

PART III.

FINANCE.

**State
Finance.**

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

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

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

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

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

A summary of the transactions for the year ended 30th June, 1946, in the Consolidated Revenue Fund and in certain special funds gives the following result:—

	£
Public Revenue	36,415,207
Public Expenditure	36,409,473
Net Surplus (transferred to Surplus Revenue Account, Act 3341, Section 13)	5,734

The differences between the amounts of revenue and expenditure shown above and those given in the Treasurer's Finance Statement arise from the use of a different method of classification for statistical purposes. The public revenue of certain special funds is added to the Consolidated Revenue—an equivalent amount being entered as expenditure. The particulars for 1945-46 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total—Treasurer's Finance Statement	35,191,065	35,185,331
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund*	1,032,540	1,032,540
Licensing Fund†	103,552	103,552
Police Superannuation Fund	19,692	19,692
Assurance Fund	2,239	2,239
Cattle Compensation Fund	44,955	44,955
Swine Compensation Fund	12,452	12,452
Metropolitan Roads Fund	38,627	38,627
Mallee Land Account	35,287	35,287
Other Funds	30,792	30,792
<i>Deduct—</i>		
Loss of Revenue on account of (a) reduction in certain periodical fares to outer suburbs, (b) additional concessions to Defence Forces on leave, (c) non-paying lines	95,994	95,994
Total	36,415,207	36,409,473

* Excluding £637,292 recouped to Revenue under Acts Nos. 3944 and 4140.

† In addition to this amount £302,719 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 5059.

The revenue and expenditure of the State for the years 1941-42 to 1945-46, after taking into account the circumstances mentioned above, are shown in the next statement.

**VICTORIA—STATE REVENUE AND EXPENDITURE,
1942 TO 1946.**

Year ended 30th June—	Public Revenue.	Public Expenditure.	Surplus.	Accumulated Deficiency to end of each Year (i.e., 30th June).
	£	£	£	£
1942	34,111,835	33,319,535	792,300	7,946,869
1943	37,244,562	36,490,231	754,331	7,946,569
1944	36,427,814	35,807,503	620,311	7,946,237
1945	36,235,902	35,886,778	349,124	7,945,926
1946	36,415,207	36,409,473	5,734	7,945,803*

* Of this amount, £5,243,000 was provided from the proceeds of Treasury Bonds and £2,702,803 from the Public Account.

The surplus in respect of each of the years aforementioned was transferred to the Surplus Revenue Account under Section 13 of Act No. 3341, which provides that any surplus shall be applied to the reduction of the Consolidated Revenue deficit unless otherwise directed by Parliament. The surplus for each of the years 1941-42 to 1945-46 was applied as follows:—

Year ended 30th June—	Surplus.	Towards Reduction of Accumulated Deficiency.	To Expenditure on Public Works.*	
			Amount Authorized.	Statutory Authority.
	£	£	£	
1942	792,300	300	792,000	Act No. 4929 of 1942
1943	754,331	331	754,000	Act No. 4968 of 1943
1944	620,311	311	620,000	Act No. 5047 of 1944
1945	349,124	124	349,000	Act No 5093 of 1945
1946	5,734	5,734	..	

* For details of expenditure from Surplus Revenue, see page 110.

Details of the sources of revenue for each of the financial years 1941-42 to 1945-46 are given in the following statement:—

**VICTORIA—SUMMARY OF STATE REVENUE,
1942 TO 1946.**

Heads of Revenue.	Year ended 30th June—				
	1942.	1943.	1944.	1945.	1946.
	£	£	£	£	£
Taxation—					
Income Tax	5,903,387	1,185,621	121,208	63,250	64,444
Income Tax—Commonwealth Reimbursement .. .. .	..	5,159,061	6,317,659	6,422,764	6,430,646
Land Tax	516,282	355,007	359,983	357,603	321,299
Probate Duty	1,426,525	1,517,895	1,778,266	1,853,991	1,825,180
Unemployment Relief	1,284,797	545,695	78,133	30,986	21,909

VICTORIA—SUMMARY OF STATE REVENUE, 1942 TO 1946—
continued.

Heads of Revenue.	Year ended 30th June—				
	1942.	1943.	1944.	1945.	1946.
	£	£	£	£	£
Taxation— <i>continued</i> —					
Entertainments Tax	752,250	*486,964	*487,492	*646,117	*877,770
Entertainments Tax—Commonwealth Reimbursement		279,944	373,259	373,259	373,259
Other Stamp Duties	938,551	809,237	823,452	886,718	1,070,841
Motor Taxation	1,675,256	1,492,745	1,582,439	1,655,159	1,846,937
Licences—					
Liquor	316,544	361,556	381,951	381,600	388,607
Other	95,000	89,786	84,565	88,345	90,360
Other Taxation	15,024	16,684	17,267	19,043	19,790
Total Taxation	12,923,616	12,300,195	12,405,674	12,778,835	13,331,042
Commonwealth Payment to State—Act No. 3554—					
Financial Agreement	2,127,159	2,127,159	2,127,159	2,127,159	2,127,159
Public Works and Services—					
Railways	14,029,449	16,829,288	15,913,935	15,415,687	14,725,689
Water Supply	713,532	936,382	827,076	839,488	809,791
State Coal Mine	337,361	410,466	395,142	397,739	344,979
State Electricity Commission Interest, &c.	894,204	861,229	859,669	856,090	847,712
Country Roads Board†	Dr. 143,668	Dr. 143,668	Dr. 143,668	Dr. 143,668	Dr. 143,668
Maffra Beet Sugar Factory	113,450	71,011	73,024	26,869	6,448
Victoria Dock Cool Stores	42,189	59,957	60,836	87,880	77,066
Wharfage Rates, &c.	49,353	37,672	33,132	36,263	45,587
Other	130,379	159,551	179,579	228,314	159,623
Land—					
Land Sales, Rents, Penalties, &c.	526,626	536,671	559,345	546,166	611,557
Interest on Loans—Land Settlement	512,192	561,979	477,471	406,206	416,736
Fees, Fines, &c.	279,887	290,051	299,997	306,587	360,849
Tramways Act No. 3732 (Sec. 77)	115,428	119,443	128,802	129,348	126,728
Government Printer	144,258	173,956	202,548	208,489	227,358
Harbor Trust Contributions	136,350	152,157	138,461	135,280	142,916
Royal Mint	88,016	134,468	116,885	104,574	95,058
Interest and Recoups, N.E.I.	687,203	657,049	660,359	678,942	1,076,588
Department of Agriculture‡	38,749	42,540	46,769	55,393	82,837
Miscellaneous	366,102	936,006	1,065,619	1,014,761	943,152
Total	34,111,835	37,244,562	36,427,814	36,235,902	36,415,207
Per Head of Population	£ s. d. 17 9 1	£ s. d. 18 17 7	£ s. d. 18 6 4	£ s. d. 18 1 4	£ s. d. 18 1 4

* Mainly Racing.

† Represents the difference between the interest received by Consolidated Revenue on account of Country Roads and the recoups to Consolidated Revenue as shown in the Country Roads Board Fund. See remarks in page 104 with reference to the statistical method of arriving at total public revenue.

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

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

Heads of State Expenditure.

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1942 TO 1946.

Heads of Expenditure.	Year ended 30th June—				
	1942.	1943.	1944.	1945.	1946.
	£	£	£	£	£
<i>Legislature and General Administration.</i>					
Legislature—					
Governor	10,488	10,793	11,428	11,988	14,412
Parliament	99,828	102,755	102,969	113,468	121,825
Electoral	6,463	27,241	25,255	6,653	52,854
Financial Administration—					
Public Debt Charges—					
Interest—					
Funded Debt	6,754,671	6,478,474	6,354,326	6,285,214	6,214,200
Temporary Loan	16,731	32,886	76,383	93,138	80,307
Exchange on Interest	719,597	696,648	703,085	687,029	644,789
Expenses of Paying Interest, Redemptions, Conversions, &c.	230,784	48,689	74,682	39,395	56,327
National Debt Sinking Fund Pensions and Superannuation Contributions*	1,074,410	1,118,107	1,192,159	1,327,108	1,406,924
Departmental—					
Treasury (including Taxation, Stamps, &c.)	234,292†	135,791	106,901	110,720	117,962
Pay-roll Tax	282,104	351,458	364,109	374,720	384,477
Superannuation Board and Pensions Office—Administration	5,969	7,420	7,668	7,842	8,587
Auditor-General	17,786	26,918	28,717	30,448	33,291
Royal Commissions, Boards of Inquiry, &c.	184	2,355	4,278	1,256	412
Administration, N.E.I.—					
Government Printer	137,532	174,775	226,289	208,304	202,014
Mint Subsidy	42,000	53,500	68,000	55,000	52,000
War Damage Insurance	51,913	119,092	58,635	116	
Other	219,353	384,840	283,259	315,526	437,131
Total	10,916,277	10,768,497	10,701,495	10,673,789	10,824,338
<i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary	15,500	15,500	15,422	15,500	17,738
Attorney-General and Solicitor-General	266,996	275,997	284,207	295,005	330,200
Police	843,567	1,052,151	1,105,583	1,094,933	1,122,045
Prisons	142,068	151,258	164,983	161,400	170,470
Prevention of Fire and Flood	82,848	83,936	104,901	138,142	112,324
National Security Act (Public Safety)	261,210	358,054	138,170	83,822	13,843
Other	5,909	5,495	2,197	2,622	4,749
Total	1,618,098	1,942,391	1,815,463	1,791,424	1,771,369

* For details, see page 120.

† Includes £61,026 Public Service Salary adjustment.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1942 TO 1946—continued.

Heads of Expenditure.	Year ended 30th June—				
	1942.	1943.	1944.	1945.	1946.
	£	£	£	£	£
<i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation ..	} 41,949	84,014	38,820	41,984	46,604
Labour Legislation ..					
Transport Regulation Board ..					
Liquor Licence Control (Administration, including Compensation)	37,629	24,978	24,791	24,137	21,568
Decentralization Fund and concession for establishment of industries in country ..			103,503	100,000	..
Other ..	15,306	15,789	18,845	13,929	43,543
Total ..	133,615	150,061	208,925	206,253	140,603
<i>Education.*</i>					
Primary, Intermediate, Secondary, Technical — Administration, Salaries of Teaching Staffs, &c.	2,844,543	2,952,783	3,212,044	3,495,594	3,777,793
Technical N.E.I., including Maintenance Grant ..	199,898	202,424	220,663	225,781	276,788
University† ..	88,200	98,200	109,700	112,200	116,240
Deaf, Dumb, and Blind ..					
Agricultural Education—Colleges, Experimental Farms, University Grants, &c. ..	41,713	39,556	43,128	66,754	106,670
Other Activities ..	5,111	5,839	5,000	4,782	5,951
Other ..	2,006	1,960	2,527	2,168	2,990
Total ..	3,181,471	3,300,762	3,593,062	3,907,279	4,286,432
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and Art Galleries ..	52,562	54,169	58,220	68,603	75,571
Observatory ..	3,589	2,800	2,002	..	..
Other Activities and Institutions ..	175	175	175	164	175
Total ..	56,326	57,144	60,397	68,767	75,746
<i>Promotion of Public Health and Recreation.</i>					
Care of Sick and Mentally Afflicted—Hospital and Charities Fund (including Totalizator Contribution)	656,970	771,139	858,782	953,837	1,092,444
Various Hospitals, &c. ..	111,249	127,882	134,456	152,443	220,695
Mental Hospitals ..	550,178	616,604	658,881	677,177	711,951
Mental Defectives ..	32,095	33,011	37,913	37,291	39,631
Health of Mothers and Children—Infant Welfare and Clinics ..	16,450	17,735	23,316	54,577	97,834
Medical and Dental Examination of School Children ..	9,266	18,736	10,021	7,777	4,453
Preservation of Public Health—Health Department—Administration ..	44,194	50,955	58,848	75,813	63,776
Other ..	85,915	106,311	116,084	138,522	127,506
Parks, Gardens, and Recreation Reserves ..	19,436	20,933	21,787	22,066	24,972
Total ..	1,525,753	1,763,366	1,920,088	2,119,503	2,383,262

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

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1942 TO 1946—*continued.*

Heads of Expenditure.	Year ended 30th June—				
	1942.	1943.	1944.	1945.	1946.
<i>Social Amelioration.</i>	£	£	£	£	£
Relief of Destitute, Aged, &c.	13,787	12,966	14,547	16,989	15,600
Children's Welfare Department	297,653	235,998	230,867	215,851	204,833
Miners' Phthisis Allowances	21,907	22,710	21,304	19,712	18,232
Care of Aborigines	5,339	4,505	5,670	7,260	7,555
Unemployment Relief Fund*	1,284,797	1,185,695	478,133	430,986	271,909
Bush Fire Relief . . . . .	..	2,042	88,235	1,094	26
Housing Commission—Advance	28,876	15,000	16,500	23,000	14,000
State Relief Committee	2,400	2,400	6,000	6,000	6,000
Other	1,556	1,514	6,850	..	6,675
Total	1,656,315	1,482,830	868,106	720,892	544,830
<i>War Obligations.</i>					
Passes to Soldiers, Superannuation, &c.	39,509	60,038	62,402	61,799	41,262
<i>Local Government.</i>					
Licensing Fund Payment to Muni- cipalities	59,192	59,044	59,032	58,988	58,984
Other	1,759	28,346	42,928	41,007	60,102
Total	60,951	87,390	101,960	99,995	119,086
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey	264,866	280,844	254,198	248,443	291,594
Mining (excluding State Coal Mine)	45,190	56,423	53,263	57,251	50,563
Agricultural, Pastoral and Dairying† Forestry‡	328,239	302,655	442,040	408,405	416,054
Forestry‡	280,707	652,175	831,896	786,009	602,097
Fisheries and Game	9,228	6,858	8,281	10,205	13,508
Roads and Bridges—					
Country Roads Board§	872,511	698,910	790,464	858,797	1,032,540
Metropolitan Roads Fund	30,779	36,759	36,215	37,026	38,627
Other	38,553	95	18,596	2,496	280
Tourist Activities	1,120	..	128	142	322
Total	1,871,193	2,034,719	2,435,081	2,408,774	2,445,585
<i>Business Undertakings.</i>					
Railways	10,932,482	13,366,781	12,594,800	12,252,418	11,977,076
Harbours, Rivers, and Lights	85,683	78,563	82,381	79,844	116,886
Water Supply, Irrigation, &c.	507,831	623,402	685,473	816,962	1,069,645
State Coal Mine	430,939	475,188	446,282	446,479	397,530
Maffra Beet Sugar Factory	94,930	68,548	28,848	32,478	8,684
Victoria Dock Cool Stores	32,145	35,413	45,297	51,215	47,842
Seasoning Works (Newport)	42,219	51,150	37,935	41,844	43,693
Forest Tramways	4,185	2,889	3,575	9,197	9,977
Distillation of Eucalyptus Oil	1,584	1,216	1,310	76	35
Wire Netting Manufacture	1,417	90	..	3,456	3,374
State Saw Mill	23,919	23,077	19,379	20,662	20,666
Maffra Dehydration Plant . . . . .	..	..	30,399	60,507	79,802

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

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

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

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1942 TO 1946—continued.

Heads of Expenditure.	Year ended 30th June—				
	1942.	1943.	1944.	1945.	1946.
<i>Business Undertakings—continued—</i>	£	£	£	£	£
Charcoal Production	102,693	116,716	64,845	13,165	1,750
Total	12,260,027	14,843,033	14,040,524	13,828,303	13,776,960
Grand Total	33,319,535	36,490,231	35,807,503	35,886,778	36,409,473
Per Head of Population	£ s. d. 17 1 0	£ s. d. 18 9 11	£ s. d. 18 0 1	£ s. d. 17 17 10	£ s. d. 18 1 3

On page 105 of this Part particulars are given of the amounts authorized by Parliament during the last five years for expenditure from the Surplus Revenue Account on public works. The following table gives details of such expenditure exclusive of amounts applied towards the reduction of the Consolidated Revenue deficit.

VICTORIA—SURPLUS REVENUE EXPENDITURE, 1944 TO
1946, AND TOTAL TO 30TH JUNE, 1946.

Service.	Year ended 30th June—			Total to 30th June, 1946.
	1944.	1945.	1946.	
Capital Services—	£	£	£	£
Railways .. ..	..	..	..	250,696
Other .. ..	..	..	..	64,170
Revenue Services—				
Social Services—				
Education—				
State Schools and Technical Schools ..	18,483	14,827	139,532	647,133
University .. ..	..	..	..	27,066
Other .. ..	..	..	..	22,579
Health—				
Hospitals—				
Mental Hygiene .. ..	..	..	12,462	119,461
Other (including Sanatoria)	304,004	249,238	113,556	1,156,914
Other Health .. ..	..	4,200	13,200	48,956
Law, Order, and Public Safety—				
Penal Establishment and Gaols	805	3,223	398	28,873
Other	39	11,416	12,803	28,999
Public Works—				
Crown Lands (including reclamation, drainage, &c.) .. ..	..	..	..	149,480
Harbours, Rivers, and Lights .. ..	..	..	..	117,293
Mining Development .. ..	..	..	..	85,000
Railways	17,887	2,113	..	631,740
Roads and Bridges .. ..	..	..	..	114,812
Water Supply, &c.	17,041	50,178	11,619	92,020
Other .. ..	..	..	..	62,826
Other Purposes—				
Developmental Railways Account .. ..	..	..	..	129,148
Drought Relief Fund .. ..	..	100,000	..	100,000
Redemption of Treasury Bonds and Unfunded Debt .. ..	..	..	..	503,802
Victorian Inland Meat Authority	69,000	..	31,000	100,000
Other .. ..	..	..	..	82,730
Total	427,259	435,195	334,570	4,563,698

To 30th June, 1946, the total amount authorized for expenditure on public works was £5,593,308, of which £1,006,783 was unexpended at that date.

TAXATION.

INCOME TAX.

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

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

As provided for under the States Grants (Income Tax Reimbursement) Act, the States received from the Commonwealth during 1945-46 the following amounts:—New South Wales £14,884,209, Victoria £6,430,646, Queensland £5,756,003, South Australia £2,308,002, Western Australia £2,496,156, and Tasmania £880,254.

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

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

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

Deductions made from salary and wages earned during the period 1st July, 1945, to 30th June, 1946, in accordance with the "Pay-as-you-earn" scheme will be used in payment, or part payment, of the assessment on this income.

Social Services Contribution. New legislation which became operative on 1st January, 1946, had the effect of, firstly, reducing the amount of income tax payable by individual taxpayers and, secondly, of separating the amount of tax as so reduced into two levies—(a) income tax, and (b) social services contribution. The aggregate of the two levies represents an average reduction of approximately $6\frac{1}{4}$ per cent. for the year ended 30th June, 1946.

The income on which the contribution is based is ascertained in the same manner as taxable income is ascertained for Income Tax purposes.

Rates of Tax. The rates of income tax imposed on incomes derived during the year ended 30th June, 1946, are calculated by averaging the rates set out in Parts I. and II. of the First and Second Schedules respectively.

INDIVIDUALS—RATES OF TAX.

FIRST SCHEDULE—PERSONAL EXERTION.

Part I.		Part II.	
Taxable Income.	Rate.	Taxable Income.	Rate.
£ 1- 300	On first £100, 6d. in £1. Exceeding £100, 30·165d. in £1 and increasing uniformly by ·165d. for each £1 in excess of £101	£ Under 201 £ 201- 300	Nil On first £200, 3d. Exceeding £300, 36·15d. in £1 increasing uniformly by ·15d. for each £1 in excess of £201
301-1,000	On first £300, 44d. in £1. Exceeding £300, 96·01d. in £1 and increasing uniformly by ·01d. for each £1 in excess of £301	301-1,000	On first £300, 19d. Exceeding £300, 66·01d. in £1 increasing uniformly by ·01d. for each £1 in excess of £301
1,001-2,000	On first £1,000, 85·3d. in £1. Exceeding £1,000, 110·033d. in £1 and increasing uniformly by ·033d. for each £1 in excess of £1,001	1,001-2,000	On first £1,000, 56·8d. Exceeding £1,000, 80·03d. in £1 increasing uniformly by ·03d. for each £1 in excess of £1,001
2,001-3,000	On first £2,000, 114·15d. in £1. Exceeding £2,000, 176·015d. in £1 and increasing uniformly by ·015d. for each £1 in excess of £2,001	2,001-3,000	On first £2,000, 83·4d. Exceeding £2,000, 140·013d. in £1 increasing uniformly by ·013d. for each £1 in excess of £2,001
3,001-5,000	On first £3,000, 139·76d. in £1. Exceeding £3,000, 206·004d. in £1 and increasing uniformly by ·004d. for each £1 in excess of £3,001	3,001-5,000	On first £3,000, 106·6d. Exceeding £3,000, 166·004d. increasing uniformly by ·004d. for each £1 in excess of £3,001
5,001 and over	On first £5,000, 169·46d. in £1. Exceeding £5,000, 222d. in £1	Over 5,000	On first £5,000, 133·56d. Exceeding £5,000, 182d.

SECOND SCHEDULE—PROPERTY.

Part I.		Part II.	
Taxable Income.	Rate.	Taxable Income.	Rate.
£ 1- 200	On first £100, 6d. in £1. Exceeding £100, 30·165d. in £1, and increasing uniformly by ·165d. for each £1 in excess of £101	£ £ Under 201 201- 300	Nil On first £200, 3d. Exceeding £200, 48·21d. in £1 increasing uniformly by ·21d. for each £1 in excess of £201
201- 300	On first £200, 26·25d. in £1. Exceeding £200, 75·74d. in £1 and increasing uniformly by ·24d. for each £1 in excess of £201	301-1,000	On first £300, 25d. Exceeding £300, 90·01d. in £1 increasing uniformly by ·01d. for each £1 in excess of £301
301-1,000	On first £300, 50·6d. in £1. Exceeding £300, 123·51d. in £1 and increasing uniformly by ·01d. for each £1 in excess of £301	1,001-2,000	On first £1,000, 75·4d. Exceeding £1,000, 104·03075d. in £1 increasing uniformly by ·03075d. for each £1 in excess of £1001
1,001-2,000	On first £1,000, 106·55d. in £1. Exceeding £1,000, 137·534d. in £1 and increasing uniformly by ·034d. for each £1 in excess of £1,001	2,001-5,000	On first 2,000, 105·075d. Exceeding £2,000, 165·50275d. in £1 increasing uniformly by ·00275d. for each £1 in excess of £2,001
2,001-5,000	On first £2,000, 139·025d. in £1. Exceeding £2,000, 205·50275d. in £1 and increasing uniformly by ·00275d. for each £1 in excess of £2,001	Over 5,000	On first £5,000, 146·28d. Exceeding £5,000, 182d.
5,001 and over	On first £5,000, 183·86d. in £1. Exceeding £5,000, 222d. in £1		

The basic rate of social services contribution is 3d. for every £1 of the contributable income, increasing by one-eighth of one penny for every £1 by which the contributable income exceeds £100 with a maximum rate of 18d. A lower rate is imposed where a taxpayer on a small income is entitled to concessional rebates. The contribution payable for the year ended 30th June, 1946, is one-half of the amount ascertained in accordance with the above rates.

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

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

Concessional rebates calculated at the personal exertion rate of tax appropriate to the taxpayer's total income, are allowable for the maintenance of dependants, medical and dental expenses, life assurance, superannuation, rates and certain types of donations. There is a proviso that the rebates allowable for dependants shall not exceed certain defined limits.

**Concessional
Rebates.**

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

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

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

**Payment of
Taxation by
Instalments.**

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

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

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

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

(c) In addition to the taxes payable under (a) and (b) above, there is payable, upon the taxable income in excess of £5,000, a super tax at the rate of 12 pence for every pound by which the taxable income

exceeds £5,000. This super tax does not apply to private companies, co-operative companies, wholly mutual life assurance companies and certain companies whose profits arise from commissions, fees, and charges for services rendered.

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

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

**War-Time
Company
Tax.**

LAND TAX.

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

**State
Land Tax.**

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

**VICTORIA—ANALYSIS OF STATE LAND TAX
ASSESSMENTS, 1946.**

(Based on unimproved values as at 31st December, 1945.)

Unimproved Values of Holdings Ranging Between—				Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£					
1 and	500	..	..	69,745	23,253,258	30,085
501	600	..	..	10,691	4,913,688	12,048
601	750	..	..	9,922	6,697,454	13,610
751	1,000	..	..	10,499	9,110,330	18,336
1,001	1,500	..	..	10,178	9,504,492	25,012
1,501	2,000	..	..	5,117	7,883,587	17,700
2,001	3,000	..	..	5,284	11,918,310	25,613
3,001	4,000	..	..	2,856	8,914,220	19,577
4,001	5,000	..	..	1,658	7,398,639	14,884
5,001	6,000	..	..	1,160	6,351,393	12,755
6,001	7,000	..	..	1,115	7,201,640	14,479
7,001	8,000	..	..	821	6,144,617	12,363
8,001	9,000	..	..	520	4,408,522	8,845
9,001	10,000	..	..	425	4,031,304	8,056
10,001	15,000	..	..	974	10,798,518	23,834
15,001	20,000	..	..	441	7,597,795	15,241
20,001	25,000	..	..	234	5,239,216	10,402
25,001	30,000	..	..	137	3,770,756	7,502
30,001	35,000	..	..	95	3,086,771	6,274
35,001	40,000	..	..	76	2,844,083	5,765
40,001	50,000	..	..	97	4,275,951	8,851
50,001	75,000	..	..	109	6,408,034	13,351
75,001	100,000	..	..	55	4,778,898	9,846
100,001	150,000	..	..	38	4,476,293	8,964
150,001	200,000	..	..	16	2,716,023	5,545
200,001	over	..	..	24	7,648,388	15,844
Total				132,287	181,372,180	364,782

In the succeeding statement details are shown relating to the assessments made during the years 1942 to 1946.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1942 TO 1946.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
		£	£ s. d.	£
1942	165,512	492,461	2 19 6	240,857,533
1943	126,113	359,101	2 16 11	169,935,830
1944	127,895	358,797	2 16 1	183,361,823
1945	129,899	360,880	2 15 7	190,125,475
1946	132,287	364,782	2 15 2	181,372,180

The increase in the amount of the exemption allowed to primary producers contributed to the decline in the assessments in 1943, 1944, 1945, and 1946, as compared with previous years.

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

PROBATE DUTIES.

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

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

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

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

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

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

The total amounts of probate duty assessed for the years 1941-42, 1942-43, 1943-44, 1944-45, and 1945-46 were £1,457,269, £1,490,978, £1,469,478, £1,847,245, £1,898,840, and £1,878,182 respectively. Actual collections of probate duty for the years mentioned are shown in the table on page 105.

The Commonwealth Government also levies probate **Commonwealth Estate Duty.** and succession duties. The amount of duty collected throughout Australia in each of the years 1941-42, 1942-43, 1943-44, 1944-45, and 1945-46 was £2,845,005, £2,696,000 £2,761,562, £3,090,200, and £3,880,041 respectively.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

Taxation in Victoria per head of population levied by the Commonwealth, the State, and the Municipalities for each of the years 1941-42 to 1945-46 was as follows:—

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION IN VICTORIA PER HEAD OF POPULATION, 1941-42 TO 1945-46.

Authority.	1941-42.	1942-43.	1943-44.	1944-45.	1945-46.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	25 3 4	35 15 3	41 17 0	46 1 9	47 12 11
State	6 12 3	3 9 7†	2 17 6‡	2 19 8‡	3 4 8
Total (Commonwealth and State)	31 15 7	39 4 10	44 14 6	49 1 5	50 17 7
Municipal	2 2 0†	2 2 5	2 1 6	2 2 0	2 2 11
Grand Total ..	33 17 7†	41 7 3	46 16 0	51 3 5	53 0 6

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

† Estimated.

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

TAXATION COLLECTIONS—AUSTRALIAN STATES.

The following statement gives particulars of the total taxation collections (irrespective of whether such moneys had been paid into Consolidated Revenue or not) by each of the Australian States during the years 1941-42 to 1945-46. The information for 1943 to 1946 has been dissected with a view to showing separately the actual collections by each State and the amounts received by each State from the Commonwealth under the provisions of the Income and Entertainments Tax Reimbursement Acts of 1942.

STATE TAXATION COLLECTIONS—TOTAL AND PER HEAD OF POPULATION, 1942 TO 1946.

Year ended 30th June—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total All States.														
TOTAL COLLECTIONS.																					
	£	£	£	£	£	£	£														
1942	24,798,182	12,923,616	8,941,735	4,790,767	3,818,445	1,986,733	57,259,478														
1943	(a) 11,754,786	6,861,190	3,347,701	1,789,121	1,542,986	1,033,556	26,329,340														
	(b) 11,266,758	5,439,005	5,105,900	2,214,334	2,176,187	803,699	27,005,883														
1944	(a) 8,292,778	5,714,756	3,166,296	1,773,176	1,328,035	1,039,254	21,314,295														
	(b) 14,719,083	6,690,918	5,616,472	2,373,476	2,503,910	909,270	32,813,129														
1945	(a) 8,452,608	5,982,812	3,194,414	2,021,360	1,312,696	1,147,077	22,110,967														
	(b) 14,990,820	6,796,023	5,733,737	2,408,834	2,586,424	916,265	33,432,103														
1946	(a) 9,764,205	6,527,137	3,662,135	2,207,591	1,452,002	1,381,294	24,994,371														
	(b) 15,045,039	6,803,905	5,756,003	2,405,045	2,594,342	916,723	33,521,057														
PER HEAD OF POPULATION.																					
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.			
1942	8	16	4	6	12	3	8	13	1	7	18	3	8	3	0	8	5	11	8	1	0
1943	4	2	8	3	9	7	3	4	5	2	18	7	3	5	7	4	5	11	3	13	5
	3	19	2	2	15	2	4	18	4	3	12	8	4	12	7	3	6	9	3	15	2
1944	2	18	1	2	17	6	2	19	10	2	17	4	2	15	1	4	5	2	2	18	10
	5	3	2	3	7	3	5	6	2	3	16	9	5	3	10	3	14	6	4	10	6
1945	2	18	7	2	19	8	2	19	8	3	4	9	2	13	9	4	13	1	3	0	5
	5	3	11	3	7	9	5	7	0	3	17	0	5	6	0	3	14	3	4	11	4
1946	3	7	0	3	4	8	3	7	5	3	9	10	2	19	0	5	10	9	3	7	7
	5	3	4	3	7	4	5	6	0	3	16	0	5	5	6	3	13	6	4	10	8

(a) State Taxation collections.

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

The total taxation collected by the Commonwealth and all States for the years 1941-42 to 1945-46 is shown hereunder.

COMMONWEALTH AND ALL STATES—TAXATION COLLECTIONS, 1942 TO 1946.

Year ended 30th June—	Taxation by Commonwealth Government.	Taxation by all State Governments.	Total Taxation.	
			Amount.	Per Head of Population.
	£	£	£	£ s. d.
1942	179,435,345	57,259,478	236,694,823	33 3 11
1943	257,143,520	26,329,340*	283,472,860	39 8 6
1944	303,666,943	21,314,295*	324,981,238	44 15 9
1945	337,919,567	22,110,967*	360,030,534	49 2 1
1946	353,211,206	24,994,371*	378,205,577	51 0 5

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

PENSIONS AND GRATUITIES.

Pension and Superannuation Schemes in Force.

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

During the year 1945-46, the State Government expended a sum of £996,826 on pensions, gratuities, &c. Of this amount, £94,655 was spent on pensions of a non-contributory nature. The remainder represents payments from State revenue to the Police Superannuation Fund, the Police Pensions Fund, the Superannuation Fund, and the Coal Mine Workers' Pensions Funds. The following table gives details of the State Government expenditure on pensions for each of the years 1941-42 to 1945-46.

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS, GRATUITIES, ETC., 1942 TO 1946.

Heading.	Year ended 30th June—				
	1942.	1943.	1944.	1945.	1946.
	£	£	£	£	£
Non-contributory Pensions, &c.—					
Railways	84,354	74,543	65,640	57,035	48,590
Lunacy	104	104	104	104	81
Judges	2,250	2,250	1,375	2,250	2,250
Civil Service	3,521	2,986	2,815	1,765	1,088
Public Service					
Education Department	70,207	62,748	54,267	45,189	38,869
Officers transferred to Commonwealth Service	6,700	6,339	5,150	4,617	3,100
Various Allowances, &c.	1,288	1,134	1,021	951	677
Total Non-contributory Pensions, Gratuities, &c. ..	168,424	150,104	130,372	111,911	94,655
Contributory Pensions—					
Police Superannuation Fund—					
Government Subsidy	56,160	38,208	31,720	29,982	26,025
Transferred from Licensing Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	15,088	23,631	23,001	20,669	19,692
Total	94,248	84,839	77,721	73,651	68,717
Police Pensions Fund	106,500	107,475	124,472	125,000	126,000
The Superannuation Fund—					
Railways	387,766	388,820	393,257	403,041	412,308
Other	255,234	260,623	266,648	267,856	274,196
Total	643,000	649,443	659,905	670,897	686,504
Coal Mine Workers' Pensions Fund		4,894	20,882	24,405	20,950
Total Contributory Pensions	843,748	846,651	882,980	893,953	902,171
GRAND TOTAL	1,012,172	996,755	1,013,352	1,005,864	996,826

**Police
Superannuation
Fund.**

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

During the year 1945-46 the total receipts of the fund from Government Revenue amounted to £68,477, as shown in the preceding table. Expenditure on pensions during the year amounted to £68,477.

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

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

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

The receipts of the Police Pensions Fund (established under Act No. 3750) during 1945-46 amounted to £261,569, comprising:— Deductions from pay, £35,496; special appropriation, £126,000; interest on investments, £98,766; and other income, £1,307. During the year £71,965 was paid in pensions, and £12,221 represented deductions of pay returned. There was a balance of £2,892,517 at 30th June, 1946, of which £2,876,795 was invested.

**The Super-
annuation
Fund.**

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

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

During the year 1945-46, the receipts of the Superannuation Fund amounted to £1,467,340, consisting of contributions from officers, £477,079; from Consolidated Revenue, £683,919; under Act No. 4085, £86; interest on investments, £305,962; and other receipts, £294. The total payments from the Fund during the year were £1,005,313, and comprised pensions, £904,503; refund of contributions, £99,617; endowment assurances matured, £1,101; and other expenditure, £92. The balance in the Fund at 30th June, 1946, was £8,511,543, of which £8,509,475 was invested.

Port Phillip Pilot Sick and Superannuation Fund. This fund does not receive contributions from the Government but is maintained by deductions from pilots' earnings and annual income derived from investment of moneys belonging to the Fund which, in 1945-46 amounted to £4,459 and £5,565 respectively. During the same period, £6,479 was expended on pensions and £47 on sick allowances.

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

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

During 1945-46 the Treasurer contributed £8,850 and the State Coal Mines (as owners) £12,100.

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

In the following statements ordinary revenue and expenditure of the State Government, Local Government, and certain semi-Governmental and other Public Bodies in Victoria have been combined for each of the five years 1941 to 1945. Where a grant has been made by one authority to another, such grant has been excluded from both the revenue and expenditure of the recipient.

**VICTORIA—STATE GOVERNMENT, LOCAL GOVERNMENT,
SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES—
REVENUE AND EXPENDITURE, 1941 TO 1945.**

Heading.	Financial Year ended in—				
	1941.	1942.	1943.	1944.	1945.
<i>Revenue.</i>	£	£	£	£	£
State Government	30,217,880	33,860,057	36,972,962	36,160,551	35,971,274
Local Government	7,421,307	*	7,914,779	8,041,246	8,345,060
Semi-Governmental and other Public Bodies—					
Water Supply and Sewerage ..	2,952,641	2,993,777	3,059,456	3,090,600	3,026,944
Irrigation	77,730	63,987	71,329	86,100	91,887
Harbours	887,521	1,044,955	1,010,791	960,948	1,001,189
Tramways	2,774,852	3,439,015	3,814,004	3,956,828	4,006,035
Electricity Supply	4,724,056	5,153,649	5,490,089	5,628,780	5,799,161
Fire Brigades	131,199	153,699	169,716	173,860	172,010
Housing Commission	21,718	52,933	72,410	76,741	96,240
Grain Elevators Board	82,630	170,170	242,778	181,913	195,237
Western Metropolitan Market Trust	3,294	2,707	2,854	3,234	3,080
Total	49,294,828	*	58,821,168	58,360,801	58,708,117
<i>Ordinary Expenditure.</i>					
State Government	30,075,580	33,067,757	36,218,631	35,540,240	35,622,150
Local Government	7,149,666	*	7,183,622	7,492,738	7,930,764
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage ..	2,879,325	2,940,564	2,937,358	3,059,432	2,975,365
Irrigation	72,548	63,354	75,680	89,929	93,404
Harbours	867,993	998,133	1,003,206	983,605	950,304
Tramways	2,783,284	3,414,144	3,788,885	3,928,064	3,956,530
Electricity Supply	4,563,376	5,069,227	5,348,696	5,503,908	5,739,953
Fire Brigades	130,450	154,026	169,391	162,521	163,476
Housing Commission	55,524	82,302	86,201	95,357	102,473
Grain Elevators Board	105,248	146,677	239,576	177,208	191,004
Western Metropolitan Market Trust	3,585	3,564	3,575	3,559	3,519
Total	48,686,579	*	57,054,821	57,036,611	57,728,942

* Not available.

PUBLIC DEBT.**Loans Raised and Redeemed.**

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1946 :—

LOANS RAISED AND REDEEMED TO 30TH JUNE, 1946.

		£
Cash received .. .. .	.. .. .	1,042,802,400
Discount and expenses after deducting premiums .. .. .	.. .. .	7,207,613
		<hr/>
Securities issued .. .. .	.. .. .	1,050,010,013
		<hr/>
Loans redeemed by—		£
Renewal Loans .. .. .	.. .. .	824,593,023
National Debt Sinking Fund .. .. .	.. .. .	19,382,216
Other Funds .. .. .	.. .. .	24,062,803
Discount (securities purchased under par) .. .. .	.. .. .	83,739
Liability transferred to Commonwealth Government Act No. 4246 .. .. .	.. .. .	2,160,960
		<hr/>
		870,282,741
 Loans outstanding at 30th June, 1946		 <hr/>
		179,727,272

It will be seen that, upon the transactions to 30th June, 1946, securities representing £1,050,010,013 were issued, and that the amount of cash received was £1,042,802,400. The State thus received £99 6s. 3d. in cash for every £100 bond given.

The following table gives particulars relating to the **Loans Floated**, loans raised in London, New York, and Melbourne, and shows the amounts which were outstanding at 30th June, 1946 :—

VICTORIA—LOANS FLOATED TO 30TH JUNE, 1946.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid off (including Renewal Loans).	Debt Outstanding at 30th June, 1946		
			Inscribed Stock.	Debentures, &c.	Total.
	£	£	£	£	£
London Register ..	494,588,526*	433,930,896	15,991,290	44,666,340	60,657,630†
Melbourne Register ..	555,421,487	436,351,845	114,299,786	4,769,856	119,069,642
Total	1,050,010,013	870,282,741	130,291,076	49,436,196	..
Total Public Debt at 30th June, 1946					179,727,272

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

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

Particulars concerning the due dates of loans outstanding at 30th June, 1946, are given in the following table. Where the Government had the option of redemption during a specified period, the loans have been classified according to the latest date of maturity.

DUE DATES OF VICTORIAN LOANS AT 30TH JUNE, 1946.

Due Date (Financial Year).	Repayable in London.	Repayable in Australia.	Total
	£	£	£
1946-47	5,805,525	5,024,391	10,829,916
1947-48 .. .. .	..	5,952,705	5,952,705
1948-49	12,022,295	5,909,750	17,932,045
1949-50	6,055,545	6,056,982	12,112,527
1950-51 .. .. .	..	5,317,888	5,317,888
1951-52 .. .. .	..	3,795,980	3,795,980
1953-54 .. .. .	..	4,039,193	4,039,193
1954-55 .. .. .	..	8,923,710	8,923,710
1955-56	2,624,319*	8,808,268	11,432,587
1956-57 .. .. .	..	3,609,270	3,609,270
1957-58	1,874,559*	14,655,234	16,529,793
1958-59	13,553,800	3,664,435	17,218,235
1959-60	2,902,116	12,496,896	15,399,012
1960-61	650,075	9,505,240	10,155,315
1961-62 .. .. .	..	13,993,528	13,993,528
1966-67	5,913,200	..	5,913,200
1969-70	9,256,196	..	9,256,196
1982-83 .. .. .	..	3,913,302	3,913,302
Not yet fixed .. .. .	..	3,402,870	3,402,870
Total	60,657,630	119,069,642	179,727,272

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

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

In the subsequent statements "interest payable" does not include the cost of paying interest overseas. Particulars of exchange paid in each of the years 1941-42 to 1945-46 are shown on page 132.

Loans and
Interest
payable in
London and
Australia.

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

VICTORIA—PUBLIC DEBT AND INTEREST PAYABLE
THEREON IN LONDON AND AUSTRALIA, 1900 TO 1946.

At 30th June—	Amount of Loans Repayable in—		Annual Interest Payable in—	
	London.*	Australia.	London.	Australia.
	£	£	£	£
1900	44,655,579	4,670,306	1,735,307	152,096
1910	39,012,436	16,564,289	1,419,579	560,520
1915	41,333,738	31,750,189	1,520,762	1,131,811
1920	42,406,040	45,241,699	1,637,615	1,902,108
1925	51,869,204	79,300,361	2,319,486	3,999,635
1930	68,750,235	93,538,759	3,225,754	4,831,371
1935	67,638,378	106,522,285	2,651,050	3,930,414
1940	66,963,733	113,586,235	2,623,176	4,274,672
1941	66,963,733	114,255,455	2,623,176	4,274,582
1942	66,549,331	111,167,153	2,536,829	4,040,566
1943	66,547,685	109,386,967	2,536,780	3,949,677
1944	66,468,385	108,294,028	2,534,996	3,852,774
1945	65,834,565	113,570,626	2,515,982	3,840,676
1946	60,657,630	119,069,642	2,095,152	4,021,732

* Loans raised in New York by the Commonwealth Government are included as follows:—
(At 30th June) 1930 and 1931, £4,658,461; 1932, £4,648,084; 1933, £4,615,021; 1934, £4,592,459;
1935, £4,569,473; 1936, £4,547,877; 1937, £4,530,842; 1938, £4,517,207 1939 to 1946,
£4,498,878.

The appended table shows the rates of interest which were payable on the public debt at 30th June, 1946, and the portions of the debt at each rate in London and Australia respectively :—

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1946.

Rate of Interest.	Amount Repayable in—		
	London.	Australia.	Total.
Per cent.	£	£	£
5	3,738,042*	..	3,738,042
4½	760,836*	..	760,836
4	2,902,116	27,564,063	30,466,179
3¾ .. .. .	..	15,417,044	15,417,044
3½	6,852,149	6,544,610	13,396,759
3⅓ .. .. .	..	908,550	908,550
3½	25,522,545	254,650	25,777,195
£3 9s. 9d. .. .. .	..	500	500
3⅓ .. .. .	..	1,465,260	1,465,260
3¼	9,906,271	47,753,046	57,659,317
3⅓ .. .. .	..	1,000	1,000
£3 2s. .. .. .	..	320,190	320,190
3	5,170,146	2,331,223	7,501,369
£2 14s. 3d. .. .. .	..	223,545	223,545
2½ .. .. .	..	11,594,576	11,594,576
£2 6s. 6d. .. .. .	..	778,083	778,083
2¼	5,805,525	..	5,805,525
1 .. .. .	..	3,913,302	3,913,302
Total	60,657,630	119,069,642	179,727,272
Average rate of interest	3·45	3·38	3·40

* Raised in New York by the Commonwealth Government.

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

During 1928-29, the amount at credit of the State Redemption and Sinking Funds—£5,540,369—was applied to the liquidation of the public debt, and in 1934-35, the debt was decreased by the transfer of a liability amounting to £2,160,960 from the State to the Commonwealth Government under Act No. 4246. From £174,160,663 at 30th June, 1935—the first occasion on which the debt was less than that of the immediately preceding year—the public debt increased steadily until it reached the amount of £181,219,188 at 30th June, 1941. Although the Public Debt decreased during each of the years 1941-42, 1942-43, and 1943-44, it increased during the years 1944-45 and 1945-46 and at 30th June, 1946, amounted to £179,727,272.

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST,
1855 TO 1945-46.

Financial Year ending in—	Loans Outstanding.			Amount per Head of Population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest Payable.
		Total.	Average Rate per cent.		
	£	£	%	£ s. d.	£ s. d.
1855* ..	1,180,000	70,800	6.00	3 4 9	0 3 11
1860 ..	5,643,100	337,905	5.99	10 9 10	0 12 7
1870* ..	12,099,800	699,240	5.78	16 13 1	0 19 3
1880 ..	20,567,700	1,029,991	5.01	24 9 4	1 4 6
1890 ..	41,377,693	1,649,465	3.99	36 19 11	1 9 6
1900 ..	49,325,885	1,887,403	3.83	41 6 8	1 11 8
1910 ..	55,576,725	1,980,099	3.56	43 6 8	1 10 10
1920 ..	87,647,739	3,539,723	4.04	57 19 1	2 6 10
1925 ..	131,169,565	6,319,121	4.82	78 9 11	3 16 3
1930 ..	162,288,994	8,057,125	4.96	90 18 7	4 10 7
1935 ..	174,160,663	6,581,464	3.78	94 15 2	3 11 8
1940 ..	180,549,968	6,897,848	3.82	94 17 2	3 12 5
1941 ..	181,219,188	6,897,758	3.81	93 9 10	3 11 2
1942 ..	177,716,484	6,577,395	3.70	90 5 3	3 6 10
1943 ..	175,934,652	6,486,457	3.69	88 16 10	3 5 5
1944 ..	174,762,413	6,387,770	3.66	87 9 7	3 3 11
1945 ..	179,405,191	6,356,658	3.54	89 2 0	3 3 2
1946 ..	179,727,272	6,116,884	3.40	88 9 11	3 0 3

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

The following table shows the capital liability of the State at 30th June, 1946, in respect of its public works and services. The apportionment of the State's equity in the National Debt Sinking Fund is also shown.

VICTORIA—SUMMARY OF CAPITAL LIABILITY UNDER THE VARIOUS WORKS AND SERVICES, TOGETHER WITH THE APPORTIONMENT OF THE STATE'S EQUITY IN THE NATIONAL DEBT SINKING FUND AT 30TH JUNE, 1946.

Works or Services.	Liability.	Deduction on Account of National Debt Sinking Fund.	Net Liability.
	£	£	£
Railways*—			
As reduced	51,105,775	5,071,277	46,034,498
Transferred	30,256,010	3,149,932	27,106,078
Country Waterworks	29,332,606	2,943,993	26,388,613
Electricity Supply	18,326,440	1,935,359	16,391,081
Land Settlement	29,793,170	3,592,331	26,200,839
Soldier Settlement	69,378	..	69,378
Grain Elevators Board	661,612	32,428	629,184
Housing Commission	952,194	46,725	905,469
Country Roads	10,062,921	1,263,164	8,799,757
Public Works, Buildings, &c. ..	7,446,386	564,060	6,882,326
Forests	2,475,498	92,031	2,383,467
Unemployment Relief	12,190,468	772,910	11,417,558
In Aid of Revenue	5,245,079	707,192	4,537,887
Total	197,917,537	20,171,402	177,746,135

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

A reconciliation between the Public Debt at 30th June, 1946, and the net liability shown above is given hereunder:—

Public Debt at 30th June, 1946	£	179,727,272
	£	
<i>Deduct</i> Cash at Credit of National Debt Sinking Fund	789,186	
<i>Deduct</i> Repayments to State Loans Repayment Fund	15,876,449	
		16,665,635
		163,061,637
<i>Add</i> Expenditure from the State Loans Repayment Fund		14,684,498
Net Liability for Works		179,746,135

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from Loans and on account of Loan Funds. The figures in the following table include all such expenditure, whether the loans have been repaid or are still in existence. The table shows the details for each of the years 1942-43 to 1945-46 and the total to 30th June, 1946.

VICTORIA—EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS, 1942-43 TO 1945-46.

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1946.
	1943.	1944.	1945.	1946.	
Public Works—	£	£	£	£	£
Railways*—					
As reduced ..	540,441	486,388	496,294	389,434	51,013,952
Transferred ..	..	..	..	..	29,134,658
Country Roads ..	593	165	..	1,899	12,204,418
Bridges .. ..	..	..	9,443	9,220	462,101
Harbours and Rivers ..	..	3,770	..	8,215	1,416,520
Water Supply—					
Country	75,479	143,178	315,729	432,906	29,403,928
Metropolitan ..	..	..	..	..	3,142,577
Sewerage .. ..	..	..	..	2,669	220,453
Electricity Supply ..	..	..	..	..	17,839,227
Public Buildings—					
Schools	97,005	77,072	164,784	177,107	6,443,502
Hospitals	57,990	46,009	605,747	118,020	1,514,403
Other	27,220	36,396	49,076	66,890	1,570,237
Other Public Works ..	..	..	..	6,552	709,541

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

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

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1946.
	1943.	1944.	1945.	1946.	
	£	£	£	£	£
Immigration .. ..	..	..	..	..	20,000
Municipal Endowment ..	..	..	..	..	698,250
Municipalities, Loans, Grants, &c. .. ..	..	..	..	..	928,127
Housing .. ..	..	..	750,000	25,285	1,965,285
Unemployment Relief ..	15,432	3,938	3,891	433	13,147,158
Primary Production—					
Land Settlement* ..	..	..	..	..	41,570,934
Soldier Settlement ..	..	..	..	69,378	69,378
Wire Netting Advances	67	60	79	5,878	885,729
Agriculture .. ..	..	..	..	..	150,682
Settlers Advances—					
Cultivation	1,047	3,646	86,256	88,310	2,584,823
Other .. ..	..	..	5,961	5,848	92,442
Bulk Handling of Wheat	..	..	..	..	1,000,000
Forestry	216,359	282,411	480,600	657,029	3,099,120
Mining, N.E.I. .. ..	..	..	..	..	271,022
Mining—State Coal Mine	4,454	1,556	437	499	320,867
Primary Products—Ad- vances to Companies	..	..	..	..	331,101
Cool Stores—Advances to Companies .. ..	..	..	45	9,562	622,906
Drought Relief .. ..	..	..	625,000	129,000	754,000
Other Primary Produc- tion .. ..	..	..	..	..	152,862
Other Purposes .. ..	..	..	90,000	..	450,950
Total Works Expenditure	1,036,087	1,084,589	3,683,342	2,204,134	224,191,153
In Aid of Revenue ..	..	..	4,255,000	..	9,118,682
Grand Total	1,036,087	1,084,589	7,938,342	2,204,134	233,309,835

* Land Settlement—Closer Settlement and Discharged Soldiers' Settlement Fund abolished during 1938-39 and Soldier Settlement re-established in 1945-46.

The figures in the foregoing table are "Net" in as much as they exclude discounts and flotation expenses, particulars of which are as follow:—Nil in each of the years 1942-43 and 1943-44; 1944-46, £59,625; and 1945-46, £1,313,647. The aggregate to 30th June, 1946, was £7,207,613.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1946, sums not yet expended amounted in the aggregate to £55,602, of which £3,485 was for Land Settlement, and £52,117 for Public Works, Buildings, &c.

The amounts of interest and expenses paid on the Public Debt of Victoria during each of the financial years 1941-42 to 1945-46 are shown in the next table:—

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT,
1942 TO 1946.

Year Ended 30th June.	Interest Paid on Loans in—		Interest Paid on Temporary Loans.	Commission on Payment of Interest in London Expenses of Conversion Loans, &c.	Exchange on Payment of Interest in London.†	Total.‡
	London.*	Melbourne.				
	£	£	£	£	£	£
1942 ..	2,626,816	4,127,855	16,731	230,784	719,597	7,721,783
1943 ..	2,536,818	3,941,656	32,886	48,689	696,648	7,256,697
1944 ..	2,536,694	3,817,632	76,383	74,682	703,085	7,208,476
1945 ..	2,525,489	3,759,725	93,138	39,395	687,029	7,104,776
1946 ..	2,330,636	3,883,564	80,307	56,327	644,789	6,995,623

* Including £221,140 on account of interest paid on loans in New York in respect of each of the years 1941-42 to 1945-46.

† Includes Exchange paid in respect of Loans raised in New York £113,461 for each of the years 1941-42 to 1944-45, and £113,845 for 1945-46.

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

NATIONAL DEBT SINKING FUND.

The National Debt Sinking Fund was established under the provisions of the *Commonwealth and States Financial Agreement Act 1927* (No. 3554). The following table gives particulars of the receipts and disbursements during 1945-46:—

	£
Balance at credit of Victoria at 30th June, 1945	422,653
Contributions during 1945-46—	£
By Commonwealth under Financial Agreement ..	316,920
" " " Federal Aid Roads Act ..	7,457
" " " State under Financial Agreement ..	1,406,924
	1,731,301
Interest received	6,794
	2,160,748
Cancellation of securities to the value of £1,373,210	1,371,562
	789,186
Balance at credit of the State at 30th June, 1946	789,186
Face value of securities cancelled to 30th June, 1946 ..	19,382,216
	20,171,402
The net credit to Victoria at 30th June, 1946	20,171,402

TRUST FUNDS.

At 30th June, 1946, the liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgments amounted to £20,224,385. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £7,230,354, and cash advances totalled £3,412,519. The balance—£9,581,512—was at the credit of the Public Account.

PUBLIC DEBT OF AUSTRALIA.

The public debts of the six Australian States aggregated £905,350,755 at 30th June, 1946. Details of the indebtedness in respect of each State are shown in the following table. Sinking Funds have not been deducted. Treasury Bills covering Revenue Deficits are included. Revenue Deficits which are not covered by Treasury Bills overdrafts on Loan Account and advances from Trust Funds are excluded.

Public Debts
of Australian
States.

PUBLIC DEBTS OF AUSTRALIAN STATES AT 30TH JUNE,
1946.

Heading.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
	£	£	£	£	£	£
Public Debt	179,727,272	353,239,935	133,294,729	110,748,786	96,925,931	31,414,101
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Debt per head of population at 30th June, 1946	88 9 11	120 15 7	122 3 0	174 0 2	196 3 6	125 2 6

The public debt of the Commonwealth exclusive of **Commonwealth Public Debt.** loans raised on behalf of the States but including debts on account of the Port Augusta-Oodnadatta Railway and the Northern Territory amounted to £1,889,056,328 at 30th June, 1946.

The total public debt of Australia—Commonwealth and **Commonwealth and States Public Debt.** States—at the above date was £2,794,407,083 of which £2,266,231,813 was payable in Australia, £487,271,849 in London and £40,903,421 in New York. The loan liability of the Australian public at 30th June, 1946, averaged £375 5s. 6d. per head of population.