

FINANCE.

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

A concise statement of the chief special funds kept at the Treasury is shown in the *Year-Book* for 1928-29, pages 76 to 80. Amongst the funds since established are the Unemployment Relief Fund, the Winter Relief Fund, the Milk Board Fund, and the Farmers Debts Adjustment Fund.

Commonwealth and State Financial Relations. A brief outline of the principal provisions of the "Financial Agreement" is given in the *Year-Book* for 1928-29, page 75.

State Financial Transactions. A summary of the transactions for the financial year 1935-36 in the Consolidated Revenue Fund and in the special funds gives the following result:—

	£	£
Revenue deficit at 30th June, 1935 .. .. .	.. .. .	7,109,594
Revenue, 1935-36	• 26,583,510	
Expenditure, 1935-36	26,699,971	
Deficit for the year .. .. .	.. .. .	116,461
Revenue deficit at 30th June, 1936 .. .. .	.. .. .	<u>7,226,055</u>

The differences between the amounts of revenue and expenditure shown above and those given in the Treasurer's Finance Statement arise from the use of a different method of classification for statistical purposes. The public revenue of certain special funds is added to the Consolidated Revenue—an equivalent amount being entered as expenditure. The particulars for 1935-36 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total according to Treasurer's Finance Statement ..	26,038,340	26,154,801
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund	936,573*	936,573
Licensing Fund	107,483†	107,483
Police Superannuation Fund	10,939	10,939
Assurance Fund	1,526	1,526
Cattle Compensation Fund	20,092	20,092
Swine Compensation Fund	6,154	6,154
Metropolitan Roads Fund	7,450	7,450
Milk Board Fund	24,750	24,750
<i>Deduct—</i>		
Loss on non-paying railways	166,162	166,162
Payment to Railways Department on account of reduced Freight Charges	403,635	403,635
Total	26,583,510	26,699,971

* Excluding £549,811 recouped to Revenue under Acts Nos. 3944, and 4140, Sec. 2.

† In addition to this amount £120,454 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 4304.

The revenue and expenditure of the State for the last five years, after taking into account the considerations mentioned above, are shown in the next statement:—

STATE REVENUE AND EXPENDITURE, 1931-32 TO 1935-36.

Year.	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (-).	
			For each Year.	Accumulated Deficiency to end of each Year (i.e. 30th June).
	£	£	£	£
1931-32	24,565,272	26,173,595	-1,608,323	-5,347,656
1932-33	24,905,985	25,747,486	- 841,501	-6,189,157
1933-34	24,777,739	25,546,979	- 769,240	-6,958,397
1934-35	25,805,557	25,956,754	- 151,197	-7,109,594
1935-36	26,583,510	26,699,971	- 116,461	-7,226,055

Heads of
State Revenue.

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

HEADS OF STATE REVENUE, 1931-32 TO 1935-36.

Heads of Revenue.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
Commonwealth Pay- ment to State—	£	£	£	£	£
Act No. 3554.					
Financial Agreement ..	2,127,159	2,127,159	2,127,159	2,127,159	2,127,159
Special Grant ..	..	..	..	550,000	140,000
State Taxation—					
Income Tax ..	2,061,561	2,117,000	2,329,629	2,603,512	2,759,324
Land Tax ..	497,609	503,752	535,947	494,593	494,293
Probate Duty ..	1,014,669	1,164,200	1,143,330	1,124,933	1,340,701
Unemployment Relief—					
Direct ..	999,814	1,799,212	1,652,997	1,694,571	1,979,153
Stamp Duty ..	650,678	18,336	..	..	..
Entertainments Tax	159,719	194,621	201,792	228,195	238,456
Racing Taxation ..	212,375	293,933	313,364	319,389	340,531
Other Stamp Duties	649,578	725,834	733,054	826,056	858,731
Motor Car and Motor Omnibus Acts*	1,124,362	1,222,684	1,280,878	1,403,134	1,592,880
Liquor Licences, &c.† ..	270,076	179,722	184,093	192,682	203,602
Other Licences ..	77,650	81,366	86,860	85,387	88,272
Duties on Bank Notes ..	1,603	534	..	..	..
Other Taxation ..	..	..	..	21,266	24,750
Public Works and Services—					
Railways ..	9,149,448	9,153,225	8,764,154	8,981,492	9,188,798
Water Supply ..	644,038	604,960	601,118	580,650	634,261
State Coal Mine ..	416,955	228,775	209,188	242,514	229,428
State Electricity Commission ..	1,086,336	1,009,123	960,179	923,342	905,174
Transfer from Coun- try Roads Board Fund (Act No. 4038) ..	150,000	..	..	..	..
Country Roads Board‡ ..	105,880	82,706	60,867	17,426	Dr. 32,694
Maffra Beet Sugar Factory ..	193,871	195,757	218,315	177,902	168,559
Victoria Dock Cool Stores ..	51,419	48,205	44,106	57,074	45,289
Wharfage Rates, &c. ..	52,464	57,331	58,823	63,418	69,801
Other ..	53,715	69,953	75,821	59,654	73,433

* Including cost of collection of Motor Fees paid into the Country Roads Board Fund.

† Received by the Licensing Fund.

‡ Represents the difference between the interest received by Consolidated Revenue on account of Country Roads and the recoups to Consolidated Revenue as shown in the Country Roads Board Fund. See remarks on p. 276 with reference to the statistical method of arriving at total public revenue.

HEADS OF STATE REVENUE, 1931-32 TO 1935-36—*continued.*

Heads of Revenue.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
Land—	£	£	£	£	£
Land Sales, Rents, Penalties, &c. . .	256,725	360,459	378,878	368,669	431,218
Interest on Loans—					
Closer Settlement	471,709	426,521	437,248	419,653	421,406
Discharged Soldiers' Settlement	1,153,762	1,077,252	1,070,255	1,021,133	1,008,662
Fees, Fines, &c. . .	196,061	207,052	211,141	226,112	245,242
Tramways Act No. 3732 (Sec. 77) . .	106,910	108,218	112,201	113,724	111,658
Government Printer	116,256	103,161	107,510	112,235	117,255
Harbor Trust Contributions . .	81,812	108,778	113,216	114,169	130,597
Department of Agriculture* . .	39,117	39,403	32,424	35,547	35,256
Commonwealth Contribution to Unemployment Relief . .	..	200,000	210,000	39,495	..
Transfer from Assurance Fund, Act No. 4164 . . . . .	..	..	50,000	..	..
Miscellaneous . .	391,941	396,753	473,192	580,471	612,315
Total . .	24,565,272	24,905,985	24,777,739	25,805,557	26,583,510
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population . .	13 12 4	13 14 6	13 11 6	14 1 0	14 8 5

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

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

SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1931-32 TO 1935-36.

Heads of Expenditure.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
<i>General Government.</i>	£	£	£	£	£
Governor	6,603	6,241	10,096	10,605	10,091
Parliament and Ministry	117,449	90,889	99,242	115,950	104,929
Civil Establishment, n.e.i.	361,394	379,946	381,665	409,586	437,975
Pensions and Gratuities*	918,132	901,005	918,395	968,015	1,045,997

* For details, see page 297.

SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1931-32 TO
1935-36—continued.

Heads of Expenditure.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
	£	£	£	£	£
<i>Law, Order, and Protection.</i>					
Judicial and Legal ..	216,906	210,508	203,804	214,834	228,464
Police ..	588,489	604,343	620,570	665,750	714,097
Penal Establishments and Gaols ..	97,559	95,956	106,332	108,835	114,115
<i>Education, &c.</i>					
State Schools ..	2,227,081	2,200,451	2,207,509	2,332,763	2,517,617
Technical Schools ..	123,567	101,918	107,466	112,478	119,359
University ..	52,900	52,800	46,250	50,800	51,300
Libraries, &c. ..	38,241	40,458	43,980	43,476	46,950
Art and Science ..	6,042	3,366	3,727	3,897	6,398
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts ..	17,614	15,905	14,845	15,114	20,595
Public Health ..	123,073	141,204	128,992	134,029	138,055
Charitable Institutions, &c. ..	1,087,112	1,049,001	1,024,625	1,031,124	1,114,673
Unemployment Relief*	1,650,493	2,017,548	1,862,997	1,734,066	1,979,153
<i>Crown Lands, &c.</i>					
Crown Land† ..	1,117,967	978,104	1,103,846	1,111,924	940,112
Agriculture and Stock‡ ..	228,125	312,825	246,380	271,972	306,874
Mining§ ..	29,733	27,490	33,838	35,705	38,135
<i>Public Works.</i>					
Railways (excluding Pensions) ..	5,977,658	6,155,461	6,007,502	6,240,538	6,442,457
Water Supply ..	210,908	202,409	238,009	302,189	309,080
Harbors, Rivers, and Lights ..	44,787	40,365	38,763	65,924	61,790
Roads and Bridges ..	2,878	1,276	2,076	1,828	2,650
Country Roads Board||	662,613	730,472	765,986	807,187	936,573
State Coal Mine ..	481,609	283,794	281,386	325,383	322,365
Maffra Beet Sugar Factory ..	127,951	141,267	143,144	134,076	123,585
Victoria Dock Cool Stores ..	27,892	33,869	26,712	27,400	28,391
Discharged Soldiers' Concessions Fund	75,000	75,000	75,000	75,000	75,000

* Figures for 1931-32 and 1935-36 represent amounts paid from Consolidated Revenue to the Unemployment Relief Fund. Those for 1932-33, 1933-34, and 1934-35 include amounts of £200,000, £210,000, and £39,495 respectively—Commonwealth contributions towards Unemployment Relief. Details of the actual expenditure on Unemployment Relief are shown on page 228 of this issue of the *Year Book*.

† Excluding "Newport Seasoning Works."

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

§ Excluding "State Coal Mine."

|| Represents difference between "Public Revenue" of Country Roads Board and recoups to revenue made by the Board. Details of Country Roads Board Fund expenditure are shown on page 140 of this issue of the *Year Book*.

SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1931-32 TO
1935-36—continued.

Heads of Expenditure.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
<i>Public Works—cont.</i>	£	£	£	£	£
Assistance to Municipalities* ..	100,868	60,740	60,496	160,332	60,252
Other Public Works ..	71,042	85,837	93,629	149,067†	101,420
<i>Public Debt Charges, &c.</i>					
Interest, Expenses, &c. Exchange on payment of Interest in London ..	7,617,083	7,006,100	7,000,452	6,651,102	6,623,261
Contribution to National Debt Sinking Fund ..	1,003,250	889,504	789,721	665,963	659,972
<i>Other Expenditure.</i>					
Mint Subsidy ..	22,500	27,000	25,000	29,000	28,000
Fire Brigades ..	61,095	61,073	61,923	61,752	61,678
Licences Reduction Board (Adm.), including Compensation ..	30,497	24,865	25,440	27,279	24,231
Railway passes to Blind and Incapacitated Soldiers ..	11,293	11,501	11,189	11,370	11,850
Liquidation of guaranteed Bank Overdrafts of Freezing Companies, &c. ..	1,721	..	..	..	..
Cattle Compensation Fund ..	23,257	23,990	21,228	19,428	21,092
Swine Compensation Fund ..	4,145	4,107	4,795	5,839	6,154
Shrine of Remembrance—Government Installation ..	16,481	6,087	8,357	9,519	..
Miscellaneous ..	50,887	110,144	76,661	144,938	172,105
Total ..	26,173,594	25,747,486	25,546,979	25,956,754	26,699,971
Per Head of Population ..	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
..	14 10 2	14 3 9	14 0 0	14 2 9	14 9 9

* The annual payments from the Licensing Fund to Municipalities were as follows:—1931-32, £60,868; 1932-33, £60,740; 1933-34, £60,496; 1934-35, £60,332; and 1935-36, £60,252. Municipal endowment was suspended from 1929-30 to 1935-36 inclusive. The figures for 1934-35 include £100,000—Grants to Municipalities under "Works in Return for Sustenance Scheme."

† Including contribution to State Electricity Commission of Victoria towards reconstruction of Ballarat and Bendigo Tramway Systems—£50,000.

In the following statement details are given relating to the number of persons employed in Victoria by the State and the Commonwealth Governments, by Municipalities and by certain corporate bodies in 1934-35, also the salaries and wages paid.

NUMBER OF PERSONS EMPLOYED IN VICTORIA BY THE STATE AND COMMONWEALTH GOVERNMENTS, MUNICIPALITIES, CERTAIN CORPORATE BODIES, AND INSTITUTIONS DURING 1934-35, ALSO THE SALARIES AND WAGES PAID.

Department, etc.	Number of Persons Employed at end of Financial Year.			Salaries and Wages Paid during the Financial Year.
	Permanent.	Temporary or Part Time.	Total.	
				£
State Government—				
Public Service	3,944	1,660	5,604	1,217,720
Police	2,206	..	2,206	538,734
Teachers	8,596	512	9,108	2,089,432
Railways	16,968	4,987	21,955	4,711,734
Commonwealth Public Service	7,628	2,764	10,392	2,455,093
Banks—				
Commonwealth	484	563	1,047	214,157
State Savings	1,542	..	1,542	535,956
Country Roads Board	73	2,626	2,699	421,713
Fire Brigades Boards	462	414	876	136,585
Forests Commission	175	1,957	2,132	234,623
Harbour Trusts	731	14	745	162,135
Melbourne and Metropolitan				
Tramways Board	4,094	14	4,108	882,421
Melbourne University	259	143	402	102,772
Municipalities	7,161	4,750	11,911	2,027,843
Royal Mint	53	14	67	17,287
State Coal Mine, Wonthaggi	1,098	59	1,157	246,972
State Electricity Commission*	4,595	45	4,640	1,269,320
Water Supply and Sewerage				
Undertakings†—				
State Rivers and Water Supply				
Commission	366	2,004	2,370	461,244
Melbourne and Metropolitan				
Board of Works	525	1,320	1,845	504,192
Waterworks Trusts	114	438	552	47,297
Water Commissions and				
Sewerage Authorities	172	39	211	53,405
Total	61,246	24,323	85,569	18,330,635

* Including Tramway Services of Ballarat, Bendigo, and Geelong.

† Excluding waterworks controlled by Municipal Councils, particulars of which are incorporated with "Municipalities."

Surplus Revenue Expenditure. The total amount appropriated under Surplus Revenue Acts in various years was £2,936,307. At 30th June, 1935, the whole of this amount had been expended, £314,866 having been spent on capital purposes. Particulars of expenditure up to 30th June, 1928, are shown in the *Year-Book* for 1928-29, page 86. Expenditure in each of the following years was applied to the service of "Charitable Institutions" and was as follows:—1928-29, £1,062; 1929-30, £673; 1930-31, £2,472; 1931-32, £517; 1932-33, nil; 1933-34, £221; and 1934-35, £85.

Financial Emergency Legislation. The legislation calculated to restore financial stability to the Commonwealth and States, and to ensure a return to general prosperity had its origin in the Melbourne Financial Plan. This plan was formulated at a conference between Ministers of the Commonwealth and the States held in Melbourne in May, 1931. The conference agreed—(1) that a reduction of 20 per cent. be made, as compared with the year 1929-30, in all adjustable Government expenditure, (2) that the internal debts of the Commonwealth and the States be voluntarily converted on the basis of 22½ per cent. reduction of interest, (3) that additional revenue be secured by taxation, (4) that bank and savings bank rates of interest on deposits and advances be reduced, and (5) that relief be accorded in respect of private mortgages.

The principal legislative provisions made by Parliament to enable Victoria to fulfil the conditions of the agreement under the above-mentioned Plan particularly with reference to the public finance of the State have been shown in the various *Year-Books* from 1930-31 and onwards.

On the expiration of the *Financial Emergency (Amendment) Act 1935 No. 4304*, complete restoration of salaries was made to crown employees and non-contributory pensions were paid in full.

TAXATION.

INCOME TAX.

State Income Tax. An income tax was first imposed in Victoria in 1895, and, although originally fixed for a period of three years, it has, with certain amendments and alterations, been retained and continued from year to year until the present time. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding year, and are divided into two classes, viz. :—(1) those derived from personal exertion, and (2) those derived from property. The former consist of salaries, wages, stipends, fees, commissions, bonuses, pensions, superannuation or retiring allowances earned in or derived from Victoria, and all incomes arising or accruing from any profession, trade, or business carried on in Victoria; whilst the latter comprise incomes from all other sources. In computing the taxable income certain deductions are allowed from the assessable income, the principal of which are outgoings and losses incurred in the production of the income, statutory exemption and concessional

deductions. Particulars of the two last-mentioned deductions are given hereunder. Companies are taxed on full profits, but dividends to recipients are not taxable.

Particulars of Income Tax Assessments on incomes earned in each of the years 1930-31 to 1934-35 appear on page 284. The figures are not comparable unless the varying rates of tax imposed are taken into consideration. The rates applicable to incomes earned during 1930-31, 1931-32, 1932-33 and 1933-34 respectively appear in previous issues of the *Year-Book*.

Rates of Tax. The rates of tax on incomes earned during 1934-35, and information relating to deductions allowable, etc., are shown hereunder:—

On Taxable Income—	Rate of Tax per £1 of Taxable Income—Ordinary Income Tax.		
	Personal Exertion.	Pro- perty.	Companies.
Not exceeding £500 ..	<i>d.</i> 6	<i>d.</i> 12	On the income of a Mutual Life Assurance Company, with respect to its mutual life assurance business only, 12d. in the £1. On income from other business 21d. in the £1. On the income of Other Companies 21d. in the £1.
Exceeding £500—			
(First £500) £1 to £500 ..	7	14	
(Next £500) £501 to £1,000	8	16	
(Next £500) £1,001 to £1,500	9	18	
Balance, excess over £1,500..	10	20	

The minimum income of individuals subject to tax was £201. A general deduction of £200 is allowed on incomes between £201 and £500 after which it diminishes at the rate of £4 for every £1 of income over £500, and finally disappears at £550. No general deduction is allowed to companies. The following further deductions were granted to taxpayers whose incomes did not exceed £800 per annum:—£50 for the maintenance of his wife provided she had not an income of her own exceeding £100 per annum; £50 in respect of each child under 16 years of age; certain expenses during illness; life assurance premiums; friendly society contributions; superannuation payments; funeral and burial expenses not exceeding £20; and land tax rebates.

Dividends from any source and interest from State Savings Bank securities are not taxable.

Additional Tax. An additional tax at the undermentioned rates was imposed in the case of any person (not being a company) where the income, whether from personal exertion or the produce of property, or both, exceeded £800, viz:—

On incomes from	£801 to £1,000 ..	10	per cent. of amount of tax otherwise chargeable
„	„ £1,001 to £1,250 ..	12½	„ „ „
„	„ £1,251 to £2,200 ..	15	„ „ „
„	„ £2,201 to £5,000 ..	20	„ „ „
„	„ exceeding £5,000 ..	25	„ „ „

Further additional tax. A further additional tax in the case of any person (including a company) of $7\frac{1}{2}$ per cent. of the total amount of tax otherwise chargeable was also payable. Such further additional tax was not payable with respect to such income of a life assurance company as was subject to tax at the rate of 12d. in the £1.

Details of the complete assessments on incomes earned during each of the years 1930-31 to 1934-35 are given below :—

INCOME TAX ASSESSMENTS.

Heading.	On Incomes earned during—				
	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
Number of Assessments :					
Individuals ..	104,521	82,715	82,453	90,102	100,440
Companies ..	3,153	3,842	4,294	4,757	5,048
Total, Distinct Taxpayers ..	107,674	86,557	86,747	94,859	105,488
Taxable Incomes :	£	£	£	£	£
Individuals ..	21,426,500	18,209,473	18,326,048	20,974,085	22,231,249
Companies ..	11,075,799	10,685,257	12,266,537	14,144,806	15,467,440
Total ..	32,502,299	28,894,730	30,592,585	35,118,891	37,698,689
Tax payable :	£	£	£	£	£
Individuals ..	944,141	796,954	794,114	892,647	937,040
Companies ..	999,143	962,412	1,109,905	1,284,005	1,407,790
Total* ..	1,943,284	1,759,366	1,904,019	2,176,652	2,344,830
Per taxpayer :	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Individuals ..	9 0 8	9 12 8	9 12 7	9 18 2	9 6 7†
Companies ..	316 17 9	250 9 11	258 9 7	269 18 5	278 17 7
Average tax payable in the £ on taxable incomes by—	d.	d.	d.	d.	d.
Individuals ..	10·58	10·50	10·40	10·21	10·12
Companies ..	21·65	21·62	21·72	21·79	21·84

* For actual collections in the following financial year, see page 294.

† The average amount of tax payable per individual taxpayer with taxable income not exceeding £500 was £2 11s. 1d.; in the case of those with taxable incomes exceeding £500 the average amount was £55 16s. 7d.

The total net incomes of taxpayers who were assessed to pay tax on account of incomes earned during 1934-35, amounted to £55,084,117, but, as 85,737 taxpayers were allowed the £200 exemption,

equalling £17,147,400, and 2,261 taxpayers on grades of income between £301 and £550 were allowed exemption to the amount of £238,028, the amount available for taxation was £37,698,689.

The total number of individuals and companies who were taxed on incomes earned during 1934-35 is detailed, under specified grades of taxable income, in the following table:—

TOTAL NUMBER OF TAXPAYERS (1934-35 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
£	No.	No.	No.	No.	No.	No.
Not exceeding 100	56,287	4,016	252	60,555	1,467	62,022
101 to 200	15,292	1,736	423	17,451	513	17,964
201 - 350	6,815	988	433	8,236	558	8,794
351 - 500	1,051	168	202	1,421	337	1,758
501 - 700	1,933	622	1,831	4,386	310	4,696
701 - 1,000	1,453	522	1,572	3,547	292	3,839
1,001 - 1,200	597	183	644	1,424	130	1,554
1,201 - 1,500	472	158	591	1,221	190	1,411
1,501 - 2,000	396	101	503	1,000	201	1,201
2,001 - 2,400	149	40	207	396	114	510
2,401 - 3,000	111	30	189	330	150	480
3,001 - 4,000	80	27	151	258	166	424
4,001 - 5,000	32	5	52	89	111	200
5,001 - 6,000	12	3	24	39	77	116
6,001 - 7,400	12	3	16	31	101	132
7,401 and over ..	22	6	28	56	331	387
Total ..	84,714	8,608	7,118	100,440	5,048	105,488

In the succeeding statement particulars of the sources of taxable incomes earned during 1934-35 are arranged in order of groups of taxable incomes:—

TAXABLE INCOMES (1934-35 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
	£	£	£	£	£	£
Not exceeding 100	2,143,272	177,180	15,233	2,335,685	55,455	2,391,140
101 to 200	2,177,548	251,285	63,893	2,492,726	74,334	2,567,060
201 -- 350	1,696,806	247,219	111,416	2,055,441	152,365	2,207,806
351 -- 500	444,859	71,575	86,895	603,329	142,009	745,338
501 -- 700	1,168,774	380,253	1,114,034	2,663,061	183,479	2,846,540
701 -- 1,000	1,247,165	437,912	1,334,344	3,019,421	244,002	3,263,423
1,001 -- 1,200	653,882	199,208	702,106	1,555,196	143,171	1,698,367
1,201 -- 1,500	627,999	210,143	788,676	1,626,818	256,526	1,883,344
1,501 -- 2,000	680,763	173,474	864,881	1,719,118	347,575	2,066,993
2,001 -- 2,400	327,457	87,912	449,567	864,936	251,107	1,116,043
2,401 -- 3,000	295,122	79,265	504,396	878,783	402,814	1,281,097
3,001 -- 4,000	273,866	92,179	515,618	881,663	569,873	1,451,536
4,001 -- 5,000	138,861	22,762	230,601	392,224	491,928	884,152
5,001 -- 6,000	64,150	15,358	132,563	212,071	422,022	634,093
6,001 -- 7,400	79,654	19,469	107,440	206,563	673,841	880,404
7,401 and over ..	253,813	76,257	394,144	724,214	11,057,139	11,781,353
Total ..	12,273,991	2,541,451	7,415,807	22,231,249	15,467,440	37,698,689

The complete figures relating to the tax payable on incomes earned during 1934-35 are set out hereunder:—

TAX PAYABLE (1934-35 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
	£	£	£	£	£	£
Not exceeding 100	58,298	9,519	594	68,411	5,226	73,637
101 to 200	57,929	13,495	2,414	73,838	7,008	80,846
201 -- 350	45,276	13,279	4,170	62,725	14,331	77,056
351 -- 500	11,888	3,834	3,041	18,758	13,358	32,116
501 -- 700	37,554	24,480	42,505	104,539	17,258	121,797
701 -- 1,000	44,703	30,973	56,708	132,384	22,956	155,340
1,001 -- 1,200	25,057	15,301	31,566	71,924	13,466	85,390
1,201 -- 1,500	25,323	16,975	37,425	79,723	24,129	103,852
1,501 -- 2,000	28,768	14,749	41,466	84,983	32,721	117,704
2,001 -- 2,400	14,751	7,966	22,984	45,701	23,620	69,321
2,401 -- 3,000	14,075	7,553	26,808	48,437	37,815	86,252
3,001 -- 4,000	13,377	9,038	27,977	50,391	53,541	103,932
4,001 -- 5,000	6,876	2,236	13,180	22,342	46,271	68,613
5,001 -- 6,000	3,391	1,619	8,118	13,128	39,695	52,823
6,001 -- 7,400	4,213	2,079	6,236	12,578	63,383	75,961
7,401 and over ..	13,839	8,338	25,001	47,178	993,012	1,040,190
Total ..	405,313	181,484	350,243	937,040	1,407,790	2,344,830

SPECIAL TAX.

Special Tax. Income earned by any person (other than a company) in 1934-35 was subject also to a Special Tax. The minimum taxable income was £101. The deductions allowable for Ordinary Income Tax which are shown on page 283 were not allowable in calculating the taxable income for this tax. Dividends from any source were subject to, but interest from State Savings Bank Securities was free from tax. The rates of the Special Tax were as follows:—

Where the Taxable Income—						The Rate per £100 was—
Exceeded	£100	but did not exceed	£1,000	..	..	<i>s. d.</i> 6 0
..	£1,000	..	£1,250	..	..	7 0
..	£1,250	..	£1,750	..	..	8 0
..	£1,750	..	£2,000	..	..	9 0
..	£2,000	..	£2,500	..	..	11 0
..	£2,500	..	..	..	..	12 6

The total amounts of Special Tax assessed on incomes earned during 1931-32, 1932-33, 1933-34 and 1934-35 respectively were £272,542 £284,916, £312,367 and £351,377.

UNEMPLOYMENT RELIEF TAX.

During the year 1930 there was a serious increase in unemployment. In order to relieve the distress which arose therefrom legislation was passed by Parliament for the raising of moneys by special taxation for the purpose of providing employment on relief works and sustenance for unemployed workers and their dependants.

The first legislative provisions made for the relief of unemployment are embodied in the *Unemployment Relief Act 1930* (No. 3866) and the *Stamps (Unemployment Relief) Act 1930* (No. 3868). As a result of the continuance of unemployment amending and continuing legislation to provide relief has been necessary. The principal provisions

**ANALYSIS OF UNEMPLOYMENT RELIEF TAX ASSESSMENTS
ON INCOMES EARNED DURING 1933-34 AND 1934-35
RESPECTIVELY.**

Taxable Incomes.	1933-34.			1934-35.		
	Number.	Taxable Income.	Tax Payable.	Number.	Taxable Income.	Tax Payable.
		£	£		£	£
Not exceeding 100	96,014	7,368,183	31,412	99,079	7,596,500	32,396
101 to 200	189,525	28,094,890	316,253	193,932	28,730,092	323,565
201 " 350	131,042	33,019,415	465,609	147,305	37,147,505	524,164
351 " 500	25,888	10,640,760	163,904	28,161	11,563,165	177,899
501 " 700	10,975	6,379,583	110,017	11,783	6,869,429	118,386
701 " 1,000	5,676	4,671,404	92,604	6,003	4,940,002	97,876
1,001 " 1,200	1,708	1,866,961	42,932	1,809	1,970,645	45,194
1,201 " 1,500	1,487	1,983,200	51,786	1,655	2,205,233	57,458
1,501 " 2,000	1,202	2,073,043	64,549	1,339	2,311,450	71,941
2,001 " 2,400	560	1,223,523	44,999	598	1,307,152	48,268
2,401 " 3,000	448	1,194,203	52,952	498	1,325,212	58,682
3,001 " 4,000	349	1,193,427	59,812	397	1,355,832	68,008
4,001 " 5,000	189	834,091	41,972	197	867,959	43,607
5,001 " 6,000	106	585,529	29,475	99	541,660	27,257
6,001 " 7,400	57	376,668	18,997	67	443,217	22,273
7,401 and over ..	114	1,460,627	73,546	182	3,857,653	194,094
Total ..	465,340	102,965,507	1,660,819	493,104	113,032,706	1,911,068

**UNEMPLOYMENT RELIEF TAX ASSESSMENTS,
1930-31 TO 1934-35.***

On Income Earned in Year.	Number.	Taxable Income.	Tax Payable.
		£	£
1930-31	240,718	64,335,779	1,340,741
1931-32	433,292	92,535,275	1,514,642
1932-33	445,089	95,631,752	1,492,286
1933-34	465,340	102,965,507	1,660,819
1934-35	493,104	113,032,706	1,911,068

* The tax on salaries and wages of not more than £6 per week was not collected by assessment for 1930-31, but by deduction from wages.

In comparing the annual particulars of assessments of Unemployment Relief Tax given in the above statement, it is necessary to take into account the rates of tax applicable during each year.

PAYMENT OF TAXES BY INSTALMENTS.

In November, 1932, there was established a system having for its object the assisting of taxpayers in the payment of their taxes. This is achieved by means of regular deductions from the salaries and wages of those who constitute the majority of taxpayers and are the classes most requiring assistance of this character.

Deductions are made by the employer upon the following scale :—

Weekly Rate of Payment.	Rate of Deduction.*
Exceeds £2 but not exceeding £4	3d. per £1 or fraction over 10s.
" 4 " " " 6	4d. " " " "
" 6 " " " 8	6d. " " " "
" 8 " " " 10	8d. " " " "
" 10 " " " 12	9d. " " " "
" 12	1s. " " " "

* This amended scale of deductions became operative on 2nd September, 1936.

The employer upon making the deduction hands to the employee special Tax Instalment Stamps to the value of the deduction made. The employee must keep his stamps in a special booklet, and after he has received his assessment notice, which issues in the usual way, he produces his Tax Instalment Stamps, which are credited in payment or part payment of his taxes. If the value of the stamps is in excess of his taxes he receives an immediate cash refund, but if insufficient he is required to pay the difference in cash.

The general public, apart from salary and wage earners, may also participate in the system for they may at any time purchase Tax Instalment Stamps, which will be treated as cash when their taxes fall due for payment in the ordinary course.

COMMONWEALTH INCOME TAX.

Commonwealth Income Tax. In addition to the State Income Tax there is a Commonwealth Income Tax, which was first imposed on incomes earned in the financial year 1914-15. The tax collected throughout Australia by the Commonwealth Government, in the years 1934-35 and 1935-36, amounted to £8,761,619 and £8,775,562 respectively.

LAND TAX.

State Land Tax. The State Land Tax Act of 1928 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might in ordinary circumstances be expected to require, and assuming that the improvements (if any) had not been made. The nature of the

taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act, at a rate declared for each year by Act of Parliament. Prior to 1923 the rate of tax was one halfpenny on every pound sterling of the unimproved value of all land having an unimproved value exceeding £250, but since the year mentioned an increased amount has been payable—a super-tax of 5 per cent. having been added to the old rate. No tax is chargeable when the total unimproved value of all lands owned does not exceed £250. Where the assessed unimproved value exceeds the amount of exemption (£250) the exemption diminishes at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds £500.

An analysis, in specified groups of estates, of the 1936 Land Tax assessments based on unimproved values as at 31st December, 1935, is given hereunder.

ANALYSIS OF LAND TAX ASSESSMENTS, 1936.

Unimproved Values of Estates ranging between—	Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	No.	£	£
1 and 500 ..	63,785	22,919,661	30,773
501 and 600 ..	12,655	7,013,743	15,092
601 and 750 ..	12,980	8,761,918	18,787
751 and 1,000 ..	14,776	12,860,093	27,538
1,001 and 1,250 ..	9,398	10,545,709	22,587
1,251 and 1,500 ..	7,119	9,772,293	20,947
1,501 and 2,000 ..	9,669	16,794,294	36,067
2,001 and 3,500 ..	13,868	36,467,760	78,578
3,501 and 5,000 ..	5,786	24,041,890	52,061
5,001 and 6,000 ..	1,884	10,291,548	22,311
6,001 and 7,000 ..	1,156	7,476,395	16,175
7,001 and 8,000 ..	782	5,841,279	12,649
8,001 and 9,000 ..	498	4,222,641	9,161
9,001 and 10,000 ..	346	3,275,518	7,149
10,001 and 15,000 ..	1,000	12,102,465	26,230
15,001 and 20,000 ..	410	7,119,081	15,554
20,001 and 25,000 ..	205	4,557,693	9,971
25,001 and 30,000 ..	129	3,532,957	7,729
30,001 and 35,000 ..	108	3,538,644	7,737
35,001 and 40,000 ..	64	2,397,946	5,245
40,001 and 50,000 ..	113	5,033,037	10,910
50,001 and 75,000 ..	88	5,268,355	11,521
75,001 and 100,000 ..	55	4,743,261	10,350
100,001 and 150,000 ..	28	3,409,228	7,336
150,001 and 200,000 ..	6	985,172	2,155
200,001 and over ..	22	6,049,611	13,219
Total	156,930	239,022,192	497,832

In the succeeding statement details are shown relating to the assessments made during the years 1932 to 1936.

LAND TAX ASSESSMENTS, 1932 TO 1936.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
	No.	£	£ s. d.	£
1932	158,616	527,929	3 6 7	252,557,652
1933	159,076	513,959	3 4 7	246,787,493
1934	156,278	503,129	3 4 5	242,980,860
1935	156,827	501,441	3 3 11	241,242,265
1936	156,930	497,832	3 3 5	239,022,192

Commonwealth Land Tax. In addition to the State Land Tax there is also a Commonwealth Land Tax—assented to on 17th November, 1910—levied on the lands of the State. Particulars of assessments, etc., for Victoria, given in the table hereunder, have been extracted from the report of the Federal Commissioner of Taxation. It should be noted that resident landowners whose property does not exceed the unimproved value of £5,000 are exempted from the payment of this tax.

Year Ended 30th June—	Victorian Returns Assessed.*	Central Office Assessments.†	Unimproved Value Assessed by Department.	Tax Payable.
	No.	No.	£	£
1932	8,358	1,795	98,719,383	800,646
1933	7,729	1,587	91,836,074	502,121
1934	7,231	1,611	86,710,216	349,890
1935	7,253	1,703	85,763,202	353,798

* Including absentee returns on which tax was payable as follows:—1931-32, 294, £10,403; 1932-33, 290, £6,198; 1933-34, 279, £4,630; and 1934-35, 281, £5,418.

† Includes the Victorian interests of those who owned land in more than one State.

PROBATE DUTIES.

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

Part 1.—Where bequests to persons other than widow, children, and grand-children do not exceed £200, no duty is payable, but duty becomes payable at a rate of $1\frac{1}{2}$ per cent. on estates over £200 and not exceeding £300. The rate rises gradually thereafter until it reaches 10 per cent. on estates over £20,000.

Part 2.—There is no duty payable on bequests to widow, children, and grand-children where the estate is under £500. The rate of duty commences at 2 per cent. on estates of over £500 and not exceeding £1,000 and gradually increases until it reaches 10 per cent. on estates over £100,000. Under this Part half rates apply when the total net value of the estate is over £500 but does not exceed £2,000.

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

Duty on settlements on strangers in blood is rateable at 10 per cent.

Additional Duty.—On all statements filed on and after 23rd October, 1930, an additional amount of 21 per cent. on the duty otherwise chargeable, is payable.

The total amounts of probate duty assessed for the years 1933–34, 1934–35 and 1935–36 were £1,138,659, £1,123,556 and £1,438,316 respectively.

Commonwealth Estate Duty. In addition to those levied under the Victorian law the Commonwealth Government also levies probate and succession duties. The amount of duty payable for the Commonwealth in each of the years, 1932–33, 1933–34 and 1934–35 was £1,283,848, £1,477,170 and £1,454,450 respectively.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

Commonwealth, State, and Municipal Taxation. The following table shows in detail, for each of the last five financial years, the amount of taxation collected in Victoria by the Commonwealth and State Governments, and by the Municipalities.

**TAXATION IN VICTORIA—COMMONWEALTH, STATE, AND
MUNICIPAL, 1931-32 TO 1935-36.**

Heads of Taxation.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
Total Commonwealth Taxation in Victoria*	£ 14,854,000	£ 15,427,000	£ 15,497,000	£ 16,100,000	£ 17,372,000
State—					
Income Tax ..	2,061,561	2,117,000	2,329,629	2,603,512	2,759,324
Land Tax ..	497,609	503,752	535,947	494,593	494,293
Probate Duty ..	1,014,669	1,164,200	1,143,330	1,124,933	1,340,701
Unemployment Relief—					
Direct ..	999,814	1,799,212	1,652,997	1,694,571	1,979,153
Stamp Duty ..	650,678	18,336	..	..	..
Entertainments Tax	159,719	194,621	201,792	228,195	238,456
Racing Taxation	212,375	293,933	313,364	319,389	340,531
Other Stamp Duties	649,578	725,834	733,054	826,056	858,731
Motor Car and Motor Omnibus Acts †	1,124,362	1,222,684	1,280,878	1,403,134	1,592,880
Liquor Licences, &c.	270,076	179,722	184,093	192,682	203,602
Other Licences ..	77,650	81,366	86,860	85,387	88,272
Duties on Bank Notes	1,603	534	..	..	..
Other Taxation ..	..	..	..	21,266	24,750
Total State Taxation ..	7,719,694	8,301,194	8,461,944	8,993,718	9,920,693
Municipal Taxation ..	3,694,090	3,607,872	3,539,425	3,560,375	‡
Total Taxation	26,267,784	27,336,066	27,468,369	28,654,093	‡

* Estimated.—See note on next page.

† See footnote on page 277.

‡ Not available.

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

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION
IN VICTORIA PER HEAD OF POPULATION,
1931-32 TO 1935-36

Authority	Taxation per Head of Population in Victoria.				
	1931-32	1932-33	1933-34.	1934-35.	1935-36.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	8 4 8	8 10 0	8 9 6	8 15 4	9 8 6
State	4 5 7	4 11 6	4 12 9	4 17 11	5 7 8
Municipal	2 0 11	1 19 9	1 18 9	1 18 9	†
Total	14 11 2	15 1 3	15 1 0	15 12 0	†

* Average taxation per head collected by the Commonwealth Government on account of taxation derived from the following sources:—Customs, Excise, Probate and Succession Duties, Income, Land, Sales, Flour, Entertainment, and War Time Profits Taxes. † Not available.

TAXATION COLLECTIONS—AUSTRALIAN STATES.

In the following table particulars of taxation collections in each of the Australian States are given for the last five years. The amounts shown are inclusive of all taxation whether paid into Consolidated Revenue or not.

STATE TAXATION COLLECTIONS—TOTAL AND PER HEAD
OF POPULATION, 1931-32 TO 1935-36.

Year.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total All States.
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TOTAL COLLECTIONS.

	£	£	£	£	£	£	£
1931-32 ..	14,855,306	7,719,694	4,761,880	3,076,374	1,439,559	905,715	32,758,528
1932-33 ..	18,052,914	8,301,194	5,661,151	2,733,445	1,573,451	1,003,454	37,325,609
1933-34 ..	14,198,932	8,461,944	5,846,301	2,925,106	1,835,829	1,132,889	34,401,001
1934-35 ..	13,964,226	8,093,718	6,546,268	3,267,099	2,436,076	1,227,328	36,434,710
1935-36 ..	16,289,722	9,920,693	7,323,028	3,267,389	2,762,735	1,418,256	40,981,823

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1931-32 ..	5 15 9	4 5 7	5 2 4	5 6 8	3 6 5	4 0 2	5 0 2
1932-33 ..	6 19 4	4 11 6	6 0 4	4 14 4	3 12 0	4 8 0	5 13 3
1933-34 ..	5 8 8	4 12 9	6 3 0	5 0 5	4 3 4	4 18 11	5 3 7
1934-35 ..	5 6 0	4 17 11	6 16 3	5 11 11	5 9 11	5 7 1	5 8 11
1935-36 ..	6 2 8	5 7 8	7 10 8	5 11 6	6 3 5	6 3 2	6 1 8

TAXATION FOR FINANCIAL YEAR, 1936-37.

**Income Tax
on 1935-36
Incomes.**

The *Income Tax (Assessment) Act* 1936 (No. 4400) fixed the rates of income tax on incomes earned during the year ended 30th June, 1936. Several changes were made in regard to statutory exemption and concessional deductions. The rates were the same as those applicable to the incomes of the previous year—shown on pages 283 and 284 of this issue—with the exception that the tax payable by Companies (other than Mutual Life Assurance Companies) in respect of interest paid or credited to persons non-resident in Australia, on account of money secured or invested in Victoria was fixed at fourteen pence in the pound plus $7\frac{1}{2}$ per cent. additional tax.

**Special
Income Tax
on 1935-36
Incomes.**

The above-mentioned Act made provision also for the continuation of the Special Tax. The minimum taxable income was raised from £101 to £105. The rates of tax remained unchanged. They are shown on page 287 of this *Year-Book*.

**Unemployment
Relief
Taxation
on 1935-36
Incomes.**

The *Unemployment Relief Tax (Rates) Act* 1936 (No. 4412) fixed the rates of unemployment relief taxation on incomes earned in the year ended 30th June, 1936. Under the new schedule the minimum taxable income group was "Not less than £105 but not amounting to £208." The tax payable on this group was twenty shillings and seven pence per £100. The scale of rates of tax rose gradually to the maximum group "Exceeds £3,000," on which ninety shillings and seven pence per £100 was the rate payable.

PENSIONS AND GRATUITIES.

**Pension and
Superannua-
tion Schemes
in force.**

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

**Cost of
Pensions and
Gratuities.**

During the year 1935-36, the Government expended a sum of £1,045,997 on pensions, gratuities, etc. Of this amount, £282,110 was spent on pensions of a non-contributory nature. The remainder represents payments from State revenue to the Police Superannuation Fund, the Police Pensions Fund, and the Superannuation Fund. The following table gives details of the Government expenditure on pensions for each of the last five years.

**GOVERNMENT EXPENDITURE ON PENSIONS,
GRATUITIES, ETC., 1931-32 TO 1935-36.**

Heading.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
	£	£	£	£	£
Non-contributory Pensions, &c.—					
Railways	159,052	147,199	135,349	127,672	133,537
Lunacy	1,221	1,104	898	744	653
County Court Judges ..	167	..	313	1,250	2,188
Civil Service	14,602	13,422	12,361	11,559	10,882
Public Service	141,044	129,929	121,876	117,157	117,538
Education Department } Officers transferred to Commonwealth Service	17,500	23,500	20,000	14,000	14,499
Various Allowances ..	1,676	1,487	1,379	1,424	1,335
Compensations and Gratuities	107	91	659	681	1,478
Total Non-contributory Pensions, Gratuities, &c.	335,369	316,732	292,835	274,487	282,110
Police Superannuation Fund—					
Government Subsidy ..	78,759	65,590	65,026	75,050	79,173
Transferred from Licen- sing Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	10,342	13,158	11,239	9,637	10,939
Total	112,101	101,748	99,265	107,687	113,112
Police Pensions Fund ..	82,800	84,600	87,600	90,900	95,000
The Superannuation Fund—					
Railways	265,848	270,773	290,035	323,293	356,571
Other	122,014	127,152	148,660	171,648	199,204
Total	387,862	397,925	438,695	494,941	555,775
GRAND TOTAL ..	918,132	901,005	918,395	968,015	1,045,997

This fund is maintained by an annual subsidy of £2,000 from the Consolidated Revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by a deduction, not exceeding 2½ per cent., from the pay of the members of the Police Force entitled to pensions; by transfers from the Licensing Fund under the provisions of Act No. 3717; and, should the foregoing sources prove insufficient, by a further grant in aid from the Consolidated Revenue.

**Police
Superannuation
Fund.**

During the year 1935-36 the total receipts of the fund amounted to £113,749, consisting of £113,112 from Government Revenue as shown in the preceding table, and £637 from members of the Force. Payments out of the Fund amounted to £113,749 (£111,935 for pensions and £1,814 for gratuities).

Pensions are payable out of this fund only to those members of the Police Force who joined it prior to the 25th November, 1902.

This Act, which came into operation on 1st January, 1924, provides for pensions to those members of the Police Force who have joined it since 25th November, 1902, as well as to persons who may enter the Force in the future. Details of the principal provisions of the Act appear in the *Year-Book* for 1928-29, page 100.

The receipts of the Police Pensions Fund (established under this Act) during 1935-36 amounted to £150,820 as follows:—Deductions from pay, £14,978; special appropriation, £95,000, and interest on investments, £40,842. During the year £7,043 was paid in pensions, £602 in gratuities, and deductions of pay returned amounted to £637. There was a balance of £1,178,699 at 30th June, 1936, of which £1,169,688 was invested.

On 24th November, 1925, legislation was enacted by the State Parliament, making provision on a contributory basis for superannuation benefits for public servants and railway employees. The contributions of officers, the amounts received from the Government, and income from investments are paid into the Superannuation Fund and the benefits provided by the Act are paid therefrom. Act No. 3782 of 1928 consolidated previous legislation in this regard and several important amendments have been made since. Reference to this amending legislation has appeared in the *Year-Book* of 1928-29 and subsequent issues.

During the year 1935-36, the receipts of the Superannuation Fund amounted to £1,032,142, consisting of contributions from officers, £331,065; from Consolidated Revenue, £551,927; interest on investments, £148,653; and other receipts, £497. The total of the payments from the Fund during the year was £683,141. The amount paid in pensions was £634,504; in refund of contributions, £24,407; endowment assurances matured, £23,417; and in other expenditure, £813. The balance in the Fund at 30th June, 1936, was £3,877,570, of which £3,815,585 was invested.

In the year 1935-36, an amount of £4,405 was paid out of the Port Phillip Pilot Sick and Superannuation Fund. Expenditure on pensions amounted to £4,326; Sick Allowances, £54; and other expenditure, £25. This fund does not receive contributions from the Government. It is maintained by deductions from pilots' earnings and the annual income derived from investment of the moneys belonging to the fund.

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

The Superannuation Fund.

Port Phillip Pilot Fund.

EXPENDITURE ON EDUCATION.

During the year 1935-36 the State expended on education generally the sum of £2,950,973. This amount includes expenditure from loan moneys and the cost of pensions and gratuities, but excludes the interest paid by the State on loans for educational purposes, particulars of which are not now obtainable. The expenditure on education in each of the last five years, as detailed in the report of the Minister of Public Instruction, was as follows:—

STATE EXPENDITURE ON EDUCATION, 1931-32 TO 1935-36.

Expenditure on—	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
	£	£	£	£	£
Education—					
Primary (including Special Subjects) ..	1,654,018	1,660,924	1,669,617	1,726,940	1,841,691
Intermediate	90,446	91,027	89,173	92,996	95,016
Secondary	203,603	196,834	191,466	194,170	212,583
Training of Teachers ..	40,927	27,319	20,375	18,681	20,008
Administration	66,804	65,695	65,250	66,176	70,196
Buildings and Land (Schools)	43,818	51,947	94,850	104,591	132,744
Pensions	151,900	146,724	148,538	154,006	167,317
Technical Education—					
Junior and Senior Schools	258,939	229,753	235,998	253,864	280,867
Buildings	1,925	1,888	3,602	2,251	22,511
University—					
Special Appropriations.					
&c.	52,800	52,800	46,000	50,800	51,300
Scholarships	6,480	6,440	6,320	7,944	6,740
Buildings, Apparatus,					
&c. .. ..	..	..	..	..	50,000†
Total*	2,571,660	2,531,351	2,571,189	2,672,419	2,950,973
Per head of population ..	£ s. d. 1 8 6	£ s. d. 1 7 11	£ s. d. 1 8 2	£ s. d. 1 9 1	£ s. d. 1 12 0

* Excluding expenditure on Bacteriological Laboratory Services, viz.:—1931-32, £2,800; 1932-33, £2,800; 1933-34, £2,800; 1934-35, £2,800; 1935-36, £3,400.

† Unemployment Relief Loan.

In addition to the expenditure shown in the preceding table, fees, donations, &c., amounting to £37,273 in 1931-32; £37,753 in 1932-33; £45,272 in 1933-34; £50,603 in 1934-35; and £60,013 in 1935-36 were retained and expended by the various technical school councils.

The foregoing statement deals with expenditure by the State on education generally, but in the two following tables an effort has been made to account for the expenditure incurred in connexion with primary

and secondary education of the State Schools only (excluding amount expended on technical education). Owing to the difficulty in apportioning the items of expenditure, training of teachers, administration, &c., such items are slightly overstated.

EXPENDITURE IN CONNEXION WITH PRIMARY AND SECONDARY EDUCATION OF STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS), 1931-32 TO 1935-36.

Expenditure on—	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
Education :—	f	£	£	£	£
Primary—					
Day Schools, including Central Schools ..	1,620,559	1,627,581	1,635,807	1,689,352	1,806,647
Schools for Deaf Mutes and Blind and Feeble-minded Children ..	6,932	7,134	7,587	8,224	6,039
Subsidized Schools ..	174	183	251	287	300
Free Kindergarten Union ..	2,250	2,250	2,250	2,250	2,250
Special Subjects—					
Physical Training ..	1,037	932	2,312	3,773	1,777
Medical Inspection ..	13,996	13,995	13,661	13,738	14,970
Dressmaking and Needlework ..	5,996	5,993	4,927	6,410	6,710
School Gardening and Plantations ..	2,351	2,120	2,083	2,062	2,008
Singing ..	723	736	739	844	990
Total Primary ..	1,654,018	1,660,924	1,669,617	1,726,940	1,841,691
Intermediate—					
Higher Elementary Schools ..	50,721	50,744	48,650	49,620	49,075
Evening Continuation Classes ..	49	31	23	65	145
Schools of Domestic Arts ..	39,676	40,252	40,500	43,311	45,706
Total Intermediate ..	90,446	91,027	89,173	92,996	95,016
Secondary*—					
High Schools† ..	196,414	191,370	186,600	190,193	206,166
Scholarships ..	7,189	5,464	4,866	3,977	6,417
Total Secondary ..	203,603	196,834	191,466	194,170	212,583
Training of Teachers ..	40,927	27,319	20,375	18,681	20,008
Administration ..	66,804	65,695	65,250	66,176	70,196
Buildings—					
Primary Schools ..	33,022	41,442	34,068	39,397	116,992
Primary Schools (expended by School Committees) ..	4,820	4,320	5,027	5,095	5,103
Rents ..	3,184	2,939	3,054	3,040	3,576
Higher Elementary Schools ..	59	109	274	14	17
Domestic Arts Schools, etc. ..	21	24	37	38	49
High Schools ..	2,712	3,113	2,390	7,007	7,008
Total Buildings ..	43,818	51,947	94,850	104,591	132,744
Pensions ..	151,000	146,724	148,538	154,006	167,317
Total ..	2,251,516	2,240,470	2,279,269	2,357,560	2,539,555

* Including Manual Training.

† Including Refund of Tuition Fees, £57 in 1933-34; £115 in 1934-35 and £142 in 1935-36.

The following return summarizes the expenditure and revenue connected with primary and secondary education of the Victorian State Schools (excluding technical schools), and shows the cost per scholar in average attendance for each of the last five years :—

COST OF PRIMARY AND SECONDARY EDUCATION OF VICTORIAN STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS), 1931-32 TO 1935-36.

Year.	Expenditure by the State.*	Revenue of the Education Department.	Net Expenditure.	Number of Scholars—Average Attendance †	Cost per Scholar to the State
	£	£	£	No.	£ s. d.
1931-32 ..	2,251,516	62,126	2,189,390	209,968	10 8 7
1932-33 ..	2,240,470	88,765	2,151,705	211,034	10 3 11
1933-34 ..	2,279,269	85,733	2,193,536	210,454	10 8 5
1934-35 ..	2,357,560	89,857	2,267,703	204,315	11 2 0
1935-36 ..	2,539,555	71,715	2,467,840	202,416	12 3 10

* Excluding interest paid by the State on loans for educational purposes, particulars of which are not obtainable. † Excluding Junior and Senior Technical Schools.

STATE AND LOCAL REVENUE AND EXPENDITURE

State and Local Finance.

In the following statements ordinary revenue and expenditure and loan expenditure of the State Government, the Municipalities and certain other Local Bodies in Victoria have been combined for each of the five years 1930-31 to 1934-35. Amounts received by one body from another have been excluded from the statement.

STATE AND LOCAL REVENUE AND EXPENDITURE, 1931 TO 1935.

Heading.	Financial Year ended in—				
	1931.	1932.	1933.	1934.	1935.
<i>Revenue.</i>	£	£	£	£	£
State Government ..	25,374,866	24,356,465	24,686,678	24,550,058	25,569,678
Municipal ..	6,198,906	5,920,695	5,974,276	6,224,199	6,306,494
Other Local Authorities—					
Harbor Trusts ..	476,311	563,431	632,257	696,105	786,547
Melbourne and Metropolitan Board of Works	1,767,186	1,733,952	1,703,700	1,677,075	1,684,830
Melbourne and Metropolitan Tramways Board	2,060,498	1,916,071	1,929,739	1,959,547	2,031,656
Fire Brigades					
Boards ..	118,948	99,802	97,298	98,180	101,484
Other* ..	241,482	242,793	254,091	435,215	451,438
Total ..	36,238,197	34,833,209	35,278,039	35,640,379	36,932,127

* See footnote on next page.

STATE AND LOCAL REVENUE AND EXPENDITURE, 1931 TO 1935
—continued.

Heading.	Financial Year ended in—				
	1931.	1932.	1933.	1934.	1935
<i>Ordinary Expenditure.</i>	£	£	£	£	£
State Government ..	27,829,064	25,964,788	25,528,179	25,319,298	25,720,875
Municipal ..	6,188,195	5,607,803	5,800,601	6,073,579	6,157,650
Other Local Authorities—					
Harbor Trusts ..	587,240	561,124	622,435	691,975	773,544
Melbourne and Metropolitan Board of Works	1,835,907	1,796,961	1,788,838	1,771,124	1,773,529
Melbourne and Metropolitan Tramways Board	2,265,126	2,064,241	2,014,957	2,022,755	2,061,094
Fire Brigades Boards ..	113,051	97,285	96,108	94,188	97,200
Other* ..	247,815	244,267	244,074	487,916	433,287
Total ..	39,066,398	36,336,469	36,095,192	36,460,835	37,017,179
<i>Loan Expenditure.</i>					
State Government ..	3,552,767	2,042,043	2,852,556	2,808,738	2,688,521
Municipal ..	791,796	251,937	170,763	362,990	591,555
Other Local Authorities—					
Harbor Trusts ..	330,408	140,175	113,240	143,963	145,847
Melbourne and Metropolitan Board of Works	881,992	189,401	201,784	318,435	391,732
Melbourne and Metropolitan Tramways Board	336,157	97,672	98,625	130,078	167,501
Fire Brigades Boards ..	18,260	3,950	511	8,378	3,197
Other* ..	55,755	36,713	36,608	61,081	35,561
Total ..	5,967,135	2,761,891	3,474,087	3,833,663	4,023,914
Per Head of Population—					
Revenue ..	£ s. d. 20 4 3	£ s. d. 19 6 2	£ s. d. 19 8 9	£ s. d. 19 8 8	£ s. d. 20 2 3
Ordinary Expenditure ..	21 15 10	20 2 10	19 17 9	19 19 7	20 3 2
Loan Expenditure	3 6 7	1 10 7	1 18 3	2 2 0	2 3 10

* Ballarat Water Commission and Sewerage Authority; Bendigo Sewerage Authority; Geelong Waterworks and Sewerage Trust and the First Mildura Irrigation Trust. The Mildura Sewerage Authority and Colac Sewerage Authority added in 1933, and the following added in 1934:—Echuca Sewerage Authority, Horsham Sewerage Authority, Kerang Sewerage Authority, Mildura Urban Water Trust, Swan Hill Sewerage Authority, Wangaratta Sewerage Authority, Warrnambool Sewerage Authority, and 106 Waterworks Trusts (*Water Act 1928*). Bairnsdale Sewerage Authority added in 1935.

PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1936.

LOANS RAISED AND REDEEMED TO 30th JUNE, 1936

	£
Cash received	683,183,456
Discount and expenses, after deducting premiums	5,566,033
Securities issued	688,749,489
Add liability to Commonwealth for Treasury Bills issued for revenue purposes	3,695,000
„ liability to Commonwealth on account of flotation in course	1,265,590
	693,710,079
Loans redeemed by—	£
Renewal Loans	485,951,753
National Debt Sinking Fund	6,392,764
Other Funds	24,062,803
Discount (securities purchased under par)	83,514
Liability transferred to Commonwealth Government Act No. 4246	2,160,960
	518,651,794
Loans outstanding as at 30th June, 1936	175,058,285

It will be seen that, upon the transactions to 30th June, 1936 (excluding the advances, &c., referred to above), securities representing £688,748,489 were issued, and that the amount of cash received was £683,183,456. The State thus received £99 3s. 10d. in cash for every £100 bond given.

The following table gives particulars relating to the loans raised in London, New York, and Melbourne, and shows the amounts which were outstanding at 30th June, 1936 :—

LOANS FLOATED TO 30th JUNE, 1936.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid Off (including Renewal Loans).	Debt Outstanding at 30th June, 1936.			
			Inscribed Stock.	Debentures.	Total Payable in—	
					London.	Australia.
	£	£	£	£	£	£
London Register	247,737,990*	180,280,308	34,784,833	33,169,179	67,457,682	496,330†
Melbourne Register	441,011,499	338,371,486	101,933,875	209,808	..	102,143,683
Total	688,749,489	518,651,794	136,718,708	33,378,987		
Add Liability to Commonwealth for Treasury Bills issued for revenue purposes					..	3,695,000
„ Liability to the Commonwealth on account of flotation in course					..	1,265,590
Total Public Debt at 30th June, 1936					67,457,682‡	107,600,603

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

† This amount represents the outstanding amount of Inscribed Stock which had been transferred from the London to the Melbourne Register.

‡ Including £4,547,877 raised in New York through the Commonwealth Government.

The Public Debt of Victoria, after allowing for the transfer of a liability of £2,160,960 to the Commonwealth Government during 1934-35 amounted to £175,058,285 at 30th June, 1936. There was an increase of £34,793,296, or nearly 25 per cent. over the ten-year period. The chief works and services for which the additional liabilities were incurred are shown below:—

PUBLIC DEBT—INCREASE IN TEN YEARS.

Work or Service for which raised.	Loans outstanding at 30th June—		Increase.
	1926.	1936.	
	£	£	£
Railways.. .. .	69,832,415	73,141,116	3,308,701
Waterworks—Country	17,475,150	25,015,717	7,540,567
Discharged Soldiers' Settlement	22,353,046	22,842,381	489,335
Closer Settlement	5,967,421	10,630,776	4,663,355
Electricity Supply	9,655,532	17,551,088	7,895,556
Roads—Main	7,483,347	4,121,542	2,213,102
Developmental		5,574,907	
State Forests	50,000	628,009	578,009
Unemployment Relief .. .. .	..	6,510,704	6,510,704
All other Works and Services	6,790,263	5,237,823*	1,552,440†
In Aid of Revenue	657,815	3,804,222	3,146,407
Total	140,264,989	175,058,285	34,793,296

* Includes £783,239 advanced from State Loans Repayment Fund not yet allocated to any particular work and £965,590 portion of liability on account of flotation in course.

† Decrease.

Due Dates
of Loans.

Particulars concerning the due dates of loans outstanding at 30th June, 1936, are given in the following table.

Where the Government had the option of redemption during a specified period the loans have been classified according to the latest date of maturity.

DUE DATES OF VICTORIAN LOANS AT 30TH JUNE, 1936.

Due Date. (Financial Year.)	Payable in London.	Payable in Australia.	Total.
	£	£	£
1936-37	5,884,825	8,017,380	13,902,205
1937-38 .. .. .	..	1,937,605	1,937,605
1938-39 .. .. .	..	16,905,736	16,905,736
1939-40 .. .. .	..	8,529,812	8,529,812
1940-41 .. .. .	..	3,612,300	3,612,300
1941-42	1,049,868	11,666,307	12,716,175
1942-43 .. .. .	..	2,570,295	2,570,295
1943-44 .. .. .	..	2,158,040	2,158,040
1944-45 .. .. .	..	6,211,137	6,211,137
1945-46 .. .. .	..	15,400	15,400
1947-48 .. .. .	..	4,615,025	4,615,025
1948-49	12,061,795	4,553,100	16,614,895
1949-50	6,082,195	3,538,953	9,621,148
1950-51 .. .. .	..	4,298,138	4,298,138
1953-54 .. .. .	..	4,186,879	4,186,879
1955-56	2,658,616*	4,086,413	6,745,029
1957-58	1,889,261*	3,984,318	5,873,579
1958-59	13,693,800	..	13,693,800
1959-60	2,962,116	3,958,406	6,920,522
1960-61	6,716,075	..	6,716,075
1961-62 .. .. .	..	4,012,278	4,012,278
1975-76	14,459,131	..	14,459,131
Not yet fixed .. .. .	..	3,782,491	3,782,491
Liability to Commonwealth for Treasury Bills issued for revenue purposes .. .. .	..	3,695,000	3,695,000
Liability to Commonwealth on account of flotation in course .. .. .	..	1,265,590	1,265,590
Total	67,457,682	107,600,603	175,058,285

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

Loans and
interest
payable in
London and
Australia.

Information relating to the loans outstanding and interest payable thereon, in London and Australia respectively, for the years indicated, is given in the succeeding table. The amount of loans payable in London in each of the five last-mentioned years includes those raised in New York by the Commonwealth Government for Victoria, but which are repayable to the Agent-General in London by the State Treasurer.

In the subsequent tables "interest payable" does not include the cost of paying interest overseas. Particulars of exchange paid in each of the last five years are shown on page 310.

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND AUSTRALIA, 1900 TO 1936.

At 30th June—	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.*	Australia.	London.	Australia.
	£	£	£	£
1900 ..	44,655,579	4,670,306	1,735,307	152,096
1910 ..	39,012,436	16,564,289	1,419,579	560,520
1915 ..	41,333,738	31,750,189	1,520,762	1,131,811
1920 ..	42,406,040	45,241,699	1,637,615	1,902,108
1925 ..	51,869,204	79,300,361	2,319,486	3,999,635
1929 ..	68,056,026	91,496,627	3,166,399	4,708,873
1930 ..	68,750,235	93,538,759	3,225,754	4,831,371
1931 ..	68,976,946	98,039,650	3,157,330	5,088,867
1932 ..	68,707,872	101,126,092	3,144,480	3,990,364
1933 ..	68,059,626	103,339,405	3,010,355	3,978,515
1934 ..	67,843,364	107,289,385	2,677,474	4,080,640
1935 ..	67,638,378	106,522,285	2,651,050	3,930,414
1936 ..	67,457,682	107,600,603	2,627,847	3,973,528

* Including outstanding loans raised in New York by the Commonwealth Government, amounting to £4,658,461 at end of 1928-29, 1929-30, and 1930-31, £4,648,084 at end of 1931-32, £4,615,021 at end of 1932-33, £4,592,459 at end of 1933-34, £4,569,473 at end of 1934-35, and £4,547,877 at end of 1935-36.

Rates of
Interest on
Public Debt.

During 1931-32 the conversion of Victoria's portion of the internal debt of the Commonwealth and States was effected as provided for by the Debt Conversion Agreement Acts (Nos. 1 and 2) of 1931. The conversion was based on a

reduction of $22\frac{1}{2}$ per cent. per annum of the interest rates payable on existing securities. The appended table shows the rates of interest which were payable on the public debt at 30th June, 1936, and the portions of the debt at each rate in London and Australia respectively:—

**RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1936.**

Rate of Interest.	Amount Payable in—		
	London.	Australia.	Total.
%	£	£	£
5	17,332,392*	..	17,332,392
$4\frac{1}{2}$	5,999,000	..	5,999,000
$4\frac{1}{2}$	786,564†	..	786,564
£4 5s. 3d.	..	193,200	193,200
£4 1s. 4d.	..	6,670	6,670
4	2,962,116	54,380,153	57,342,269
$3\frac{7}{8}$	..	6,371,841	6,371,841
$3\frac{1}{2}$	6,887,649	17,471,015	24,358,664
$3\frac{1}{8}$	..	877,000	877,000
$3\frac{1}{8}$	19,775,995	3,012,545	22,788,540
£3 9s. 9d.	..	500	500
£3 8s. 5d.	..	1,130,950	1,130,950
$3\frac{3}{8}$	..	1,535,430	1,535,430
$3\frac{1}{4}$	717,075	9,551,885	10,268,960
$3\frac{1}{8}$	..	1,000	1,000
£3 2s.	..	391,049	391,049
£3 0s. 5d.	..	2,482,000	2,482,000
3	6,224,014	3,789,847	10,013,861
£2 18s. $1\frac{1}{2}$ d.	..	220,000	220,000
£2 14s. 3d.	..	446,845	446,845
$2\frac{1}{2}$	5,884,825	..	5,884,825
£2 6s. 6d.	..	778,083	778,083
$1\frac{1}{2}$	888,052	..	888,052
Not fixed	..	4,960,590	4,960,590
Total	67,457,682	107,600,603	175,058,285
Average Rate of Interest	3·90	3·69	3·77

* Including £3,761,313 raised in New York by the Commonwealth Government.

† Raised in New York by the Commonwealth Government.

Growth of Public Debt. The public debt of Victoria amounted to £175,058,285 at 30th June, 1936. The debt increased each year until it reached £175,132,749 at the end of 1933-34, but owing to the transfer of a liability, amounting to £2,160,960, from the State to the Commonwealth under Act No. 4246 it decreased to £174,160,663 at 30th June, 1935. Other features with regard to the public debt were the noticeable

increase which occurred between the years 1918-19 and 1927-28 and the application of the amount at credit of the State Redemption and Sinking Funds to the liquidation of £5,540,369 of the debt during 1928-29.

The amount of the public debt per head of population increased by over 14 per cent. during the ten year period ended on the 30th June, 1936.

The annual amount of interest payable on the public debt per head of population increased by over 13 per cent. between 30th June, 1926, and 30th June, 1931, but there was a decrease of approximately 22 per cent. between the latter date and 30th June, 1936. Over the decennial period ended on 30th June, 1936, the decrease was slightly over 4 per cent.

In the following statement is shown the growth of the public debt and of the interest payable thereon since the date of the establishment of responsible government in 1855:—

GROWTH OF PUBLIC DEBT AND INTEREST, 1855 TO 1935-36.

Financial Year ending in—	Loans Outstanding.			Amount per Head of Population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest Payable.
		Total.	Average Rate per cent.		
	£	£	%	£ s. d.	£ s. d.
1855* ..	1,180,000	70,800	6.00	3 4 9	0 3 11
1860* ..	5,643,100	337,905	5.99	10 9 10	0 12 7
1870* ..	12,099,800	699,240	5.78	16 13 1	0 19 3
1880 ..	20,567,700	1,029,991	5.01	24 9 4	1 4 6
1890 ..	41,377,693	1,649,465	3.99	36 19 11	1 9 6
1900 ..	49,325,885	1,887,403	3.83	41 6 8	1 11 8
1910 ..	55,576,725	1,980,099	3.56	43 6 8	1 10 10
1920 ..	87,647,739	3,539,723	4.04	57 19 1	2 6 10
1925 ..	131,169,565	6,319,121	4.82	78 9 11	3 16 3
1929 ..	159,552,653	7,875,272	4.94	90 4 3	4 9 5
1930 ..	162,288,994	8,057,125	4.96	90 18 7	4 10 7
1931 ..	167,016,596	8,246,197	4.94	92 16 2	4 12 0
1932 ..	169,833,964	7,134,844	4.20	93 18 9	3 19 1
1933 ..	171,399,031	6,988,870	4.08	94 3 2	3 17 0
1934 ..	175,132,749	6,758,114	3.86	95 16 6	3 14 1
1935 ..	174,160,663	6,581,464	3.78	94 15 2	3 11 8
1936 ..	175,058,285	6,601,375	3.77	94 15 9	3 11 6

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

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from Loans and on account of Loan Funds. The figures in the following table include all such expenditure, whether the loans have been repaid or are still in existence. The table shows the details for each of the last four years and the total to date :—

EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS.*

Expenditure on—	Expenditure during the Year—				Total to 30th June, 1936.
	1932-33.	1933-34.	1934-35	1935-36.	
	£	£	£	£	£
Railways	156,728	194,770	218,419	280,900	74,780,077
Water Supply—					
Country	488,072	315,870	260,736	285,473	25,966,872
Metropolitan .. ..	.. ..	.. ..	.. ..	.. ..	3,142,577
Closer Settlement	372,410	373,296	265,650	255,728	13,265,968
Discharged Soldiers' Settlement	216,437	266,012	209,737	209,274	28,007,227
Country Roads	118,119	143,037	129,006	112,183	11,357,615
Electricity Supply .. ..	.. ..	.. ..	.. ..	.. ..	17,839,227
State Schools, Technical Schools, and University	Cr. 1,000	.. ..	.. ..	7,866	5,065,862
State Coal Mine .. ..	.. ..	.. ..	.. ..	.. ..	249,399
Seed and Fodder Advances to Farmers	204,676	146,047	78,965	78,008	2,083,639
Cool Storage—Advances to Companies, &c. .. ..	.. ..	.. ..	.. ..	.. ..	578,299
Municipalities—Loans, Advances, and Grants .. ..	.. ..	.. ..	.. ..	.. ..	1,129,414
Primary Products—Advances to Companies, &c. .. ..	.. ..	.. ..	.. ..	.. ..	331,101
Wire Netting	52,352	37,228	18,384	19,444	812,192
Parliament Houses, Law Courts, &c. .. ..	.. ..	.. ..	.. ..	.. ..	853,708
State Forests	26,288	33,784	44,542	46,793	642,451
Unemployment Relief	1,205,833	1,292,236	1,312,955	2,544,870	6,355,894
All other works and services	12,641	6,458	127	913	5,401,119
In aid of Revenue .. ..	.. ..	.. ..	150,000	58,000	4,083,682
Total	2,852,556	2,808,738	2,688,521	3,899,452	201,946,323

* The totals shown in this table are "Net." Discounts and flotation expenses for each of the periods mentioned were as follows:—1932-33, £8,954; 1933-34, £526,093; 1934-35, £80,572; 1935-36, £51,619; and aggregate to 30th June, 1936, £5,566,033.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1936, sums not yet expended amounted in the aggregate to £1,148,101, of which £77,715 was for Railways Construction, &c. ;

£37,655 was for Public Works, Buildings, &c.; £89,504 for Country Water Supply, and £213,227 for Unemployment Relief. There was also an amount of £730,000 cash in the Loan Proceeds Suspense Account.

The amount of interest and expenses paid on the Public Debt of Victoria during each of the last five financial years is shown in the next table:—

Interest paid on Loans.

INTEREST AND EXPENSES OF PUBLIC DEBT.

Year Ended 30th June.	Interest Paid on Loans in—		Interest Paid on Temporary Loans.	Commission on Payment of Interest in London, Expenses of Conversion Loans, etc.	Exchange on Payment of Interest in London.	Total.
	London.	Melbourne.				
	£	£	£	£	£	£
1932 ..	3,152,867	4,423,402	9,390	31,424	1,003,250	8,620,333*
1933 ..	3,073,944	3,871,987	14,161	22,266	889,504	7,871,862*
1934 ..	3,096,949	3,848,691	12,177	22,352	789,721	7,769,890*
1935 ..	2,665,308	3,868,945	10,164	85,518	665,963	7,295,898*
1936 ..	2,641,907	3,822,151	7,682	132,062	659,972	7,263,774*

* Of this amount £2,127,159 was contributed by the Commonwealth in accordance with the provisions of the "Financial Agreement."

NATIONAL DEBT SINKING FUND.

Under the provisions of the *Commonwealth and States Financial Agreement Act 1927* (No. 3554) the National Debt Sinking Fund was established. The following table gives particulars of the receipts and disbursements during 1935-36:—

	£
Balance at credit of the State at 30th June, 1935	123,875
Contributions during 1935-36—	£
By Commonwealth under Financial Agreement	270,603
" " under Federal Aid Roads Act	8,948
" State under Financial Agreement	710,877
" Excess (refunded)	1,415
	<u>991,843</u>
Interest received	3,693
	<u>1,119,411</u>
Cancellation of securities to the value of £801,267	813,806
	<u>305,605</u>
Balance at credit of the State at 30th June, 1936	305,605
Face value of securities cancelled to 30th June, 1936	6,392,764
	<u>6,698,369</u>
The net credit to Victoria at 30th June, 1936	6,698,369

TRUST FUNDS.

The liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgements amounted to £8,261,525 at 30th June, 1936. Of this sum, £3,722,009 was invested in Australian Consolidated Inscribed Stock and other securities, and cash advances amounted to £4,554,984, thus leaving a debit balance of £15,468.

PUBLIC DEBTS OF AUSTRALIAN STATES.

The following is a statement of the public debts of the Australian States at 30th June, 1936, showing the amounts and the amounts per head of population. Sinking Funds have not been deducted. Treasury Bills covering Revenue Deficits are included. Revenue Deficits which are not covered by Treasury Bills, overdrafts on Loan Account, and advances from Trust Funds are excluded.

PUBLIC DEBTS OF AUSTRALIAN STATES AT
30TH JUNE, 1936.

Heading.	Victoria.*	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
Public Debt	£ 175,058,285	£ 346,576,294	£ 122,647,234	£ 105,098,481	£ 90,344,055	£ 24,418,156
Debt per head of population at 30th June, 1936	£ s. d. 04 15 9	£ s. d. 129 18 10	£ s. d. 125 2 9	£ s. d. 180 1 4	£ s. d. 200 6 5	£ s. d. 106 3 4

* Including liability to Commonwealth for Treasury Bills issued for Revenue purposes £8,695,000; and liability to Commonwealth on account of flotation in course, £1,265,590.

The gross public debt of the six States at 30th June, 1936, was £864,742,505. Excluding loans raised on behalf of the States, but including the debts on account of the Port Augusta-Oodnadatta Railway and of the Northern Territory, the gross public debt of the Commonwealth was £391,039,601. Therefore the liability of the Australian public (£1,255,782,106) at 30th June, 1936, was equal to an average sum of £185 6s. 11d. per head of population.

The gross indebtedness of the State Government, Municipalities, and certain other Local Bodies of Victoria for the year 1935 is shown in detail hereunder. The amounts of loans received by all the local governing bodies from the State Government have been excluded. Amounts relating to Sewerage Authorities include indebtedness on account of house connexions.

STATE AND LOCAL DEBTS, 1935.

Heading.	Loans Outstanding—		
	Payable in London.	Payable in Australia.	Total.
State Public Debt—			
Securities issued ..	£ 67,638,378	£ 100,494,265	£
Liability to Commonwealth for Treasury Bills issued for Revenue purposes ..	..	4,520,000	} 174,160,003*
Liability to Commonwealth on account of flotation in course ..	..	1,508,020	
Municipal Debt .. .. .	..	11,863,315†	11,863,315†
Other Local Governing Bodies—			
Melbourne Harbor Trust ..	1,082,100	3,345,011	4,427,111
Geelong Harbor Trust‡ ..	..	227,300	227,300
Melbourne and Metropolitan Board of Works ..	3,724,404	21,328,080	25,053,084
Bendigo Sewerage Authority ..	..	333,446	333,446
Geelong Waterworks and Sewerage Trust ..	..	1,272,215	1,272,215
Ballarat Water Commission and Sewerage Authority‡ ..	..	428,136	428,136
Melbourne and Metropolitan Tramways Board ..	1,000,000	3,995,403	4,995,403
Metropolitan Fire Brigades Board ..	..	196,565	196,565
Country Fire Brigades Board ..	..	41,069	41,069
Other‡§ ..	..	250,589	250,589
Grand Total	73,444,882	140,804,614	223,249,496

* Including £4,569,473 raised in New York by the Commonwealth Government.

† Including £65,400 payable in New Zealand.

‡ Excluding outstanding loans received from State Government as follows:—Municipalities, £2,733,765; Geelong Harbor Trust, £353,321; Warrnambool Harbor Board, £4,668; Ballarat Water Commission and Sewerage Authority, £292,850; Other Authorities, £436,765.

§ For Authorities included, see footnote page 302.

The total loan liability in respect of the Authorities mentioned above—£223,249,496—represents a debt of £121 9s. 4d. per head of population at 30th June, 1935.