

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, sinking fund contributions, the salaries of the Governor, the Judges and some other officials, expenditure on State pensions, endowments to municipalities, 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.

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.

A summary of the transactions for the financial year 1931-32 in the Consolidated Revenue Fund and in the special funds gives the following result :—

	£	£
Revenue deficit at 30th June, 1931 .. ..	.. ..	3,739,333
Revenue, 1931-32	24,555,272	
Expenditure, 1931-32	26,163,594	
Deficit for the year .. ..	.. ..	<u>1,608,322</u>
Revenue deficit at 30th June, 1932 .. ..	.. ..	<u>5,347,655</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 1931-32 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total according to Treasurer's Finance Statement ..	24,106,304	25,714,626
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund	662,613*	662,613*
Licensing Fund	114,365†	114,365†
Police Superannuation Fund	10,342	10,342
Assurance Fund	2,158	2,158
Cattle Compensation Fund	9,257	9,257
Metropolitan Roads Fund	3,885	3,885
Swine Compensation Fund	4,145	4,145
<i>Deduct—</i>		
Loss on non-paying railways	142,797	142,797
Payment to Railways Department on account of reduced Freight Charges	215,000	215,000
Total	24,555,272	26,163,594

* Excluding £457,864 recouped to Revenue under Acts Nos. 3844 and 3944.

† Excluding £178,196 transferred to Revenue under Section 312 of Act No. 3717 as amended by Section 40 of Act No. 3961.

Compiled on the above basis, the revenue and expenditure of the State for the last five years are shown in the next statement:—

STATE REVENUE AND EXPENDITURE, 1927-28 TO 1931-32.

Year.	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (—)	
			For each Year.	Accumulated Deficiency to end of each Year (i.e. 30th June).
	£	£	£	£
1927-28	27,357,917	27,521,270	— 163,353	—1,757,061
1928-29	28,156,034	28,104,947	+ 51,087*	— 112,265†
1929-30	27,323,842	28,496,712	—1,172,870	—1,285,135
1930-31	25,575,504	28,029,702	—2,454,198	—3,739,333
1931-32	24,555,272	26,163,594	—1,608,322	—5,347,655

* Only £16,336 appropriated towards reduction of deficit by 30th June, balance (£34,751) by 31st December following (Act No. 3841). In addition, £1,593,708 of the accumulated deficiency was redeemed by Redemption Funds.

† At 31st December, 1929.

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

HEADS OF STATE REVENUE, 1927-28 TO 1931-32.

Heads of Revenue.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
	£	£	£	£	£
Commonwealth Payments to State ..	2,152,615	2,101,703	2,127,159	2,127,159	2,127,159
State Taxation—					
Income Tax ..	3,035,014	2,881,917	2,981,050	2,659,585	2,061,661
Land Tax ..	560,013	560,765	531,426	506,025	497,609
Probate Duty ..	1,117,164	1,079,840	1,133,422	1,131,603	1,014,669
Unemployment Relief—					
Direct ..	..	..	..	861,530	999,814
Stamp Duty ..	..	..	..	376,974	650,678
Entertainments Tax ..	..	..	53,348	160,066	159,719
Racing Taxation ..	135,265	145,532	145,748	160,011	212,375
Other Stamp Duties	1,004,079	1,016,365	985,088	704,958	639,578
Motor Car and Motor Omnibus Acts*	922,437	1,065,734	1,147,957	1,070,556	1,124,362
Liquor Licences† ..	365,453	365,941	362,122	345,797	270,076
Other Licences ..	36,696	36,494	35,552	77,855	77,650
Duties on Bank Notes ..	1,878	1,543	1,708	1,655	1,603
Public Works and Services—					
Railways ..	12,624,544	12,840,604	11,729,153	9,698,720	9,149,448
Water Supply ..	574,559	658,896	620,632	579,616	644,038
State Coal Mine ..	705,307	776,246	872,967	576,007	416,955
State Electricity Commission ..	598,414	750,943	878,017	982,418	1,086,336
Transfer from Country Roads Board Fund (Act No. 4038) ..	..	..	..	..	150,000
Country Roads Board (Interest)	173,375	178,590	98,167	101,447	105,880
Interest on properties transferred to Commonwealth	80,600	149,686	..	..	..
Maffra Beet Sugar Factory ..	58,900	90,046	87,561	144,795	193,871
Victoria Dock Cool Stores ..	28,205	52,558	34,486	45,382	51,419
Wharfage Rates, &c. ..	74,689	69,344	70,994	53,307	52,464
Other ..	48,027	86,680	63,837	53,953	53,715

* 1927-28 to 1930-31 inclusive—net amounts paid into the Country Roads Board Fund and Metropolitan Roads Fund. Amounts for 1931-32 include cost of administration of Country Roads Board Fund.

† Received by the Licensing Fund.

HEADS OF STATE REVENUE, 1927-28 TO 1931-32—continued.

Heads of Revenue.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Land—	£	£	£	£	£
Land Sales, Rents, Penalties, &c. . .	415,792	464,511	382,738	279,205	256,725
Interest on Loans—					
Closer Settlement	288,889	343,370	403,015	450,141	471,709
Discharged Soldiers' Settlement . .	1,229,426	1,275,829	1,273,469	1,269,910	1,153,762
Fees, Fines, &c. . .	295,150	328,295	305,812	210,368	196,061
Tramways Act 1905 (Sec. 88) . .	109,252	118,368	118,503	117,633	106,910
Government Printer	145,013	145,836	164,111	135,349	116,256
Harbor Trust Contributions . .	150,699	144,736	143,885	111,005	81,812
Department of Agriculture* . .	50,432	58,908	54,478	40,343	39,117
Miscellaneous . .	376,030	366,754	517,437	541,831	391,941
Total . . .	27,357,917	28,156,034	27,323,842	25,575,504	24,555,272
Per Head of Population . . .	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	15 14 2	15 19 9	15 7 6	14 5 8	13 12 8

* 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, 1927-28 TO 1931-32.

Heads of Expenditure.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
<i>General Government.</i>	£	£	£	£	£
Governor . . .	9,141	9,676	14,118	7,035	6,603
Parliament and Ministry . . .	124,518	124,073	138,680	117,654	117,449
Civil Establishment, n.e.i. . .	475,861	466,757	458,596	424,256	361,394
Pensions and Gratuities* . . .	800,297	848,461	879,161	922,788	918,132

* For details, see page 244.

SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1927-28 TO
1931-32—continued.

Heads of Expenditure.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
<i>Law, Order, and Protection.</i>	£	£	£	£	£
Judicial and Legal ..	296,804	302,871	305,382	252,293	216,906
Police ..	721,106	741,230	749,194	675,624	588,489
Penal Establishments and Gaols ..	111,502	113,253	122,134	112,451	97,559
<i>Education, &c.</i>					
State Schools ..	2,517,679	2,620,089	2,673,797	2,539,925	2,227,081
Technical Schools ..	164,837	164,832	167,801	159,579	123,567
University ..	70,103	70,625	61,975	68,156	52,900
Libraries, &c. ..	56,053	53,809	56,759	46,879	38,241
Art and Science ..	9,211	9,087	8,824	7,073	6,042
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts ..	33,701	32,175	36,003	22,328	17,614
Public Health ..	138,395	160,326	141,270	133,668	123,073
Charitable Institutions, &c. ..	1,235,839	1,294,181	1,293,502	1,206,352	1,087,112
<i>Crown Lands, &c.</i>					
Crown Lands* ..	257,898	241,143	715,208	1,155,847	1,117,967
Agriculture and Stock† ..	307,435	305,731	288,967	237,367	203,885
Mining‡ ..	52,193	51,272	46,843	35,091	29,733
<i>Public Works.</i>					
Railways (excluding Pensions) ..	9,844,477	9,457,047	9,216,112	7,349,989	5,977,658
Water Supply ..	260,179	265,872	266,602	249,038	210,908
Harbors, Rivers, and Lights ..	119,447	100,700	94,082	48,122	44,787
Roads and Bridges ..	73,416	37,831	62,646	19,339	2,878
Country Roads Board ..	937,094	1,065,905	814,493	644,572	662,613
State Electricity Commission ..	12,497	10,723	11,868	..	..
State Coal Mine ..	621,316	729,820	688,253	551,990	481,609
State Coal Mine Depreciation Fund ..	73,567	41,847	130,279	19,839	..
Maffra Beet Sugar Factory ..	89,941	73,288	90,553	135,650	127,951
Development of Export Trade ..	60,946	62,625	56,425	53,996	52,132
Discharged Soldiers' Concessions Fund ..	75,000	75,000	75,000	75,000	75,000
Municipal Endowment, &c.§ ..	210,492	188,294	183,791	102,063	100,868
Other Public Works ..	158,382	144,111	164,886	83,193	74,042

* Excluding "Newport Seasoning Works."

† Excluding "Maffra Beet Sugar Factory" and "Development of Export Trade."

‡ Excluding "State Coal Mine"

§ Including annual payment from Licensing Fund.

SUMMARY OF EXPENDITURE FROM STATE REVENUE, 1927-28 TO 1931-32—continued.

Heads of Expenditure.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
<i>Public Debt Charges.</i>	£	£	£	£	£
Interest and Expenses of Public Debt ..	6,937,764	7,566,342	7,740,312	8,172,554	7,617,083
Exchange on payment of Interest in London ..	..	..	..	419,772	1,003,250
Contribution to National Debt Sinking Fund ..	349,616	374,869	433,667	484,053	536,699
<i>Other Expenditure.</i>					
Unemployment Relief ..	..	..	..	1,238,504	1,650,493
Mint Subsidy ..	31,000	29,000	27,000	24,000	22,500
Fire Brigades ..	70,198	72,150	73,649	73,309	61,095
Immigration ..	20,131	13,822	11,405	3,149	464
Licences Reduction Board, including Compensation ..	48,533	45,281	57,893	30,750	30,497
Railway passes to Blind and Incapacitated Soldiers ..	12,115	12,518	14,061	12,747	11,293
Liquidation of guaranteed Bank Overdrafts of Freezing Companies, &c. ...	27,142	6,874	431	35,703	1,721
Cattle Compensation Fund ..	26,933	27,240	25,922	20,888	13,257
Swine Compensation Fund ..	8,806	14,822	12,649	6,659	4,145
Miscellaneous ..	69,705	79,375	86,516	50,454	66,904
Total ..	27,521,270	28,104,947	28,496,712	28,029,702	26,163,594
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population ..	15 16 1	15 19 2	16 0 8	15 13 0	14 10 6

In regard to the surpluses of various years, it is interesting to note to what purposes the money appropriated was subsequently applied. Up to 30th June, 1932, the total amount appropriated was £2,936,307, of which all but £308 had been expended. Particulars of such expenditure to 30th June, 1928, are shown in the *Year-Book* for 1928-29, page 86. The expenditure during 1928-29, 1929-30, 1930-31 and 1931-32 amounted to £1,062, £673, £2,472, and £517 respectively, and in each year was applied to the service of "Charitable Institutions."

Surplus
Revenue
Expenditure.

**Melbourne
Financial
Plan.**

In the Melbourne Financial Plan, a *résumé* of which appears on page 229 of the *Victorian Year-Book* for 1930-31, is embodied the resolutions of a conference between Ministers of the Commonwealth and Ministers of the States convened for the purpose of devising measures for the rehabilitation of the financial stability of the Commonwealth and States, and for the restoration of prosperity generally.

**Financial
Emergency
Legislation.**

The principal legislative provisions made by Parliament to enable Victoria to fulfil the conditions of the agreement formulated under the Plan are included in the *Debt Conversion Agreement Act 1931* and the *Financial Emergency Act 1931*. A brief summary of each of these Acts is given in the *Year-Book* for 1930-31, page 229.

Additional and amending legislation relating to the fulfilment of the terms of the agreement under the Plan is contained in the following Acts:—

<i>Act No. 3970—Financial Emergency Amendment Act 1931.</i>			
"	3976—	"	" 1931 (No. 2).
"	4020—	"	" 1932.
"	4046	"	(<i>Railway Construction Trusts</i>) Act 1932.
"	4047—	"	(<i>Moratorium</i>) Act 1932.
"	4055—	"	" 1932 (No. 2).
"	4064—	"	" 1932 (No. 3).
"	4106—	"	(<i>Mortgages</i>) Act 1932.
"	4009—	<i>Debt Conversion Agreement Act 1931</i> (No. 2).	
"	4022—	<i>Public Service Payments Reduction Act 1930</i> <i>Amendment Act 1932.</i>	
"	4043—	<i>Government Advances (Reduction of Interest) Act</i> 1932.	
"	4052—	<i>Pensions Reduction Act 1932.</i>	

The foregoing Acts Nos. 3970 to 4106 (inclusive) are all closely related to the Financial Emergency Act of 1931. They provide *inter alia* for the continuance until 1st July, 1933, of the percentage reductions in salaries or wages paid to Members of Parliament and to servants of the State, and in certain non-contributory pensions and superannuation and retiring allowances. Details of the rates of reductions in salaries and pensions, &c., appear in the *Year-Book* for 1930-31. Provision is also made by these Acts for an extension of the period of restriction of rights of mortgagees.

The *Debt Conversion Agreement Act 1931* (No. 2) made provision for the compulsory conversion of such portion of the internal public debt of the State as was not voluntarily converted under the *Debt Conversion Agreement Act 1931*.

Pensions Reduction Act 1932. The *Pensions Reduction Act 1932* provides that all contributions payable by the Government under the Superannuation Acts into the Superannuation Fund and under Part III. of the *Police Regulation Act 1928* in respect of pensions (except so far as the said contributions are payable in respect of children) shall be reduced on a graduated scale commencing with a minimum rate of 8 per cent. in the contribution group over £50 and not exceeding £100, and terminating with a maximum of 23 per cent. in the group over £780 and not exceeding £800. The effect of these provisions is that the portion of the contributory pension payable by the Government is reduced by the same amount as the reduction made in the Government contribution mentioned above. This Act also provides for an increase in the rates of reduction in non-contributory pensions, &c., up to £125 per annum, and lowers the minimum of the reducible pension from £104 to £50 per annum.

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, life assurance premiums not exceeding £50, and calls or contributions actually paid into any mining company registered under Part II. of the *Companies Act 1928*, or to any company in liquidation.

A statement which contains particulars of Income Tax assessments on incomes for 1926-27 to 1930-31 appears on page 238. The figures in the statement are not comparable unless the varying rates of tax

imposed are taken into consideration. The rates for the year 1926-27 are shown in the *Year-Book* for 1928-29, page 90, those for 1927-28 in the *Year-Book* for 1929-30, page 263, and those for 1928-29 in the *Year-Book* for 1930-31, page 231. The exemptions and rates for 1929-30 were the same as those for 1930-31, with the exception of the further additional tax mentioned on page 238, which did not apply to 1929-30 incomes.

The minimum income of individuals subject to tax was £201. The exemption allowed on incomes between £201 and £500 was £200, but no exemption was allowed on incomes exceeding £500, or to companies. The following further deductions were granted to taxpayers whose incomes did not exceed £800 per annum :—(1) £50 for the maintenance of his wife provided she had not an income of her own exceeding £100 per annum ; (2) £50 in respect of each child under 16 years of age ; (3) certain expenses during illness ; (4) friendly society contributions ; and (5) funeral and burial expenses not exceeding £20.

The rates of tax on incomes earned during 1930-31 were :—

Taxable Income.	Rate of Tax per £1 of Taxable Income.		
	Personal Exertion.	Property.	Companies.
Up to £500 ..	6d. £1 to £500 7d. £501 to £1,000 8d.	d. 12 14 16	Mutual Life Assurance Companies, 12d. in the £1 in respect of the Mutual Life Assurance business, and 21d. in the £1 on all other business. Other Companies, 21d. in the £1 of the taxable amount of income.
Exceeding £500 ..	£1,001 to £1,500 9d. £1,501 and upwards 10d.	18 20	

There 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, an additional tax at the following rates :—

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

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 of the years 1926-27 to 1930-31 are given below :—

INCOME TAX ASSESSMENTS.

Heading.	On Incomes of—				
	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
Number of Assessments :					
Individuals ..	153,108	153,840	154,972	152,999	104,521
Companies ..	3,662	3,832	3,991	3,739	3,153
Total, Distinct Taxpayers ..	156,770	157,672	158,963	156,738	107,674
Taxable Incomes :	£	£	£	£	£
Individuals ..	42,175,690	41,635,391	42,005,091	34,356,389	21,426,500
Companies ..	18,190,171	17,350,812	18,192,873	15,212,507	11,075,799
Total ..	60,365,861	58,986,203	60,197,964	49,568,896	32,502,299
Tax payable :	£	£	£	£	£
Individuals ..	1,382,856	1,367,174	1,488,290	1,397,249	944,141
Companies ..	1,345,340	1,279,478	1,412,811	1,294,514	999,143
Total* ..	2,728,196	2,646,652	2,901,101	2,691,763	1,943,284
Per taxpayer :	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Individuals ..	9 0 8	8 17 9	9 12 1	9 2 8	9 0 8†
Companies ..	387 7 7	333 17 10	354 0 0	346 4 5	316 17 9
Average tax payable in the £ on taxable incomes by—	d.	d.	d.	d.	d.
Individuals ..	7·87	7·88	8·50	9·76	10·58
Companies ..	17·75	17·69	18·64	20·42	21·65

* For actual collections in the following financial year, see page 231.

† The average amount of tax payable per individual taxpayer with taxable income not exceeding £500 was £2 8s. 9d.; in the case of those with taxable incomes exceeding £500 the average amount was £53 7s. 1d.

The total net incomes of taxpayers in 1930-31, who were assessed to pay tax, amounted to £50,698,699, but, as 90,982 taxpayers were allowed the £200 exemption, the amount available for taxation was £32,502,299.

The total number of individuals and companies who paid tax on their incomes for 1930-31 is detailed, under specified grades of taxable income, in the following table :—

TOTAL NUMBER OF TAXPAYERS (1930-31 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
£	No.	No.	No.	No.	No.	No.
Not exceeding 100	58,734	4,821	308	63,863	1,057	64,920
101 to 200	16,237	2,188	500	18,925	355	19,280
201 - 350	6,509	1,219	466	8,194	336	8,530
351 - 500	2	..	..	2	198	200
501 - 700	2,286	1,192	2,612	6,090	176	6,266
701 - 1,000	1,104	696	1,427	3,227	161	3,388
1,001 - 1,200	415	252	599	1,266	68	1,334
1,201 - 1,500	372	218	491	1,081	99	1,180
1,501 - 2,000	241	176	438	855	115	970
2,001 - 2,400	89	62	167	318	62	380
2,401 - 3,000	60	54	141	255	77	332
3,001 - 4,000	48	29	129	206	80	286
4,001 - 5,000	29	13	64	106	62	168
5,001 - 6,000	13	7	39	59	46	105
6,001 - 7,400	8	5	20	33	46	79
7,401 and over ..	4	15	22	41	215	256
Total ..	86,151	10,947	7,423	104,521	3,153	107,674

In the succeeding statement particulars of the sources of taxable incomes for 1930-31 are arranged in order of groups of taxable incomes :—

TAXABLE INCOMES (1930-31 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
£	£	£	£	£	£	£
Not exceeding 100	2,412,208	211,002	19,179	2,642,389	39,752	2,682,141
101 to 200	2,297,359	319,427	75,896	2,692,682	50,933	2,743,615
201 - 350	1,588,487	302,396	115,581	2,006,464	90,671	2,097,135
351 - 500	862	..	..	862	82,472	83,334
501 - 700	1,326,846	697,509	1,521,789	3,548,144	104,244	3,650,388
701 - 1,000	944,088	580,066	1,202,470	2,726,624	134,371	2,860,995
1,001 - 1,200	452,447	276,335	654,346	1,383,623	75,313	1,458,941
1,201 - 1,500	499,430	294,469	658,657	1,452,556	133,547	1,586,103
1,501 - 2,000	414,161	303,101	749,442	1,466,704	198,578	1,665,282
2,001 - 2,400	195,084	134,552	365,280	694,916	134,761	829,677
2,401 - 3,000	160,248	143,221	372,510	675,979	205,449	881,428
3,001 - 4,000	163,220	98,428	440,692	702,340	275,888	978,228
4,001 - 5,000	127,311	58,343	289,644	475,298	275,165	750,463
5,001 - 6,000	67,925	37,946	211,118	316,989	250,214	567,203
6,001 - 7,400	53,906	32,306	131,994	218,206	302,361	520,567
7,401 and over ..	37,560	149,132	238,027	424,719	8,722,080	9,146,799
Total ..	10,741,142	3,638,233	7,047,125	21,426,500	11,075,799	32,502,299

The complete figures relating to the tax payable on the 1930-31 incomes are set out hereunder:—

TAX PAYABLE ON 1930-31 INCOMES.

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion.	Property.	Combined Personal and Property.	Total.		
	£	£	£	£	£	£
Not exceeding 100	65,404	11,377	739	77,520	3,731	81,251
101 to 200	61,377	17,153	2,889	81,419	4,777	86,196
201 - 350	42,366	16,229	4,320	62,905	8,495	71,400
351 - 500	23	..	..	23	7,697	7,720
501 - 700	42,396	44,639	58,445	145,480	9,790	155,270
701 - 1,000	33,900	40,830	51,976	126,606	12,622	139,228
1,001 - 1,200	17,314	21,247	30,244	68,805	7,117	75,922
1,201 - 1,500	20,235	23,896	32,192	76,323	12,562	88,885
1,501 - 2,000	17,687	25,765	37,914	81,366	13,756	100,122
2,001 - 2,400	8,834	12,150	20,104	41,088	12,675	53,763
2,401 - 3,000	7,677	13,615	20,487	41,779	19,325	61,104
3,001 - 4,000	7,914	9,658	25,356	42,928	25,926	68,854
4,001 - 5,000	6,364	5,595	16,722	28,681	25,833	54,564
5,001 - 6,000	3,584	4,073	13,056	20,713	23,536	44,249
6,001 - 7,400	2,855	3,449	8,004	14,338	28,440	42,778
7,401 and over ..	2,036	16,096	16,035	34,167	777,811	811,973
Total ..	339,886	265,772	338,483	944,141	999,143	1,943,284

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 1930-31 and 1931-32, amounted to £13,638,849 and £13,486,286 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. Previously to 1923 the rate of tax

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

An analysis, in specified groups of estates, of the 1932 Land Tax assessments based on unimproved values as at 31st December, 1931, is given hereunder.

ANALYSIS OF LAND TAX ASSESSMENTS, 1932.

Unimproved Values of Estates ranging between—	Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	No.	£	£
1 and 500 ..	64,931	23,334,389	31,355
501 and 600 ..	12,828	7,110,402	15,328
601 and 750 ..	13,050	8,803,098	18,859
751 and 1,000 ..	14,568	12,677,101	27,145
1,001 and 1,250 ..	9,131	10,221,735	21,877
1,251 and 1,500 ..	6,912	9,492,006	20,325
1,501 and 2,000 ..	9,440	16,427,328	35,333
2,001 and 3,500 ..	13,609	35,862,051	77,326
3,501 and 5,000 ..	6,057	24,223,222	54,882
5,001 and 6,000 ..	2,113	11,520,065	24,993
6,001 and 7,000 ..	1,366	9,018,063	19,591
7,001 and 8,000 ..	948	7,086,181	15,300
8,001 and 9,000 ..	607	5,147,478	11,159
9,001 and 10,000 ..	451	4,287,850	9,255
10,001 and 15,000 ..	1,171	14,106,559	30,507
15,001 and 20,000 ..	482	8,329,386	18,097
20,001 and 25,000 ..	260	5,822,275	12,581
25,001 and 30,000 ..	144	3,934,722	8,610
30,001 and 35,000 ..	117	3,819,569	8,295
35,001 and 40,000 ..	76	2,846,715	6,174
40,001 and 50,000 ..	111	4,944,812	10,693
50,001 and 75,000 ..	119	7,017,435	14,939
75,001 and 100,000 ..	63	5,426,122	11,791
100,001 and 150,000 ..	36	4,493,770	9,127
150,001 and 200,000 ..	9	1,601,661	3,504
200,001 and over ..	17	5,003,657	10,883
Total ..	158,616	252,557,652	527,929

In the succeeding statement details are shown relating to the assessments made during the years 1928 to 1932.

LAND TAX ASSESSMENTS, 1928 TO 1932.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
	No.	£	£ s. d.	£
1928	142,127	508,991	3 11 7	243,092,361
1929	151,664	528,773	3 9 9	253,124,902
1930	155,555	543,350	3 9 10	249,877,170
1931	153,692	548,285	3 9 1	262,731,902
1932	153,616	527,929	3 6 7	252,557,652

Commonwealth Land Tax. The Commonwealth Land Tax—assented to on 17th November, 1910—is also levied on the lands in the State.

The following particulars of land tax assessment for Victoria for the financial year 1928-29 have been furnished by the Federal Commissioner of Land Tax. The returns assessed numbered 8,932, of which 8,599 belonged to resident and 333 to absentee taxpayers. The unimproved value of these estates, as ascertained by the Department, and including the Victorian interests in the returns of 1,848 Central Office taxpayers who owned land in more than one State, was £107,864,957. The tax payable on the latter amount was £851,443, being £841,057 for residents and £10,386 for absentees.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

Commonwealth, State, and Municipal Taxation. The subjoined 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, 1927-28 TO 1931-32.

Heads of Taxation.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
	£	£	£	£	£
Total Commonwealth Taxation in Victoria* ..	15,825,000	15,643,000	16,119,000	13,953,000	14,898,000
State—					
Income Tax ..	3,035,014	2,881,917	2,981,050	2,659,585	2,061,561
Land Tax ..	560,013	560,765	531,426	506,025	497,609
Probate Duty ..	1,117,164	1,079,840	1,133,422	1,131,603	1,014,669
Unemployment Relief—					
Direct ..	..	..	..	861,530	999,814
Stamp Duty ..	..	..	..	376,974	650,678
Entertainments Tax ..	..	..	53,348	160,066	159,719
Racing Taxation ..	135,265	145,532	145,748	160,011	212,375
Other Stamp Duties ..	1,004,079	1,016,365	985,088	704,958	639,578
Motor Car and Motor Omnibus Acts †	922,437	1,065,734	1,147,957	1,070,556	1,124,362
Liquor Licences ..	365,453	365,941	362,122	345,797	270,076
Other Licences ..	36,696	36,494	35,552	77,855	77,650
Duties on Bank Notes ..	1,878	1,543	1,708	1,655	1,603
Total State Taxation ..	7,177,999	7,154,131	7,377,421	8,056,615	7,709,694
Municipal Taxation ..	3,902,894	4,049,228	4,039,319	3,700,967	†
Total Taxation	26,905,893	26,846,359	27,535,740	25,710,582	†

* Estimated.

† See footnote on page 231.

‡ 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 PER HEAD OF POPULATION, 1927-28 TO 1931-32.

Division.	Taxation per Head of Population in Victoria.				
	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	9 1 10	8 17 10	9 1 6	7 15 10	8 5 5
State ..	4 2 5	4 1 3	4 3 0	4 10 0	4 5 7
Municipal ..	2 4 10	2 6 0	2 5 5	2 1 4	†
Total ..	15 9 1	15 5 1	15 9 11	14 7 2	†

* Average taxation per head throughout the Commonwealth.

† Not available.

TAXATION FOR FINANCIAL YEAR, 1932-33.

**Taxation for
Financial Year
1932-33.**

The *Income Tax Act* 1932 (No. 4059) fixed the rates of income tax on incomes earned during the year ended 30th June, 1932. These rates were the same as those applicable to 1930-31 incomes. They appear on page 237.

**Special
Income Tax.**

The above-mentioned Act provided also for a Special Tax on the taxable income of every person (other than a company) calculated as follows:—

Where the Taxable Income—						The Rate per £100 is—	
Exceeds	£100	but does not exceed	£1,000	..	..	s.	d.
..	£1,000	..	£1,250	..	..	6	0
..	£1,250	..	£1,750	..	..	7	0
..	£1,750	..	£2,000	..	..	8	0
..	£2,000	..	£2,500	..	..	9	0
..	£2,500	..	..	..	..	11	0
..	..	..	..	..	..	12	6

For the purposes of this Special Tax the taxable income is ascertained in the same manner as for Unemployment Relief Tax, with the exception that the minimum taxable income is £101.

**Unemployment
Relief
Taxation.**

The *Unemployment Relief (Taxation) Act* 1932 (No. 4057) is divided into two parts as follows:—

Part I.—Unemployment Relief Tax.

Part II.—Provisions relating to the Stamps (Unemployment Relief) Acts heretofore in force.

Under the Unemployment Relief Tax persons were taxed on each £1 of income earned in the year ended 30th June, 1932. The tax payable is the amount calculated at the rates applicable to 1930-31 incomes, but less 10 per centum of the amount so calculated. The rates of tax appear in the *Year-Book* for 1930-31.

The *Stamps (Unemployment Relief) Act* provides that from 5th November, 1932, an annual assessment under the *Unemployment Relief (Taxation) Act* shall supersede the stamp duty for unemployment relief.

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.

During the year 1931-32, the Government expended on pensions, gratuities, etc., a sum of £918,132. Of this amount, £335,369 was spent on ex-public servants who had contributed nothing towards their pensions. The remainder represents payments from State revenue to the Police Superannuation Fund, the Police Pensions Fund, and the Superannuation Fund. The following table gives details of the Government expenditure for each of the last five years.

**GOVERNMENT EXPENDITURE ON PENSIONS,
GRATUITIES, ETC., 1927-28 TO 1931-32.**

Heading	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
	£	£	£	£	£
Railways	211,730	207,643	201,679	195,018	159,052
Defences	222	133	53	22	..
Lunacy	1,861	1,850	1,544	1,434	1,221
Under Constitution Act	1,500	1,500	..	..	..
County Court Judges ..	750	750	750	375	167
Civil Service	26,394	23,994	22,235	19,179	14,602
Public Service	183,954	183,357	178,240	170,681	141,044
Education Department ..					
Officers transferred to Commonwealth Service	25,568	24,568	21,980	22,000	17,500
Various Allowances ..	1,759	2,043	2,025	1,967	1,676
Compensations and Gratuities	1,960	1,504	1,142	1,133	107
Total Pensions, Gratuities, &c.	455,698	447,342	429,648	411,809	335,369
Police Superannuation Fund—					
Government Subsidy	84,000	84,000	81,500	82,400	78,759
Transferred from Licensing Fund (Act No. 3717) ..	23,000	23,000	23,000	23,000	23,000
Fines	14,015	13,724	11,189	9,548	10,342
Police Pensions Fund ..	52,000	55,500	56,500	59,800	82,800
The Superannuation Fund	171,584	224,895	277,324	336,230	387,862
GRAND TOTAL	800,297	848,461	879,161	922,787	918,132

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 $2\frac{1}{2}$ 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.

During the year 1931-32 the total receipts of the fund amounted to £113,538, consisting of £112,101 from Government Revenue as shown in the preceding table, and £1,437 from members of the Force. Payments out of the Fund amounted to £113,827 (£111,576 for pensions and £2,251 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 1931-32 amounted to £120,018 as follows :—Deductions from pay, £13,042 ; special appropriation, £82,800, and interest on investments, £24,176. Pensions paid during the year amounted to £1,982, gratuities to £242, and deductions of pay returned to £792 ; there was a balance of £654,318 at 30th June, 1932, of which £614,000 was invested.

An Act (No. 3782 of Consolidated Acts of 1928) to make provision on a contributory basis for superannuation benefits for State public servants and railway employees was passed by the State Parliament on 24th November, 1925. The date of commencement of the Act was 25th November, 1925, and contributions were made payable as from the 1st January, 1926, which date is the "appointed day." The payment of pensions commenced as from the same date. A fund has been established into which is paid the contributions of officers and the amounts received from the Government ; also the income derived from investments. The benefits provided by the Act are paid from the fund. Further information relating to the operations of this Act is given in the *Year-Books* for 1928-29, 1929-30, and 1930-31. The *Pensions Reduction Act* 1932, a résumé of which is given on page 236, makes provision for the reduction of all contributions payable by the Government under the Superannuation Acts into the Superannuation Fund in respect of pensions and also for the reduction of pensions payable under the Acts by the amount by which the Government contribution is reduced.

During the year 1931-32, the receipts of the Superannuation Fund amounted to £800,641, consisting of contributions from officers, £289,427 ; from Consolidated Revenue, £384,706 ; and interest on

investments, £126,508. The items of expenditure were as follows :—Pensions, £439,876 ; retrenchments, £9,405 ; assurance premiums, £230. The balance in the Fund at 30th June, 1932, was £2,583,927, of which £2,583,812 was invested.

In the year 1931–32, amounts of £3,821 and £15 were paid out of the Port Phillip Pilot Sick and Superannuation Fund in pensions and sick allowances respectively. 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.

EXPENDITURE ON EDUCATION.

During the year 1931–32 the State expended on education generally the sum of £2,574,460. 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 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, 1927–28 TO 1931–32.

Expenditure on—	1927–28.	1928–29.	1929–30.	1930–31.	1931–32.
	£	£	£	£	£
Education—					
Primary (including					
Special Subjects) ..	1,762,722	1,851,072	1,881,231	1,846,110	1,654,018
Intermediate ..	86,750	95,133	105,015	103,705	90,446
Secondary ..	186,570	205,726	236,251	240,224	203,603
Training of Teachers ..	62,010	66,883	66,183	55,924	40,927
Administration ..	86,710	83,244	80,957	79,208	66,804
Buildings and Land (Schools)	578,691	398,939	360,262	114,826	43,818
Retiring Allowances ..	155,819	162,656	167,037	168,482	151,900
Technical Education—					
Junior and Senior Schools	313,124	318,094	339,778	318,799	258,939
Buildings ..	49,297	30,713	39,474	14,120	1,925
University—					
Special Appropriations,					
&c. ..	77,804	70,292	69,640	73,136	62,080
Buildings, Apparatus,					
&c. ..	10,167	14,181	1,069	98	..
Miscellaneous ..	200	50	50	..	..
Total ..	3,369,864	3,296,983	3,346,947	3,014,632	2,574,460*
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per head of population ..	1 13 8	1 17 5	1 17 8	1 13 8	1 8 7

* In addition, £37,273 paid by students in fees during the calendar year 1931 was expended on technical education.

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 certain items of expenditure, viz.:—training of teachers, administration, &c., the totals shown hereunder are slightly overstated.

EXPENDITURE IN CONNEXION WITH PRIMARY AND SECONDARY EDUCATION OF STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS), 1927-28 TO 1931-32.

Items.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
	£	£	£	£	£
Education:—					
Primary—					
Day Schools, including Central Schools ..	1,691,358	1,772,944	1,842,021	1,807,759	1,620,559
Schools for Deaf Mutes and Blind and Feeble-minded Children ..	6,514	7,143	7,754	8,009	6,932
Subsidized Schools ..	89	108	162	103	174
Free Kindergarten Union ..	2,000	2,000	2,500	2,250	2,250
Special Subjects—					
Domestic Arts ..	16,727	17,692	*	*	*
Manual Training ..	21,385	21,989	*	*	*
Physical Training ..	1,480	2,239	2,126	1,491	1,037
Medical Inspection ..	14,105	17,773	17,422	16,604	13,996
Dressmaking and Needlework ..	4,289	4,101	4,568	5,786	5,996
School Gardening and Plantations ..	2,831	2,792	2,525	2,873	2,351
Singing ..	1,944	2,291	2,153	1,235	723
Total Primary ..	1,762,722	1,851,072	1,881,231	1,846,110	1,654,018
Intermediate—					
Higher Elementary Schools ..	49,062	50,981	57,757	58,396	50,721
Evening Continuation Classes ..	954	717	173	117	49
Schools of Domestic Arts ..	36,734	43,435	47,085	45,192	39,676
Total Intermediate ..	86,750	95,133	105,015	103,705	90,446
Secondary—					
High Schools ..	178,200	197,838	227,062	231,350	196,414
Scholarships ..	8,370	7,888	8,289	8,874	7,189
Total Secondary ..	186,570	205,726	235,251	240,224	203,603
Training of Teachers ..	62,010	66,888	66,183	55,924	40,927
Administration ..	86,710	83,244	80,957	79,208	66,804
Buildings—					
Primary Schools ..	423,292	274,237	235,340	93,708	33,022
Primary Schools (expended by School Committees) ..	20,287	22,845	20,634	9,075	4,820
Rents ..	5,946	4,988	4,958	3,491	3,184
Higher Elementary Schools ..	14,081	14,701	5,566	340	59
Domestic Arts Schools, etc. ..	†	†	14,865	101	21
High Schools ..	110,085	82,168	78,899	8,111	2,712
Total Buildings ..	578,691	398,939	360,262	114,826	43,818
Retiring Allowances ..	155,819	162,656	167,037	168,482	151,900
Total ..	2,910,272	2,863,653	2,896,936	2,608,479	2,251,516

* Included in "Intermediate" and "Secondary Education."

† Included in "Primary Education."

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), 1927-28 TO 1931-32.**

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.
1927-28 ..	2,919,272	33,459	2,885,813	193,705	14 17 11
1928-29 ..	2,863,653	36,427	2,827,226	197,634	14 6 1
1929-30 ..	2,896,936	41,224	2,855,712	201,247	14 3 10
1930-31 ..	2,608,479	47,792	2,560,687	207,005	12 7 5
1931-32 ..	2,251,516	62,126	2,189,390	209,968	10 8 7

* 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

In the following statements ordinary revenue and expenditure and loan expenditure of the State Government and of municipal and local bodies in Victoria are shown for each of the five years 1926-27 to 1930-31. Amounts received by one body from another have been excluded from the statement.

**State and
Local
Finance.**

STATE AND LOCAL REVENUE AND EXPENDITURE, 1927 TO 1931.

Heading.	Financial Year ended in—				
	1927.	1928.	1929.	1930.	1931.
<i>Revenue.</i>	£	£	£	£	£
State Government ..	26,871,965	27,105,017	27,891,718	27,070,168	25,374,866
Municipal ..	6,356,439	6,629,037	6,876,054	6,858,927	6,198,906
Other Local Authorities—					
Harbor Trusts ..	882,675	785,346	850,138	706,152	476,311
Melbourne and Metropolitan Board of Works	1,353,289	1,452,134	1,612,268	1,706,372	1,767,186
Melbourne and Metropolitan Tramways Board	2,505,855	2,494,100	2,435,548	2,349,154	2,060,498
Fire Brigades Boards ..	111,971	121,403	130,042	131,594	118,948
Other* ..	231,842	225,226	256,474	247,931	241,482
Total ..	38,314,036	38,812,263	40,053,142	39,070,298	36,238,197
<i>Ordinary Expenditure.</i>					
State Government ..	27,488,168	27,268,370	27,840,631	28,243,040	27,829,064
Municipal ..	6,539,783	6,756,341	7,008,149	7,094,179	6,188,195
Other Local Authorities—					
Harbor Trusts ..	812,816	775,963	797,312	668,446	587,240
Melbourne and Metropolitan Board of Works	1,341,611	1,497,585	1,639,745	1,774,150	1,835,907
Melbourne and Metropolitan Tramways Board	2,503,927	2,521,161	2,552,422	2,519,093	2,265,126
Fire Brigades Boards ..	106,276	120,880	127,777	102,642	113,051
Other* ..	217,402	225,554	235,125	250,264	247,815
Total ..	39,009,983	39,165,854	40,201,161	40,651,814	39,066,398

* Ballarat Water Commission and Sewerage Authority; Bendigo Sewerage Authority; Geelong Waterworks and Sewerage Trust; and First Mildura Irrigation Trust.

STATE AND LOCAL REVENUE AND EXPENDITURE, 1927 TO 1931
—continued.

Heading.	Financial Year ended in—				
	1927.	1928.	1929.	1930.	1931.
<i>Loan Expenditure.</i>	£	£	£	£	£
State Government ..	9,096,180	9,657,411	7,225,704	6,467,067	3,552,767
Municipal ..	1,678,352	1,744,378	1,883,537	1,432,639	791,796
Other Local Authorities—					
Harbor Trusts ..	682,521	550,189	392,891	521,537	330,408
Melbourne and Metropolitan Board of Works	1,508,383	2,110,967	2,061,956	1,747,174	881,992
Melbourne and Metropolitan Tramways Board	985,216	823,715	510,587	689,199	336,157
Fire Brigades Boards ..	40,823	5,917	33,366	27,300	18,260
Other ..	188,091	168,652	232,928	132,776	55,755
Total ..	14,179,566	15,061,229	12,340,969	11,017,692	5,967,135
<i>Expenditure—Grand Total ..</i>	53,189,549	54,227,083	52,542,130	51,669,506	45,033,533
Per Head of Population—					
Revenue ..	£ s. d. 22 7 8	£ s. d. 22 5 9	£ s. d. 22 14 11	£ s. d. 21 19 7	£ s. d. 20 4 9
Ordinary Expenditure ..	22 15 9	22 9 10	22 16 7	22 17 6	21 16 4
Loan Expenditure	8 5 8	8 13 0	7 0 2	6 4 0	3 6 8

PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1932.

Loans Raised
and
Redeemed.

LOANS RAISED AND REDEEMED TO 30th JUNE, 1932.

	£
Cash received	528,452,681
Discount and expenses, after deducting premiums	4,972,697
Securities issued	533,425,378
Add liability to Commonwealth for Treasury Bills issued for revenue purposes	3,650,000
„ temporary advances under Act No. 3200 pending loan flotation	300,000
	537,375,378
Loans redeemed by—	£
Renewal Loans	340,558,814
National Debt Sinking Fund	2,839,405
Other Funds	24,062,803
Discount (securities purchased under par)	80,392
	367,541,414
Loans outstanding as at 30th June, 1932	169,833,964

It will be seen that, upon the transactions to 30th June, 1932 (excluding the advances, &c., referred to above), securities representing £533,425,378 were issued, and that the amount of cash received was £528,452,681. The State thus received £99 ls. 4d. in cash for every £100 bond given.

Loans floated. 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, 1932 :—

LOANS FLOATED TO 30TH JUNE, 1932.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid Off (including Renewal Loans).	Debt Outstanding at 30th June, 1932.			
			Inscribed Stock.	Debentures.	Total Payable in—	
					London.	Australia.
	£	£	£	£	£	£
London Register	144,285,002*	75,258,865	56,672,348	12,353,789	68,407,872	618,265†
Melbourne Register ..	389,140,376	292,282,549	92,717,827	4,140,000	..	96,857,827
Total ..	533,425,378	367,541,414	149,390,175	16,493,789	68,407,872	97,476,092
Add Liability to Commonwealth for Treasury Bills issued for revenue purposes						3,650,000
„ temporary advances under Act No. 3200 pending loan flotation ..					300,000	..
Total Public Debt at 30th June, 1932					68,707,872‡	101,126,092

* 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 £4,648,084 raised in New York through the Commonwealth Government.

During the last ten years there has been a very large increase in the public debt, the actual increase having been £60,734,768, or over 55 per cent. Below is given a statement showing the chief works and services for which the additional liabilities were incurred :—

PUBLIC DEBT—INCREASE IN TEN YEARS.

Work or Service for which raised.	Loans outstanding at 30th June—		Increase.
	1922.	1932.	
	£	£	£
Railways	63,206,168	74,179,502	10,973,334
Waterworks—Country .. .	11,092,078	24,362,555	13,270,477
Metropolitan .. .	938,182	..	938,182†
Discharged Soldiers' Settlement ..	17,372,027	24,993,863	7,621,836
Closer Settlement .. .	3,917,516	10,059,816	6,142,300
Electricity Supply .. .	1,580,282	17,860,008	16,279,726
Roads—Main .. .	3,935,215	4,100,731	5,593,582
Developmental .. .		5,428,066	
State Forests .. .	..	480,980	480,980
All other Works and Services .. .	5,929,445	4,718,443*	1,211,002†
In Aid of Revenue .. .	1,128,286	3,650,000	2,521,714
Total .. .	109,099,199	169,833,964	60,734,765

* Includes £703,289 advanced from State Loans Repayment Fund not yet allocated to any particular work.

† Decrease.

Due Dates of Loans.

Particulars concerning the due dates of loans outstanding at 30th June, 1932, 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, 1932.

Due Date. (Financial Year.)	Payable in London.	Payable in Australia.	Total.
	£	£	£
1932-33	6,397,308	11,678,073	18,075,381
1933-34 .. ..	..	13,191,068	13,191,068
1934-35	2,980,849	8,598,651	11,579,500
1935-36 .. ..	..	2,546,250	2,546,250
1937-38 .. ..	..	33,000	33,000
1938-39 .. ..	..	9,631,620	9,631,620
1939-40 .. ..	..	312	312
1940-41	3,906,800	630,270	4,537,070
1941-42 .. ..	..	6,986,406	6,986,406
1942-43	13,875,800	127,800	14,003,600
1944-45	807,075	5,425,076	6,232,151
1945-46	1,049,868	15,400	1,065,268
1947-48 .. ..	..	3,670,364	3,670,364
1948-49	5,202,146	248,275	5,450,421
1949-50	6,119,695	111,563	6,231,258
1950-51 .. ..	..	3,411,707	3,411,707
1953-54 .. ..	..	3,308,337	3,308,337
1955-56	2,744,622*	3,144,282	5,888,904
1957-58	1,903,462*	3,074,197	4,977,659
1959-60	2,962,116	3,085,565	6,047,681
1960-61	5,999,000	..	5,999,000
1961-62 .. ..	..	3,068,757	3,068,757
1975-76	14,459,131	..	14,459,131
Not yet fixed .. ..	..	15,489,119†	15,489,119
Liability to Commonwealth for Treasury Bills issued for revenue purposes ..	..	3,650,000	3,650,000
Temporary advances under Act No. 3200, pending flotation	300,000	..	300,000
Total	68,707,872	101,126,092	169,833,964

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

† Amount includes £11,794,075 received from Commonwealth Government for purposes of Discharged Soldiers Settlement.

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.

**PUBLIC DEBT AND INTEREST PAYABLE THEREON IN
LONDON AND AUSTRALIA, 1900 to 1932.**

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
1928 ..	64,713,531	93,469,939	2,980,545	4,766,123
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

* Including outstanding loans raised in New York by the Commonwealth Government, amounting to £4,695,367 at end of 1927-28, £4,658,461 at end of 1928-29, 1929-30, and 1930-31, and £4,648,084 at end of 1931-32.

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, 1932, and the portions of the debt at each rate in London and Australia respectively :—

**RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1932.**

Rate of Interest.	Amount Payable in—		
	London.	Australia.	Total.
%	£	£	£
$5\frac{1}{2}$	6,887,649	..	6,887,649
5	35,372,049*	..	35,372,049
$4\frac{3}{4}$	5,999,000	..	5,999,000
£4 13s. .. ..	..	800,000	800,000
$4\frac{1}{2}$	836,207†	..	836,207
£4 9s. $1\frac{1}{2}$ d. .. ..	..	3,117,450	3,117,450
£4 5s. 3d. .. ..	..	4,333,711	4,333,711
£4 1s. $4\frac{1}{2}$ d. .. ..	..	2,482,000	2,482,000
£4 1s. 4d. .. ..	..	6,790	6,790
4	2,962,116	55,934,373	58,896,489
$3\frac{7}{8}$ .. ..	..	21,128,689	21,128,689
£3 13s. 8d. .. ..	..	80,730	80,730
$3\frac{1}{2}$	8,316,095	..	8,316,095
£3 9s. 9d. .. ..	..	500	500
£3 2s. .. ..	..	736,171	736,171

RATES OF INTEREST ON PUBLIC DEBT AT 30TH JUNE, 1932

—continued.

Rate of Interest.	Amount Payable in—		
	London.	Australia.	Total.
%	£	£	£
3	5,202,146	3,272,300	8,474,446
£2 18s. 1½d. .. ..	..	220,000	220,000
£2 14s. 3d. .. ..	..	445,295	445,295
£2 6s. 6d. .. ..	..	778,083	778,083
1½	1,121,827	..	1,121,827
Various	1,710,783	4,140,000	5,850,783
Not fixed	300,000	3,650,000	3,950,000
Total	68,707,872	101,126,092	169,833,964
Average Rate of Interest	% 4.58	% 3.95	% 4.20

* Including £3,811,877 raised in New York by the Commonwealth Government.

† Raised in New York by the Commonwealth Government.

While the public debt has increased from year to year a very noticeable feature is the rapid increase which occurred during the few years prior to 1928-29. During the last-mentioned year, the amount at the credit of the State Redemption and Sinking Funds was applied to the liquidation of £5,540,369 of the public debt. As compared with 1922 the debt per head of population at 30th June, 1932, had increased by 35.4 per cent.; and the interest payable per head by 22.0 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.

GROWTH OF PUBLIC DEBT AND INTEREST, 1855 TO 1931-32.

End of Financial Year in—	Loans Outstanding.			Amount per Head of Population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest Payable.
		Total.	Average Rate per cent.		
	£	£	%	£ s. d.	£ s. d.
1855* ..	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 10 1	3 16 3
1927 ..	149,546,966	7,315,362	4·89	86 12 5	4 4 9
1928 ..	158,183,470	7,746,668	4·90	90 8 5	4 8 7
1929 ..	159,552,653	7,875,272	4·94	90 5 4	4 9 1
1930 ..	162,288,994	8,057,125	4·96	91 0 3	4 10 4
1931 ..	167,016,596	8,246,197	4·94	92 18 4	4 11 9
1932 ..	169,833,964	7,134,844	4·20	94 1 6	3 19 1

* 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.

EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS.*

Purpose.	Expenditure during the Year—				Total to 30th June, 1932.
	1928-29.	1929-30.	1930-31.	1931-32.	
	£	£	£	£	£
Railways	1,229,521	947,527	455,293	163,402	73,929,260
Water Supply—					
Country	1,516,023	1,208,568	696,146	351,119	24,616,721
Metropolitan ..	..	..	..	..	3,142,577
Closer Settlement ..	923,024	752,889	494,212	313,657	11,998,884
Discharged Soldiers' Settlement ..	570,103	514,768	214,967	215,810	27,105,767
Country Roads ..	746,255	642,629	211,603	85,582	10,855,270
Electricity Supply ..	1,570,373	1,624,954	959,898	586,337	17,839,227
State Schools, Technical Schools, and University ..	275,488	266,082	50,519	2,354	5,058,996
State Coal Mine ..	..	..	..	..	249,399
Seed and Fodder Advances to Farmers	102,256	153,300	314,364	248,300	1,575,943
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 ..	54,858	38,268	21,877	24,070	684,784
Parliament Houses, Law Courts, &c. ..	15,822	81,558	4,110	..	853,708
State Forests ..	59,124	55,264	28,104	22,791	491,044
All other works and services ..	162,857	181,260	101,674	28,621	5,380,980
In aid of Revenue ..	..	..	..	..	3,875,682
Total	7,225,704	6,467,067	3,552,767	2,042,043	189,697,056

* The amounts shown in this table differ from those shown in previous years, which were the amounts charged to Loan Funds.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1932, sums not yet expended amounted in the aggregate to £689,745, of which £357,445 was for Public Works, Buildings, &c.; £273,972 for Country Water Supply; £25,152 for Closer Settlement; £25,000 for Discharged Soldiers' Settlement; £3,660 for Country Roads; £3,472 for State Forests; and £1,044 for Railways.

The total interest paid (including all expenses of payment) on loans raised to 30th June, 1932, amounted on that date to about £167,000,000, of which £102,000,000 had been

Interest paid on Loans.

paid in London and £65,000,000 in Melbourne. The amount of interest and expenses paid during each of the last five financial years is shown in the next table :—

INTEREST 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, etc.	Exchange on Payment of Interest in London.	Total.
	London.	Melbourne.				
	£	£	£	£	£	£
1928 ..	2,576,136	4,342,269	6,597	12,762	..	6,937,764
1929 ..	3,042,380	4,484,513	23,936	15,513	..	7,566,342
1930 ..	3,078,202	4,622,935	20,908	18,267	..	7,740,312*
1931 ..	3,126,788	4,998,952	27,426	19,388	419,772	8,592,326*
1932 ..	3,152,867	4,423,402	9,390	31,424	1,003,250	8,620,333*

* 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 1931-32 :—

	£
Dr. balance—Amount of advance to the State at 30th June, 1931	3,922
Contributions during 1931-32—	£
By Commonwealth under Financial Agreement ..	251,995
" " under Federal Aid Roads Act ..	4,972
" State under Financial Agreement ..	536,699
	793,666
Interest received	9,410
	799,154
Cancellation of securities to the value of £302,906	319,553
	479,601
At credit of the State at 30th June, 1932	

TRUST FUNDS.

The liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgements amounted to £6,333,663 at 30th June, 1932. Of this sum, £3,439,897 was invested in Victorian Government and Commonwealth Government inscribed stock and in other securities, and cash advances were £2,777,738, and cash held was £116,028.

PUBLIC DEBTS OF AUSTRALIAN STATES.

The following is a statement of the public debts of the Australian States at 30th June, 1932, 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.

The particulars of the debts, &c., of the States (excepting Victoria) have been supplied by the Commonwealth Statistician. The Victorian figures appearing in the Treasurer's Finance Statement have been adopted.

PUBLIC DEBTS OF AUSTRALIAN STATES AT
30TH JUNE, 1932.

Heading.	Victoria.*	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
Public Debt	£ 169,833,964	£ 305,590,877	£ 111,911,785	£ 100,794,244	£ 79,797,953	£ 23,245,275
Debt per head of population	£ s. d. 94 1 6	£ s. d. 120 17 5	£ s. d. 115 0 4	£ s. d. 171 19 7	£ s. d. 188 13 2	£ s. d. 105 4 6

* Including liability to Commonwealth for Treasury Bills issued for Revenue purposes, £3,650,000; and temporary advances under Act No. 3200, £300,000.

After deducting from the Victorian debt shown above the amount to be written down by the Commonwealth Government on account of Discharged Soldiers Settlement (£2,160,960), the gross public debt of the six States amounted to £788,943,138. 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 £398,884,725. Therefore the liability of the Australian public (£1,187,827,868) at 30th June, 1932, was equal to £181 7s. 6d. per head of the population.

The gross and net indebtedness of the Government, Municipalities, and other Local Governing Bodies of Victoria for the year 1931 are shown in detail hereunder. From the debts of all Local Governing Bodies the amounts of outstanding loans received from the Government have been excluded.

STATE AND LOCAL DEBTS, 1931.

Heading.	Loans Outstanding—			Accrued Sinking Fund.	Net Indebtedness.
	Payable in London.	Payable in Australia.	Total.		
State Public Debt—	£	£	£	£	£
Securities issued ..	65,422,633*	95,939,650	167,290,396	3,922†	167,294,318
Liability on account of flotation in course ..	1,057,913	..			
Liability to Commonwealth for Treasury Bills issued for Revenue purposes ..	..	2,100,000			
Temporary advances under Act No. 3200 ..	2,496,400	..			
Public Account Advances ..	..	273,800			
Municipalities:—					
Melbourne City Council ..	..	3,924,650	3,924,650	401,088	3,523,562
Geelong City Council ..	..	127,527	127,527	1,274	126,253
Other Municipalities ..	..	8,733,424	8,733,424	145,314	8,588,110
Other Local Governing Bodies—					
Melbourne Harbor Trust ..	1,082,100	3,328,000	4,410,100	5,044	4,405,056
Geelong Harbor Trust† ..	..	222,300	222,300	..	222,300
Melbourne and Metropolitan Board of Works ..	4,140,000	19,861,131	24,001,131	1,031,166	22,969,965
Bendigo Sewerage Authority ..	..	356,006	356,006	..	356,006
Geelong Waterworks and Sewerage Trust ..	..	1,320,497	1,320,497	94,013	1,226,484
Ballarat Water Commission and Sewerage Authority† ..	..	401,764	401,764	2,195	399,569
Melbourne and Metropolitan Tramways Board ..	1,000,000	4,761,384	5,761,384	575,392	5,185,992
Metropolitan Fire Brigades Board ..	..	227,420	227,420	..	227,420
Country Fire Brigades Board ..	..	28,806	28,806	..	28,806
Grand Total ..	75,199,046	141,606,359	216,805,405	2,251,564	214,553,841

* Including £4,658,461 raised in New York by the Commonwealth Government.

† Amount advanced from National Debt Sinking Fund and applied to Redemption.

‡ Excluding outstanding loans received from State Government, as follows:—Municipalities, £853,534; Geelong Harbor Trust, £393,861; Warrnambool Harbor Board, £4,960; and Ballarat Water Commission and Sewerage Authority, £301,158.

The net amount of State and Local Debts (£214,553,841) is equal to £119 7s. 4d. per head of the population at 30th June, 1931.