

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 (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, contributions to the redemption funds, the salaries of the Governor, the Judges and some other officials, State pensions, endowments to municipalities, etc. The expenditure under special appropriations during the year 1924–25 amounted to £7,428,559.

Below is given a concise statement of the chief special funds (excluding Redemption and Sinking funds) kept at the Treasury:—

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 Developmental Roads liability under Act No. 2944.
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 1924–25 the amount so provided was £66,000.
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 Super-annuation 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 57.
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	The revenue of this Fund is derived from land sales, rents, &c., in the Mallee. The total revenue can only be used for redemption of Victorian Stock or Debentures. It is thus a Sinking Fund, and is referred to in this connexion on page 77.
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.

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 intrusted with the management of those respective ports, and derive their revenues mainly from wharfage rates.

A summary of the transactions for the financial year 1924-25 in the Consolidated Revenue Fund and in the special funds referred to above gives the following result:—

Revenue deficit at 30th June, 1924	£	922,082
Less surplus revenue, 1923-24, appropriated (Act 3341)		100,000
		<hr/>
		822,082
Revenue, 1924-25	24,304,887	
Expenditure, 1924-25	24,170,483	
	<hr/>	
Surplus for the year		134,404
		<hr/>
Revenue deficit at 31st December, 1925		687,678*

* The revenue deficit at 30th June, 1925, was £797,082, as only £25,000 of the year's surplus had then been disbursed, but by 31st December, 1925, the balance (£109,404) was appropriated in accordance with Act No. 3341.

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. An Act (No. 3341), passed on 21st May, 1924, provides for a yearly appropriation of £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. At the 31st December, 1925, the accumulated revenue deficiency amounted to £687,678.

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 particulars of which for 1924-25 are as follows :—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total according to Treasurer's Finance Statement ..	23,991,408	23,882,004
<i>Add public revenue of the following funds—</i>		
Mallee Land Account—appropriated to Loan		
Redemption purposes	96,999	96,999
Country Roads Board Fund	425,613	425,613
Licensing Fund*	150,434	150,434
Police Superannuation Fund	12,954	12,954
Assurance Fund	2,838	2,838
<i>Deduct—</i>		
Appropriation to reduction of deficit		25,000
Loss on non-paying railways	140,359	140,359
Payment to Railway Department on account of reduced Freight Charges	155,000	155,000
Railway Subsidy to State Coal Mine	80,000	80,000
Total	24,304,887	24,170,483

* Excluding £218,334 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: 1915-16 TO 1924-25.

Year ended 30th June—	Revenue.	Expenditure.	Year ended 30th June—	Revenue.	Expenditure.
	£	£		£	£
1916 ..	11,470,875	11,683,363	1921 ..	19,054,475	18,941,698
1917 ..	11,813,879	11,795,295	1922 ..	20,357,733	20,297,279
1918 ..	12,672,787	12,631,169	1923 ..	21,634,677	21,611,309
1919 ..	13,044,088	12,979,407	1924 ..	23,075,968	23,050,968
1920 ..	15,866,184	15,752,459	1925 ..	24,304,887	24,170,483

The expenditure in this statement includes considerable sums appropriated to pay off liabilities of former years, and to form sinking funds to meet outstanding loans. Such appropriations and the amount of revenue applied in reduction of the accumulated deficiency are detailed in the succeeding table.

**REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES,
ETC., 1915-16 TO 1924-25.**

Year ended 30th June—	ORDINARY REVENUE APPROPRIATED.		Total.
	Towards reduction of the accumulated revenue deficit.	Towards Redemption Funds to meet outstanding loans.	
	£	£	£
1916	20,327	266,599	286,926
1917	18,584	296,345	314,929
1918	41,618	299,578	341,196
1919	64,681	301,466	366,147
1920	113,725	359,100	472,825
1921	112,777	508,344	621,121
1922	85,454	402,724	488,178
1923	258,170	421,166	679,336*
1924	125,000	484,825	609,825
1925	134,404	563,287	697,691
Total (10 years) ..	974,740	3,903,434	4,878,174

* In addition, £129,148 was expended to recoup the Developmental Railways Account.

In addition to the above appropriations there were surpluses in the financial years 1917-18, 1918-19, 1919-20, 1920-21, and 1923-24, which were applied towards payment for public works or to other purposes of a public nature.

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, 1920-21 TO 1924-25.

Heads of Revenue.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
	£	£	£	£	£
Commonwealth Sub- sidy	1,878,449	1,918,967	1,969,772	2,014,746	2,055,834
State Taxation—					
Income Tax ..	1,591,198	1,443,209	1,514,256	1,702,483	2,076,656
Land Tax ..	331,756	372,060	392,594	412,165	421,662
Probate and Suc- cession Duties ..	702,468	706,181	697,482	798,315	802,333
Betting Taxation (Stamp duties, licences, and percentage) ..	110,158	169,007	185,309	186,141	170,998
Other Stamp Duties	835,940	779,430	950,896	1,011,966	963,307

HEADS OF STATE REVENUE, 1920-21 TO 1924-25—*continued.*

Heads of Revenue.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
State Taxation— <i>cont.</i> —	£	£	£	£	£
Motor Car Act ..	(Included under "Fees, Fines, &c." below.)				
Liquor Taxation and Licences ..	244,814	290,884	302,574	320,331	343,524
Other Licences ..	28,645	28,613	32,173	43,007	39,360
Duties on Bank Notes ..	1,854	1,790	1,762	1,750	1,740
Public Works and Services—					
Railways ..	9,848,061	10,751,173	11,289,956	11,922,195	12,549,878
Water Supply ..	406,666	415,540	447,459	443,384	439,442
Harbour Trusts, Wharfage, &c.	145,938	156,747	199,379	207,692	213,510
State Coal Mine ..	416,892	591,380	468,855	568,897	428,579
State Electricity Commission ..	..	58,111	253,288	255,195	295,572
Interest on properties transferred to Commonwealth	103,789	86,013	80,378	80,844	80,760
Beet Sugar Works	68,670	52,624	74,678	92,231	129,732
Brown Coal Sales*	85,581	55,543	57,081	61,921	23
Other ..	65,925	82,119	99,082	109,598	125,034
Land—					
Land Sales, Rents, Penalties, &c.† ..	568,539	453,011	437,341	461,250	438,241
Interest on Loans—					
Closer Settlement Discharged Soldiers Settlement Acts ..	176,782	163,998	143,249	177,969	235,660
Fees, Fines, &c.—					
Motor Car Act ..	98,135	118,672	165,804	233,300	418,840
Other ..	219,833	213,825	267,439	266,292	261,894
Tramways Act 2995 (Sec. 88) ..	84,355	98,107	93,010	92,998	106,211
Sale of Books and Documents, &c., (Govt. Printer) ..	82,697	90,084	82,504	83,531	85,915
Agriculture Department—					
Victoria Dock Cool Stores ..	52,474	23,316	28,556	18,898	29,365
All other ..	48,241	49,189	49,461	54,384	52,322
Miscellaneous ..	392,737	360,810	336,454	341,327	366,249
Total ..	19,054,475	20,357,733	21,634,677	23,075,968	24,304,887
Per Head of Population ..	£ s. d. 12 9 5	£ s. d. 13 2 6	£ s. d. 13 12 1	£ s. d. 14 3 11	£ s. d. 14 13 4

* 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 £13,607 in 1920-21, £20,043 in 1921-22, £29,786 in 1922-23, £25,588 in 1923-24, and £22,982 in 1924-25.

The revenue for 1924-25 represents an increase of £1,228,919 on that for the previous year. The chief increases were under the following headings:—Railways, £627,683; State Taxation, £343,422; and Motor Car Act Fees, £185,540. The receipts from the State Coal Mine were £143,180 less than in 1923-24. The payments to the State by the Federal Government during the last fifteen years have been computed on the basis of a fixed payment of 25s.* per head of population in the State, whereas in preceding years the Federal Government paid over to the State at least three-fourths of the net revenue from Customs and Excise duties.

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: 1920-21 TO 1924-25.

Heads of Expenditure.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
	£	£	£	£	£
<i>General Government.</i>					
Governor	8,777	10,064	10,029	9,694	9,376
Parliament and Ministry	103,494	106,147	96,047	110,028	100,841
Civil Establishment	372,560	393,683	396,149	450,254	437,374
Pensions and Gratuities†	489,636	503,065	534,009	580,181	621,695
<i>Law, Order, and Protection.</i>					
Judicial and Legal ..	226,608	227,303	233,169	253,285	259,216
Police	533,920	533,986	540,037	663,319	622,331
Penal Establishments and Gaols	75,981	74,161	80,363	101,122	99,732
<i>Education, &c.</i>					
State Schools, &c. ..	1,659,663	1,755,834	1,755,395	1,819,852	1,885,826
Technical Schools ..	92,001	100,693	182,495	217,539	236,008
University	37,975	40,175	49,975	56,450	64,398
Libraries, &c. .. .	33,500	34,108	36,261	38,367	41,574
Art and Science .. .	9,305	9,630	7,437	7,370	10,540
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts ..	36,939	29,341	26,637	31,843	34,464
Public Health .. .	80,848	97,599	93,995	93,878	109,401
Charitable Institutions, &c. .. .	818,539	829,514	832,882	890,840	1,026,789

* This is subject to a slight reduction on account of a special payment to Western Australia. The reduction in 1924-25 was about 2½d. per head of population.

† For details, see page 55.

SUMMARY OF EXPENDITURE FROM STATE REVENUE: 1920-21 TO
1924-25—continued.

Heads of Expenditure.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
<i>Crown Lands, &c.</i>	£	£	£	£	£
Crown Lands ..	207,760	221,565	236,022	268,216	253,062
Agriculture and Stock	244,968	275,107	305,832	347,502	391,931
Mining ..	538,855	678,785	559,465	657,520	472,539
<i>Public Works.</i>					
Railways ..	7,857,380	8,117,070	8,275,909	8,818,314	9,525,842
Water Supply ..	165,145	185,656	215,110	219,105	229,049
Harbours, Rivers, and					
Lights ..	93,929	98,984	91,438	97,071	112,338
Roads and Bridges ..	6,068	16,948	5,371	6,900	40,795
Country Roads Board	170,638	191,424	229,343	293,523	455,613
State Electricity					
Commission ..	32,015	112,608	144,193	14,826	20,936
Municipal Endow-					
ment, &c.* ..	118,214	120,081	119,542	122,384	143,101
Works and Buildings,					
n.e.i. ..	56,675	65,476	85,588	103,350	145,094
Interest and Expenses					
of Public Debt ..	3,882,095	4,579,665	5,355,575	5,669,970	5,905,947
Redemption Funds,					
&c. ..	508,344	402,724	421,166	484,825	563,287
Discharged Soldiers					
Concessions Fund	75,000	75,000	75,000	75,000	75,000
<i>Other Expenditure.</i>					
Mint Subsidy ..	40,000	33,500	30,000	25,000	26,000
Fire Brigades ..	45,615	48,909	48,215	53,433	58,433
Immigration ..	11,985	18,135	18,896	27,378	26,798
Licences Reduction					
Board, including					
Compensation ..	91,063	72,210	60,730	56,168	43,663
Railway passes to					
Blind and Incapaci-					
tated Soldiers ..	10,428	5,325	5,043	7,253	9,263
Surplus Revenue ap-					
propriated to "Re-					
venue Services" ..	56,936	..	363,949	232,216	..
Miscellaneous ..	148,939	232,804	90,042	146,992	112,227
Total ..	18,941,698	20,297,279	21,611,309	23,050,968	24,170,483
Per Head of Population	£ s. d. 12 7 11	£ s. d. 13 1 9	£ s. d. 13 11 9	£ s. d. 14 3 8	£ s. d. 14 11 9

* Including annual payment from Licensing Fund.

Compared with the previous year the ordinary expenditure of the State for 1924-25 showed an increase of £1,119,515. The heads of expenditure showing the largest increases were—Railways, £707,528;

Interest and Expenses of Public Debt, £235,977; Country Roads Board, £162,090; Charitable Institutions, etc., £135,949; and Education, £98,768. There was a decrease of £184,981 in the expenditure on Mining.

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, 1925, the total amount appropriated was £2,936,307, of which all but £101,042 had been expended. The following table shows the details of such expenditure for each of the last four years and the total up to 30th June, 1925 :—

SURPLUS REVENUE EXPENDITURE.

Service.	1921-22.	1922-23.	1923-24.	1924-25.	Total to 30th June, 1925.
	£	£	£	£	£
Capital Services—					
Railways .. ..	..	..	..	..	250,696
Other .. ..	..	..	..	..	64,170
Revenue Services—					
Railways .. ..	..	..	..	..	497,729
Education—					
State schools ..	1,133	6,935	..	..	340,692
Other	45,629	12,914	4	..	136,812
Crown Lands (including reclamation, drainage, &c.)	26	..	..	..	149,480
Harbours, rivers, and lights .. ..	..	..	..	..	117,293
Roads and bridges ..	3,049	1,657	753	750	112,980
Mining Development, &c. .. ..	..	..	..	..	85,000
Railways salaries (arrears)	70,846	1,195	1,455	..	73,496
Public Health	1,151	132	6	..	34,627
Charitable Institutions ..	15,351	2,975	1,000	33,753	139,979
Redemption of Treasury Bonds and Unfunded Debt	25,000	..	234,802	..	503,802
Developmental Railways Account—Refund .. ..	..	..	129,148	..	129,148
Miscellaneous	2,176	17,307	2,064	401	199,361
Total	164,361	43,115	369,232	34,904	2,835,265

The following table sets out in a different form to pages 41 and 43 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, 1924-25.

STATE REVENUE.		STATE EXPENDITURE.	
Particulars.		Particulars.	
	£		£
Taxation (excl. Motor Fees) ..	4,819,580	Public Debt Charge (excl. interest paid on business undertakings)	2,366,277
Land Revenue (excl. State Saw Mills) ..	412,284	Lands and Survey (excl. Forests Commission) ..	73,784
Business Undertakings—		Business Undertakings (incl. interest paid by State)—	
Railways ..	12,549,878	Railways (incl. Pensions)	12,826,319*
Water Supply and Sewerage (incl. interest) ..	439,442	Water Supply and Sewerage	859,585
Electric Power Supply (interest only) ..	295,572	Electric Power Supply ..	312,831
Harbours (incl. Melb. Harbour Trust contribution) ..	213,510	Harbours, Rivers, and Lights ..	159,838
State Coal Mine (incl. interest) ..	428,579	State Coal Mine ..	424,530
Beet Sugar Works ..	129,732	Beet Sugar Works ..	106,519
Cool Stores ..	42,568	Cool Stores ..	80,833†
Newport Seasoning Works ..	10,577	Newport Seasoning Works	11,197
State Saw Mills ..	15,380	State Saw Mills ..	17,058
Wire Netting Manufacture ..	19,929	Wire Netting Manufacture	21,268
Lighterage and Explosives ..	3,948	Explosives ..	7,583
Storage of Gunpowder ..	8,720		
Melbourne Tramways Board Contribution ..	106,211	Mines (excl. State Coal Mine) ..	57,157
		Agriculture (excl. Cool Stores and Beet Sugar) ..	235,572
		Forests (excl. Newport Seasoning and Saw Mill Works) ..	151,023
		Justice ..	259,216
		Penal Establishments ..	99,732
		Police (incl. Pensions) ..	776,285
		Grants to Municipalities ..	143,101
		Education, &c. ..	2,238,346
		Public Health ..	109,401
		Hospitals and Charitable Institutions ..	1,026,789
		Parliament (incl. Governor, Elections, &c.) ..	110,217
		Pensions and Gratuities (other than Police and Railways) ..	249,900
		Civil Establishment ..	437,374
		Country Roads Board ..	455,613
		Other ..	553,045
Total Revenue ..	24,304,887	Total Expenditure ..	24,170,483

* Including subsidy of £80,000 to State Coal Mine.

† 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.

For each of the years 1919–20 to 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 £. Where the taxable income exceeded £500 the rates on incomes from personal exertion were 4d. for every £ of the taxable amount thereof up to £500, 5d. for every £ between £501 and £1,000, 6d. for every £ between £1,001 and £1,500, and 7d. for every £ 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 £ 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 £ 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 £ on the profits.

Taxpayers whose incomes did not exceed £800 per annum were allowed the following deductions from their incomes for the years 1921-22 and 1922-23 :—(a) £30 in respect of each child under 16 years of age ; (b) certain expenses during illness ; (c) friendly society contributions ; and (d) funeral and burial expenses not exceeding £20.

On incomes for the year 1923-24 the exemption on amounts of 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 „ 1,250	..	..	..	12½ „
„ 1,251 „ 2,200	..	..	..	15 „
„ 2,201 „ 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.

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 the particulars relating to income tax assessments, &c., have 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—				
	1919 20.	1920-21.	1921-22.	1922-23.	1923-24.
Number of Assessments:					
Individuals ..	89,584	132,859	123,768	153,519	127,818
Companies ..	1,742	2,026	2,265	2,678	2,890
Total, Distinct Taxpayers ..	91,326	134,885	126,033	156,197	130,708
Taxable Incomes:				£	£
Individuals ..				46,227,420	38,509,468
Companies ..	Not available			16,122,969	16,372,972
Total ..	..	..	..	62,350,389	54,882,440
Tax payable:	£	£	£	£	£
Individuals ..	749,204	755,366	759,204	936,515	970,815
Companies ..	722,817	579,995	699,840	805,996	1,014,945
Total* ..	1,472,021	1,335,361	1,459,044	1,742,511	1,985,760
Per taxpayer:	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Individuals ..	8 7 3	5 13 8	6 2 8	6 2 0	7 11 11
Companies ..	414 18 8	286 5 6	308 19 7	300 19 4	351 3 10
Average tax payable in the £ on taxable incomes by—	d.	d.	d.	d.	d.
Individuals ..	Not available			4.86	6.05
Companies ..	12.00	12.00	12.00	12.00	14.88

* For actual collections in the following financial year, see page 41.

The total net incomes of taxpayers in 1923-24, who were assessed to pay tax, amounted to £75,614,240, but, as 103,659 taxpayers were allowed the £200 exemption, the amount available for taxation was £54,882,440.

The total number of individuals and companies who paid tax on their incomes for 1923-24 is detailed, under specified grades of taxable income, in the following table:—

TOTAL NUMBER OF TAXPAYERS (1923-24 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
£						
Not exceeding 100	66,729	3,678	295	70,702	491	71,193
101 to 200	20,169	1,995	500	22,664	190	22,854
201- 350	8,673	1,126	553	10,352	224	10,576
351- 500	20	2	16	38	175	213
501- 700	3,435	1,061	4,337	8,833	188	9,021
701-1,000	2,181	654	2,972	5,807	235	6,042
1,001-1,200	888	253	1,427	2,568	112	2,680
1,201-1,500	708	190	1,310	2,208	132	2,340
1,501-2,000	578	204	1,137	1,919	151	2,070
2,001-2,400	229	60	509	798	87	885
2,401-3,000	164	73	444	681	134	815
3,001-4,000	131	50	420	601	130	731
4,001-5,000	73	19	170	262	97	359
5,001-6,000	41	11	85	137	79	216
6,001-7,400	18	5	56	79	65	144
7,401 and over ..	28	25	116	169	400	569
Total ..	104,065	9,406	14,347	127,818	2,890	130,708

Of the individual taxpayers, 81·4 per cent. obtained their incomes wholly from personal exertion, 7·4 per cent. from property, and 11·2 per cent. from personal exertion and property combined. Seventy-three per cent. of the individual taxpayers were in receipt of taxable incomes not exceeding £200, but the tax paid by them amounted to only 8·9 per cent. of the total for individuals.

In the succeeding statement particulars of the sources of taxable incomes for 1923-24 are arranged in order of groups of taxable incomes :—

TAXABLE INCOMES (1923-24 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
	£	£	£	£	£	£
Not exceeding 100	2,930,464	170,821	18,562	3,119,847	19,587	3,139,434
101 to 200	2,858,675	290,090	75,613	3,224,978	27,536	3,252,514
201 - 350	2,132,357	278,947	139,617	2,550,921	60,985	2,611,906
351 - 500	7,723	753	7,101	15,577	74,446	90,023
501 - 700	2,011,213	623,099	2,532,463	5,166,775	112,518	5,279,293
701 - 1,000	1,876,546	546,889	2,548,354	4,971,789	201,041	5,172,830
1,001 - 1,200	971,785	276,239	1,556,575	2,804,599	122,487	2,927,086
1,201 - 1,500	944,491	251,865	1,748,431	2,944,787	174,853	3,119,640
1,501 - 2,000	997,998	349,279	1,948,846	3,296,123	261,550	3,557,673
2,001 - 2,400	493,830	131,964	1,112,630	1,738,424	190,699	1,929,123
2,401 - 3,000	435,906	194,375	1,188,947	1,819,228	361,274	2,180,502
3,001 - 4,000	450,905	168,735	1,433,882	2,053,522	448,542	2,502,064
4,001 - 5,000	325,188	85,592	755,638	1,166,418	430,894	1,597,312
5,001 - 6,000	223,526	61,583	466,564	751,673	435,862	1,187,535
6,001 - 7,400	119,437	32,959	372,202	524,598	431,959	956,557
7,401 and over ..	308,205	447,883	1,604,121	2,360,209	13,018,739	15,378,948
Total ..	17,088,249	3,911,673	17,509,546	38,509,468	16,372,972	54,882,440

The division showing the highest amount of taxable income of individuals is that from £501 to £700; it is followed closely by that from £701 to £1,000. Fifty 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—400, which were in receipt of £7,401 and upwards, having had a taxable income representing 79·5 per cent. of the total for all companies.

The complete figures relating to the tax payable on the 1923-24 incomes are set out hereunder:—

TAX PAYABLE ON 1923-24 INCOMES.

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
£	£	£	£	£	£	£
Not exceeding 100	38,221	4,308	325	42,854	1,206	44,060
101 to 200	34,949	7,226	1,321	43,496	1,709	45,205
201 - 350	25,665	6,958	2,309	34,932	3,782	38,714
351 - 500	118	19	134	271	4,631	4,902
501 - 700	33,622	21,485	48,309	103,416	7,023	110,439
701 - 1,000	36,657	21,309	55,709	113,675	12,544	126,219
1,001 - 1,200	20,865	11,890	37,024	69,779	7,641	77,420
1,201 - 1,500	21,748	11,690	44,739	78,177	10,927	89,104
1,501 - 2,000	25,010	17,598	53,461	96,069	16,346	112,415
2,001 - 2,400	13,518	7,216	32,989	53,723	11,918	65,641
2,401 - 3,000	12,827	11,393	37,302	61,522	22,580	84,102
3,001 - 4,000	13,741	10,314	47,941	71,996	28,034	100,030
4,001 - 5,000	10,368	5,107	26,934	42,409	26,931	69,340
5,001 - 6,000	7,508	4,147	17,486	29,141	27,241	56,382
6,001 - 7,400	4,027	2,247	13,769	20,043	26,922	46,965
7,401 and over ...	10,799	31,856	66,657	109,312	805,510	914,822
Total ...	309,643	174,763	486,409	970,815	1,014,945	1,985,760

Companies with taxable incomes of £7,401 and over were assessed for an amount which represented 40.6 per cent. of the total tax payable; for all companies the proportion was 51 per cent. The tax payable by persons in the group £501 to £1,000 was 22 per cent. of the total for individuals. Exclusive of the amount payable by companies, 32 per cent. of the tax payable was derived from personal exertion, 18 per cent. from property, and 50 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 1924-25, amounted to £11,136,344, and it is estimated that the payments made on Victorian income would be about £3,007,000.

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.

The Assessment Roll on 31st December of each of the last five years showed the following particulars :—

		Taxpayers.		Net Tax Payable.	
		No.		£	
1921	103,237	..	335,566
1922	108,269	..	353,370
1923	114,614	..	392,434
1924	120,107	..	415,693
1925	127,199	..	444,174

Commonwealth Land Tax. 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 1922-23 have been furnished by the Federal Commissioner of Land Tax. The estates assessed numbered 5,253, of which 4,789 belonged to resident and 464 to absentee taxpayers. The unimproved value of these estates, as ascertained by the Department, was £53,190,652, comprising town land and country land of the following respective values :—£20,950,526 and £32,240,126. The tax payable was £322,939. In addition there were 1851 Central Office taxpayers who owned land in more than one State. The Victorian land owned by these taxpayers was valued at £9,561,314 unimproved value, on which a tax of £164,664 was payable.

RAILWAY 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 Railway 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 St. Kilda-Brighton and Sandringham-Black Rock Electric Street Tramways.

RAILWAY BALANCES : 1920-21 TO 1924-25.

Item.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
	£	£	£	£	£
Gross Revenue ..	9,851,909	10,857,853	11,413,782	12,025,987	12,830,283
Working Expenses ..	7,911,834	8,092,565	8,238,744	8,776,514	9,489,368
Pensions, Gratuities, &c. ..	182,036	194,581	203,470	206,366	215,087
Net Receipts ..	1,758,039	2,570,707	2,971,568	3,043,107	3,125,828
Interest on Cost of Construction ..	2,409,674	2,589,816	2,951,385	3,015,455	3,099,885
Surplus (+) or Deficit (-)	-651,635	-19,109	+20,183	+27,652*	+25,943

* 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, 1925, the receipts of the fund amounted to £48,079, whilst the payments made therefrom were £8,865 for compensation, damages, costs, &c., to persons other than employees injured; £18,234 as compensation on account of injuries to or deaths of employees; and £17,837 as compensation for goods or parcels lost, and for damages caused by fire, &c. The balance at the credit of the Fund on 30th June, 1925, was £100,000.

PENSIONS AND GRATUITIES.

During the year 1924-25, the Government expended on pensions, gratuities, etc., the sum of £621,695. Of this amount, £467,741 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 and the Police Pensions Fund. The following table gives details of the expenditure for the year 1924-25:—

Cost of
Pensions and
Gratuities.

**GOVERNMENT EXPENDITURE ON PENSIONS,
GRATUITIES, ETC., 1924-25.**

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
Education Department	1,032	137,205	7	190	1,039	137,395
Railways	1,511	204,593	94	5,640	1,605	210,233
Defence	2	221	..	..	2	221
Lunacy	21	2,545	..	..	21	2,545
Under Constitution Act	1	1,500	..	..	1	1,500
Officers of Parliament	1	509	..	..	1	509
County Court Judges..	1	750	..	..	1	750
Under Civil Service Act						
160	153	35,962	..	..	153	35,962
Under Public Service						
Act 773	162	41,010	..	..	162	41,010
Commonwealth Service						
—Officers of trans-						
ferred Departments	325	27,863	..	..	325	27,863
Various allowances ..	..	..	19	971	19	971
Total Pensions and						
Superannuation						
Allowances ..	3,209	452,158	120	6,801	3,329	458,959
Compensations and Gra-						
tuities	4	755	} 11	4,489	15	5,244
				3,538		3,538*
Police Superannuation						
Fund—						
Subsidy .. ..	..	2,000	..	66,000	..	68,000
Transferred from						
Licensing Fund ..	..	..	..	23,000	..	23,000
Fines .. ..	..	..	..	12,954	..	12,954
Police Pensions Fund—						
Subsidy	..	..	..	50,000	..	50,000
Total amount ..	..	454,913	..	166,782	..	621,695

* Signifies amounts paid to officers on retirement at age 60 years, being equivalent to four weeks' pay.

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 1924-25 the total receipts of the fund amounted to £107,493, consisting of £103,954 from Government revenue as shown in the preceding table, £3,433 from members of the force, and £56 balance brought forward. Payments out of the Fund amounted to £103,333 (562 pensions for £94,247 and 10 gratuities for £9,086), thus leaving a balance of £4,160 at 30th June, 1925.

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 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 £60,190 as follows:—Deductions from pay, £7,626; special appropriation, £50,000; interest on investment, £649; and £1,915 balance brought forward. Pensions paid during the year amounted to £269, and there was a balance of £84,921 at 30th June, 1925, of which £80,000 was invested.

In the year 1924–25, there were paid out of the Port Phillip Sick and Superannuation Fund, 21 pensions amounting to £2,584, £96 for sick allowances, and £1,236 for gratuities. 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
Contingent
pensions.**

Pensions to members and relatives of members of the South African war contingents amounted to £618 in 1924–25.

**The
Superannua-
tion 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 31st December, 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.

EXPENDITURE ON EDUCATION.

During the year 1924-25 the State expended on education generally the sum of £2,899,942, including £476,930 from loan moneys. The former amount includes the interest payable on loan moneys expended on buildings and expenditure in connexion with 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: 1920-21 TO 1924-25.

Expenditure on—	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
	£	£	£	£	£
Education—					
Primary	1,232,440	1,283,499	1,324,144	1,355,876	1,380,209
Intermediate	20,175	27,610	46,679	48,570	52,336
Secondary (including Scho'arships)	107,498	110,397	119,624	125,337	129,748
Special Subjects	49,214	56,930	49,719	54,324	50,472
Training of Teachers	26,353	26,768	26,797	28,440	32,775
Administration	63,252	66,549	69,335	69,932	74,511
Buildings (State Schools)..	176,099	322,471	349,562	481,372	531,571
<i>Technical Schools</i> (including Building Grants)	192,215	229,261	223,978	260,969	292,891
<i>University</i> (including Building Grants)	67,498	113,111	117,197	97,837	77,934
Interest payable on Loan Moneys expended on Buildings	64,404	82,369	97,582	106,800	137,737
Miscellaneous (including Pensions and Gratuities)	118,003	120,694	124,444	133,756	139,758
Total	2,117,151	2,439,659	2,549,061	2,763,213	2,899,942*
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per head of population ..	1 7 9	1 11 6	1 12 1	1 14 0	1 15 0

* In addition, £37,714 paid by students in fees during the calendar year 1924 was expended on technical education.

The foregoing statement deals with the expenditure by the State on education generally, and includes expenditure connected with the

University and technical schools, but the statement which follows relates to that portion of the expenditure which has been incurred in connexion with the State schools of Victoria, primary and secondary, excluding the amounts expended on technical schools and scholarships, in each of the last five years:—

EXPENDITURE IN CONNEXION WITH STATE SCHOOLS:
1920-21 TO 1924-25.

Items.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
	£	£	£	£	£
Education:					
Primary—					
Day Schools, including Central Schools	1,226,049	1,276,840	1,317,224	1,347,531	1,371,491
Night Schools	44	38	5	..	..
Schools for Deaf Mutes and Blind and Feeble-minded Children	4,391	4,612	5,571	6,070	6,563
Grant to Collingwood Play-ground	100	100	100	..	..
Subsidized Schools	556	609	244	275	155
Free Kindergarten Union	1,000	1,000	1,000	2,000	2,000
State Schools Horticultural Society	300	300	..	..	..
	1,232,440	1,283,499	1,324,144	1,355,876	1,380,209
Intermediate—					
Higher Elementary Schools	19,791	27,134	32,950	35,149	36,807
Evening Continuation Classes	385	476	410	42	502
Schools of Domestic Arts	*	*	13,319	12,929	15,027
Secondary—					
High Schools	97,785	101,535	112,291	117,971	122,390
	117,961	129,145	158,970	166,541	174,726
Special Subjects—					
Domestic Arts	24,789	28,025	15,909	17,153	17,690
Manual Training	19,460	21,784	24,998	26,656	21,880
Physical Training	1,125	1,302	1,212	1,273	835
Medical Inspection	2,893	4,690	5,541	5,345	6,350
Dressmaking and Needlework	379	404	388	430	488
School Gardening and Plantations	568	725	891	2,189	2,173
Singing .. .. .	..	..	780	1,278	1,056
	49,214	56,930	49,719	54,324	50,472
Training of Teachers—					
Teachers' College	16,023	16,155	17,212	18,473	20,679
Miscellaneous	10,330	10,613	9,585	9,967	12,096
	26,353	26,768	26,797	28,440	32,775
Administration	63,252	66,549	69,335	69,932	74,511
Buildings—					
Primary Schools	126,112	275,205	296,858	423,494	452,680
.. .. . (expended by School Committees)	11,112	11,201	13,199	16,697	16,777
Rents	6,999	8,234	6,876	8,500	10,475
Higher Elementary Schools	18,656	12,950	10,342	20,414	31,681
High Schools	13,220	14,881	22,287	12,277	19,959
	176,099	322,471	349,562	481,372	531,571
Interest payable on Loan Moneys expended on State School Buildings	62,597	75,292	84,958	95,808	121,494
Pensions and Gratuities	117,950	120,644	123,594	132,979	139,708
Total	1,845,866	2,081,298	2,187,079	2,385,272	2,505,406

* Included under heading "Special subjects."

The following return summarizes the expenditure and revenue connected with the Victorian State Schools, and shows the cost per scholar in average attendance for each of the last ten years :—

COST OF INSTRUCTION IN VICTORIAN STATE SCHOOLS :
1915-16 TO 1924-25.

Year.	Expenditure by the State.	Revenue of the Education Department.	Net Expenditure.	Number of Scholars— Average Attendance.	Cost per Scholar to the State.
	£	£	£		£ s. d.
1915-16 ..	1,329,272	26,403	1,302,869	167,989	7 15 1
1916-17 ..	1,229,456	28,477	1,200,979	167,588	7 3 4
1917-18 ..	1,211,346	30,577	1,180,769	167,653	7 0 10
1918-19 ..	1,265,750	21,666	1,244,084	171,640	7 5 0
1919-20 ..	1,502,885	23,917	1,478,968	168,314	8 15 9
1920-21 ..	1,845,866	26,520	1,819,346	167,627	10 17 1
1921-22 ..	2,081,298	25,439	2,055,859	177,487	11 11 8
1922-23 ..	2,187,079	25,450	2,161,629	183,045	11 16 2
1923-24 ..	2,385,272	24,979	2,360,293	179,848	13 2 6
1924-25 ..	2,505,466	24,682	2,480,784	184,606	13 8 9

This table includes the amount payable each year as interest on loan moneys expended on State School buildings.

COMMONWEALTH FINANCE IN VICTORIA.

Commonwealth Finance. A statement of the Commonwealth revenue and expenditure in Victoria for the last five years is given below:—

COMMONWEALTH REVENUE AND EXPENDITURE IN THE STATE OF VICTORIA (ESTIMATED) : 1920-21 TO 1924-25.

Heads of Revenue and Expenditure.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
REVENUE.	£	£	£	£	£
Customs Duties ..	7,345,609	5,835,394	7,648,521	8,226,378	8,167,185
Excise Duties ..	2,525,847	2,644,585	2,700,312	2,764,938	2,823,889
Income Tax* ..	4,203,000	4,533,000	3,485,000	2,986,000	3,007,000
Post, Telegraph, &c.	2,272,719	2,558,972	2,698,251	2,686,226	2,771,870
War-time Profits Tax*	495,000	280,000	72,000	18,000	..
Land Tax* ..	492,436	525,000	464,000	467,000	580,000
Succession Duties* ..	435,873	367,000	434,000	489,000	511,000
War Postage ..	56,000	..	..	..	..
Entertainments Tax	203,769	222,210	208,240	212,011	223,555
Miscellaneous ..	981,747	1,095,839	783,676	956,447	788,501
Total ..	19,012,000	18,062,000	18,494,000	18,806,000	18,873,000
EXPENDITURE.					
Trade and Customs*	272,500	216,000	388,000	259,000	249,000
Post, Telegraph, &c.	1,950,548	2,213,126	2,079,937	2,292,536	2,327,934
Payment to the State Government ..	1,878,449	1,918,967	1,969,772	2,014,746	2,055,824
Other Expenditure (including Defence, War and Repatriation Services, &c.)	13,802,503	13,397,907	13,201,291	14,925,668	14,701,232
Total ..	17,905,000	17,746,000	17,639,000	19,492,000	19,334,000

* Estimated.

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

The total Government revenue and expenditure within the State of Victoria is obtained by combining State and Commonwealth receipts and expenditure. This has been done in the following table, in which are given figures relating to the principal items:—

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: 1920-21 TO 1924-25.

Heads of Revenue and Expenditure.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.
REVENUE.					
	£	£	£	£	£
Customs and Excise	9,871,456	8,479,979	10,348,833	10,991,316	10,991,074
Post, Telegraph, &c.	2,272,719	2,558,920	2,698,251	2,686,226	2,771,870
State Railways	9,848,061	10,751,173	11,289,956	11,922,195	12,549,878
State Taxation ..	3,846,833	3,791,174	4,077,046	4,476,158	4,819,580
Other sources ..	10,348,957	10,919,468	9,744,819	9,791,327	9,989,651
Total Revenue..	36,188,026	36,500,766	38,158,905	39,867,222	41,122,053
EXPENDITURE.					
Trade and Customs	272,500	216,000	388,000	259,000	249,000
Post, Telegraph, &c.	1,950,548	2,213,126	2,079,937	2,292,536	2,327,934
State Railways ..	7,857,380	8,117,070	8,275,909	8,818,314	9,525,842
Public Instruction*..	1,789,639	1,896,702	1,987,865	2,093,841	2,186,232
Public Debt (Victoria)—					
Interest and Ex-					
penses ..	3,882,095	4,579,665	5,355,575	5,669,970	5,905,947
Redemption ..	508,344	402,724	421,166	484,825	563,287
Other Expenditure..	18,707,743	18,699,025	18,772,085	20,909,686	20,690,407
Total Expenditure	34,968,249	36,124,312	37,280,537	40,528,222	41,448,649

* Primary and Technical Schools, and University.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

A statement of the ordinary revenue and expenditure and of the loan expenditure of the Federal Government in Victoria, also of the State Government and of municipal and local bodies, during 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 Finance.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND
EXPENDITURE : 1921 TO 1925.

Heading.	Financial Year ended in—				
	1921.	1922.	1923.	1924.	1925.
<i>Revenue.</i>					
	£	£	£	£	£
Government—					
Federal* ..	19,012,000	18,062,000	18,494,000	18,806,000	18,873,000
State ..	16,949,396	18,190,935	19,401,637	20,805,420	22,006,348
Municipal ..	3,460,727	3,890,390	4,362,983	4,847,899	5,426,507
Other Local Authorities—					
Harbor Trusts ..	548,008	652,839	745,088	785,799	818,800
Melbourne and Metropolitan Board of Works	846,071	923,234	1,095,004	1,069,898	1,178,862
Melbourne and Metropolitan Tramways Board	1,626,078	1,841,170	1,930,798	1,889,513	1,968,785
Fire Brigades Boards ..	68,865	75,262	71,999	75,934	90,564
Other† ..	129,879	167,168	182,485	174,454	194,425
Total ..	42,641,024	43,802,998	46,283,994	48,454,917	50,557,291
<i>Ordinary Expenditure.</i>					
Government—					
Federal* ..	17,905,000	17,746,000	17,639,000	19,492,000	19,334,000
State ..	16,836,619	18,131,481	19,378,269	20,780,420	21,871,944
Municipal ..	3,466,396	3,804,947	4,089,749	5,093,809	5,747,882
Other Local Authorities—					
Harbor Trusts ..	506,624	565,157	638,626	697,946	762,559
Melbourne and Metropolitan Board of Works	856,243	954,315	987,209	1,083,016	1,189,285
Melbourne and Metropolitan Tramways Board	1,629,740	1,835,550	1,929,728	2,023,840	2,201,031
Fire Brigades Boards ..	70,338	77,456	73,168	72,608	88,178
Other† ..	135,120	164,085	179,002	188,440	185,007
Total ..	41,406,080	43,278,991	44,914,751	49,432,079	51,379,886

* Estimated. † 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 :
1921 TO 1925—continued.

Heading.	Financial Year ended in—				
	1921.	1922.	1923.	1924.	1925.
<i>Loan Expenditure.</i>	£	£	£	£	£
Government—					
Federal* ..	5,812,000	1,740,000	1,665,000	2,220,000	2,064,000
State ..	11,095,158	11,804,990	8,764,306	8,407,526	7,940,589
Municipal ..	480,166	702,310	885,303	1,146,166	1,184,890
Other Local Authorities—					
Harbor Trusts ..	188,960	201,534	278,312	414,195	660,302
Melbourne and Metropolitan Board of Works	423,692	740,943	703,852	888,269	1,211,912
Melbourne and Metropolitan Tramways Board	..	100,000	..	400,000	908,916
Fire Brigades Boards ..	23,782	25 205	1,443	1,201	19,048
Other ..	59,466	67,543	134,516	126,223	111,745
Total ..	18,083,224	15,382,525	12,432,732	13,603,580	14,101,402
<i>Expenditure—Grand Total ..</i>	<i>59,489,304</i>	<i>58,661,516</i>	<i>57,347,483</i>	<i>63,035,659</i>	<i>65,481,288</i>
Per Head of Population—					
Revenue ..	£ s. d. 27 18 2	£ s. d. 28 4 11	£ s. d. 29 2 1	£ s. d. 29 16 3	£ s. d. 30 10 1
Ordinary Expenditure ..	27 2 0	27 18 2	28 4 11	30 8 3	31 0 1
Loan Expenditure	11 16 8	9 18 5	7 16 4	8 7 5	8 10 2

* Estimated.

PUBLIC DEBT.

The following statement shows the result of loan transactions including Treasury Bonds in aid of revenue to 30th June, 1925, with the exception of Melbourne and Hobson's Bay Railway Debentures taken over, which are not treated in the Treasury accounts as a loan raised by the State :—

LOANS RAISED AND REDEEMED TO 30th JUNE, 1925.

	£
Cash received	272,669,153
Discount and expenses after deducting premiums	3,302,804
	<hr/>
Securities issued	275,971,957
Add temporary advance pending loan flotation	2,724,000
	<hr/>
	278,695,957
Loans redeemed by—	£
Redemption loans	131,773,762
Melbourne and Metropolitan Board's repayments	2,389,934
Revenue (Special appropriations and Surplus Revenue)	4,404,200
Redemption Funds	6,380,369
Closer Settlement Fund	1,289,562
Coal Mines Sinking Fund	7,050
Discharged Soldiers Concessions Fund	1,040,600
Discharged Soldiers Settlement Fund	174,101
Discount (securities purchased under par)	67,814
	<hr/>
	147,527,392
	<hr/>
Loans outstanding on 30th June, 1925	131,168,565*

It will be seen that, upon the transactions to date (excluding the temporary advance referred to above), securities representing £275,971,957 have been issued, and that the amount of cash received has been £272,669,153. This means that the State has received £98 16s. 1d. 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 £109,526,882. The amount which has been paid off by means of new loans is

* There are, in addition to this amount, the overdue debentures for £1,000, which are referred to further on.

£56,086,880, and by means of appropriations from revenue, &c., £3,588,498; a sum of £706,300 has been transferred to the Melbourne register, leaving a balance due in London on 30th June, 1925, of £49,145,204, consisting of debentures amounting to £2,262,575, and inscribed stock, £47,588,929. In addition there was an amount outstanding of £2,724,000, which was 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.

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 Redem- tion Loans).	Debt outstanding 30th June, 1925.			
					Inscribed Stock.	Debent- ures.	Total payable in—	
							London.	Mel- bourne.
	£	%		£	£	£	£	
(Period 1855 to 1888)	46,480,100	..		46,480,100	..	..	..
1196	3,000,000	3½	1921-26	..	..	2,905,150	94,850	
1032	4,000,000	3½	1923	4,000,000	3,000,000	..	..
1217	2,000,000	3½	1921-26	..	..	2,000,000	..	
1233	1,000,000	4½	1893	1,000,000	2,000,000	..	..
1287	2,107,000	4	1911	2,107,000	..	..	..
1560	4,600,000	3	1929-49	137,886	4,462,114	..	4,202,561	259,553
	4,976,476	3½	1929-49	244,519	4,731,957	..	4,625,695	106,262
	1,000,000	4	1940-60	20,300	979,700	..	979,700	..
	10,908,800	5	1932-42	..	11,958,168	..	11,833,968	124,200
	1,049,868	5½	1935-45	..	2,850,400	..	2,839,749	10,651
1562	2,850,400	6½	1924-34	2,302,363	..	..	..
1574	1,000,000	3	1923-25	..	1,000,000	..	1,000,000	..
2026	500,000	4	1929-49	500,000	..	..	..
2167	149,600	5½	1903	..	..	149,600	..	
	807,075	5	1924-34	..	..	807,075	..	
2635/2415	1,500,000	3½	1945	..	1,500,000	..	1,500,000	..
2428	100,000	5½	1929-49	100,000	..	..	..
2480	2,000,000	4	1922	..	2,000,000	..	1,982,416	17,584
2480	1,465,300	4½	1940-60	..	1,450,410	..	14,890	..
2480	1,034,700	5½	1920-25	1,450,410	14,890	..	14,890	..
2530	284,700	5	1930-40	..	1,034,700	..	941,500	93,200
	2,215,300	5½	1932-42	..	284,700	..	284,700	..
2531	784,700	4½	1930-40	..	2,215,300	..	2,215,300	..
2794	550,000	5½	1920-25	782,800	..	1,900	1,900	..
2871	1,109,481	5½	1922	550,000	..	..	..
3124	194,519	5½	1927	..	..	1,109,481	1,109,481	..
3233	750,000	5½	1927	..	..	194,519	194,519	..
3274	850,000	4½	1930-40	..	750,000	..	750,000	..
3345	2,807,000	5	1940-60	..	850,000	..	850,000	..
	3,500,000	4½	1932-42	..	2,807,000	..	2,807,000	..
	1,650,000	4½	1940-60	..	3,500,000	..	3,500,000	..
			1940-60	..	1,650,000	..	1,650,000	..
	109,526,882	..	..	59,675,378	47,588,929	2,262,575	49,145,204	706,300
Add Temporary Advance pending flotation of Loan, Act 3200							2,724,000	..
Total London Loans							51,869,204	706,300

Loans
Floated in
Melbourne.

Excluding Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, of which £62,000 have since been paid off, the total amount of the loans which have been floated in Melbourne is £166,445,075. Of this amount £75,686,882 has been redeemed by loans, and £12,165,132 by revenue, &c., leaving due a balance of £78,593,061 on 30th June, 1925, consisting of debentures, £41,143,405, inscribed stock, £36,671,370, and Treasury bonds in aid of revenue, £778,286. In addition, outstanding inscribed stock for £706,300 has been transferred from the London to the Melbourne Register, so that of the debt outstanding the total amount payable in Melbourne was £79,299,361.

Purposes for
which
Outstanding
Loans were
raised.

The amount of the loans raised in London and Melbourne to 30th June, 1925, inclusive of Melbourne and Hobson's Bay Railway Debentures taken over, was £276,423,057, and of this sum a total of £147,977,492 had been repaid at that date, viz., £15,753,630 out of the general revenue, and £132,223,862 out of the proceeds of redemption loans. The balance outstanding on 30th June, 1925, was £131,169,565, which includes an amount of £2,724,000 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 on 30th June, 1925.	Annual Interest Payable.
	£	£
REVENUE-YIELDING WORKS.		
Railways	67,007,065	3,067,096
Discharged Soldiers Settlement	21,188,534	1,208,157
Closer Settlement	5,974,114	264,833
Waterworks—Country	15,207,628	696,618
Country Roads—		
Main	3,075,346	156,970
Developmental	2,599,462	137,312
Road Construction—Percentage with Commonwealth	239,275	12,654
Electricity Supply	7,823,426	398,193
Harbours	533,429	23,092
Agriculture and Advances to Farmers, &c.	411,344	20,428
Mining Development	294,940	11,483
Graving Dock	206,144	8,421
Cool Stores, Outer Ports, &c.	926,023	45,528
Total Revenue-yielding Works	125,486,730	6,050,785

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

Loans Raised for—	Amount of Loans outstanding on 30th June, 1925.	Annual Interest Payable.
OTHER WORKS.		
	£	£
State Schools, Technical Schools, and University	2,983,565	137,737
Public Offices, Law Courts, and Parliament Houses	230,019	8,778
Wire Netting	276,920	14,672
Loans to Municipalities (incl. Kerang Tramway)	361,426	17,356
Defence Works	112,510	3,875
Other Public Works and Buildings	305,341	10,890
Miscellaneous	391,328	19,743
Unapportioned	243,440	13,996
Total Other Works	4,904,549	227,047
In aid of Revenue	778,286	41,289
Net Borrowings	131,169,565	6,319,121

Of the proceeds of the loans outstanding on 30th June, 1925, sums not yet expended amounted in the aggregate to £635,189, of which £315,558 was for Public Works, Buildings, etc., £168,870 for Closer Settlement, £101,260 for Country Roads (Main and Developmental), and £49,501 for various other services. Of the amount of the loans which were raised for public works and are still outstanding, 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 £58,085,638, or 79 per cent. Below is given a statement showing 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.
	1915.	1925.	
	£	£	£
Railways	52,398,601	67,007,065	14,609,664
Waterworks—Country	8,202,679	15,207,628	7,004,949
Metropolitan	1,559,786	..	*1,559,786
Discharged Soldiers Settlement .. .. .	..	21,188,534	21,188,534
Closer Settlement	4,822,279	5,974,114	1,151,835
Electricity Supply .. .. .	..	7,823,426	7,823,426
Country Roads	301,435	5,914,083	5,612,648
Harbours	420,000	533,429	113,429
Loans and Grants to Municipalities	164,021	361,426	197,405
Agriculture and Advances to Farmers, &c.	465,564	411,344	*54,220
Cool Stores, Outer Ports, &c.	308,554	926,623	617,469
State Schools, Technical Schools, and University	1,559,303	2,983,565	1,424,262
Public Offices, Law Courts, and Parliament Houses	510,018	230,019	*279,999
All other Works and Services	1,472,287	1,587,183	114,896
In Aid of Revenue	900,000	778,286	*121,714
Unapportioned .. .. .	..	243,440	243,440
Total	73,083,927	131,169,565	58,085,638

* Decrease.

The total amount of loans outstanding on 30th June, 1925, inclusive of Treasury bonds in aid of revenue, was £131,169,565, as mentioned above. Of this sum £43,406,980 was in the form of debentures; £47,588,929 of inscribed stock (London Register); £2,724,000 Temporary Advance pending flotation of loan (London) Act No. 3200; £36,671,370 of inscribed stock (Melbourne Register); and £778,286 of Treasury bonds in aid of revenue. Particulars concerning the due dates of loans outstanding on 30th June, 1925, 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 ON 30TH JUNE, 1925.

Due Date (Financial Year.)	Payable in London.	Payable in Melbourne.	Total.
	£	£	£
Overdue	16,790	1,610	18,400
1925-26	4,905,150	7,346,170	12,251,320
1926-27	1,304,000	1,728,207	3,032,207
1927-28 .. .. .	..	7,219,233	7,219,233
1928-29 .. .. .	..	11,532,160	11,532,160
1929-30 .. .. .	..	18,765,456	18,765,456
1930-31 .. .. .	..	3,341,188	3,341,188
1931-32 .. .. .	..	1,122,950	1,122,950
1932-33 .. .. .	..	1,169,766	1,169,766
1933-34 .. .. .	..	5,425,535	5,425,535
1934-35	2,989,349	1,241,880	4,231,229
1935-36 .. .. .	..	300,000	300,000
1937-38 .. .. .	..	40,000	40,000
1939-40 .. .. .	..	312	312
1940-41	3,906,800	627,980	4,534,780
1941-42 .. .. .	..	423,600	423,600
1942-43	13,875,800	227,800	14,103,600
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	5,202,561	264,853	5,467,414
1949-50	6,125,695	106,262	6,231,957
1953-54 .. .. .	..	123,874	123,874
1959-60	2,962,116	17,584	2,979,700
1960-61	6,000,000	..	6,000,000
Government Option* .. .. .	..	6,070,066	6,070,066
Not yet fixed†			
(a) .. .. .	..	11,794,075	11,794,075
(b) .. .. .	..	92,000	92,000
(c) .. .. .	..	100,000	100,000
Temporary advance from Westminster Bank, London, pending flotation	2,724,000	..	2,724,000
Total	51,869,204	79,300,361	131,169,565

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

† Amounts received from Commonwealth for purposes of—(a) Discharged Soldier Settlement, and (b) Loans to Municipalities; and (c) on account of a loan to be floated.

Loans and interest payable in London and Melbourne.

An examination of the next table reveals interesting information in regard to the practice adopted when raising money in recent years. During the last 25 years the amount of loans due in Melbourne has grown from £4,669,306 to £79,300,361, while the amount due in London has shown little variation. With few exceptions, the new loans raised have been obtained locally, while further large amounts have been borrowed in the State for the redemption of London loans as they matured.

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND MELBOURNE: 1900 TO 1925.

On 30th June—	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.	Melbourne.	London.	Melbourne.
	£	£	£	£
1900 ..	44,655,579	4,669,306	1,735,307	152,046
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
1916 ..	42,160,566	34,614,466	1,562,884	1,270,886
1917 ..	42,907,086	35,218,309	1,604,171	1,327,518
1918 ..	43,437,719	36,157,927	1,633,681	1,407,419
1919 ..	43,400,300	38,631,629	1,632,372	1,547,192
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

The appended table shows the rates of interest which were payable on the public debt at 30th June, 1925, and the portions of the debt at each rate in London and Melbourne respectively :—

RATES OF INTEREST ON PUBLIC DEBT AT 30TH
JUNE, 1925.

Rate of Interest.	Amount Payable in—		
	London.	Melbourne.	Total.
%	£	£	£
Not bearing interest	16,790	1,610	18,400
7½ .. .. .	..	586,414	586,414
6/15/2 .. .. .	..	631,248	631,248
6/7/0 .. .. .	..	5,523,543	5,523,543
6 .. .. .	..	5,841,701	5,841,701
5¾ .. .. .	..	750,000	750,000
5½	8,200,149	15,096,622	23,296,771
5/6/11 .. .. .	..	3,563,724	3,563,724
5/5/3 .. .. .	..	1,581,146	1,581,146
5¼ .. .. .	..	7,809,845	7,809,845
5	15,732,743	18,153,169	33,885,912
4¾ .. .. .	..	100,000	100,000
4¾	6,000,000	85,980	6,085,980
4/14/5 .. .. .	..	3,900,000	3,900,000
4½ .. .. .	..	912,325	912,325
4¼ .. .. .	..	637,400	637,400
4	2,962,116	2,505,973	5,468,089
3¾ .. .. .	..	220,000	220,000
3½	11,030,845	6,836,540	17,867,385
3	5,202,561	4,463,121	9,665,682
Not fixed	2,724,000	100,000	2,824,000
Total	51,869,204	79,300,361	131,169,565
Average Rate of Interest	4·47%	5·04%	4·82%

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 1890 the debt per head of population at 30th June, 1925, had increased by 114 per cent.; the interest payable per head had increased by 158 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 1925.**

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 ..	480,000	28,800	6·00	1 6 4	0 1 7
1860 ..	5,118,100	306,405	5·99	9 10 4	0 11 5
1870 ..	11,924,800	688,740	5·78	16 8 3	0 19 0
1880 ..	20,056,600	1,004,436	5·01	23 11 9	1 3 7
1890 ..	41,377,693	1,649,465	3·99	36 19 11	1 9 6
1900 ..	49,324,885	1,887,353	3·83	41 6 8	1 11 8
1910 ..	55,576,721	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	5,575,067	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	79 3 2	3 16 3

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, 1925.
	1921-22.	1922-23.	1923-24.	1924-25.	
	£	£	£	£	£
Railways	3,886,534	1,674,643	1,395,282	1,379,182	66,145,550
Water Supply—					
Country	968,047	1,210,485	1,415,109	1,405,623	15,923,080
Metropolitan ..	..	..	..	..	3,142,577
Closer Settlement ..	18	461,533	855,919	592,372	7,055,011
Discharged Soldiers Land Settlement ..	4,287,114	1,959,231	1,577,411	1,133,588	22,330,376
Country Roads ..	960,821	573,972	566,596	992,568	6,283,413
Electricity Supply ..	1,337,818	2,471,457	2,090,091	1,595,064	7,654,379
State Schools, University, &c. ..	281,037	329,882	359,511	476,930	3,218,618
State Coal Mine ..	Cr. 185	..	..	9,967	249,399
Seed and Fodder Advances to Farmers	..	..	..	..	604,615
Cool Storage—Advances to Companies, &c. ..	41,710	3,503	31	..	573,299
Municipalities—Loans, Advances, and Grants	38,600	..	3,350	12,881	1,128,514
Primary Products—Advances to Companies, &c. ..	59,821	..	..	7,500	326,101
Wire Netting ..	15,447	23,731	26,275	32,399	432,859
All other works and services ..	4,145	55,869	117,951	302,515	4,883,932
In aid of Revenue ..	..	..	..	..	2,919,652
Total	11,880,927	8,764,306	8,407,526	7,940,589	142,921,375*

* In addition to this amount, the sum of £858,942 was advanced from the Public Account Advances Account in 1924-25 and expended on the following:—Railways, £101,538; Water Supply, £65,944; Discharged Soldiers Land Settlement, £287,460; and Electricity Supply, £401,000.

The total interest paid (including all expenses of payment) on loans raised to 30th June, 1925, amounted on that date to about £115,000,000, of which £81,000,000 had been paid in London and £34,000,000 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.				
	£	£	£	£	£	£
1921 ..	1,648,984	2,162,261	56,670	7,658	6,522	3,882,095
1922 ..	1,541,747	2,927,931	100,600	9,387	..	4,579,665
1923 ..	1,765,579	3,563,982	3,701	15,274	7,039	5,355,575
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

SINKING FUNDS.

Sinking Funds. On 30th June, 1925, the sinking funds for repayment of the public debt amounted to £4,084,795. The balances to the credit of the various funds at that date are shown in the following table:—

	Balance at Credit.
	£
Mallee Land Account	50,008
Victorian Government Consolidated Inscribed Stock Redemption Fund	3,226,297
Victorian Loans Redemption Fund	445,999
Closer Settlement Redemption Fund	35,121
State Coal Mines Sinking Fund	112,802
Main Roads Sinking Fund	157,155
Railways Sinking Fund	38,007
Public Works Sinking Fund	13,240
Developmental Roads Sinking Fund	6,166
Total	4,084,795

Mallee Land Account. By Act No. 2676 of 1915 the moneys accruing from licensing, leasing, or selling of land in the Mallee country or Mallee border are to be paid into the Treasury and placed to the credit of a separate account, to be called the "Mallee Land Account." The sums standing at credit of this account are available solely for the repurchase, redemption, or paying off of any Victorian stock or debentures. The amount in hand on 30th June, 1924, was £27,730, and during 1924-25 the receipts amounted to £96,999, and the expenditure to £74,721, so that the balance in the fund on 30th June, 1925, was £50,008.

Consolidated Inscribed Stock Redemption Fund. By Act No. 1561 of 1898 it was enacted that a "Victorian Government Consolidated Inscribed Stock Redemption Fund" should be kept in the Treasury, and should be applied to the purchase or repurchase, and ultimately to the redemption of consolidated stock—that is, stock on the London Register—and to the payment of expenses connected with

such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. During 1924-25 the receipts of the fund amounted to £351,871. Transactions to 30th June, 1925, were as follows:—

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED
STOCK REDEMPTION FUND: 30TH JUNE, 1925.

Transactions.	To 30th June, 1925.
RECEIPTS.	
	£
Waterworks Trusts	357,674
Mallee Land Account	1,154,000
Revenue	1,135,499
Interest on Investments	850,662
Miscellaneous	104,185
Total receipts	3,602,020
EXPENDITURE.	
Purchase of Stock	374,500
Commission, &c.	1,211
Investment Expenses	12
Total expenditure	375,723
Balance in the Fund	3,226,297
Amount of stock repurchased and cancelled	397,421

Of the balance in the fund, £3,220,872 was invested in Victorian Government debentures and stock, and £5,425 held in cash.

By Acts Nos. 1565 and 1796 it was provided that a "Victorian Loans Redemption Fund" should be kept in the Treasury and should be available for the purchase, repurchase, or redemption of Victorian Government stock and debentures payable at Melbourne, and for the payment of expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue and repayments of advances made under any Act for "Resumption of Land in Mallee District," and of sundry loans made by the Government to municipalities, &c. During 1924-25 receipts amounted to £331,708, and £260,472 was expended in the purchase for cancellation of £263,940 stock and debentures.

**Victorian
Loans
Redemption
Fund.**

Transactions in the fund to 30th June, 1925, are shown in the following statement:—

THE VICTORIAN LOANS REDEMPTION FUND:
30TH JUNE, 1925.

Transactions.	To 30th June, 1925.
RECEIPTS.	
From Revenue	£ 3,188,475
Resumption of land in Mallee Districts and valuation of improvements	26,321
Payments by Municipalities	382,911
Geelong Municipal Waterworks Trust	265,000
Interest on Investments	200,055
Shipbuilding Yard (realization)	178,500
Sale of Dredge	4,288
Repayment of Loans—	
Bush fires relief	22,894
Floods relief	1,453
Seed advances	609,486
New pilot steamer	17,354
Yarrowee Channel	16,179
Wire netting	365,027
Cool Stores	64,135
Municipalities	319,605
Country roads	80,000
Cattle advances	57,563
Royal Agricultural Society	3,896
Primary products	70,293
Excess of face value of securities over amount invested	408
Total receipts	5,873,843
EXPENDITURE.	
Purchase of stock and debentures	5,427,844
Balance in the Fund	445,999
Amount of stock and debentures repurchased and cancelled	5,468,666

The balance in the fund was represented by Victorian Government debentures and stock having a face value of £442,546, and £3,453 held in cash.

With the approval of the Treasurer this Fund was established to write down the valuation of Closer Settlement Estates by £200,000. The sole revenue of the Fund is a sum of £10,000, which, in accordance with an arrangement entered into, it must receive each year from the profits of the Closer Settlement Fund. Up to 30th June, 1925, the revenue of the Fund had been applied in the cancellation of stock and debentures to the value of £64,879.

**Closer
Settlement
Redemption
Fund.**

Coal Mines Sinking Fund. By Act No. 2630 (Section 96) the net surplus profits of the State Coal Mines were applied in establishing the Coal Mines Sinking Fund. Up to 30th June, 1925, the receipts of that Fund amounted to £119,852. Stock and debentures to the value of £7,050 had been cancelled at par, and there was thus a balance of £112,802. Of this amount £106,566 was invested and £6,236 was held in cash.

Main Roads Sinking Fund. By Act No. 2635 (Section 39) a portion of the money to the credit of the Country Roads Board Fund is paid into the Main Roads Sinking Fund. The receipts of the latter Fund to 30th June, 1925, amounted to £157,155, all of which was invested.

Railways Sinking Fund. By Act No. 3309 of 1923 the surplus railway revenue of every financial year shall be placed to the credit of the Railways Sinking Fund until such sum amounts to 75 per cent. of the loan liability of the Victorian Railways. The moneys at the credit of the Fund shall be invested in Government securities bearing interest at 4 per cent. per annum and shall be available only for redemption of loans raised for railway purposes. Any uninvested moneys shall bear interest at 4 per cent. per annum, which interest shall be paid out of consolidated revenue. The amount at the credit of the Fund at 30th June, 1925, was £38,007, of which £12,320 was invested, and £25,687 was held in cash.

Public Works Sinking Fund. Under the provisions of Act No. 3201 of 1922 a Fund known as the "Public Works Sinking Fund" was established for the purpose of liquidating the liability on account of certain public works. The works specified in the Act are public offices, education buildings, hospitals for insane, gaols, police quarters, &c. The sum to be paid into the Fund annually shall be equal to 2 per cent. of the total loan expenditure at the end of the preceding financial year, except that it shall be 10 per cent. in the case of buildings, approaches, and improvements, for tourists' resorts. The moneys at the credit of the Fund shall be invested in Government securities at 4 per cent. per annum, and, when they are equal to the total amount expended out of loan moneys, shall be transferred to and placed to the credit of the Victorian Loans Redemption Fund. During 1924-25 a sum of £11,041 was paid into the Fund, the balance at credit at 30th June, 1925, being £13,240.

Developmental Roads Sinking Fund. By Act No. 3334 of 1923 a sum equal to $1\frac{1}{2}$ per cent. per annum on the amount borrowed under the provisions of the *Developmental Roads Act* 1922 is to be paid into this Fund from consolidated revenue. The moneys in the Fund are to be invested in Government securities bearing interest at the rate of $4\frac{1}{2}$ per cent. per annum. There was a credit of £6,166 in the Fund at 30th June, 1925, all of which was invested.

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—				
	1921.	1922.	1923.	1924.	1925.
<i>Liabilities.</i>	£	£	£	£	£
At Credit of—					
Public Debt Sinking Funds	2,579,019	2,754,540	2,993,432	3,560,225	4,084,795
Savings Bank Commissioners Trust Account ..	7,185,176	6,598,524	64,103	64,103	64,103
Other Trust Funds ..	5,001,669	3,859,723	4,131,498	4,436,882	5,206,083
Balance—From General Cash Account ..	..	..	..	195,447	..
Total	14,765,864	13,212,787	7,189,033	8,256,657	9,354,981
<i>Investments, Advances, &c.</i>					
Invested in Victorian Stock or Debentures ..	4,386,711	4,760,336	5,133,710	5,955,771	6,438,453
Other Investments, Fixed Deposits, &c... ..	7,537,255	6,952,503	454,503	474,053	479,054
Advances Made... ..	1,917,986	1,358,869	1,460,804	1,826,833	2,006,307
Cash Held	923,912	141,079	140,016	..	431,167
Total	14,765,864	13,212,787	7,189,033	8,256,657	9,354,981

The large falling off in the amount of these Funds between 1922 and 1923 is due to the Treasurer having handed back to the Savings Bank Commissioners the fixed deposit receipts of that institution which he formerly held. The only security which is now held by the Treasurer on account of the Savings Bank is fixed deposit stock in the E.S.A. Bank amounting to £64,103.

PUBLIC DEBTS OF AUSTRALIAN STATES.

The following is a statement of the public debts of the Australian States on 30th June, 1925, 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.

Public Debts
of Australian
States.

PUBLIC DEBTS OF AUSTRALIAN STATES ON 30TH JUNE, 1925.

State.	Public Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	
Victoria* ..	131,169,565	79 3 2	6,319,121	3 16 3	4.82
New South Wales ..	215,331,110	94 15 7	10,639,953	4 13 8	4.94
Queensland ..	96,389,067	112 14 2	4,617,534	5 8 0	4.79
South Australia ..	74,780,835	137 13 9	3,710,512	6 16 8	4.96
Western Australia ..	64,493,261	175 4 10	2,922,254	7 18 10	4.53
Tasmania ..	23,894,416	112 15 2	1,171,119	5 10 6	4.90

* Including £2,724,000 advance pending flotation of loan in London.

The public debt of the Commonwealth on 30th June, 1925, was £430,948,062, and that of the six States, £606,058,254. From the total of these a deduction of £71,135,472 must be made for debts included twice. The balance (£965,870,844) represents the liability of the Australian public at the date mentioned, which is equal to £162 17s. 11d. per head of the population.

The full indebtedness of the Government, municipalities, and corporations of Victoria for the year 1925 is shown in detail hereunder. From the municipal and corporation debts the amounts of loans from the Government have been excluded.

STATE AND LOCAL DEBTS, VICTORIA, 1925.

State and Local Debts.	£	£
State Public Debt—		
London Register	51,869,204	
Melbourne Register	79,300,361	
Other State Debt (Public Account Advances)	858,942	
Total State Debts		132,028,507
Municipal	7,050,913	
Harbor Trusts	3,204,288	
Metropolitan Fire Brigades Board ..	161,268	
Melbourne and Metropolitan Board of Works	15,584,650	
Melbourne and Metropolitan Tramways Board	3,384,724	
Ballarat Water Commission and Sewerage Authority	158,022	
Bendigo Sewerage Authority	176,156	
Geelong Waterworks and Sewerage Trust ..	1,104,873	
First Mildura Irrigation Trust	105,029	
Total Debts of Municipalities and Corporations (excl. Government loans)		30,929,923
Gross Debts		162,958,430
Sinking Funds		5,441,120
Net Debt		157,517,310

This sum (£157,517,310) is equal to a net debt of £94 4s. 3d. per head of the population on 30th June, 1925.

COMMONWEALTH, STATE, AND LOCAL TAXATION.

Taxation. The subjoined table shows approximately, for the last five financial years, the amount of revenue collected under the various heads of taxation by the Commonwealth, the State, and local bodies in Victoria:—

TAXATION IN VICTORIA—COMMONWEALTH, STATE, AND LOCAL: 1920-21 TO 1924-25.

Heads of Taxation.	Amount Received.				
	1920-21.	1921-22.	1922-23.	1923-24.	1924-25
	£	£	£	£	£
Federal—					
Customs Duties ..	7,345,609	5,835,394	7,648,521	8,226,378	8,167,185
Excise Duties ..	2,525,847	2,644,585	2,700,312	2,764,938	2,823,889
Income Tax*	4,203,000	4,533,000	3,485,000	2,986,000	3,007,000
Land Tax*	492,436	525,000	464,000	467,000	580,000
Succession Duties*	435,873	367,000	434,000	489,000	511,000
War-time Profits Tax* ..	495,000	280,000	72,000	18,000	..
War Postage ..	56,000	..	..	..	..
Entertainments Tax	203,769	222,210	208,240	212,011	223,555
Total Federal Taxation ..	15,757,534	14,407,189	15,012,073	15,163,327	15,312,629
State—					
Income Tax ..	1,591,198	1,443,209	1,514,256	1,702,483	2,076,656
Land Tax ..	331,756	372,060	392,594	412,165	421,662
Probate and Succession Duties ..	702,468	706,181	697,482	798,315	802,333
Betting Taxation (Stamp duties, licences, and percentage) ..	110,158	169,007	185,309	186,141	170,998
Other Stamp Duties	835,940	779,430	950,896	1,011,966	963,307
Liquor Taxation and Licences ..	244,814	290,884	302,574	320,331	343,524
Other Licences ..	28,645	28,613	32,173	43,007	39,360
Duties on Bank Notes..	1,854	1,790	1,762	1,750	1,740
Total State Taxation ..	3,846,833	3,791,174	4,077,046	4,476,158	4,819,580
Municipal Taxation ..	2,167,757	2,399,256	2,671,783	2,963,431	3,278,598
Total Taxation	21,772,124	20,597,619	21,760,902	22,602,916	23,410,807

* Estimated.

The total State taxation shown above excludes licences issued under the Motor Car Act. The revenue received therefrom is included under the heading "Fees and Fines," and amounted to £98,135 in 1920-21, £118,673 in 1921-22, £165,804 in 1922-23, £233,300 in 1923-24, and £418,840 in 1924-25.

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

COMMONWEALTH, STATE, AND LOCAL TAXATION PER HEAD OF POPULATION: 1920-21 TO 1924-25.

Division.	Taxation per Head of Population in Victoria.				
	1920-21.	1921 22.	1922-23.	1923-24.	1924-25.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth	10 6 3	9 5 9	9 8 10	9 6 7	9 4 10
State	2 10 4	2 8 11	2 11 3	2 15 1	2 18 2*
Local	1 8 4	1 10 11	1 13 7	1 16 5	1 19 7
Total	14 4 11	13 5 7	13 13 8	13 18 1	14 2 7

* Including motor fees the taxation per head was £3 3s. 3d. in 1924-25.

While the estimated Commonwealth taxation imposed in Victoria was £9 4s. 10d. per head of population in 1924-25, the taxation in Australia levied by the Commonwealth Government was £8 19s. 11d. per head. The higher rate for Victoria was due to the amount of Customs duties actually collected in the State being much above the average collection on a population basis.

**Additional
Taxation for
Financial Year
1925-26.**

From 1st January, 1925, under the *Motor Omnibus Act* 1924, No. 3378, additional fees in the nature of a tax on passenger seating capacity are payable on the registration of motor buses plying for hire within eight miles of the corporate limits of the City of Melbourne. These fees range, from £3 7s. 6d. to £4 10s. per passenger seat and are in addition to the ordinary registration fee payable under the *Motor Car Act* 1915, which is now fixed under the Second Schedule of the *Highways and Vehicles Act*, No. 3379, at £5 per annum.

The provisions of the *Highways and Vehicles Act*, No. 3379, relating to registration fees of motor cars, &c., came into operation on 1st January, 1925. They require that the annual registration fee of motor cars, lorries, &c. shall be calculated on the power-weight unit, the charge ranging from 3s. per power-weight unit for ordinary motor cars to 5s. per power-weight unit for motor vehicles fitted with non-pneumatic tires.

The *Income Tax Act* 1925 fixed the rate of income tax on incomes earned during the year ended 30th June, 1925. The rate for individuals on the amount of taxable income from personal exertion up to but not exceeding £500 was increased to 3½d. in the £1. Where the taxable income exceeded £500 the rates on income from personal exertion were 4½d. for every £1 of the taxable amount thereof up to £500; 5½d. for every £1 between £501 and £1,000; 6½d. for every £1 between £1,001 and £1,500; and 7½d. for every £1 over £1,500. The rates on income from property are respectively double the rates on income from personal exertion.

In the case of companies (other than Mutual Life Assurance Companies) liable to tax the rate was increased from 15d. in the £1 to 16d. in the £1.

LICENCES.

Licences.

The following is a statement of the net revenue received from each description of licence during the year 1924-25. Municipal licences for slaughtering, dairies, noxious trades, &c., are excluded, also insurance licences (£67,261), and book-makers' licences (£13,870), the two last mentioned having been shown under Stamp Duties. Motor car licences (£418,840) are included under the heading "Fees and Fines."

**REVENUE OF STATE GOVERNMENT FROM LICENCES :
1924-25.**

Description of Licence.	Net Revenue Received.
	£
Spirit Merchants and Grocers	36,190
Victuallers	279,537
" Temporary	4,481
Railway Refreshment Rooms	2,181
Packet	129
Australian Wine	5,174
Billiard Table	5,910
Brewers	154
Vignerons	75
Club Certificates	7,259
Permits (Extra Bars and Extended Hours)	2,434
Auctioneers	23,848
Real Estate Agents	7,751
Tobacco and Cigars—Selling	2,195
Pawnbrokers	900
Hawkers	2,273
Carriage, Stage Carriage, Forwarding Agents	454
Marine Stores	191
Explosives	715
Race Clubs	726
Gold-buyers	173
Second-hand Dealers	653
Farm Produce Agents	207
Total	383,610

In addition to the preceding, there are other licences issued in Victoria by the Department of Trade and Customs ; the fees collected in respect of these during the calendar year 1925 were as follows :—

Description of Licence.	Amount of Fees collected.
	£
<i>Customs.</i>	
Carriage	298
Lighter and Boat	7
Custom House Agents	412
Warehouse	5,924
<i>Excise.</i>	
Distilling—	
General Distillers	200
Wine Distillers	150
Vignerons	57
Brewers	1,150
Manufacturing Tobacco, Cigars, Cigarettes, and Snuff	1,938
Starch	15