoing table are "Net" in as much as they exclude discounts and flotation expenses, particulars of which are as follow:—1941-42, £63,742; nil in each of the years 1942-43 and 1943-44; and 1944-45, £59,625. The aggregate to 30th June, 1945, was £5,893,966.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1945, sums not yet expended amounted in the aggregate to £56,350, of which £349 was for Country Water Supply, £3,485 for Land Settlement, and £52,516 for Public Works, Buildings, &c.

The amounts of interest and expenses paid on the Public Debt of Victoria during each of the financial years 1940-41 to 1944-45 are shown in the next table:—

Interest paid
on Loans.

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT,
1941 to 1945.

Year Ended 30th June.	Interest Paid on Loans in—		Interest Paid on Temporary Loans.	Commission on Payment of Interest in London, Expenses of Conversion Loans, &c.	Exchange on Payment of Interest in London.†	Total‡.
	London.*	Melbourne.				
	£	£	£	£	£	£
1941 ..	2,623,177	4,173,890	17,303	66,660	719,066	7,600,096
1942 ..	2,626,816	4,127,855	16,731	230,784	719,597	7,721,783
1943 ..	2,536,818	3,941,656	32,886	48,689	696,658	7,255,697
1944 ..	2,536,694	3,817,632	76,383	74,682	703,085	7,208,476
1945 ..	2,525,489	3,759,725	93,138	39,395	687,029	7,104,776

* Including £221,140 on account of interest paid on loans in New York in respect of each of the years 1940-41 to 1944-45.

† Includes Exchange paid in respect of Loans raised in New York: 1940-41, £113,844; and £113,461 for each of the years 1941-42 to 1944-45.

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

NATIONAL DEBT SINKING FUND.

The National Debt Sinking Fund was established under the provisions of the *Commonwealth and States Financial Agreement Act 1927* (No. 3554). The following table gives particulars of the receipts and disbursements during 1944-45:—

	£
Balance at credit of Victoria at 30th June, 1944	467,525
Contributions during 1943-44—	£
By Commonwealth under Financial Agreement ..	316,750
" " " Federal Aid Roads Act ..	7,457
" " " State under Financial Agreement ..	1,327,108
Interest received	1,430
	<u>2,120,270</u>
Cancellation of securities to the value of £1,596,412	1,697,617
Balance at credit of the State at 30th June, 1945	422,653
Face value of securities cancelled to 30th June, 1945 ..	18,009,006
The net credit to Victoria at 30th June, 1945	<u>18,431,659</u>

TRUST FUNDS.

At 30th June, 1945, the liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgments amounted to £19,876,062. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £6,908,908, and cash advances totalled £3,865,672. The balance—£9,101,482—was at the credit of the Public Account.

PUBLIC DEBT OF AUSTRALIA.

The public debts of the six Australian States aggregated £900,977,713 at 30th June, 1945. Details of the indebtedness in respect of each State are shown in the following table. Sinking Funds have not been deducted. Treasury Bills covering Revenue Deficits are included. Revenue Deficits which are not covered by Treasury Bills, overdrafts on Loan Account, and advances from Trust Funds are excluded.

PUBLIC DEBTS OF AUSTRALIAN STATES AT 30TH JUNE, 1945.

Heading.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
	£	£	£	£	£	£
Public Debt	179,405,191	355,050,980	131,433,390	108,870,912	95,894,885	30,322,355
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Debt per head of population at 30th June, 1945	89 2 0	122 9 4	121 17 1	173 2 1	195 12 11	122 4 9

The public debt of the Commonwealth exclusive of **Commonwealth Public Debt.** loans raised on behalf of the States but including debts on account of the Port Augusta-Oodnadatta Railway and the Northern Territory, amounted to £1,728,965,307 at 30th June, 1945.

The total public debt of Australia—**Commonwealth and States Public Debt.** Commonwealth and States—at the above date was £2,629,943,020, of which £2,066,473,571 was payable in Australia, £522,370,301 in London, and £41,099,147 in New York. The loan liability of the Australian public at 30th June, 1945, averaged £356 8s. 10d. per head of population.