

## PUBLIC FINANCE

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### GOVERNMENT FINANCIAL ACTIVITY

#### Economic aspects

##### *Financial transactions*

During the last four or five decades, governments have come to accept new and wider responsibilities for economic stability and growth and for the social welfare of their peoples. They are now in a position where a large proportion of their actions is undertaken to achieve economic and social ends. This applies not only to their regulatory activities but also to their financial transactions. These transactions may be classified in the following ways :

##### *Purchases of goods and services*

Governments are important purchasers of goods and services which they require to provide current services, e.g., defence services, health and educational facilities; and capital assets such as office buildings, power installations, and railway track and rolling stock. Expenditure of this kind generates income and, consequently, rises or falls in its level affect the purchasing power of the community. In addition, governmental requirements determine the allocation of national resources and the composition of national capital assets.

##### *Transfers of income between sections of the community*

Governments are also agents for the redistribution of incomes throughout the community. Their role of tax gatherer permits them to do this by compulsorily withdrawing purchasing power from one section of the community and transferring it to another in the form, for example, of social service benefits or subsidies to producers. The receipt and payment of interest are other ways in which governments redistribute income.

##### *Production and trading*

As well as providing a considerable volume of services free (or at nominal charges), governments also engage in trading activities in which they produce and sell goods and services at prices designed substantially to cover costs. These services are usually of the public utility type, e.g., the supply of gas and electricity, transport services, and water supply and sewerage, of which governments are usually the sole providers. Their distinguishing characteristic is that they are, to a certain extent, subject to market forces.

*Victorian governmental activity*

Victorian governmental activity is carried out by:

1. the legislative, executive, and judicial organs of the State ;
2. semi-governmental bodies being statutory authorities created to carry out specific activities, e.g., the provision of gas, electricity, water supply, and sewerage facilities on behalf of the State Government or bodies in which the State Government has a controlling interest; and
3. local government bodies set up under the Local Government Act to carry out the functions of local government in defined areas (known as municipalities), and which are elected by the residents or property owners or both in the area. This category also includes authorities created or acquired by local government authorities.

Particulars of the activities of semi-governmental and local governmental authorities are to be found in Chapter 6 and other appropriate chapters of this *Year Book*. It is informative, however, in this chapter to summarise the public authority activity in the State.

Particulars of Australian and State Government transactions classified so as to facilitate economic analysis are included in *Australian National Accounts: National Income and Expenditure*, published by the Commonwealth Statistician, Canberra. The table on page 542 provides overall details of the transactions of Victorian State and local authorities which underlie and elaborate the summary tables covering the transactions of State and local authorities published in the *Australian National Accounts* and those appearing in the annual Budget paper *National Income and Expenditure* presented by the Treasurer of the Australian Government. The table is a consolidation, necessarily approximate, of the activities of the major funds and authorities of the State.

The table has been arranged to show current and capital outlay, and receipts and financing items. Further detail involving the separate contributions of State and local authorities to this table together with classification by purpose of final consumption expenditure and expenditure on new fixed assets can be found in the publication *Public Authority Finance: State and Local Authorities*, issued by the Commonwealth Statistician.

Particulars in the table were compiled from financial statements published by the authorities concerned which in some instances did not contain all the information desired. For this reason, the figures shown must be regarded as estimates and subject to revision as further investigation proceeds. A large proportion of governmental financial transactions is in the nature of transfers between funds, e.g., transfers from the Consolidated Revenue Fund to the Hospitals and Charities Trust Fund, and between authorities, such as transfers from the Works and Services Account to the State Electricity Commission of Victoria. Where they could be identified, such transfers have been cancelled out. In some cases, different bases of classification from those used in succeeding sections of this chapter were adopted for national income purposes (see Appendix B for details of Australian National Accounts).

**Financial relations in Australia**

The Australian Constitution specifies the matters regarding which the Australian Parliament has power to legislate. They include defence,

VICTORIA—STATE AND LOCAL AUTHORITIES: OUTLAY AND  
RECEIPTS  
(\$m)

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
OUTLAY					
Final consumption expenditure	435.5	505.8	594.5	692.6	840.5
Gross capital formation—					
Increase in stocks	-0.5	2.5	-2.1	-2.3	4.0
Expenditure on new fixed assets	525.9	547.4	549.0	568.2	635.6
Expenditure on existing assets (net)	7.3	9.3	17.6	6.9	26.9
Total gross capital formation	532.7	559.2	564.6	572.9	666.5
Transfer payments—					
Interest	194.6	213.2	232.4	258.6	278.4
Transfers to persons	6.3	5.2	6.0	9.9	9.6
Subsidies	2.7	1.7	1.7	1.8	1.7
Grants for private capital purposes	3.9	4.9	5.3	4.2	5.1
Transfers overseas	0.3	0.3	0.3	0.3	0.3
Total transfer payments	207.8	225.3	245.7	274.7	295.1
Net advances to private sector	21.7	21.1	29.6	27.0	27.0
Total outlay	1,197.7	1,311.5	1,434.4	1,567.2	1,829.1
RECEIPTS AND FINANCING ITEMS					
Receipts—					
Taxes, fees, fines, etc.	370.6	393.5	419.3	540.6	663.3
Income from public enterprises	110.6	119.5	116.9	109.1	97.2
Property income—					
Interest	19.6	22.5	23.9	27.8	n.a.
Land rent, royalties	8.0	10.6	20.6	26.2	n.a.
Dividends	..	..	..	..	n.a.
Total property income	27.6	33.0	44.4	54.0	65.3
Grants from the Australian Government—					
For current purposes	289.3	321.7	410.7	427.6	496.9
For capital purposes	51.8	61.6	122.9	136.3	158.6
Total receipts	849.8	929.3	1,114.2	1,267.7	1,481.3
Financing items—					
Net borrowing—					
Local authority and public corporation securities	123.8	117.4	144.7	157.6	(a)
Other general government securities	-0.1	-0.2	-0.1	..	(a)
Advances from the Australian Government (net)—					
For loan works purposes	121.5	131.1	93.4	141.4	154.7
Other	34.9	41.9	39.0	1.8	10.4
Net receipts of private trust funds	15.1	16.1	13.8	23.7	(a)
Reduction in cash and bank balances	-2.7	20.7	-19.0	-31.6	(a)
Reduction in security holdings—					
Investments of private trust funds	-15.1	-16.1	-13.8	-23.7	(a)
Investments of governmental trust funds and public corporations	-9.1	-7.9	-18.8	-14.4	(a)
Other funds available (including errors and omissions)—					
Depreciation allowances	58.0	62.6	54.7	59.3	61.7
Other	21.6	16.7	26.2	-14.7	121.0 (b)
Total financing items	347.9	382.2	320.1	299.5	347.8
Total funds available	1,197.7	1,311.5	1,434.4	1,567.2	1,829.1

(a) Included in "Other funds available, other".

(b) See footnote (a).

external affairs, trade and commerce with other countries and between the States, customs and excise, posts and telegraphs, navigation, lighthouses, quarantine, census and statistics, currency and banking, insurance, copyright and trade marks, naturalisation, immigration, invalid and age-pensions, social services, industrial relations where disputes extend beyond the boundaries of a State, taxation that does not discriminate between States or parts of States, the taking over by the Australian Government of the public debts of the States, and the borrowing of money by the Australian Government for the States. Some of these powers are given exclusively to the Australian Government, e.g., defence, and customs and excise, but, in the majority of matters, the Australian and State Governments have concurrent powers, Australian law prevailing where there is conflict. Matters other than those specified in the Constitution remain the concern of the States. Governmental activity at the State level embraces education, health and welfare services, the development of internal resources, e.g., irrigation and water supply, land settlement, soil conservation, maintenance of law and order, and the provision of public utility services, e.g., roads, electricity and gas, public transport, water supply, and sewerage. These activities are carried out by State departments and by statutory and local governing bodies created by the State Governments. The States have direct access to a small proportion only of moneys required for revenue and capital purposes. This has come about in three ways :

1. through the surrender, under the Constitution, of the right to levy customs and excise duties ;
2. through the Financial Agreement of 1927 between the Australian and State Governments, under which the Australian Government became the borrowing agent for the States ; and
3. through the Australian Government exercising its right to impose taxation in the field of personal and company income.

The lack of balance between the spending functions and the sources of revenue available to the Australian and State Governments, respectively, has given rise to a system of grants from the Australian Government to the States. These grants may be unconditional or may be earmarked for specific purposes such as roads or universities. Important examples of the former are the financial assistance grants payable under the uniform tax system and special grants payable under section 96 of the Constitution, which provide assistance to those States experiencing difficulty in raising revenue or providing services on a comparable level with the other States. At present, South Australia is the only State receiving special grants under section 96. Western Australia, which withdrew from claimancy in 1968-69, has since received a grant in lieu of the special grant. However, this grant is subject to progressive reduction until the last payment is made in 1974-75. Tasmania has withdrawn from the special grants system following the Australian Government's agreement to pay the State an additional financial assistance grant of \$15m in 1974-75 to be built into the "base" for the purpose of calculating that State's formula grants in 1975-76 and subsequent years.

Australian Government fiscal superiority is supported by present day acceptance of the role of central governments as agents of economic control and providers of social services on a large scale. In order to carry out these

functions, the central government must have a substantial measure of control over taxation revenue and the level of public investment.

#### *Financial Agreement between the Australian and State Governments*

The Financial Agreement of 12 December 1927 between the Australian and State Governments came into being because it was thought desirable to adopt a co-ordinated approach to the loan market instead of independent approaches by the several governments, and because of the necessity of establishing sound sinking fund arrangements. It also provided for the sharing of State debt charges by the Australian Government. The following is a summary of the main provisions :

##### 1. *Consolidation of public debt*

On 1 July 1929 the Australian Government took over the existing public debts of the States and assumed responsibility for the payment of related interest. This interest is reimbursed by the States, less the sum of \$15,169,824 per annum which the Australian Government agreed to contribute for a period of 58 years from 1 July 1927. Of this amount, Victoria receives \$4,254,318 annually. This payment is in compensation to the States for relinquishing, after Federation, the right to levy customs and excise duties.

##### 2. *Regulation of government borrowing*

The Australian Loan Council was set up to co-ordinate the public borrowings of the Australian and State Governments. It consists of the Prime Minister (or his nominee) as Chairman, and the State Premiers (or their nominees). Each financial year the Australian Government and the several States submit to the Loan Council programmes setting out the amounts they desire to raise by loan during the ensuing year. Revenue deficits to be funded are included in the borrowing programmes, but borrowings for "temporary purposes" need not be included. Borrowing by the Australian Government for defence purposes is outside the Agreement.

If the Loan Council considers that the total amount of the programmes cannot be borrowed at reasonable rates and conditions, it determines what amount shall be borrowed and may, by unanimous decision, allocate such amount between the Australian and State Governments. In default of a unanimous decision, the allocation is determined by means of a formula written into the Agreement. Subject to the decisions of the Loan Council, the Australian Government arranges all borrowings including those for conversions, renewals, and redemptions. However, the Australian Government may borrow from the Australian Government, or a State within its territory, from authorities, bodies, or institutions, or from the public by counter sales of securities subject to Loan Council approval. Australian Government securities are issued for moneys borrowed in this way and amounts so borrowed are treated as part of the borrowing programme for the year. In addition the Australian or a State Government may borrow for "temporary purposes" by way of overdraft or fixed deposit subject to limits fixed by the Loan Council.

##### 3. *Sinking fund provisions*

The Financial Agreement also provided for the creation of sinking funds for debt existing at 30 June 1927 or incurred subsequently. Contributions

to these are made jointly by the Australian and State Governments on bases laid down. The sinking funds established under the Agreement are under the control of the National Debt Commission, an authority constituted under Australian legislation and consisting of the Treasurer of the Australian Government, the Chief Justice of the High Court, the Secretary to the Australian Treasury, the Governor of the Reserve Bank, the Secretary to the Australian Attorney-General's Department, and a representative of the States.

Sinking fund moneys are used to redeem unconverted securities at maturity, and to re-purchase securities on the stock market.

#### 4. *Borrowing by semi-governmental authorities*

Under a "gentlemen's agreement", originally entered into by the members of the Loan Council in 1936, the Loan Council approved an aggregate yearly borrowing programme for larger semi-governmental and local authorities proposing to raise more than \$200,000 in a year. Over the years the Loan Council has gradually increased this amount until in June 1974 it decided that the larger authorities from 1974-75 would be defined as those borrowing more than \$500,000 in a financial year. Individual borrowings by each of these authorities are also subject to Loan Council approval.

Before 1962-63 the Loan Council had approved overall borrowing programmes for authorities with individual programmes of \$200,000 or less. Since 1962-63 the Loan Council has placed no overall limits on the programmes of these smaller authorities. In keeping with the decision of June 1974 noted above, authorities may now borrow up to \$500,000 individually without any limit being placed on their aggregate borrowing.

The terms and conditions on which the Loan Council from time to time approves loan raisings are the same for both the large and small authorities.

#### 5. *Australian Government influence on supply of loan moneys*

The Australian Government is in a position to control the supply of local loan moneys through the influence of its policy on the borrowing system, indirectly through alterations in rates of taxation (which affect personal savings), and through the money it is prepared to make available from its own trust funds. Although loan raisings for each of the years 1962-63, 1963-64, and 1973-74 were adequate to complete governmental expenditure programmes (including redemptions), Australian Government support was needed in other years. From 1 July 1951 to 30 June 1974, out of loan programmes amounting to \$13,166m, the Australian Government has provided \$2,817m from the Consolidated Revenue Fund in special loans and capital grants.

#### *Grants to the States*

The history of the principal payments to Victoria can be summarised as follows :

##### *Financial agreements*

Australian Government contributions to interest and sinking fund charges on State debt have been described above.

##### *Financial assistance grants*

The States were supplanted by the Australian Government as income taxing authorities during the Second World War when the Australian

Government needed to exploit this field of taxation to the full to meet its wartime obligations. Under the uniform taxation scheme it became the sole authority levying taxes upon income. In return for vacating that field of taxation, the States received an annual payment from the Australian Government as reimbursement for the loss of income tax revenue. A similar arrangement was made for entertainments tax, but this tax is no longer levied by the Australian Government.

The validity of the uniform tax legislation was challenged in the High Court in 1942 by Victoria, South Australia, Queensland, and Western Australia. The challenge was unsuccessful, the High Court finding that the Australian Government could enforce priority in the collection of income

VICTORIA—AUSTRALIAN GOVERNMENT PAYMENTS TO OR FOR THE  
STATE (a)  
(\$'000)

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
Financial Agreement—					
Interest on State debt	4,254	4,254	4,254	4,254	4,254
Sinking fund on State debt (b)	5,189	5,600	5,926	6,378	6,809
General revenue grants (c)	253,562	293,643	361,584	362,085	396,087
Debt charges assistance	..	..	2,783	5,566	8,348
Capital assistance grants	..	..	51,020	55,890	63,405
Commonwealth Aid Roads Acts	33,113	38,160	43,460	49,820	57,240
Tuberculosis hospitals—reimbursement of capital expenditure, etc.	175	327	151	119	16
Mental institutions—contribution to capital expenditure	1,200	947	798	828	831
Grants to universities	19,180	18,455	22,228	25,255	29,223
Colleges of advanced education	5,545	7,728	11,093	12,921	19,718
Teachers colleges	1,621	3,252	1,251	2,750	
General capital grants for government schools	..	..	..	1,700	3,405
Research grants	675	864	954	1,177	1,620
Science laboratories	3,055	4,037	3,546	3,368	2,859
Technical education	1,550	3,000	3,912	1,500	3,350
School libraries	500	2,225	3,199	2,519	3,222
Recurrent grants for non-government schools	..	3,952	7,832	9,655	13,337
Home care services	..	..	..	137	390
Grants for agricultural extension services	986	1,027	1,194	1,364	1,490
Salinity reduction—Murray River	800	170	25	22	33
Aboriginal advancement	225	347	367	400	770
Housing assistance grants	..	..	..	1,005	1,679
Dwellings for aged pensioners	..	200	1,929	2,243	1,478
Unemployment relief	..	..	..	6,075	25,670
Bovine brucellosis and T.B. eradication	..	37	577	700	1,150
Natural disaster payments	6,000	277	43	..	40
Blood transfusion services	193	225	251	269	367
Water resources	159	163	420	422	453
King River Dam	15	1,385	2,000	212	36
Child migrant education	..	86	667	1,158	1,819
Disposal of ships' garbage	..	120	4	130	765
Marginal dairy farm grants	..	..	..	142	45
Rural reconstruction grants	..	..	..	2,125	3,392
Millewa pipeline	..	..	..	..	600
Other payments	31	36	132	251	857
<b>Total</b>	<b>338,028</b>	<b>390,517</b>	<b>531,600</b>	<b>562,440</b>	<b>654,758</b>

(a) Excludes subsidies and bounties to primary producers, payments from National Welfare Fund, and repayable loans.

(b) Paid to National Debt Sinking Fund.

(c) Includes financial assistance grants and special revenue assistance.

tax and could make grants to the States under section 96 of the Constitution on the condition that they vacated the field of income taxation.

Victoria made a further challenge to the validity of the uniform tax legislation in 1955 and was supported by New South Wales in 1956. In particular, the power of the Australian Government to make tax reimbursement grants conditional upon the States not levying income tax and the absolute priority of payment of Australian income tax over State income taxes was disputed. In 1957 the High Court ruled:

1. unanimously, that the condition attaching to the tax reimbursement grants that the States should not levy income tax was valid; and
2. by a majority of four to three, that section 221 (1) (a) of the *Income Tax and Social Services Contribution Assessment Act 1936-1956*, which prohibited a taxpayer paying State income tax until Australian income tax was paid, was invalid.

Details of the *States Grants (Income Tax Reimbursement) Act 1942*, the *States Grants (Entertainments Tax Reimbursement) Act 1942*, and the *States Grants (Tax Reimbursement) Act 1946-1948* are given in the *Official Year Book of the Commonwealth of Australia*, No. 37, pages 633-9 and No. 46, pages 835-8. Grants under the provisions of the 1946-1948 Act ceased after 1958-59.

The whole question of Australian-State Government financial relations was examined in 1959 and this resulted in the enactment of the *States Grants Act 1959* (operative until 1964-65—see *Victorian Year Book 1965* and previous issues). These arrangements were reviewed in 1965 and 1967 when certain modifications, which applied to the period 1965-66 to 1969-70, were made (see *Victorian Year Book 1971* and previous issues).

The 1965 grants arrangements were reviewed at Premiers' Conferences in 1970, 1971, and 1972 (see *Victorian Year Book 1972, 1973, and 1974*).

At the June 1973 Premiers' Conference the Prime Minister announced as policy that when the Australian Government undertook new or additional commitments hitherto carried out by the States there should be adjustments of financial arrangements to take account of the shift of financial responsibility. At the conference the States accepted the Australian Government's offer to take full financial responsibility for financing tertiary education from 1 January 1974 and it was agreed, in accordance with the above principle, that the estimated amounts of current expenditure of which the States would thereby be relieved should be deducted from financial assistance grants otherwise payable. In Victoria's case this adjustment amounted to \$34.8m in 1973-74. Financial assistance grants to the States for 1973-74 were calculated from the base of the 1972-73 grants with additions for population increase, average wage increase, and a betterment factor together with adjustments principally for tertiary education as above. Total financial assistance grants for 1973-74 were \$1,860m and Victoria's share was \$437.6m.

#### *Special revenue assistance*

Since 1949-50 the Australian Government has made, on occasions, ad hoc grants to the States to supplement the amounts payable under the financial assistance grants arrangements and by way of special grants recommended by the Grants Commission. In recent years additional assistance



(now called special revenue assistance) has been given to help the States to cope with budget difficulties. At the June 1973 Premiers' Conference the Australian Government, in recognition of the expected budgetary problems of the States in 1973-74, agreed to provide special additional assistance of \$25m to be distributed to the States in proportion to the financial assistance grants payable under the formula. Victoria's share of this special revenue assistance was \$6.0m.

#### *Debt charges assistance*

At the June 1970 Premiers' Conference the Australian Government undertook to meet interest and sinking fund charges on \$200m of State debt in 1970-71 and an additional \$200m each year to 1974-75 so that by the end of this period the Australian Government will have taken over full responsibility for the debt charges on \$1,000m of State debt. Formal transfer of this debt from the States to the Australian Government will be effected in June 1975 by way of amendment to the Financial Agreement. Total debt charges assistance grants in 1973-74 amounted to \$46.0m of which Victoria received \$11.1m.

#### *Capital assistance grants*

At the June 1970 Loan Council meeting it was decided that in future the Australian Government would make an interest-free capital grant to help finance that part of the States' works programmes from which debt charges are not normally recoverable (e.g., schools, etc.). This grant would not increase the total funds available to the States but as it would result in lower State Government debt than would otherwise have been the case there would be a substantial saving to the States in debt charges.

The first grant (\$200m, of which Victoria's share was \$51m) was made in 1970-71. An undertaking was given by the Australian Government at the June 1970 Premiers' Conference to increase the grant in subsequent years in proportion to the increase in works and housing programmes. However, there have been several changes in the method of financing certain types of capital works and this has resulted in a departure from the 1970 undertaking with an increase in the percentage of the total works and housing programmes financed by capital grants. In 1973-74 total capital assistance grants were \$278.3m, Victoria's share being \$70.8m.

#### *Grants for road construction*

The Australian Government has made grants to the States for road purposes for some considerable time. Particulars of Acts (commencing with the *Main Roads Development Act 1923-1925*), under which these payments were made, are given in the publication *Payments to or for the States and Local Government Authorities* which is issued annually with the Australian Government Budget.

Australian Government payments to be made to the States for roads expenditure during the five year period from 1 July 1969 were announced at a special Premiers' Conference held in March 1969.

In considering arrangements for the quinquennium the Australian Government was assisted by the information and advice furnished by the Bureau of Roads, which was set up following the 1964 review of roads arrangements to undertake a thorough survey and appraisal of the existing roads system and anticipated roads requirements. The Australian Govern-

ment accepted the Bureau's assessment that, provided funds were applied economically, considerably higher expenditure could be undertaken during the next five years. On this basis provision was made in the *Commonwealth Aid Roads Act* 1969 for grants totalling \$1,252.1m paid to the States for roads over the five year period commencing on 1 July 1969.

An aim of these arrangements was to bring the distribution more closely into accord with the relative needs for roads expenditure. The Australian Government, however, recognised the problems that could be created for some States by too rapid a change from the distribution formula which had applied over the previous five years. The total grant of \$1,252.1m was thus divided into two parts. The principal grant totalling \$1,200m was distributed by giving equal weight to the distribution under the *Commonwealth Aid Roads Act* 1964 and to the distribution indicated by the Bureau of Roads analysis of the relative needs for roads expenditure. Victoria's share of this grant was \$65.7m in 1973-74 and totalled \$254.4m during the quinquennium.

Supplementary payments of \$9m to South Australia, \$40.8m to Western Australia, and \$2.3m to Tasmania accounted for the balance of \$52.1m distributed during the five year period.

In November 1973 recommendations were received by the Australian Government from the Bureau of Roads for a programme of roads expenditure for the five-year period commencing 1 July 1974 which envisaged grants to the States for roads over that period of \$2,607m. However, the Government, although it was guided by the recommendations, adopted a significantly different programme which was outlined to the States at the Premiers' Conference in June 1974, and subsequently authorised by two Acts to cover road grants to the States over a three year period. The *Road Grants Act* 1974 provided for grants of \$700m for the triennium in respect of roads other than national roads with the greater proportion to be spent on urban and rural arterial roads. Victoria's share will be \$156.6m. These grants have been made conditional upon the States expending or setting aside for expending on roads \$353.3m from their own resources. Victoria's quota of this was \$104.2m for the triennium. Under the *National Roads Act* 1974 the Australian Government also allocated a total of \$400m over the triennium mainly for the construction and reconstruction of national highways. Victoria's share of this amount was \$71.4m.

#### *Grants to universities*

Australian Government assistance to the States in respect of the recurrent expenditure of universities dates from 1951-52; in 1957-58 assistance was first given in respect of capital expenditures. An outline of assistance before 1974 is given in previous issues of the *Victorian Year Book*.

Until the beginning of 1974 assistance for tertiary education was on a matching basis with the States. In March 1973 the Australian Government offered to accept full financial responsibility for tertiary education and for the abolition of fees at tertiary institutions and technical colleges from 1 January 1974. This offer was accepted at the June 1973 Premiers' Conference and it was agreed that estimates of the amounts of expenditure of which the State governments would thereby be relieved would be deducted from the funds provided to the States (both financial assistance and Loan

Council borrowing programmes). The assumption of full responsibility as above was authorised by the *State Grants (Universities) Act No. 3 1973*. Other legislation is to be introduced to authorise adjustments to the approved programmes because of cost increases.

Total grants for universities for 1973–74 were \$249.0m of which Victoria received \$67.6m (\$53.5m for current expenditure and \$14.1m for capital expenditure).

#### *Grants for colleges of advanced education and teachers colleges*

The Report of the Committee on the Future of Tertiary Education in Australia recommended the establishment of a new type of educational institution to supplement universities and to be developed from, and around, segments of existing technical colleges now referred to as colleges of advanced education.

The Australian Government has provided financial assistance for these institutions since 1965–66 and in August 1972 it accepted the financial recommendations of the Commonwealth Advisory Committee on Advanced Education for the 1973–1975 triennium.

The *States Grants (Advanced Education) Act 1972* authorised Australian Government grants of \$172.3m during the triennium made up of \$93.6m for recurrent expenditure, \$78.2m for capital expenditure, and \$0.5m for library facilities.

As with universities the Australian Government assumed full financial responsibility for colleges of advanced education and teachers colleges from 1 January 1974. Tuition fees at tertiary institutions were also abolished from that date. In April 1973 the Australian Government had accepted the recommendations contained in the report of the Australian Commission on Advanced Education Special Committee on Teacher Education for a programme of support for teachers colleges and pre-school teachers colleges in the States from 1 July 1973. The financial assistance programme was to be shared by the Australian Government and the States on the same basis as for universities and colleges of advanced education in the period to 31 December 1973 and thereafter to be met wholly by the Australian Government.

Most of the grants both for colleges of advanced education and teachers colleges were authorised by various *State Grants (Advanced Education) Acts 1972 and 1973*. Certain supplementary items will be authorised by legislation to be introduced in 1974–75. In 1973–74 total grants for colleges of advanced education and teachers colleges were \$164.9m of which Victoria received \$60.4m (\$46.7m for current expenditure and \$13.7m for capital expenditure).

#### *Grants for science laboratories and equipment in secondary schools*

From 1964–65 onwards, the Australian Government has made unmatched grants to the States for the purpose of improving science teaching in secondary schools.

The *States Grants (Science Laboratories) Act 1971* extended the operation of this scheme for a further four years, commencing 1 July 1971, and provided for a total payment to the States of \$43.3m during the period. In 1973–74 Victoria received \$2.76m divided between government schools, \$1.40m and non-government schools, \$1.36m.

### *Grants for technical education*

The *States Grants (Science Laboratories and Technical Training) Act* 1964 introduced in 1964–65 grants to the States towards the building and equipment cost of technical schools or colleges conducted by the States. Continuation of these grants for the three financial years 1971–72 to 1973–74 was authorised by the *States Grants (Technical Training) Act* 1971.

The *State Grants (Technical Training) Act* 1973 gave effect to the Australian Government's decision to provide an additional \$10m to the States for this programme in 1973–74. Because of the abolition of tuition fees at government technical training institutions from 1 January 1974, the Australian Government decided that the States should be reimbursed for fees lost (estimated at \$10.3m in 1973–74). This reimbursement was authorised by the *State Grants (Technical Training Fees Reimbursement) Act* 1974. In 1973–74 total grants in connection with technical education amounted to \$28.6m of which Victoria received \$7.3m (\$1.8m for current expenditure and \$5.5m for capital expenditure).

### *Grants for school libraries*

Under the *States Grants (Secondary School Libraries) Act* 1971, grants of \$30m are being made available to the States over the three years commencing on 1 January 1972 to finance buildings, etc., for libraries in government and non-government secondary schools.

In 1973–74 additional amounts became available through the recommendation of the Interim Committee for the Australian Schools Commission. The Committee recommended that grants be extended to primary school libraries and for the training of teacher librarians. In 1973–74 Victoria received \$4.7m for school libraries (\$3.7m for government schools and \$1.0m for non-government schools).

### *Recurrent grants for schools*

The Australian Government has agreed to contribute, as from January 1970, towards the running costs of non-government schools throughout Australia. Originally the annual subsidy was at the rate of \$35 per primary pupil and \$50 per secondary pupil, but these rates were increased to \$50 and \$68, respectively, from the beginning of 1972.

Since the beginning of 1974 grants have been made to the States for non-government schools on the recommendation of the Interim Committee for the Australian Schools Commission under the *States Grants (Schools) Act* 1972–73. The Committee recommended that the total amount of the grant be distributed between the States on measures of resource use. Those schools not regarded as "systemic" schools (generally parochial type primary schools) were classified into eight categories with specified amounts of assistance differing as between primary and secondary and as between 1974 and 1975. In 1973–74 total general recurrent grants by the Australian Government to non-government schools amounted to \$54.4m of which Victoria received \$17.7m.

The Interim Committee also recommended that general recurrent grants should be paid to government schools from the beginning of 1974, distributed for primary schools basically on numbers of pupils but, for secondary schools, taking into account the Committee's measure of resource use.

In 1973-74 a total of \$22.1m was distributed to the States in general recurrent grants to government schools and of this amount Victoria received \$7.9m.

#### *General capital grants for schools*

Capital grants for government schools were provided in 1971-72 and 1972-73 under the *States Grants (Capital Assistance) Act 1971-72*. This system has been continued under the recommendation of the Interim Committee for the Australian Schools Commission which also recommended that similar assistance be extended to non-government schools. These grants, which are now called general building grants (capital), are given on the condition that 70 per cent of the funds are used for additional facilities rather than for replacements. In 1973-74 general building grants totalled \$46.1m of which Victoria received \$9.4m divided between government schools, \$6.5m and non-government schools, \$2.9m.

#### *Housing assistance grants*

From 1971-72 the Australian Government decided to adopt a new approach to its assistance to the States for housing.

Under the previous Commonwealth-State Housing Agreements such amounts as were nominated for housing by each State out of its annual Loan Council borrowing programmes were advanced by the Australian Government at a rate of interest 1 per cent below the long-term bond rate. Under the new approach the States would continue to determine the amount of their annual Loan Council borrowing programmes to be allocated to housing. However, in lieu of the interest concession, the Australian Government decided to pay the States a basic grant of \$2.75m a year, payable for a period of 30 years, in respect of housing being provided for low income groups and of Home Builders' Account operations in each year from 1971-72 to 1975-76. Thus the grant was to increase each year by \$2.75m to reach \$13.75m in 1975-76.

The Australian Government also decided to provide an additional rental assistance grant of \$1.25m per annum for each of the five years 1971-72 to 1975-76 as a general contribution towards the cost of reduced rents charged to needy families occupying housing authority homes.

The accumulating grant in lieu of the interest concession was discontinued in 1973-74 when the direct interest concession was reintroduced and the *States Grants (Housing) Act 1971* was amended by the *States Grants (Housing) Act 1973* to provide that the basic grant would remain at the amount of \$5.5m paid in 1972-73 from 1973-74 until the year 2001 reducing to \$2.75m the next year and then ceasing. The additional rental assistance grant of \$1.25m per year would continue to be paid until 1975-76. The recurrent grant for the States for 1973-74 was therefore \$6.75m and Victoria's share as in the previous year, \$1.68m.

#### *Grants for unemployment relief*

In December 1971 the Australian Government introduced a scheme of grants for employment creating activities in non-metropolitan areas with the object of significantly reducing unemployment in such areas. Grants were continued in the six months to June 1973 and during the same six months grants were also made for the relief of unemployment in metropolitan areas. Over the three years 1971-72 to 1973-74 total grants

amounted to \$142.8m of which Victoria received \$34.4m—\$25.2m for non-metropolitan areas and \$9.2m for metropolitan areas.

#### *Natural disaster payments*

When serious floods, cyclones, bushfires, or other similar natural disasters occur the Australian Government normally joins with the State concerned in financing schemes for relief of personal hardship, usually on a dollar for dollar basis. For many years Victoria did not find it necessary to seek substantial Australian Government assistance for this purpose but, during the seven years 1967–68 to 1973–74, droughts, floods, and bushfires in Victoria resulted in the provision of Australian Government grants totalling \$11.7m and loans totalling \$5.8m.

Further information about Australian Government payments to or for the States is set out on pages 617–21 of the *Victorian Year Book* 1966.

### **Consolidated Fund**

Prior to 1970–71, Victoria's financial transactions were carried out through the Consolidated Revenue Fund, the Loan Fund, and the Trust Fund.

In 1969–70 there was a deficit in the Consolidated Revenue Fund of \$15.4m and the accumulated deficit to the end of that year was \$82.0m. This had been financed partly from the Loan Fund and partly from the Public Account (see *Victorian Year Book* 1972, pages 621–3).

As stressed by the Premier in his Budget Speech on 29 September 1970, the Government was concerned that not only should overspending as in 1969–70 be avoided in future, but that there should also be a balance between cash spent and cash available whether derived from revenue or from borrowing.

Hence legislation was brought down (the *Public Account Act* 1970) which amended the principal Act and came into operation on 1 July 1970. This amendment abolished the Consolidated Revenue Fund and the Loan Fund and established the Consolidated Fund which was designed to show in a single statement the receipt and disbursement of all moneys, both revenue and loan, coming within the scope of the Budget.

The legislation also provided for the establishment of a new trust fund, the Works and Services Account, to be financed by appropriations from the Consolidated Fund. These appropriations were to be determined by the surplus of receipts available from time to time in the Consolidated Fund. Monies to the credit of the Account were available to be expended on various works and services as approved by Parliament. In effect, therefore, this account would perform the functions of the former Loan Fund as they had related to expenditure on public works and on expenses incurred in connection with borrowings.

### *Receipts*

Details of the principal sources of receipts are shown in the following table for each of the years 1968–69 to 1972–73 :

VICTORIA—CONSOLIDATED FUND (a) : RECEIPTS  
(\$'000)

Head of receipt	1968-69	1969-70	1970-71	1971-72	1972-73
Taxation (b)	182,855	191,330	199,019	309,695	405,838
Business undertakings—					
Railways	100,329	105,204	108,000	111,967	110,410
Harbours, rivers, and lights	3,576	3,557	4,537	4,806	4,347
Water supply, sewerage, irrigation, and drainage	14,470	15,208	16,690	19,097	21,910
Electricity supply (interest and recoups of sinking fund contributions, etc.)	13,897	14,868	15,820	16,649	16,754
State Coal Mine	167				
Other	353	467	547	535	795
Total business undertakings	132,792	139,305	145,594	153,054	154,216
Lands—					
Sales	690	565	551	527	505
Rents	1,824	1,980	2,111	2,366	2,439
Forestry	5,596	5,963	6,454	7,176	7,439
Royalties	688	3,211	17,255	24,423	25,912
Other	296	317	274	294	308
Total lands	9,095	12,036	26,646	34,786	36,603
Interest, n.e.i.	26,493	29,399	31,319	35,834	38,269
Australian Government grants—					
Financial Agreement Act	4,254	4,254	4,254	4,254	4,254
Financial assistance	250,563	280,008	351,024	348,464	396,087
Special revenue assistance	2,999	13,635	10,560	13,621	..
Debt charges assistance	..	..	2,783	5,566	8,348
Colleges of advanced education	3,194				
Water resources investigations	159	163	29	813	..
Home care services	..	..	..	137	406
Total Australian Government grants	261,170	298,060	368,651	372,854	409,096
Commonwealth National Welfare Fund payments—					
Tuberculosis—					
Maintenance expenditure	3,228	3,163	3,020	3,143	2,191
Pharmaceutical benefits—					
Mental institutions	301	283	274	222	244
Other	808	1,646	2,213	2,359	2,869
Total Commonwealth National Welfare Fund payments	4,337	5,092	5,508	5,725	5,304
Fees and fines	10,755	11,608	12,940	14,703	17,898
All other (c)	36,688	40,072	43,116	47,286	50,596
Sub-total (d)	664,183	726,900	832,791	973,937	1,117,821
Loan raisings	146,620	157,870	121,670	171,670	187,115
Loan repayments	6,118	4,748	4,826	5,773	7,242
Australian Government capital payments—					
Works grant	..		51,020	57,590	66,810
Other grants	1,200	946	798	839	1,203
Advances and recoups	836	923	274	1,080	963
Sub-total (e)	154,774	164,486	178,587	236,952	263,333
Total receipts	818,957	891,386	1,011,379	1,210,889	1,381,153

For footnotes, see top of opposite page.

- (a) This Fund, established on 1 July 1970, supersedes the Consolidated Revenue Fund and the Loan Fund by incorporating both into this new Fund. For comparative purposes the table also shows, for the years prior to 1970-71, an artificial incorporation of both these Funds.
- (b) For details of total taxation collections see page 559.
- (c) Includes repayments of advances by the Housing Commission under the Australian Government-State Housing Agreements.
- (d) The sub-totals for 1968-69 and 1969-70 are the receipts of the former Consolidated Revenue Fund. The sub-totals for 1970-71 to 1972-73 represent the corresponding portion of the receipts of the Consolidated Fund.
- (e) The sub-totals for 1968-69 and 1969-70 are the receipts of the former Loan Fund. The sub-totals for 1970-71 to 1972-73 represent the corresponding portion of the receipts of the Consolidated Fund.

### Payments

The principal payments for each of the years 1968-69 to 1972-73 are shown in the following table :

#### VICTORIA—CONSOLIDATED FUND (a): PAYMENTS (\$'000)

Function of payments	1968-69	1969-70	1970-71	1971-72	1972-73
<b>Public debt charges—</b>					
Interest (including exchange)	98,993	109,115	117,074	132,482	140,932
Debt redemption	20,029	20,906	22,280	23,841	25,621
Other	491	489	497	511	622
<b>Total public debt charges</b>	<b>119,514</b>	<b>130,511</b>	<b>139,850</b>	<b>156,834</b>	<b>167,176</b>
<b>Business undertakings—</b>					
Railways (b)	104,307	111,170	121,048	129,286	145,321
Harbours, rivers, and lights	1,575	1,756	2,138	2,355	2,644
Water supply, sewerage, irrigation, and drainage	10,838	11,971	13,096	14,492	16,053
State Coal Mine	394				
Other	287	365	413	443	527
<b>Total business undertakings</b>	<b>117,401</b>	<b>125,261</b>	<b>136,694</b>	<b>146,576</b>	<b>164,545</b>
<b>Social expenditure—</b>					
<b>Education—</b>					
Registered schools	5,611	7,049	8,987	11,923	14,026
State schools	139,940	160,391	183,762	216,180	259,178
Technical schools	39,224	43,802	53,076	66,346	84,373
Universities	16,506	18,754	21,972	23,759	30,000
Libraries, art galleries, etc.	3,632	4,107	4,798	5,413	7,036
Agricultural education, research, etc.	2,209	2,243	2,370	2,791	3,044
Other	2,670	3,092	3,509	6,329	7,369
Public health	5,394	5,937	6,529	7,291	8,955
<b>Charitable—</b>					
<b>Hospitals—</b>					
General	53,690	61,710	80,139	93,352	111,728
Mental	22,758	25,208	28,826	33,962	37,520
Child welfare	7,006	7,894	8,091	10,721	12,331
Other	1,197	1,227	2,915	5,255	6,913
<b>Law, order, and public safety—</b>					
Justice	6,466	7,340	8,002	9,429	10,822
Police	26,511	29,984	32,999	40,399	47,268
Penal establishments	3,676	4,111	4,466	5,202	5,925
Public safety	105	128	115	189	130
Recreational facilities	554	594	628	712	1,046
<b>Total social expenditure</b>	<b>337,148</b>	<b>383,569</b>	<b>451,183</b>	<b>539,253</b>	<b>647,664</b>
<b>All other expenditure—</b>					
Public works, n.e.i.	6,002	6,398	7,037	7,821	8,972
Lands and survey	4,454	4,848	5,171	5,771	7,220
Agriculture	7,375	8,402	9,885	11,197	11,611
Forestry	5,691	6,212	6,972	7,790	8,387
Legislative and general administration	18,924	21,039	23,596	26,514	29,057
Pensions and superannuation	14,508	16,273	18,206	20,400	24,052

For footnotes, see next page.



VICTORIA—CONSOLIDATED FUND (a): PAYMENTS—*continued*  
(\$'000)

Function of payments	1968-69	1969-70	1970-71	1971-72	1972-73
All other expenditure ( <i>continued</i> )—					
Pay-roll tax	7,163	7,958	8,971	13,651	17,491
Miscellaneous (c)	28,465	31,811	39,031	44,842	47,442
Total all other expenditure	92,582	102,942	118,869	137,984	154,232
Sub-total (d)	666,644	742,282	846,597	980,648	1,133,618
Appropriation to works and services account (e)	154,774	164,486	164,782	230,241	247,536
Total payments	821,418	906,768	1,011,379	1,210,889	1,381,153

- (a) This Fund, established on 1 July 1970, supersedes the Consolidated Revenue Fund and the Loan Fund.  
 (b) Excludes interest, etc., on Railways debt which is included with "Public debt charges".  
 (c) Includes interest and repayment of advances under the Australian Government-State Housing Agreements.  
 (d) The sub-totals for 1968-69 and 1969-70 are the expenditures of the Consolidated Revenue Fund. The sub-totals for 1970-71 to 1972-73 represent amounts which would have constituted the expenditures of the former Consolidated Revenue Fund.  
 (e) The amounts shown for 1968-69 and 1969-70 represent receipts of the Loan Fund.

### Australian Government taxation

#### *Australian Government estate duty*

The Australian Government levies duties on deceased estates. The amount of such duty collected throughout Australia during each of the five years to 1972-73 was: 1968-69, \$60.7m; 1969-70, \$71.3m; 1970-71, \$70.1m; 1971-72, \$67.2m; and 1972-73, \$66.4m.

#### *Australian income tax*

Uniform taxation on incomes throughout Australia was adopted in 1942 when the Australian Government became the sole authority levying this tax.

The tax, which is imposed on both individuals and companies, was known as "Income Tax and Social Services Contribution" until December 1965, when the citation of the Act was altered. Since that date the levy has been referred to as "Income Tax".

Certain types of income are exempt from tax in Australia. In 1973-74 these included income from gold mining, uranium mining, scholarships, bursaries, etc. (full-time students), repatriation war pensions, war widows pensions, child endowment, unemployment and sickness benefits, invalid pensions, widows pensions, and tuberculosis benefits paid to persons who are not of pensionable age.

Expenses incurred in earning income and losses incurred in previous years are allowable deductions.

For the income year 1973-74 income tax is payable on the incomes of individuals commencing at a taxable income of \$1,041.

Concessional deductions are allowed to taxpayers on account of dependants, certain medical and dental expenses, life insurance premiums, superannuation contributions, medical or hospital benefit fund payments, education expenses, etc., and are deductible from income to calculate taxable income. Dependants include spouse, parents, parents-in-law, children under sixteen years of age, student children under 25 years of age, invalid child, brother, or sister over sixteen years of age, or daughter-housekeeper for widow or widower. A concessional deduction may be allowed for a housekeeper having the care of children under sixteen years of age or of an invalid relative where the taxpayer did not contribute to

VICTORIA—INCOME TAX: INDIVIDUALS, 1972-73  
(1971-72 INCOME YEAR)

Grade of net income (a)	Number of taxpayers			Net income	Taxable income	Net income tax assessed
	Males	Females	Persons			
\$				\$'000	\$'000	\$'000
417- 999	37,272	76,969	114,241	81,798	76,148	2,445
1,000- 1,999	79,344	152,960	232,304	355,261	316,418	22,439
2,000- 2,999	115,053	184,503	299,556	750,616	663,255	73,060
3,000- 3,999	197,354	104,959	302,313	1,055,316	893,979	124,576
4,000- 4,499	113,064	24,346	137,410	583,330	478,517	76,062
4,500- 4,999	103,708	16,555	120,263	570,085	462,447	79,578
5,000- 5,499	81,544	11,417	92,961	486,852	391,875	72,207
5,500- 5,999	63,186	8,118	71,304	409,319	326,737	63,941
6,000- 6,499	47,986	5,930	53,916	336,312	266,694	55,054
6,500- 6,999	35,446	4,115	39,561	266,418	211,033	45,747
7,000- 7,499	27,255	3,460	30,715	222,228	175,810	39,872
7,500- 7,999	20,904	2,585	23,489	181,772	143,595	33,986
8,000- 8,999	28,114	3,585	31,699	268,107	212,355	53,158
9,000- 9,999	16,907	2,079	18,986	179,579	142,620	38,209
10,000-14,999	30,998	4,175	35,173	414,830	336,936	104,658
15,000-19,999	7,995	1,050	9,045	154,054	129,910	50,329
20,000-29,999	4,351	585	4,936	116,802	102,224	47,678
30,000-49,999	1,427	186	1,613	58,938	53,447	29,502
50,000-99,999	360	59	419	27,071	25,177	15,398
100,000 and over	63	19	82	13,656	12,773	8,483
Total	1,012,331	607,655	1,619,986	6,532,346	5,421,951	1,036,380

(a) Net income is defined briefly as "total assessable income less total deductions for expenses incurred in gaining assessable income".

NOTE. Particulars shown in the above table relate to individuals who were assessed for income tax in the Victorian office of the Taxation Department.

AUSTRALIA—GENERAL RATES OF INCOME TAX: INDIVIDUALS,  
1973-74 INCOME YEAR

Total taxable income		Tax at general rates on total taxable income	
Not less than—	Not more than—		
\$	\$	\$	\$
Nil	200	Nil +	0.2 cents for each \$1
200	300	0.40 +	0.8 cents for each \$1 in excess of 200
300	400	1.20 +	2.4 cents for each \$1 in excess of 300
400	500	3.60 +	3.8 cents for each \$1 in excess of 400
500	600	7.40 +	4.9 cents for each \$1 in excess of 500
600	800	12.30 +	6.5 cents for each \$1 in excess of 600
800	1,000	25.30 +	8.2 cents for each \$1 in excess of 800
1,000	1,200	41.70 +	9.8 cents for each \$1 in excess of 1,000
1,200	1,400	61.30 +	11.3 cents for each \$1 in excess of 1,200
1,400	1,600	83.90 +	12.7 cents for each \$1 in excess of 1,400
1,600	1,800	109.30 +	14.1 cents for each \$1 in excess of 1,600
1,800	2,000	137.50 +	15.4 cents for each \$1 in excess of 1,800
2,000	2,400	168.30 +	17.2 cents for each \$1 in excess of 2,000
2,400	2,800	237.10 +	19.6 cents for each \$1 in excess of 2,400
2,800	3,200	315.50 +	22.0 cents for each \$1 in excess of 2,800
3,200	3,600	403.50 +	24.4 cents for each \$1 in excess of 3,200
3,600	4,000	501.10 +	26.8 cents for each \$1 in excess of 3,600
4,000	4,800	608.30 +	30.3 cents for each \$1 in excess of 4,000
4,800	5,600	850.70 +	33.3 cents for each \$1 in excess of 4,800
5,600	6,400	1,117.10 +	35.7 cents for each \$1 in excess of 5,600
6,400	7,200	1,402.70 +	37.9 cents for each \$1 in excess of 6,400
7,200	8,000	1,705.90 +	39.9 cents for each \$1 in excess of 7,200
8,000	8,800	2,025.10 +	41.8 cents for each \$1 in excess of 8,000
8,800	10,000	2,359.50 +	44.1 cents for each \$1 in excess of 8,800
10,000	12,000	2,888.70 +	48.2 cents for each \$1 in excess of 10,000
12,000	16,000	3,852.70 +	54.6 cents for each \$1 in excess of 12,000
16,000	20,000	6,036.70 +	60.3 cents for each \$1 in excess of 16,000
20,000	40,000	8,448.70 +	64.0 cents for each \$1 in excess of 20,000
40,000	..	21,248.70 +	66.7 cents for each \$1 in excess of 40,000

the maintenance of a spouse or daughter-housekeeper. Rates of concessional deduction are shown below :

Type of dependant/housekeeper	\$
Spouse	364
Parent or parent-in-law	364
Child under sixteen years of age—	
One child	260
Other children	208 each dependant
Student child 16 to 25 years of age	260 each dependant
Invalid relative not less than 16 years of age	260 each dependant
Housekeeper or daughter-housekeeper	364

Income tax is payable on the whole of a person's taxable income if that income exceeds \$1,040. Certain rebates are available where a person is a resident of pensionable age and derives income of less than \$3,847. Special concessional rates apply to incomes of \$1,041–\$1,120. A deduction is available to individuals who reside in certain remote areas of Australia or its Territories, and to members of the defence forces who serve in certain overseas localities.

A system is in operation to assist the majority of taxpayers in the payment of their taxes by means of regular deductions from salaries or wages. The amounts deducted are regulated so that the employee pays the approximate amount of his taxation by the end of the income year.

#### *Withholding tax*

A flat rate of tax has been levied on dividends derived by non-residents of Australia from Australian companies since 1 July 1960. In 1967 the income tax legislation was amended to provide also for a flat rate of tax on interest derived by non-residents of Australia from Australian residents on or after 1 January 1968. The rate of tax on dividends is 30 per cent, except for dividends paid to Papua New Guinea and residents of countries with which an agreement for the relief of double taxation has been completed, i.e., United Kingdom, Canada, New Zealand, United States of America, Singapore, and Japan, in which case the rate is 15 per cent. The rate of tax on interest is 10 per cent for residents of all countries.

#### *Company tax*

##### AUSTRALIA—RATES OF TAX—COMPANIES—1973-74 FINANCIAL YEAR

Type of company	Rate per cent
Private (a)	45.0
Public—	
Co-operative	(b) 47.5
Life assurance	47.5
Non-profit (c)—	
Friendly society dispensary	37.5
Other	(b) 47.5
Other	47.5

(a) Additional tax at rate of 50 per cent payable on undistributed amount.

(b) A rate of 42.5 per cent applies to the first \$10,000 of taxable income.

(c) A non-profit company is not liable to tax unless the taxable income exceeds \$416; where, in the case of a non-profit company other than a friendly society dispensary, the taxable income does not exceed \$1,830, the maximum amount of tax payable is  $\frac{11}{30}$  of the taxable income over \$416 less than rebate or credit to which the company is entitled; where, in the case of a non-profit company that is a friendly society dispensary the taxable income does not exceed \$1,664, the maximum amount of tax payable is half of the excess of the taxable income over \$416 less any rebate or credit to which the company is entitled. Other companies are assessed to tax if the taxable income is \$1 or more.

### Victorian Government taxation

As mentioned on page 543 the Australian Government alone exercises the right to impose customs and excise duties, and taxation on personal and company incomes. It also has exclusive access to sales tax. Prior to 1 September 1971 the Australian Government was the sole collector of pay-roll tax, but since that date the right to impose this tax within State boundaries has been given to the States. For the most part, the field now left to the States comprises motor taxation, stamp duties, and liquor, land, lottery, racing, pay-roll, and, until recently, entertainments taxes. Estate and gift duties are shared between the two Governments.

In Victoria taxation collections by the State Government are allocated by statute either to the Consolidated Fund or to special funds. One of the principal items of Victorian taxation—taxes on the ownership and operation of motor vehicles—is allocated between the Consolidated Fund and special funds. (See pages 565–6 for 1972–73 allocation.)

In the following table, particulars of taxation collected in Victoria by the State Government and the total amounts paid to the Consolidated Fund and to special funds are shown for each of the years 1968–69 to 1972–73 :

#### VICTORIA—TAXATION COLLECTIONS

Particulars	1968–69	1969–70	1970–71	1971–72	1972–73
	\$'000	\$'000	\$'000	\$'000	\$'000
Pay-roll tax (a)	..	..	..	98,716	149,136
Probate and gift duties (b)	46,801	44,423	49,927	44,632	50,317
Land tax	21,839	22,436	28,442	29,105	29,443
Liquor tax	10,632	11,370	11,827	12,811	13,260
Lottery tax	5,990	6,504	6,436	6,790	9,255
Racing taxes	17,373	19,445	21,222	25,042	31,913
Taxes on the ownership and operation of motor vehicles—					
Vehicle registration fees and taxes	46,062	48,832	51,853	54,347	57,364
Drivers', etc., licences and fees	3,493	3,443	5,051	7,769	7,522
Stamp duty (vehicle registration)	5,976	6,688	7,007	8,961	12,407
Road transport taxes	1,813	1,887	1,927	2,119	2,265
Road maintenance contributions	7,842	8,555	8,903	9,136	9,745
Motor car third party insurance surcharges	2,605	2,735	2,915	3,028	3,100
Stamp duties, n.e.i.	73,649	80,443	73,572	79,759	107,714
Licences and registration fees, n.e.i.	2,264	2,299	2,554	2,849	3,761
Other taxes	8,991	9,699	10,158	13,444	14,241
<b>Total</b>	<b>255,329</b>	<b>268,758</b>	<b>281,795</b>	<b>398,510</b>	<b>501,442</b>
<b>Paid to—</b>					
Consolidated Fund (c)	182,855	191,330	199,019	309,695	405,838
Trust funds	72,474	77,429	82,776	88,815	95,604
	\$	\$	\$	\$	\$
<b>Per head of population</b>	<b>76.06</b>	<b>78.57</b>	<b>80.94</b>	<b>112.71</b>	<b>140.10</b>

(a) Includes pay-roll tax paid by State departments.

(b) Includes gift duty as from 1 January 1972 only. Gift duty collected prior to 1 January 1972 is included with "Stamp duties, n.e.i."

(c) Known as Consolidated Revenue Fund prior to 1970–71.

*Pay-roll tax*

Australian Government pay-roll tax operated from 1 July 1942 to 31 August 1971. The tax was payable by employers on all wages and salaries paid or payable in excess of a general exemption. The rate of tax, 2.5 per cent, remained unchanged from its inception.

From 1 September 1971, in accordance with an agreement between the Australian and State Governments, the Australian Government vacated the pay-roll tax field within State boundaries in favour of the States.

The Victorian *Pay-roll Tax Act* 1971, operative from 1 September 1971, imposed a pay-roll tax at the rate of 3.5 per cent on all taxable wages and salaries paid or payable in this State. Amending legislation operative from 1 September 1973 increased the rate to 4.5 per cent. The rate was further increased to 5 per cent from 1 September 1974. The main exemptions from pay-roll tax are on wages and salaries paid by benevolent institutions, public hospitals, non-profit private hospitals, non-profit private schools (other than technical) of secondary level or below, and by municipalities other than in respect of their business activities. Total receipts for the year ending 30 June 1973 amounted to \$149.1m.

*Probate duties*

The *Probate Duty Act* 1962 (a completely revised Act) fixed the rates of duty payable on the estates of deceased persons leaving property, whether real or personal, in the State of Victoria, and personal property wherever situate if the deceased was domiciled in Victoria at the date of death. The Act provides for discriminatory rates of duty in favour of estates passing to close relatives.

## VICTORIA—RATES OF PROBATE DUTY, 1974

On that part of the final balance which—					The rate of duty per \$1 shall be where the final balance passes to—			
					Category A	Category B	Category C	Category D
			\$					cents
Exceeds	1,200	but does not exceed	1,200	Nil	Nil	Nil	Nil	Nil
	3,000	but does not exceed	3,000	Nil	Nil	5	5	7.5
"	10,000	" " " "	10,000	Nil	Nil	10	10	10
"	13,000	" " " "	13,000	Nil	10	15	15	17.5
"	20,000	" " " "	20,000	Nil	15	15	20	20
"	24,000	" " " "	24,000	Nil	10	12.5	17.5	17.5
"	30,000	" " " "	30,000	15	10	12.5	17.5	17.5
"	30,000	" " " "	48,000	15	12.5	17.5	20	20
"	48,000	" " " "	50,000	12.5	12.5	17.5	20	20
"	50,000	" " " "	60,000	12.5	15	20	20	20
"	60,000	" " " "	70,000	17.5	20	20	20	20
"	70,000	" " " "	90,000	20	22.5	25	25	25
"	90,000	" " " "	100,000	22.5	27.5	30	37.5	37.5
"	100,000	" " " "	110,000	25	27.5	30	37.5	37.5
"	110,000	" " " "	120,000	27.5	32.5	32.5	40	40
"	120,000	" " " "	130,000	30	32.5	32.5	40	40
"	130,000	" " " "	140,000	37.5	35	37.5	40	40
"	140,000	" " " "	150,000	37.5	37.5	40	42.5	42.5
"	150,000	" " " "	160,000	45	37.5	40	42.5	42.5
"	160,000	" " " "	170,000	45	40	42.5	42.5	42.5
"	170,000	" " " "	180,000	45	42.5	42.5	45	45
"	180,000	" " " "	190,000	47.5	42.5	45	45	45
"	190,000	" " " "	200,696 (a)	47.5				
"	190,000	" " " "	200,810 (b)		45			
"	190,000	" " " "	230,070 (c)			45		
"	190,000	" " " "	233,258 (d)				47.5	

When the final balance exceeds (a), (b), (c), or (d), then the whole of the final balance is subject to a duty of

\$26.00	\$26.50	\$31.00	\$34.00
per \$100	per \$100	per \$100	per \$100

NOTE. Categories of beneficiaries shown above are :

- A. Widow, widower, children under 21 years of age, wholly dependent adult children, or wholly dependent widowed mother.
- B. Children over the age of 21 years not being wholly dependent, or grandchildren.
- C. Brothers, sisters, or parents.
- D. Other beneficiaries.

*Land tax*

The *Land Tax Act* 1928 provided for a tax on the unimproved value of land in Victoria. For the purpose of this Act, unimproved value is the estimated selling value of the land assuming that improvements, if any, had not been made. Under the provisions of the *Land Tax Act* 1968, which came into force on 1 January 1969, land used for primary production purposes is exempted from land tax.

As provided by section 2 of the *Land Tax Act* 1973 (operative from 1 January 1974) land not used for primary production purposes is taxed at the rate of 0.42 cents in the dollar on the unimproved value up to \$17,500 with a graduated increase in the rate to reach four cents in the dollar where the unimproved value exceeds \$1,000,000. However, tax is not levied on land with an unimproved value up to \$9,000 while a partial exemption is allowed on land valued between \$9,000 and \$13,500. A graduated exemption is also granted by section 5 (operative from 23 December 1973) where the land is used or proposed to be used by the owner exclusively as his own residence, comprises one parcel not exceeding half a hectare in area, and has an unimproved value of more than \$15,000 and equal to or less than \$22,500.

The following table shows particulars, in specified groups of unimproved value of holdings, of land tax assessments for 1972. Tax was assessed on the basis laid down by the *Land Tax Act* 1970.

## VICTORIA—STATE LAND TAX ASSESSMENTS, 1972

(Based on unimproved value of holdings at 31 December 1971)

Unimproved value of holdings—	Number of taxpayers	Total unimproved value (a)	Tax payable
\$		\$'000	\$'000
9,001 to 10,000	9,427	90,480	70
10,001 " 11,000	6,712	70,906	128
11,001 " 12,000	5,697	65,964	181
12,001 " 13,000	4,358	54,063	188
13,001 " 13,500	1,926	25,541	100
13,501 " 14,000	1,882	26,009	107
14,001 " 15,000	3,212	46,053	191
15,001 " 17,500	5,928	96,505	384
17,501 " 20,000	4,480	84,097	349
20,001 " 25,000	5,405	121,021	560
25,001 " 30,000	3,340	91,447	497
30,001 " 40,000	3,643	125,873	818
40,001 " 50,000	1,884	84,130	628
50,001 " 60,000	1,041	56,961	460
60,001 " 70,000	714	46,290	432
70,001 " 80,000	483	36,160	369
80,001 " 100,000	628	56,151	663
100,001 " 150,000	748	90,861	1,311
150,001 " 170,000	161	25,735	436
170,001 " 200,000	188	34,433	719
200,001 " 300,000	286	68,852	1,545
300,001 " 400,000	145	49,214	1,233
400,001 " 1,000,000	247	145,913	4,389
1,000,001 and over	130	414,708	13,392
Total	62,655	2,007,367	29,149

(a) Of land not exempted from land tax.

In the following table details are shown of the assessments made during each of the years 1968 to 1972. The exemption from tax of land used for primary production purposes as from 1 January 1969, increases in land valuations, and increases from time to time in the amount of exemption from tax of land used for other purposes are mainly responsible for the fluctuations in the figures shown in the table.

## VICTORIA—LAND TAX ASSESSMENTS

Year	Number of taxpayers	Total tax payable	Average tax payable per taxpayer	Total unimproved value (a)
		\$'000	\$	\$'000
1968	104,500	21,261	203.45	2,160,795
1969	77,158	20,000	259.21	1,567,532
1970	82,703	27,688	334.79	1,953,443
1971	62,486	28,670	458.82	1,983,513
1972	62,665	29,149	465.15	2,007,367

(a) Of land not exempted from land tax.

*Liquor tax*

The Liquor Control Commission, established under the provisions of the *Liquor Control Act* 1968, controls the issue of liquor licences in Victoria. The principal sources of taxation are the fees received for liquor licences and club certificates. All receipts of the Commission are paid into the Licensing Fund. After payments for compensation, administration, etc., have been met, the excess of receipts is transferred each year from the Licensing Fund to the Consolidated Fund.

VICTORIA—LIQUOR TAX  
(\$'000)

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
Licences—					
Victuallers	7,706	8,090	8,218	8,758	8,974
Spirit merchants and grocers	2,158	2,415	2,634	2,911	3,071
Others	164	176	203	242	246
Club certificates	433	489	544	613	670
Permits—extended hours, etc.	134	165	189	230	244
Fees	37	36	38	58	56
<b>Total</b>	<b>10,632</b>	<b>11,370</b>	<b>11,827</b>	<b>12,811</b>	<b>13,260</b>

*Lottery tax*

The trustees of the will and estate of the late George Adams, founder of Tattersall's Consultations, conduct sweepstakes in Victoria, under the *Tattersall Consultation Act* 1958, with the object of providing additional finance for hospitals, charitable institutions, and recreational promotion.

During 1972 a further type of consultation named "Tattslotto" was introduced and in 1973 football pool lotteries. Sixteen such football pool lotteries were conducted prior to 30 June 1973.

The Act provides that 31 per cent of the total amount subscribed to each consultation and 33 per cent of the total subscribed to each football

pool be paid into the Consolidated Fund. Each year an equivalent amount of this duty on consultations and  $\frac{10}{33}$  of the football pool duty is paid out of the Consolidated Fund, in such proportions as the Treasurer determines, into both the Hospitals and Charities Fund and the Mental Hospitals Fund. The Act further provides that of the football pool duty certain proportions are paid out of the Consolidated Fund for the promotion of sport and recreation, at such intervals as the Treasurer determines.

In the following table, the amounts subscribed to consultations, the duty paid to the Consolidated Fund, and the amounts allocated to the Hospitals and Charities Fund, the Mental Hospitals Fund, and other funds, are shown for each of the years 1968-69 to 1972-73 :

VICTORIA—TATTERSALL LOTTERIES : SUBSCRIPTIONS, DUTY PAID, ETC.  
(\$'000)

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
Subscriptions to—					
Ordinary consultations	19,440	21,400	21,360	20,942	(a)19,002
Tattslotto consultations	..	..	..	447	11,143
Duty paid to Consolidated Fund	5,990	6,504	6,436	6,790	9,225
Allocation out of Consolidated Fund (b)—					
Hospitals and Charities Fund	5,375	5,684	5,346	5,425	7,509
Mental Hospitals Fund	615	820	1,090	1,365	1,728
Other funds, etc. (c)	..	..	..	..	19

(a) Includes subscriptions of \$98,000 to football pool lotteries in 1972-73.

(b) Prior to 1970-71 it was the Consolidated Revenue Fund.

(c) Allocated for various sport and recreation purposes.

### Racing taxes

The principal taxes levied on racing in Victoria are the percentage deducted from investments on the totalisator, the turnover tax on bookmakers' holdings, and stamp duty on betting tickets.

The *Racing (Totalizator Commissions) Act 1972* and the *Racing (Amendment) Act 1973* increased the commission to be deducted from all investments on the on-course and off-course totalisators in respect of horse races (including trotting) and dog races. As from 5 June 1972 a deduction of 14 per cent is made from investments on the on-course totalisator and divided as follows : doubles and quinella investments, 5.75 per cent to revenue and 8.25 per cent to the club ; win and place investments, 8.75 per cent to revenue and 5.25 per cent to the club. In respect of country race meetings, 3.75 per cent of total investments is paid to revenue and 10.25 per cent to the club.

Under the provisions of the *Racing Totalizators Extension Act 1960*, off-course betting is permitted on race-course totalisators. The Totalizator Agency Board, appointed under the Act, conducts the off-course betting scheme which came into operation on 11 March 1961.

From investments on the off-course totalisator the following commission is deducted :

1. from investments for win, place, and quinella—14 per cent.
2. from investments for daily doubles and feature doubles—17 per cent.
3. from investments for quadrella—19 per cent.

The commission is allocated in the following proportions :



VICTORIA—INVESTMENTS ON OFF-COURSE TOTALISATOR :  
COMMISSION DEDUCTED

Paid to—	Win, place, and quinella	Daily and feature doubles	Quadrella
	per cent	per cent	per cent
Consolidated Fund	5.25	5.25	5.25
Racecourses Development Fund or Greyhounds			
Racing Grounds Development Fund	0.25	1.25	1.25
Totalizator Agency Board	8.25	8.25	8.25
Totalizator Agency Board Development Reserve	0.25	0.25	0.25
Department of Youth, Sport and Recreation	Nil	2.00	4.00
	14.00	17.00	19.00

VICTORIA—TOTALISATOR INVESTMENTS, INVESTMENTS WITH  
LICENSED BOOKMAKERS, AND TOTAL RACING TAXATION  
(\$'000)

Year	Totalisator investments		Investments with licensed book-makers (a)	Racing taxation			
	On-course	Off-course		Totalisator	Book-makers' turnover	Other (b)	Total
1968-69	39,085	185,869	172,388	13,410	3,117	845	17,373
1969-70	43,259	202,733	183,296	15,240	3,301	903	19,445
1970-71	47,776	225,863	196,166	16,793	3,532	896	21,222
1971-72	57,149	271,993	217,898	20,154	3,944	944	25,042
1972-73	56,633	321,192	228,756	26,128	4,822	963	31,913

(a) Estimated.

(b) Includes entertainments (admission) tax, stamp duty on betting tickets, and club and book-makers' licences, etc.

*Gift duty*

The *Gift Duty Act 1971* and the *Gift Duty (Rates and Rebates) Act 1971* imposed gift duty, as from 1 January 1972, on any disposition of property which is made, other than by will, without consideration in money or money's worth, or with any consideration so passing if the consideration is not fully adequate.

The following table shows the rates of gift duty payable in Victoria from 1 January 1972 :

VICTORIA—RATES OF GIFT DUTY

Where the value of all relevant gifts—	The rate per centum of duty shall be—
\$	
Does not exceed 4,000	Nil
Exceeds 4,000 but does not exceed 6,000	1.5 per cent plus 0.001 per cent for each dollar of the excess over \$4,000
"    6,000 " " " " 14,000	3.5 per cent plus 0.000125 per cent for each dollar of the excess over \$6,000
"    14,000 " " " " 74,000	4.5 per cent plus 0.0001 per cent for each dollar of the excess over \$14,000
"    74,000 " " " " 201,777	10.5 per cent plus 0.00009 per cent for each dollar of the excess over \$74,000
"    201,777	22 per cent

*Entertainments tax*

From 29 December 1962 entertainments tax was levied in Victoria only on admissions to horse racing and trotting meetings, until the *Entertainments Tax Act* 1973, operative from 1 December 1973, abolished all entertainments taxes. The amount of tax collected during each of the five years to 1972-73 was as follows: 1968-69, \$530,139; 1969-70, \$569,311; 1970-71, \$566,585; 1971-72, \$604,207; and 1972-73, \$616,520.

Further reference, 1971

*Taxes on the ownership and operation of motor vehicles*

VICTORIA—TAXES ON THE OWNERSHIP AND OPERATION  
OF MOTOR VEHICLES  
(\$'000)

Paid to—	1968-69	1969-70	1970-71	1971-72	1972-73
<b>VEHICLE REGISTRATION FEES AND TAXES</b>					
Country Roads Board Fund—					
Motor registration fees, etc.	29,300	31,062	33,118	34,635	35,998
Additional registration fees (part)	1,849	2,034	2,112	2,397	2,561
Level Crossings Fund—					
Additional registration fees (part)	924	1,017	1,056	1,128	1,281
Road (Special Projects) Fund—					
Increase in registration fees (Act No. 7283)	13,979	14,708	15,558	16,106	16,577
Transport Regulation Fund—					
Motor omnibus registration fees	10	10	10	10	10
Traffic Authority Fund—					
Surcharge on motor registration	..	..	..	..	936
<b>Total</b>	<b>46,062</b>	<b>48,832</b>	<b>51,853</b>	<b>54,277</b>	<b>57,363</b>
<b>DRIVERS, ETC., LICENCES AND FEES</b>					
Consolidated Fund—					
Drivers licence fees (part)	1,613	1,574	2,376	3,647	3,488
Country Roads Board Fund—					
Drivers licence fees (part)	828	810	828	939	901
Drivers test fees	243	268	275	448	517
Municipalities Assistance Fund—					
Drivers licence fees (part)	809	790	1,187	1,823	1,744
Drivers Licence Suspense Account—					
Drivers licence fees (part)	..	..	384	912	872
<b>Total</b>	<b>3,493</b>	<b>3,443</b>	<b>5,051</b>	<b>7,769</b>	<b>7,522</b>
<b>STAMP DUTY (VEHICLE REGISTRATION)</b>					
Consolidated Fund	5,976	6,688	7,007	8,961	12,407
<b>ROAD TRANSPORT TAXES</b>					
Country Roads Board Fund—					
Sale of log books	11	11	10	10	10
Transport Regulation Fund—					
Licences, etc.	909	943	984	1,025	1,071
Permits	892	933	933	1,084	1,184
<b>Total</b>	<b>1,813</b>	<b>1,887</b>	<b>1,927</b>	<b>2,119</b>	<b>2,265</b>

VICTORIA—TAXES ON THE OWNERSHIP AND OPERATION  
OF MOTOR VEHICLES—*continued*  
(\$'000)

Paid to—	1968-69	1969-70	1970-71	1971-72	1972-73
ROAD MAINTENANCE CONTRIBUTIONS					
Country Roads Board Fund— Road charges under Commercial Goods Vehicles Act	7,842	8,555	8,903	9,136	9,745
MOTOR CAR THIRD PARTY INSURANCE SURCHARGES					
Consolidated Fund	2,605	2,735	2,915	3,028	3,100
TOTAL					
Consolidated Fund	10,194	10,997	12,299	15,636	18,995
Country Roads Board Fund	40,073	42,740	45,247	47,565	49,731
Level Crossings Fund	924	1,017	1,056	1,128	1,281
Municipalities Assistance Fund	809	790	1,187	1,823	1,744
Road (Special Projects) Fund	13,979	14,708	15,558	16,106	16,577
Transport Regulation Fund	1,811	1,887	1,927	2,119	2,265
Drivers Licence Suspense Account	..	..	384	912	872
Traffic Authority Fund	..	..	..	..	936
Total	67,789	72,139	77,657	85,290	92,401

NOTE. Deductions from third party insurance premiums—credited to the Hospitals and Charities Fund in following years—are included in "other taxes" in the table on page 559, and amounted to \$1,837,000 in 1968-69, \$1,929,000 in 1969-70, \$2,062,000 in 1970-71, \$2,138,000 in 1971-72, and \$2,188,000 in 1972-73.

*Stamp duties*

Under the provisions of the *Stamps Act* 1958 and subsequent amendments thereto, stamp duty is imposed in Victoria on a wide range of legal and commercial documents.

The rates of duty payable at 1 December 1973 on the principal dutiable classes of documents, etc., are shown in the following table:

VICTORIA—STAMP DUTIES: RATES PAYABLE AT 1 DECEMBER 1973

Dutiable class	Duty payable
<b>BILLS OF EXCHANGE—</b>	
Payable on demand (cheque, etc.)	7c
Others (including promissory notes)	5c
not above \$50	10c
to \$100	15c
to \$150	20c
to \$200	10c
for extra \$100 or part	14c
<b>SHARE TRANSFERS—On sale for full value—</b>	60c
Based on consideration	14c
<b>TRANSFER OF REAL PROPERTY—</b>	
<b>Gifts and settlements (a)—Based on value</b>	
<b>Other transfers on sale—Based on consideration</b>	
For each \$100 or part—	\$
up to 7,000	1.50
over 7,000 to 15,000	1.75
" 15,000 " 40,000	2.00
" 40,000 " 100,000	2.25
" 100,000 " 500,000	2.50
" 500,000 " 1,000,000	3.00
" 1,000,000	3.50
<b>LEASES AND ASSIGNMENTS OF LEASES OF REAL PROPERTY</b>	variable scale according to nature
<b>INSURANCE COMPANIES (OTHER THAN LIFE)</b>	each \$200 (or part) of annual premium income
—Annual licences	\$14
<b>LIFE ASSURANCE POLICIES—On the sum insured</b>	
up to \$2,000—per \$200 or part	12c
over \$2,000—\$1.20 for first \$2,000 plus per \$200 or part of remainder	24c

VICTORIA—STAMP DUTIES : RATES PAYABLE AT 1 DECEMBER 1973—*continued*

Dutiable class	Duty payable
POWER OF ATTORNEY OR APPOINTMENT OF AGENT	\$5
INSTALMENT PURCHASE (including hire purchase)	Purchase price \$20 or more 2.1%
MORTGAGES, BONDS, DEBENTURES, AND COVENANTS—On amount secured	up to \$8,000 \$4 up to \$10,000—\$4 for first \$8,000 plus per \$200 or part of remainder 70c over \$10,000—\$11 for first \$10,000 plus per \$200 or part of remainder 80c
CREDIT AND RENTAL BUSINESS	Based on amount of credit, etc., or rental 2.1%
GUARANTEES AND INDEMNITIES	50c
OTHER AGREEMENTS AND INSTRUMENTS—	
Partnerships, sale of business, etc.	} \$5 each
Caveats	
Licence to use real property, etc.	
Transfer of mortgage	
Discharge of mortgage of real property	
Discharge of mortgage of personal property other than of a life policy.	
Appointment of trustee	
Discharge of mortgage of a life policy	50c
DEEDS—not otherwise chargeable	\$5
MOTOR CAR—	
On every application for registration and every notice of acquisition of a motor car or trailer—	
For every \$200 and part of \$200 of the market value of such motor car or trailer	\$4
STATEMENT ON SALE OF CATTLE OR SWINE—	
(i) Cattle Statement	
For every \$5 and part of \$5	
(a) of the amount of the purchase money in respect of one head of cattle sold singly ; or	} 2c
(b) of the total amount of the purchase money in respect of any number of cattle sold in one lot	
Provided that the stamp duty in respect of the amount of the purchase money of any one head of cattle, whether sold singly or as part of a lot, shall not exceed 20 cents	
(ii) Swine Statement	
For every \$5 and part of \$5	
(a) of the amount of the purchase money in respect of one pig sold singly ; or	} 2c
(b) of the total amount of the purchase money in respect of any number of pigs sold in one lot	
Provided that the stamp duty in respect of the amount of the purchase money of any one pig, whether sold singly or as part of a lot, shall not exceed 16 cents	

(a) As from 1 January 1972 the *Gift Duty Act 1971* and the *Gift Duty (Rates and Rebates) Act 1971*, administered by the Commissioner of Probate Duties, imposed duty on gifts (including gifts and settlements of property) formerly imposed only under the Stamps Acts. However, where a gift involves the transfer of real property, stamp duty is still charged at the rates shown on page 566 but the amount paid is allowed as a deduction from the duty payable under the Gift Duty Act.  
 NOTE. Exemptions from duty are allowed in certain specific cases.

**Victorian pensions and gratuities**

The following table shows details of Victorian Government expenditure on pensions, gratuities, etc., during each of the years 1968–69 to 1972–73 :

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS,  
GRATUITIES, ETC.  
(\$'000)

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
State Superannuation Fund—					
Railways	5,451	5,724	6,176	6,533	7,308
Other	8,443	9,624	11,365	13,237	16,086
Total	13,894	15,348	17,541	19,770	23,394
Police Pensions Fund	380	380			
Police Superannuation Fund	6	5	5	5	4
Coal Mine Workers Pensions Fund	30	54	20	14	7
Parliamentary Contributory Retirement Fund (a)	42				
Parliamentary Contributory Superannuation Fund	44	352	429	361	361
Married Women's Superannuation Fund	28	2	10	27	49
Other pensions, gratuities, etc.	86	132	202	222	236
Grand total	14,509	16,273	18,207	20,401	24,052

(a) Fund closed and replaced by Parliamentary Contributory Superannuation Fund which came into operation on 1 December 1968.

*Victorian Superannuation Fund*

This Fund was established under the *Superannuation Act 1925* to provide superannuation benefits, on a contributory basis, for public servants, teachers, railway employees, and employees of certain statutory bodies. The scope of the Fund was widened by amending legislation in 1963 to include, *inter alia*, members of the Police Force of Victoria (see Police Pensions Fund, page 569), and in 1966, 1967, and 1968 amending Acts considerably increased the range of benefits available.

VICTORIA—STATE SUPERANNUATION FUND

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
Receipts—	\$'000	\$'000	\$'000	\$'000	\$'000
Contributions—					
Officers	16,170	18,725	21,763	24,966	27,876
Consolidated Fund (a)	13,818	15,244	17,419	20,381	22,146
Interest	7,790	8,687	9,771	11,177	12,599
Other	207	192	225	523	855
Total	37,985	42,848	49,177	57,047	63,477
Disbursements—					
Pension payments	17,772	19,369	21,871	24,747	27,342
Lump sum payments	3,549	4,737	6,771	5,400	7,130
Contributions refunded	1,686	2,034	1,876	2,194	2,469
Transfer to Pensions					
Supplementation Fund	1,057	2,175	3,756	3,636	4,476
Other	11	38	219	98	112
Total	24,075	28,354	34,493	36,075	41,529
Balance in Fund at 30 June	150,345	164,839	179,524	200,495	222,444
	number	number	number	number	number
Contributors at 30 June	54,800	56,819	57,078	(b) 58,000	(b) 59,500
Pensioners at 30 June—					
Ex-employees	10,363	10,709	11,228	} n.a.	n.a.
Widows	7,533	7,744	7,896		
Children	1,054	1,067	1,092		
Total	18,950	19,520	20,216	n.a.	n.a.

(a) These figures do not agree with those shown in the preceding table, as the latter include the Consolidated Fund's share of pensions accrued at the end of each year.

(b) Estimated.

The main provisions of the Act current at 19 December 1969 were summarised on pages 664–5 of the *Victorian Year Book* 1970. Further amending Acts in December 1969, 1970, 1972, and 1974 introduced a number of changes including the following :

1. Liberalisation of right to convert part of pension entitlement to a lump sum.
2. The rate of pension for a child of a deceased contributor or pensioner was raised to \$312 per annum, provided that where both parents are deceased the amount is increased to \$624.
3. A contributor over the age of 54 years who is contributing at least 12 per cent of his gross salary (other than in respect of deferred payments, for optional units, or reserve units) to the Fund may elect to contribute for units to which he becomes entitled, at a reduced rate of contribution being one quarter of the normal rate. The Fund's share of pension for each such unit will be \$6.50 per annum, i.e., one quarter of its normal share. The Government's share of pension, however, will not be reduced but will remain at \$65 per unit per annum.

#### *Police Pensions Fund*

This Fund was established by the *Police Pensions Act* 1923 which came into operation on 1 January 1924, and applied to all members who joined the Police Force on or after 25 November 1902. This legislation was embodied in the *Police Regulation Act* 1958, consolidating the law dealing with the Police Force in Victoria. A further amending Act was passed in December 1958.

The *Superannuation Act* 1963 amended the *Superannuation Act* 1958 and the *Police Regulation Act* 1958 and provided that all new entrants to the Police Force on and after 1 February 1964 would be required to contribute to the State Superannuation Fund, and that existing members at that date could either remain as contributors to the Police Pensions Fund or elect to transfer to the State Superannuation Fund.

The only new contributors to the Fund are police cadets who pay contributions during their period of training. On appointment to the Police Force these contributions are refunded and the new appointees become contributors to the State Superannuation Fund.

The receipts of the Police Pensions Fund during 1972–73 amounted to \$620,970, comprising deductions from pay, \$65,201, and interest on investments, \$555,769. During the year, \$1,549,821 was paid in pensions, \$18,312 in gratuities, \$24,077 was returned to contributors on resignation, \$689,048 was paid to the Pensions Supplementation Fund, and \$3,990 to the Police Superannuation Fund. The balance in the Fund at 30 June 1973 was \$8,911,656. Of this amount, \$7,979,900 was invested in government and semi-government securities.

The number of contributors to the Fund at 30 June 1973 was 257 males and three females.

#### *Pensions Supplementation Fund*

This Fund was established pursuant to the *Pensions Supplementation Act* 1966, to meet the cost of supplementing, as from 1 April 1966, the pensions of officers who retired on or before 12 July 1961 or the widows of such officers or of those officers who died before that date. This date was

extended on two occasions by amending legislation, first to 1 July 1967, and later to 1 July 1972. Further legislation was enacted in November 1973 to enable supplements to pensions to be increased in future so that pensions received will reflect the increase in the consumer price index figure for Melbourne.

Total income of the Fund during 1972-73 was \$6,363,984, made up of statutory transfers from the State Superannuation Fund, \$4,496,089, from the Consolidated Fund, \$1,175,043, and from the Police Pensions Fund, \$692,631, and interest on investments, \$221, while expenditure on pensions totalled \$6,363,707. The foregoing figures have been prepared on an accrual basis. At 30 June 1973 the net assets of the Fund were \$5,996.

#### *Coal Mine Workers Pensions Fund*

The *Coal Mine Workers Pensions Act 1942* and subsequent legislation defined contributions and benefits in connection with the Coal Mine Workers Pensions Fund. Contributions to the Fund were payable by the State Government, the State Coal Mine, and by mine workers. With the passing of the *State Coal Mines (Winding Up) Act 1968* (operative from 1 January 1969) and the consequent closure of the State Coal Mine, contributions to the Fund by the State Coal Mine and by mine workers ceased, the State Government henceforth being the only contributor. The winding up Act allowed early retirement for certain mine workers approaching retiring age at 1 January 1969. Benefits to these and other retired mine workers and their dependants will continue to be paid from the Fund. At 30 June 1973 the net assets of the Fund amounted to \$575,180.

#### *Parliamentary Contributory Superannuation Fund*

This Fund was established under the authority of the *Parliamentary Salaries and Superannuation Act 1968*, which came into operation on 1 December 1968. Under the Act the amounts standing to the credit of the Parliamentary Contributory Retirement Fund, established under *The Constitution Act Amendment Act 1958*, and the Parliamentary Superannuation Fund, established under the *Parliamentary Contributory Superannuation Act 1962*, were paid into the new Fund.

On 22 April 1969 the *Parliamentary Salaries and Superannuation (Administration) Act 1969* transferred responsibility for the administration of the Parliamentary Contributory Superannuation Fund from the Treasury to the State Superannuation Board of Victoria.

The Act provides that male members contribute to the Fund at the rate of 11.5 per cent (female rate 10 per cent) of the gross amount of each salary instalment.

Every person who has ceased to be a member and has served as a member for at least fifteen years or, in certain circumstances, for at least eight years, is entitled to be paid out of the Fund a pension which is determined in accordance with a formula set out in the Act. The formula takes into account length of service and amount of salary at date of retirement.

Provision is also made for payments of certain sums to ex-members who do not fulfil the conditions necessary for a pension. The widow of a deceased member or ex-member is also entitled to receive a pension calculated according to a formula laid down in the Act.

During 1972-73 receipts of the Fund totalled \$558,091, made up of members' contributions, \$132,941, contribution from the Consolidated Fund, \$361,326, and interest on investments, \$63,824. Pension payments and retiring allowances totalled \$605,535 and other expenditure amounted to \$19,916.

The balance in the Fund on 30 June 1973 was \$790,271, of which \$772,250 was invested.

#### *Married Women's Superannuation Fund*

The *Married Women's Superannuation Fund Act* 1968, proclaimed on 1 February 1969, established the Married Women's Superannuation Fund to which was credited the balance in the former Married Women Teachers Pensions Fund which ceased to exist as from 31 January 1969.

The purpose of this Fund is to provide retiring benefits for married women who are on the permanent staff of the Victorian public service and who, because of their married status, are not eligible to contribute to the State Superannuation Fund.

Each contributor is required to contribute to the Fund an amount equal to five per cent of her salary. Contributions are credited to members' accounts in the Fund and are supplemented by payments from the Consolidated Fund when benefits become due. Benefits on retirement consist of lump sum payments or annuities.

The balance in the Fund at 30 June 1973 was \$2,472,591, of which \$2,455,415 was invested.

#### **Commonwealth Superannuation Fund**

The Commonwealth Superannuation Scheme established under the provisions of the *Superannuation Act* 1922 provides pensions on retirement for officers and employees of the Australian Government and certain of its authorities, and for their widows or dependent widowers and children. On retirement, contributors are entitled to \$91 per annum in respect of each unit contributed for and contributions of members provide \$26 of this. Each widow is entitled to a pension equal to a minimum of one half or a maximum of five eighths of that for which her husband was contributing or (if a pensioner) receiving. A pension of \$208 per annum is paid in respect of each child under sixteen years, or up to 21 years for children undergoing full-time education, of a married contributor or pensioner on his death. For orphan children a minimum of \$520 per annum is paid.

By an amending Act which came into operation on 4 June 1969 provision was made to enable any member under certain conditions to accept as, or convert to, non-contributory those units to which he or she had become entitled. On retirement (at age 65) or previous invalidity the amount payable for each unit is then only the Consolidated Revenue proportion (\$65 a year). Widows are entitled to *pro rata* payment in respect of non-contributory units.

A further amending Act which came into operation on 8 June 1973 provided for automatic annual adjustment of pension on the first pension day in July each year commencing on 5 July 1973. The Australian Government financed element of the pension will be increased by a percentage equal to 1.4 times the percentage increase in the Consumer Price Index ending in March of the year of adjustment or 1.4 times the percentage increase in the seasonally adjusted figures for average weekly earnings for the corresponding period if that is less.



In addition to the pension scheme, a Provident Account, established in 1937, provides a lump sum benefit to employees who, for various reasons, cannot become contributors for pension benefits. Contributions to the Provident Account are at the rate of five per cent of salary. The benefit payable is the total of the contributions actually paid plus compound interest, multiplied by three, or an amount equal to one half of annual salary, if greater.

At 30 June 1973 there were 181,370 contributors to the Superannuation Fund and 25,603 to the Provident Account, while the number of pensions in force was 31,965. At the same date, the balance of the Fund, a trust fund held at the Australian Treasury, was \$641.3m.

#### Victorian trust funds and special accounts

Under the provisions of The Constitution Act, revenues of the State are payable to the Consolidated Fund with the exception of certain revenues which have been set aside by various Acts of Parliament for specific purposes and are payable into special funds or accounts kept at the State Treasury. Numerous funds or accounts consisting of moneys collected for, or held for expenditure on behalf of, the Australian Government, moneys provided for specified purposes by outside bodies, and amounts held in trust for government departments and for other accounts are also included in trust funds. The balances of all funds or accounts are held by way of investment or on general account and the operations of many are regulated by statute.

The transactions recorded annually are numerous and of considerable magnitude. During 1972-73 the debits of all trust funds or accounts amounted to \$1,323.7m, while credits totalled \$1,351.8m.

At 30 June 1973 the liability of the State on account of all trust funds or accounts amounted to \$203.9m. Of this total, \$111.5m was invested in Australian Government stock or other securities, and cash advanced totalled \$24.9m. The balance—\$94.4m—was at the credit of the Public Account.

#### Expenditure on works and services

In 1970-71 the Victorian Government amalgamated the Consolidated Revenue Fund and the Loan Fund into one account to be known as the Consolidated Fund. At the same time a trust fund, the Works and Services Account, was established to cater for expenditure on capital works and services. In effect, therefore, this Account, which is financed by appropriations from the Consolidated Fund, serves a similar purpose to that of the former Loan Fund.

Details of expenditure on works and services for each of the years 1968-69 to 1972-73 are shown in the following table :

VICTORIA—GROSS EXPENDITURE ON WORKS, SERVICES, ETC. (a)  
(\$'000)

Expenditure on—	1968-69	1969-70	1970-71	1971-72	1972-73
Public works—					
Railways	16,863	16,135	15,874	15,496	16,092
Tramways			2,150	1,200	3,855
Roads and bridges	4,476	1,778	1,307	1,481	1,601
Harbours and rivers	4,432	2,687	4,333	3,809	3,026

VICTORIA—GROSS EXPENDITURE ON WORKS, SERVICES, ETC.(a)—*continued*  
(S'000)

Expenditure on—	1968-69	1969-70	1970-71	1971-72	1972-73
<b>Public works (<i>continued</i>)—</b>					
Water supply	18,156	24,519	26,789	37,815	40,529
Sewerage	1,754	1,173	1,462	1,242	1,019
Electricity supply	15,750	19,250	5,000	11,000	16,000
Gas supply	80	40	100	2,058	142
Public buildings—					
Schools, etc.	42,192	45,616	52,501	57,597	67,972
Hospitals, etc.	17,260	18,694	18,960	17,901	20,202
Other	11,440	11,167	9,280	11,287	13,564
Municipalities—loans, grants, etc.	2,235	3,708	4,178	5,399	4,448
Housing	2,705	1,935	2,671	39,695	40,509
Other public works	547	883	581	700	611
<b>Primary production—</b>					
Land settlement	1,927	2,250	1,327	735	744
Soldier settlement	..	2	..	..	..
Drought, etc., relief	4,131	488	74	240	1,229
Forestry	3,020	3,365	3,516	3,622	4,250
Mining, n.e.i.	254	254	282	280	276
Cool stores	80	66	56	14	55
Destruction of vermin and noxious weeds	2,143	2,261	2,592	2,815	3,250
Other primary production (b)	3,540	2,972	2,552	2,870	2,351
Other purposes	1,721	2,149	3,527	4,145	5,807
Total works, etc., expenditure	154,707	161,393	159,111	221,401	247,530
Funding of Consolidated Revenue deficits	..	2,887	..	..	..
<b>Grand total</b>	<b>154,707</b>	<b>164,279</b>	<b>159,111</b>	<b>221,401</b>	<b>247,530</b>

(a) Represents payments from the Loan Fund for the years 1968-69 and 1969-70 and payments from the Works and Services Account for the years 1970-71 to 1972-73.

(b) Includes allocations to the Rural Finance and Settlement Commission to enable the Commission to assist industries (principally primary) in country areas.

### Public debt

The public debt chiefly comprises moneys raised and expended with the object of assisting the development of the resources of the State and is, to a large extent, represented by tangible assets.

Loan moneys have been used in Victoria principally for the construction of railways, roads, water supply and sewerage works, schools, hospitals, and other public buildings, improvements to harbours and rivers, electricity supply, land settlement, and forestry.

A notable feature of the public debt of the State is that approximately 98 per cent of indebtedness is now domiciled in Australia. There has been a gradual change from the situation which existed a century ago when nearly all loans were financed in London. Even at the turn of the century, only ten per cent of State indebtedness was domiciled in Australia.

In the tables in this section relating to the public debt of Victoria, loans domiciled in overseas countries have been converted to Australian currency at rates of exchange ruling at 30 June in each respective year.

In addition to the public debt as shown in the following tables, Victoria had an additional liability of \$564.5m at 30 June 1973 due to the Australian Government and consisting of \$539.0m advances for housing purposes under the Commonwealth-State Housing Agreement, \$12.6m for special assistance loans for soldier settlement, \$2.9m for repayable loans for drought relief, and \$10m in respect of a special payment to the State in 1969-70 to meet budgetary difficulties. These liabilities should be taken into account when considering the total debt position of Victoria.

*Public debt transactions*

The following table shows particulars of the loans raised and redeemed during, and the amount outstanding at the end of, each of the years 1968-69 to 1972-73. The variations from year to year in the Australian currency equivalent of overseas loans, resulting from application of the rates of exchange ruling at 30 June in each year, are shown.

VICTORIA—STATE PUBLIC DEBT : SUMMARY OF TRANSACTIONS  
(\$A'000)

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
DEBT MATURING IN AUSTRALIA					
Debt outstanding at 1 July	1,896,159	2,033,067	2,175,649	2,274,719	2,424,680
New debt incurred—					
Australian Government loan flotations	277,113	367,951	362,429	382,104	358,667
Domestic raisings	1,581		1		
Less conversion and redemption loans	131,604	206,934	240,081	209,903	171,115
Total new debt incurred	147,089	161,016	122,349	172,201	187,553
Less repurchases and redemptions from National Debt Sinking Fund	10,181	18,435	23,278	22,240	20,264
Net increase in debt	136,908	142,581	99,071	149,961	167,289
Debt outstanding at 30 June	2,033,067	2,175,649	2,274,719	2,424,680	2,591,969
DEBT MATURING IN LONDON					
Debt outstanding at 1 July	62,151	59,665	45,158	42,490	38,855
New debt incurred—					
Australian Government loan flotations	..	1,496	..	..	..
Less conversion and redemption loans	..				
Total new debt incurred	..	-1,496	..	..	..
Less repurchases and redemptions from National Debt Sinking Fund	2,486	13,011	2,668	2,042	11,461
Adjustment due to variation in rate of exchange	..	..	..	-1,593	-4,484
Net increase in debt	-2,486	-14,507	-2,668	-3,635	-15,945
Debt outstanding at 30 June	59,665	45,158	42,490	38,855	22,910
DEBT MATURING IN NEW YORK, CANADA, SWITZERLAND, AND THE NETHERLANDS					
Debt outstanding at 1 July	40,301	37,562	33,554	30,632	24,812
New debt incurred—					
Australian Government loan flotations	..	1,343	..	..	..
Less conversion and redemption loans	..				
Total new debt incurred	..	-1,343	..	..	..
Less repurchases and redemptions from National Debt Sinking Fund	2,739	2,800	3,138	4,409	3,820
Adjustment due to variation in rate of exchange	..	+135	+216	-1,412	-2,961
Net increase in debt	-2,739	-4,008	-2,922	-5,820	-6,781
Debt outstanding at 30 June	37,562	33,554	30,632	24,812	(a) 18,031
TOTAL					
Debt outstanding at 1 July	1,998,611	2,130,294	2,254,361	2,347,842	2,488,348
New debt incurred—					
Australian Government loan flotations	277,113	367,951	362,429	382,104	358,667
Domestic raisings	1,581		1		
Less conversion and redemption loans	131,604	209,773	240,081	209,903	171,115
Total new debt incurred	147,089	158,178	122,349	172,201	187,553
Less repurchases and redemptions from National Debt Sinking Fund	15,406	34,246	29,084	28,691	35,545
Adjustment due to variation in rate of exchange	..	+135	+216	-3,005	-7,445
Net increase in debt	131,683	124,067	93,481	140,505	144,562
Debt outstanding at 30 June	2,130,294	2,254,361	2,347,842	2,488,348	2,632,910

(a) Includes New York, \$A11,780,445 ; Canada, \$A1,829,950 ; Switzerland, \$A3,075,808 ; and the Netherlands, \$A1,344,723.

Particulars concerning the due dates of loans outstanding at 30 June 1973 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.

VICTORIA—DUE DATES OF LOANS AT 30 JUNE 1973  
(\$A'000)

Due date (financial year)	Amount maturing—				Total
	In Australia	In London	In New York	Elsewhere overseas	
1973-74	258,280	..	..	..	258,280
1974-75	195,806	..	..	..	195,806
1975-76	333,298	465	..	(a) 3,076	336,839
1976-77	92,517	..	..	..	92,517
1977-78	126,831	2,998	..	..	129,828
1978-79	115,398	13,622	1,031	..	130,051
1979-80	66,254	..	1,282	..	67,536
1980-81	80,625	..	1,411	(b) 1,830	83,866
1981-82	114,574	5,278	2,288	(c) 1,345	123,485
1982-83	88,053	..	3,908	..	91,962
1983-84	103,197	547	..	..	103,744
1984-85	117,705	..	..	..	117,705
1985-86	79,363	..	1,860	..	81,223
1986-87	57,700	..	..	..	57,700
1987-88	98,790	..	..	..	98,790
1988-89	131,261	..	..	..	131,261
1989-90	107,890	..	..	..	107,890
1991-92	108,773	..	..	..	108,773
1992-93	50,018	..	..	..	50,018
1993-94	11,753	..	..	..	11,753
1994-95	8,985	..	..	..	8,985
1999-2000	6,911	..	..	..	6,911
2000-01	26,264	..	..	..	26,264
2001-02	48,305	..	..	..	48,305
2003-04	86,764	..	..	..	86,764
2005-06	73,029	..	..	..	73,029
Not yet fixed	3,626	..	..	..	3,626
<b>Total</b>	<b>2,591,969</b>	<b>22,910</b>	<b>11,780</b>	<b>6,250</b>	<b>2,632,910</b>

(a) Maturing in Switzerland.

(b) Maturing in Canada.

(c) Maturing in the Netherlands.

The following table shows details of the amounts of loans outstanding in Australia, London, New York, Canada, Switzerland, and the Netherlands, and the amount of debt per head of population at the end of each of the years 1968-69 to 1972-73 :

VICTORIA—PUBLIC DEBT : LOANS OUTSTANDING

At 30 June—	Amount of loans maturing in—						Total debt	
	Australia	London	New York	Canada	Switzerland	The Netherlands	Amount	Per head of population
	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A
1969	2,033,067	59,665	30,500	2,678	2,600	1,784	2,130,294	634.63
1970	2,175,649	45,158	26,637	2,672	2,600	1,647	2,254,361	659.05
1971	2,274,719	42,490	23,769	2,547	2,784	1,533	2,347,842	674.40
1972	2,424,680	38,855	18,230	2,359	2,784	1,440	2,488,348	703.76
1973	2,591,969	22,910	11,780	1,830	3,076	1,345	2,632,910	735.64

The following table shows the rates of interest which were payable on the public debt at 30 June 1973, and the amount of the debt at each rate maturing in Australia, London, New York, and elsewhere overseas, respectively:

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT  
AT 30 JUNE 1973

Rate of interest	Amount maturing—				Total
	In Australia	In London	In New York	Elsewhere overseas	
per cent	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000
7.0	143,329	..	..	..	143,329
6.8	76,191	..	..	..	76,191
6.7	16,030	..	..	..	16,030
6.6	65,166	..	..	..	65,166
6.5	134,296	..	..	..	134,296
6.4	106,996	..	..	..	106,996
6.3	48,729	..	..	..	48,729
6.2	14,472	..	..	..	14,472
6.0	186,809	1,013	..	..	187,822
5.9	13,353	..	..	..	13,353
5.8	72,047	..	..	..	72,047
5.75	23,208	..	1,860	(a) 1,830	26,897
5.7	33,857	..	..	..	33,857
5.6	45,672	..	..	..	45,672
5.5	..	21,897	6,196	..	28,094
5.4	120,508	..	..	..	120,508
5.375	67,305	..	..	..	67,305
5.3	79,102	..	..	..	79,102
5.25	461,873	..	2,693	..	464,566
5.2	18,512	..	..	..	18,512
5.0	591,752	..	1,031	(b) 1,345	594,128
4.9	48,243	..	..	..	48,243
4.8	93,885	..	..	..	93,885
4.75	21,420	..	..	..	21,420
4.625	14,150	..	..	..	14,150
4.5	48,728	..	..	(c) 3,076	51,804
4.25	39,309	..	..	..	39,309
3.875	106	..	..	..	106
3.4875	1	..	..	..	1
3.1	553	..	..	..	553
3.0	1,787	..	..	..	1,787
2.7125	195	..	..	..	195
2.325	984	..	..	..	984
1.0	3,402	..	..	..	3,402
Total	2,591,969	22,910	11,780	6,250	2,632,910
Average rate of interest	% 5.55	% 5.52	% 5.44	% 4.97	% 5.55

(a) Maturing in Canada.

(b) Maturing in the Netherlands.

(c) Maturing in Switzerland.

In the next table the annual interest liability of the State has been calculated on the basis of the debt outstanding at the end of each of the years 1968–69 to 1972–73. The liability, therefore, represents the amount of interest payable in the ensuing year without regard to new loan raisings and redemptions during that year.

The table shows particulars of the annual interest payable in Australia and in overseas countries, respectively, the total liability per head of population, and the average rate of interest liability.

**VICTORIA—ANNUAL INTEREST LIABILITY  
ON PUBLIC DEBT (a)**

At 30 June—	Payable in Australia	Payable in overseas countries	Total	Per head of population	Average rate
	\$A'000	\$A'000	\$A'000	\$A	per cent
1969	100,963	4,948	105,911	31.32	4.97
1970	111,941	4,253	116,193	33.94	5.15
1971	123,121	3,955	127,076	36.49	5.41
1972	134,229	3,451	137,680	38.92	5.53
1973	143,789	2,217	146,006	40.71	5.55

(a) Calculated at the end of each year in respect of the ensuing year.

The actual interest and expenses paid on the public debt of Victoria for each of the years 1968–69 to 1972–73 are shown in the following table :

**VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT  
(\$A'000)**

Year (a)	Interest paid on loans maturing—				Total interest	Commis- sion on payment of interest overseas, expenses of conversion loans, etc.	Grand total (b)
	In Australia	In London (a)	In New York (a)	Elsewhere overseas (a)			
1968–69	94,295	3,082	1,743	373	99,493	400	99,893
1969–70	104,852	2,808	1,585	370	109,615	400	110,015
1970–71	113,374	2,455	1,392	352	117,574	420	117,994
1971–72	127,941	2,339	1,203	349	131,832	432	132,264
1972–73	136,931	1,964	922	(c) 314	140,131	533	140,664

(a) Includes exchange.

(b) Includes \$A4,254,318 contributed each year by the Australian Government in accordance with the provisions of the Financial Agreement, but excludes interest paid on advances received from the Australian Government for housing and soldier settlement.

(c) Includes Canada, \$A123,911 ; Switzerland, \$A125,786 ; and the Netherlands, \$A64,029.

*National Debt Sinking Fund*

Under the Financial Agreement of 1927 between the Australian Government and the States, it was arranged that the Australian Government assume responsibility for the public debt of the States. The securities covering these debts would be redeemed or repurchased by payments from the National Debt Sinking Fund (which had been in existence from 1923) and the Australian Government and the States were to make annual contributions to the Fund for this purpose.

Details of transactions of the National Debt Sinking Fund in respect of the public debt of the State of Victoria, for each of the years 1968–69 to 1972–73, are shown in the following tables. The first table shows particulars of the receipts of the Fund, and the second table shows details of the expenditure on, and face value of, securities repurchased and redeemed.

**VICTORIA—NATIONAL DEBT SINKING FUND : RECEIPTS**  
(\\$'000)

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
Contributed under Financial Agreement—					
Victorian Government	20,031	20,910	22,291	23,846	25,519
Australian Government	5,189	5,600	5,926	6,378	6,809
Total contributions under Financial Agreement	25,220	26,510	28,217	30,224	32,328
Interest on investments	30	28	27	44	63
Special contributions by Victoria	25	25	25	25	25
Interest accrued on securities	<i>Dr.</i> 109	229	..	..	..
<b>Total</b>	<b>25,167</b>	<b>26,793</b>	<b>28,270</b>	<b>30,293</b>	<b>32,416</b>
<b>Total to date</b>	<b>320,897</b>	<b>347,689</b>	<b>375,959</b>	<b>406,252</b>	<b>438,669</b>

**VICTORIA—NATIONAL DEBT SINKING FUND : SECURITIES**  
**REPURCHASED AND REDEEMED**  
(\\$A'000)

Particulars	1968-69	1969-70	1970-71	1971-72	1972-73
Australia—					
Face value	10,181	18,435	23,278	22,240	20,264
Net cost	10,180	18,414	23,274	22,236	20,231
London—					
Face value	2,486	13,011	2,668	2,042	11,461
Net cost	2,357	12,723	2,324	1,911	11,171
New York—					
Face value	2,560	2,521	2,868	4,122	3,547
Net cost	2,323	2,205	2,629	3,978	3,630
Canada—					
Face value	42	142	131	143	123
Net cost	37	109	117	123	117
Netherlands—					
Face value	137	137	139	144	150
Net cost	139	139	139	145	145
Total—					
Face value	15,406	34,246	29,084	28,690	35,545
Net cost	15,036	33,591	28,483	28,393	35,293
Total to date—					
Net cost	310,720	344,311	372,794	401,187	436,481