

PART III.

FINANCE.

State
Finance.

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

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

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

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

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

A summary of the transactions for the year ended 30th June, 1947, in the Consolidated Revenue Fund and in certain special funds gives the following result:—

	£
Public Revenue	38,912,209
Public Expenditure	38,907,176
Net Surplus (transferred to Surplus Revenue Account, Act 3341, Section 13)	5,033

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 1946-47 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total—Treasurer's Finance Statement	37,358,934	37,353,901
<i>Add public revenue of the following funds—</i>	1,277,726	1,277,726
Country Roads Board Fund*		
Licensing Fund†	105,377	105,377
Police Superannuation Fund	21,378	21,378
Assurance Fund	3,000	3,000
Cattle Compensation Fund	58,153	58,153
Swine Compensation Fund	14,618	14,618
Metropolitan Roads Fund	38,759	38,759
Mallee Land Account	38,445	38,445
Other Funds	33,508	33,508
<i>Deduct—</i>	38,949,898	38,944,865
Loss of Revenue on account of (a) reduction in certain periodical fares to outer suburbs, (b) additional concessions to Defence Forcés on leave, (c) non-paying lines	37,689	37,689
Total	38,912,209	38,907,176

* Excluding £618,676 recouped to Revenue under Acts Nos. 3944 and 4140.

† In addition to this amount £397,648 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 5059.

The revenue and expenditure of the State for the years 1942-43 to 1946-47, after taking into account the circumstances mentioned above, are shown in the next statement.

**VICTORIA—STATE REVENUE AND EXPENDITURE,
1943 TO 1947.**

Year ended 30th June—	Public Revenue.	Public Expenditure.	Surplus.	Accumulated Deficiency to end of each Year (i.e., 30th June).
	£	£	£	£
1943 *	37,244,562	36,490,231	754,331	7,946,569
1944	36,427,814	35,807,503	620,311	7,946,237
1945	36,235,902	35,886,778	349,124	7,945,926
1946	36,415,207	36,409,478	5,734	7,945,803
1947	38,912,209	38,907,176	5,033	7,940,069*

* Of this amount, £5,243,000 was provided from the proceeds of Treasury Bonds and £2,697,069 from the Public Account.

The surplus in respect of each of the years aforementioned was transferred to the Surplus Revenue Account under Section 13 of Act No. 3341, which provides that any surplus shall be applied to the reduction of the Consolidated Revenue deficit unless otherwise directed by Parliament. The surplus for each of the years 1942-43 to 1946-47 was applied as follows:—

Year ended 30th June—	Surplus.	Towards Reduction of Accumulated Deficiency.	To Expenditure on Public Works.*	
			Amount Authorized.	Statutory Authority.
	£	£	£	
1943	754,331	331	754,000	Act No. 4968 of 1943
1944	620,311	311	620,000	Act No. 5047 of 1944
1945	349,124	124	349,000	Act No 5093 of 1945
1946	5,734	5,734	..	..
1947	5,033	5,033	..	..

* For details of expenditure from Surplus Revenue, see page 124.

Details of the sources of revenue for each of the financial years 1942-43 to 1946-47 are given in the following statement:—

**VICTORIA—SUMMARY OF STATE REVENUE,
1943 TO 1947.**

Heads of Revenue.	Year ended 30th June—				
	1943.	1944.	1945.	1946.	1947.
	£	£	£	£	£
Taxation—					
Income Tax	1,185,621	121,208	63,250	64,444	69,744
Income and Entertainments Tax—Commonwealth					
Reimbursement ..	5,439,005	6,690,918	6,796,023	6,803,905	8,770,774
Land Tax	355,007	359,983	357,603	321,299	382,599
Probate Duty	1,517,895	1,778,266	1,853,991	1,825,180	2,460,655
Unemployment Relief ..	545,695	78,133	30,986	21,909	19,482

VICTORIA—SUMMARY OF STATE REVENUE, 1943 TO 1947—
continued.

Heads of Revenue.	Year ended 30th June—				
	1943.	1944.	1945.	1946.	1947.
	£	£	£	£	£
Taxation—continued—					
Entertainments Tax* ..	486,964	487,492	646,117	877,770	969,401
Other Stamp Duties ..	809,237	823,452	886,718	1,070,841	1,335,406
Motor Taxation ..	1,492,745	1,582,439	1,655,159	1,846,937	2,093,747
Licences—					
Liquor ..	361,556	381,951	381,600	388,607	483,968
Other ..	89,786	84,565	88,345	90,360	104,565
Other Taxation ..	16,684	17,267	19,043	19,790	22,796
Total Taxation ..	12,300,195	12,405,674	12,778,835	13,331,042	16,713,137
Commonwealth Payment to State—Act No. 3554—					
Financial Agreement ..	2,127,159	2,127,159	2,127,159	2,127,159	2,127,159
Public Works and Services—					
Railways ..	16,829,288	15,913,935	15,415,687	14,725,689	13,747,827
Water Supply ..	936,382	827,076	839,488	809,791	1,021,919
State Coal Mine ..	410,466	395,142	397,739	344,979	283,333
State Electricity Commission					
Interest, &c. ..	861,229	859,669	856,090	847,712	815,552
Country Roads Board† ..	Dr. 143,668	Dr. 143,668	Dr. 143,668	Dr. 143,668	Dr. 143,333
Maffra Beet Sugar Factory	71,011	73,024	26,869	6,448	18,632
Victoria Dock Cool Stores	56,957	60,836	87,380	77,066	88,001
Wharfrage Rates, &c. ..	37,672	33,132	36,263	45,587	65,679
Other ..	153,551	179,579	228,314	159,623	132,405
Land—					
Land Sales, Rents, Penalties, &c. ..	536,671	559,345	546,166	611,557	650,482
Interest on Loans—					
Land Settlement ..	561,979	477,471	406,206	416,736	417,147
Soldier Settlement ..					11,314
Fees, Fines, &c. ..	290,051	299,997	306,587	360,849	436,491
Tramways Act No. 3732 (Sec. 77)	119,443	128,802	129,348	126,728	120,641
Government Printer ..	173,956	202,548	208,489	227,358	234,124
Harbor Trust Contributions ..	152,157	138,461	135,280	142,916	149,675
Royal Mint ..	134,468	116,885	104,574	95,058	218,473
Interest and Recoups, N.E.I.	657,049	660,359	678,942	1,076,588	780,041
Department of Agriculture†	42,540	46,769	55,393	82,837	86,827
Miscellaneous ..	936,006	1,065,619	1,014,761	943,152	936,683
Total ..	37,244,562	36,427,814	36,235,902	36,415,207	38,912,209
Head of Population ..	£ s. d. 18 17 7	£ s. d. 18 6 4	£ s. d. 18 1 4	£ s. d. 18 1 4	£ s. d. 19 1 6

* Mainly Horse-Racing.

† Represents the difference between the interest received by Consolidated Revenue on account of Country Roads and the recoups to Consolidated Revenue as shown in the Country Roads Board Fund. See remarks in page 118 with reference to the statistical method of arriving at total public revenue.

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

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

Heads of
State
Expenditure.

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE
REVENUE, 1943 TO 1947.

Heads of Expenditure.	Year ended 30th June—				
	1943.	1944.	1945.	1946.	1947.
<i>Legislature and General Administration.</i>	£	£	£	£	£
Legislature—					
Governor	10,793	11,428	11,988	14,412	14,808
Parliament	102,755	102,969	113,468	121,825	124,776
Electoral	27,241	25,255	6,653	52,854	15,713
Financial Administration—					
Public Debt Charges—					
Interest—					
Funded Debt	6,478,474	6,354,326	6,285,214	6,214,200	6,054,532
Temporary Loan	32,886	76,383	93,138	80,307	74,407
Exchange on Interest	696,648	703,085	687,029	644,789	585,301
Expenses of Paying Interest, Redemptions, Conversions, &c.	48,689	74,682	39,395	56,327	27,246
National Debt Sinking Fund	1,118,107	1,192,159	1,327,108	1,406,924	1,474,089
Pensions and Superannuation Contributions*	996,755	1,013,352	1,005,864	996,826	1,021,060
Departmental—					
Treasury (including Taxation, Stamps, &c.)	135,791	106,901	110,720	117,962	135,525
Pay-roll Tax	351,458	364,109	374,720	384,477	427,365
Superannuation Board and Pensions Office—Administration	7,420	7,668	7,842	8,587	9,049
Auditor-General	26,918	28,717	30,448	33,291	37,091
Royal Commissions, Boards of Inquiry, &c.	2,355	4,278	1,256	412	1,481
Administration, N.E.I.—					
Government Printer	174,775	226,289	208,304	202,014	235,739
Mint Subsidy	53,500	68,000	55,000	52,000	102,000
War Damage Insurance	119,092	58,635	116		
Other	384,840	283,259	315,526	437,131	579,093
Total	10,768,497	10,701,495	10,673,789	10,824,338	10,919,225
<i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary	15,500	15,422	15,500	17,738	19,042
Attorney-General and Solicitor-General	275,997	284,207	295,005	330,200	394,350
Police	1,052,151	1,105,583	1,094,933	1,122,045	1,286,854
Prisons	151,258	164,983	161,400	170,470	173,374
Prevention of Fire and Flood	83,936	104,901	138,142	112,324	152,118
National Security Act (Public Safety)	358,054	138,170	83,822	13,843	
Other	5,495	2,197	2,622	4,749	5,511
Total	1,942,391	1,815,463	1,791,424	1,771,369	2,031,249

* For details, see page 134.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1943 TO 1947—*continued.*

Heads of Expenditure.	Year ended 30th June—				
	1943.	1944.	1945.	1946.	1947.
	£	£	£	£	£
<i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation ..	84,014	38,820	41,984	46,604	57,638
Labour Legislation	25,280	22,966	26,203	28,888	41,981
Transport Regulation Board ..	24,978	24,791	24,137	21,568	23,393
Liquor Licence Control (Adminis- tration, including Compensation)	..	103,503	100,000	..	50,000
Decentralization Fund and conces- sion for establishment of industries in country	15,789	18,845	13,929	43,543	24,885
Other .. .. .	..	..	..	..	..
Total	150,061	208,925	206,253	140,603	197,897
<i>Education.*</i>					
Primary, Intermediate, Secondary, Technical — Administration, Salaries of Teaching Staffs, &c.	2,952,783	3,212,044	3,495,594	3,777,793	4,505,460
Technical N.E.L., including Main- tenance Grant	202,424	220,663	225,781	276,788	350,241
University†	98,200	109,700	112,200	116,240	132,740
Agricultural Education— Colleges, Experimental Farms, University Grants, &c.	39,556	43,128	66,754	106,670	125,337
Other Activities	5,839	5,000	4,782	5,951	8,938
Other	1,960	2,527	2,168	2,990	4,258
Total	3,300,762	3,593,062	3,907,279	4,286,432	5,126,974
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and Art Galleries	54,169	58,220	68,603	75,571	88,612
Observatory	2,800	2,002	..	..	..
Other Activities and Institutions ..	175	175	164	175	175
Total	57,144	60,397	68,767	75,746	88,787
<i>Promotion of Public Health and Recreation.</i>					
Care of Sick and Mentally Afflicted— Hospital and Charities Fund (including Totalizator Contribu- tion)	771,139	858,782	953,837	1,092,444	1,503,730
Various Hospitals, &c.	127,882	134,456	152,443	220,695	246,614
Mental Hospitals	616,664	658,881	677,177	711,951	782,328
Mental Defectives	33,011	37,913	37,291	39,631	46,377
Health of Mothers and Children— Infant Welfare and Clinics	17,735	23,316	54,577	97,834	122,056
Medical and Dental Examination of School Children	18,736	10,021	7,777	4,453	4,601
Preservation of Public Health— Health Department—Administra- tion	50,955	58,848	75,813	63,776	77,368
Other	106,311	116,084	138,522	127,506	166,508
Parks, Gardens, and Recreation Reserves	20,933	21,787	22,066	24,972	29,878
Total	1,763,366	1,920,088	2,119,503	2,383,262	2,979,460

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

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1943 TO 1947—*continued.*

Heads of Expenditure.	Year ended 30th June—				
	1943.	1944.	1945.	1946.	1947.
	£	£	£	£	£
<i>Social Amelioration.</i>					
Relief of Destitute, Aged, &c. . .	12,966	14,547	16,989	15,600	6,966
Children's Welfare Department . .	235,998	230,867	215,851	204,833	220,965
Miners' Phthisis Allowances . . .	22,710	21,304	19,712	18,232	18,732
Care of Aborigines	4,505	5,670	7,260	7,555	6,393
Unemployment Relief Fund* . . .	1,185,695	478,133	430,986	271,909	19,482
Bush Fire Relief	2,042	88,235	1,094	26	..
Housing Commission—Advance . .	15,000	16,500	23,000	14,000	..
Commonwealth—State Housing Agreement—Interest . . . . .	..	..	..	..	165,714
State Relief Committee	2,400	6,000	6,000	6,000	7,000
Other	1,514	6,850	..	6,675	45,376
Total	1,482,830	868,106	720,892	544,830	490,628
<i>War Obligations.</i>					
Passes to Soldiers, Superannuation, &c.	60,038	62,402	61,799	41,262	19,652
<i>Local Government.</i>					
Licensing Fund Payment to Municipalities	59,044	59,032	58,988	58,984	58,984
Other	28,346	42,928	41,007	60,102	56,943
Total	87,390	101,960	99,995	119,086	115,927
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey . . .	280,844	254,198	248,443	291,594	397,652
Mining (excluding State Coal Mine)	56,423	53,263	57,251	50,563	56,815
Agricultural, Pastoral and Dairying†	302,655	442,040	408,405	416,054	486,087
Forestry‡	652,175	831,896	786,009	602,097	610,530
Fisheries and Game	6,858	8,281	10,205	13,508	24,484
Roads and Bridges—					
Country Roads, Board§	698,910	790,464	858,797	1,032,540	1,277,726
Metropolitan Roads Fund	36,759	36,215	37,026	38,627	38,759
Other	95	18,596	2,496	280	1,753
Tourist Activities . . . . .	..	128	142	322	733
Total	2,034,719	2,435,081	2,408,774	2,445,585	2,894,539
<i>Business Undertakings.</i>					
Railways	13,366,781	12,594,800	12,252,418	11,977,076	12,335,835
Harbours, Rivers, and Lights . . .	78,563	82,381	79,844	116,886	127,805
Water Supply, Irrigation, &c. . . .	623,402	685,473	816,962	1,069,645	1,027,686
State Coal Mine	475,188	446,282	446,479	397,530	366,398
Maffra Beet Sugar Factory	68,548	28,848	32,478	8,684	38,648
Victoria Dock Cool Stores	35,413	45,297	51,215	47,842	52,041
Seasoning Works (Newport)	51,150	37,935	41,844	43,693	53,201
Forest Tramways	2,889	3,575	9,197	9,977	9,327
Distillation of Eucalyptus Oil . . .	1,216	1,310	76	35	1,073
Wire Netting Manufacture	90	..	3,456	3,374	2,991
State Saw Mill	23,077	19,379	20,662	20,666	19,078
Maffra Dehydration Plant . . . . .	..	30,399	60,507	79,802	8,729

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

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

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

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1943 TO 1947—*continued.*

Heads of Expenditure.	Year ended 30th June—				
	1943.	1944.	1945.	1946.	1947.
<i>Business Undertakings—continued—</i>	£	£	£	£	£
Charcoal Production	116,716	64,845	13,165	1,750	26
Total	14,843,033	14,040,524	13,828,303	13,776,960	14,042,838
Grand Total	36,490,231	35,807,503	35,886,778	36,409,473	38,907,176
Per Head of Population	£ s. d. 18 9 11	£ s. d. 18 0 1	£ s. d. 17 17 10	£ s. d. 18 1 3	£ s. d. 19 1 6

On page 119 of this Part particulars are given of the amounts authorized by Parliament during the last five years for expenditure from the Surplus Revenue Account on public works. The following table gives details of such expenditure exclusive of amounts applied towards the reduction of the Consolidated Revenue deficit.

VICTORIA—SURPLUS REVENUE EXPENDITURE, 1945 TO 1947, AND TOTAL TO 30TH JUNE, 1947.

Service.	Year ended 30th June—			Total to 30th June, 1947.
	1945.	1946.	1947.	
Capital Services—	£	£	£	£
Railways .. ..	..	..	..	250,696
Other .. ..	..	..	..	64,170
Revenue Services—				
Social Services—				
Education—				
State Schools and Technical Schools ..	14,827	139,532	69,908	717,041
University .. ..	..	..	..	27,066
Other .. ..	..	..	1,086	23,665
Health—				
Hospitals—				
Mental Hygiene .. ..	..	12,462	29,308	148,769
Other (including Sanatoria)	249,238	116,606	185,235	1,345,199
Other Health	4,200	13,200	3,830	52,786
Law, Order, and Public Safety—				
Penal Establishment and Gaols	3,223	398	..	28,873
Other	11,416	12,803	14,826	43,825
Public Works—				
Crown Lands (including reclamation, drainage, &c.) .. ..	..	..	..	149,480
Harbours, Rivers, and Lights .. ..	..	..	..	117,293
Mining Development .. ..	..	..	..	85,000
Railways	2,113	..	..	631,740
Roads and Bridges .. ..	..	..	..	114,812
Water Supply, &c.	50,178	11,619	20,446	112,466
Other .. ..	..	..	..	62,826
Other Purposes—				
Developmental Railways Account .. ..	..	..	..	129,148
Drought Relief Fund	100,000	19,776	4,027	123,803
Redemption of Treasury Bonds and Unfunded Debt .. ..	..	..	..	503,802
Victorian Inland Meat Authority .. ..	..	31,000	..	100,000
Other .. ..	..	..	..	82,731
Total	435,195	357,396	328,666	4,915,191

To 30th June, 1947, the total amount authorized for expenditure on public works was £5,593,308, of which £678,117 was unexpended at that date.

TAXATION.

INCOME TAX.

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

Uniform Commonwealth Taxation. The Commonwealth Government's Uniform Income Taxation legislation provided for the Commonwealth to be the sole taxing authority in Australia in respect of Income and Entertainments Tax. The States have been compensated for their loss of revenue from these sources by grants from the Commonwealth Government.

As provided for under the States Grants (Tax Reimbursement) Act of 1946, the States received from the Commonwealth during 1946-1947 the following amounts:—New South Wales £16,127,942, Victoria £8,770,774, Queensland £6,564,625, South Australia £3,435,254, Western Australia £3,350,555, and Tasmania £1,214,698.

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

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

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

Deductions made from salary and wages earned during the period 1st July, 1946, to 30th June, 1947, in accordance with the "Pay-as-you-earn" scheme will be used in payment, or part payment, of the assessment on this scheme.

Social Services Contribution. New legislation which became operative on 1st January, 1946, had the effect of separating the amount of tax payable into two levies—(a) income tax, and (b) social services contribution. The contributable income (i.e., the income on which the contribution is based) is ascertained in the same manner as taxable income is ascertained for income tax purposes.

Rates of Tax and Contribution. The rates of tax imposed on incomes derived during the year ended 30th June, 1947, are calculated by applying the provisions as detailed in the first and Second Schedules respectively as shown hereunder:—

INDIVIDUALS—RATES OF TAX.

FIRST SCHEDULE—PERSONAL EXERTION.

Taxable Income	Rate
£ £ 1— 300	On first £200—Nil. Exceeding £200, 36·06d. in £1 and increasing uniformly by ·06d. for each £1 in excess of £201.
301—1,000	On first £300, 14d. in £1. Exceeding £300, 48·02d. in £1 and increasing uniformly by ·02d. for each £1 in excess of £301.
1,001—2,000	On first £1,000, 47·6d. in £1. Exceeding £1,000, 76·025d. in £1 and increasing uniformly by ·025d. for each £1 in excess of £1,001.
2,001—3,000	On first £2,000, 74·3d. in £1. Exceeding £2,000, 126·014d. in £1 and increasing uniformly by ·014d. for each £1 in excess of £2,001.
3,001—5,000	On first £3,000, 96·2d. in £1. Exceeding £3,000, 154·005d. in £1 and increasing uniformly by ·005d. for each £1 in excess of £3,001.
5,001 and over	On first £5,000, 123·32d. in £1. Exceeding £5,000, 174d. in £1.

SECOND SCHEDULE—PROPERTY.

Taxable Income	Rate
£ £	
1- 300	On first £200—Nil. Exceeding £200, 47·1d. in £1 and increasing uniformly by ·1d. for each £1 in excess of £201.
301-1,000	On first £300, 19d. in £1. Exceeding £300, 67·02d. in £1 and increasing uniformly by ·02d. for each £1 in excess of £301.
1,001-2,000	On first £1,000, 62·4d. in £1. Exceeding £1,000, 95·029d. in £1 and increasing uniformly by ·029d. for each £1 in excess of £1,001.
2,001-5,000	On first £2,000, 93·2d. in £1. Exceeding £2,000, 153·0035d. in £1 and increasing uniformly by ·0035d. for each £1 in excess of £2,001.
5,001 and over	On first £5,000, 135·38d. in £1. Exceeding £5,000, 174d. in £1.

The basic rate of social services contribution is 3d. for every £1 of the contributable income, increasing by one-eighth of one penny for every £1 by which the contributable income exceeds £100 with a maximum rate of 18d. A lower rate is imposed where a taxpayer on a small income is entitled to a concessional rebate.

Where income was derived partly from personal exertion and partly from property, the rate of income tax in respect of each class of income is the rate that would be applicable were the total income wholly derived from that class. However, no discrimination between classes of income is made in calculating social services contribution and the rate to be used is that applicable to the total income.

Income Tax was not levied on individual incomes not in excess of £200 and contribution was not levied on individual incomes not exceeding £104. Where the net income is between £104 and £112, provision is made that the total amount otherwise payable shall not exceed one-half of the excess over £104. The minimum amount of contribution payable is ten shillings but there is no minimum amount of Income Tax.

Concessional rebates calculated at the personal exertion rate of tax, appropriate to the taxpayer's total income, plus 18d., are allowable for the maintenance of specified dependants, medical and dental expenses, life assurance, superannuation rates and certain types of donations. There is a proviso that the rebates allowable for dependants shall not exceed certain defined limits.

**Concessional
Rebates.**

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

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

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

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

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

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

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

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

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

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

War-time (Company) Tax. Under the War-time (Company) Tax Amending Acts 59 and 60 of 1947 this tax will not be levied on taxable profit derived subsequent to the income year ended 30th June, 1946. Assessments in respect of the financial year beginning on the first July, 1946, will be based on the ascertained taxable profit derived during the income year ended 30th June, 1946.

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

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 for other purposes. For the purposes of this Act, unimproved value means the sum which might be expected to be realized at the time of valuation, if the land were offered for sale on such terms as a seller might in ordinary circumstances be expected to require, and assuming that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act, at a rate declared for each year by Act of Parliament. The rate of tax for the year ended 31st December, 1946, was one halfpenny on every pound sterling of the unimproved value exceeding £250 of land (other than land used for primary production) and £3,000 in respect of land used for primary production. Where the assessed unimproved value exceeded the amount of exemption, the exemption diminished at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounted to, or exceeded £6,000 in the case of land used for primary production and £500 in the case of other land.

An analysis, in specified groups of unimproved values of holdings of the 1946 Land Tax assessments is given in the following table.

VICTORIA—ANALYSIS OF STATE LAND TAX
ASSESSMENTS, 1947.

(Based on unimproved values as at 31st December, 1946.)

Unimproved Values of Holdings Ranging Between—		Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£		£	£
1 and	500	72,031	23,058,977	31,070
501 "	600	10,815	5,952,266	12,240
601 "	750	10,002	6,729,700	13,653
751 "	1000	10,504	10,128,210	18,343
1,001 "	1,500	10,240	11,518,222	25,154
1,501 "	2,000	5,099	8,913,930	17,722
2,001 "	3,000	5,307	12,917,864	25,673
3,001 "	4,000	2,859	9,920,258	19,645
4,001 "	5,000	1,714	7,623,098	15,218
5,001 "	6,000	1,156	6,319,418	12,654
6,001 "	7,000	1,154	7,453,733	15,039
7,001 "	8,000	836	7,181,388	12,439
8,001 "	9,000	535	4,531,575	9,054
9,001 "	10,000	455	4,287,498	8,568
10,001 "	15,000	979	11,506,381	23,969
15,001 "	20,000	444	7,625,407	15,431
20,001 "	25,000	234	5,241,661	10,234
25,001 "	30,000	142	3,935,138	7,733
30,001 "	35,000	99	3,195,958	6,658
35,001 "	40,000	73	2,729,263	5,598
40,001 "	50,000	98	4,306,688	8,818
50,001 "	75,000	111	6,569,815	13,572
75,001 "	100,000	52	4,594,321	9,150
100,001 "	150,000	36	4,226,313	8,211
150,001 "	200,000	15	2,528,142	5,153
200,001 "	over	27	8,783,209	17,267
Total	..	135,017	191,778,433	368,266

In the succeeding statement details are shown relating to the assessments made during the years 1943 to 1947.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1943 TO 1947.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
		£	£ s. d.	£
1943	126,113	359,101	2 16 11	169,935,830
1944	127,895	358,797	2 16 1	183,361,823
1945	129,899	360,880	2 15 7	190,125,475
1946	132,287	364,782	2 15 2	181,372,180
1947	135,017	368,266	2 14 7	191,778,433

The increase in the amount of the exemption allowed to primary producers contributed to the decline in the assessments from 1943 onwards as compared with previous years.

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

PROBATE DUTIES.

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

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

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

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

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

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

The total amounts of probate duty assessed (excluding amounts collected by the Public Trustee) for the years 1942-43, 1943-44, 1944-45, 1945-46 and 1946-47 were £1,490,978, £1,469,478, £1,847,245, £1,898,840, £1,878,182 and £2,459,430 respectively. Actual collections of probate duty for the years mentioned are shown in the table on page 119.

The Commonwealth Government also levies probate **Commonwealth Estate Duty** and succession duties. The amount of duty collected throughout Australia in each of the years 1942-43, 1943-44, 1944-45, 1945-46, and 1946-47 was £2,696,000, £2,761,562, £3,090,200, £3,880,041 and £4,018,620 respectively.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

Taxation in Victoria per head of population levied by the Commonwealth, the State, and the Municipalities for each of the years 1942-43 to 1946-47 was as follows:—

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION IN VICTORIA PER HEAD OF POPULATION, 1942-43 TO 1946-47.

Authority.	1942-43.	1943-44.	1944-45.	1945-46.	1946-47.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	35 15 1	41 15 2	45 19 7	47 10 6	51 5 4
State†	3 13 5	2 18 10	3 0 5	3 7 7	3 15 8
Total (Commonwealth and State)	39 8 6	44 14 0	49 0 0	50 18 1	55 1 0
Municipal	2 2 5	2 1 6	2 2 0	2 2 11	2 5 7
Grand Total ..	41 10 11	46 15 6	51 2 0*	53 1 0	57 6 7

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

† Excluding payments by the Commonwealth under the Income Tax and Entertainments Tax Reimbursement Acts of 1942 and the States Grants (Tax Reimbursement) Act of 1946.

TAXATION COLLECTIONS—AUSTRALIAN STATES.

The following statement gives particulars of the total taxation collections (irrespective of whether such moneys had been paid into Consolidated Revenue or not) by each of the Australian States during the years 1942-43 to 1946-47. The information for 1943 to 1947 has been dissected with a view to showing separately the actual collections by each State and the amounts received by each State from the Commonwealth under the provisions of the Income and Entertainments Tax Reimbursement Acts of 1942 and the States Grants (Tax Reimbursement) Act of 1946.

STATE TAXATION COLLECTIONS—TOTAL AND PER HEAD OF POPULATION, 1943 TO 1947.

Year ended 30th June—	New South Wales.	Victoria.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total All States.
TOTAL COLLECTIONS.							
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1943	(a) 11,755	6,861	3,348	1,789	1,543	1,033	26,329
	(b) 11,267	5,439	5,106	2,214	2,176	804	27,006
1944	(a) 8,293	5,715	3,166	1,773	1,328	1,039	21,314
	(b) 14,719	6,691	5,616	2,374	2,504	909	32,813
1945	(a) 8,453	5,983	3,194	2,021	1,313	1,147	22,111
	(b) 14,991	6,796	5,734	2,409	2,586	916	33,432
1946	(a) 9,764	6,527	3,662	2,208	1,452	1,381	24,994
	(b) 15,045	6,804	5,756	2,405	2,594	917	33,521
1947	(a) 10,979	7,943	4,001	2,294	1,573	1,562	28,352
	(b) 16,128	8,770	6,564	3,436	3,352	1,214	39,464
PER HEAD OF POPULATION.							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1943	(a) 4 2 8	3 9 7	3 4 5	2 18 7	3 5 7	4 5 11	3 13 5
	(b) 3 19 2	2 15 2	4 18 4	3 12 8	4 12 7	3 6 9	3 15 2
1944	(a) 2 18 1	2 17 6	2 19 10	2 17 4	2 15 1	4 5 2	2 18 10
	(b) 5 3 2	3 7 3	5 6 2	3 16 9	5 3 10	3 14 6	4 10 6
1945	(a) 2 18 7	2 19 8	2 19 8	3 4 9	2 13 9	4 13 1	3 0 5
	(b) 5 3 11	3 7 9	5 7 0	3 17 0	5 6 0	3 14 3	4 11 4
1946	(a) 3 7 0	3 4 8	3 7 5	3 9 10	2 19 0	5 10 9	3 7 7
	(b) 5 3 4	3 7 4	5 6 0	3 16 0	5 5 6	3 13 6	4 10 8
1947	(a) 3 14 1	3 17 10	3 12 11	3 11 8	3 3 4	6 2 8	3 15 8
	(b) 5 8 10	4 6 0	5 19 8	5 7 3	5 14 9	4 15 5	5 5 4

(a) State Taxation collections.

(b) Payments by the Commonwealth to the States under Income and Entertainments Tax Reimbursement Acts of 1942 and the States Grants (Tax Reimbursement) Act of 1946.

The total taxation collected by the Commonwealth and all States for each of the years 1942-43 to 1946-47 is shown hereunder.

COMMONWEALTH AND ALL STATES—TAXATION COLLECTIONS, 1943 TO 1947.

Year ended 30th June—	Taxation by Commonwealth Government.	Taxation by all State Governments.*	Total Taxation.	
			Amount.	Per Head of Population.
	£'000	£'000	£'000	£ s. d.
1943	257,225	26,329	283,554	39 8 6
1944	303,752	21,314	325,066	44 14 0
1945	337,995	22,111	360,106	49 0 0
1946	353,211	24,994	378,205	50 18 1
1947	385,616	28,352	413,968	55 1 0

* Excluding payments by the Commonwealth to the States under Income and Entertainments Tax Reimbursement Acts of 1942 and the States Grants (Tax Reimbursement) Act of 1946.

PENSIONS AND GRATUITIES.

Pension and Superannuation Schemes in Force.

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

During the year 1946-47, the State Government expended a sum of £1,021,060 on pensions, gratuities, &c. Of this amount, £82,560 was spent on pensions of a non-contributory nature. The remainder represents payments from State revenue to the Police Superannuation Fund, the Police Pensions Fund, the Superannuation Fund, and the Coal Mine Workers' Pensions Funds. The following table gives details of the State Government expenditure on pensions for each of the years 1942-43 to 1946-47.

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS, GRATUITIES, ETC., 1943 TO 1947.

Heading.	Year ended 30th June—				
	1943.	1944.	1945.	1946.	1947.
	£	£	£	£	£
Non-contributory Pensions, &c.—					
Railways	74,543	65,640	57,035	48,590	40,801
Lunacy	104	104	104	81	3
Judges	2,250	1,375	2,250	2,250	3,375
Civil Service	2,986	2,815	1,705	1,088	869
Public Service	62,748	54,267	45,189	38,869	33,775
Education Department Officers transferred to Common- wealth Service	6,339	5,150	4,617	3,100	3,312
Various Allowances, &c.	1,134	1,021	951	917	925
Total Non-contributory Pensions, Gratuities, &c.	150,104	130,372	111,911	94,895	82,560
Contributory Pensions—					
Police Superannuation Fund—					
Government Subsidy	38,208	31,720	29,982	25,785	16,962
Transferred from Licensing Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	23,631	23,001	20,669	19,692	21,378
Total	84,839	77,721	73,651	68,477	61,340
Police Pensions Fund	107,475	124,472	125,000	126,000	151,800
The Superannuation Fund—					
Railways	388,820	393,257	403,041	412,308	426,425
Other	260,623	266,648	267,856	274,196	280,071
Total	649,443	659,905	670,897	686,504	706,496
Coal Mine Workers' Pensions Fund	4,894	20,882	24,405	20,950	18,864
Total Contributory Pensions	846,651	882,980	893,953	901,931	938,500
GRAND TOTAL	996,755	1,013,352	1,005,864	996,826	1,021,060

**Police
Superannua-
tion Fund.**

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

During the year 1946-47 the total receipts of the fund from Government Revenue amounted to £61,340, as shown in the preceding table. Expenditure on pensions during the year amounted to £61,340.

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

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

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

The receipts of the Police Pensions Fund (established under Act No. 3750) during 1946-47 amounted to £296,811, comprising:— Deductions from pay, £39,881; special appropriation, £151,800; interests on investments, £104,844; and other income, £286. During the year £83,086 was paid in pensions, and £6,156 represented deductions of pay returned. There was a balance of £3,100,086 in the Fund at 30th June, 1947, of which £3,046,795 was invested.

**The Super-
annuation
Fund.**

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

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

During the year 1946-47, the receipts of the *Superannuation Fund* amounted to £1,513,619, consisting of contributions from officers, £494,088; from Consolidated Revenue, £703,890; under Act No. 4085 £29; interest on investments, £315,297; and other receipts, £315. The total payments from the fund during the year were £1,092,890, and comprised pensions, £944,741; refund of contributions, £145,808; endowment assurances matured, £2,069; and other expenditure, £272. The balance in the Fund at 30th June, 1947, was £8,932,271, of which £8,925,163 was invested.

**Port Phillip
Pilot Sick and
Superannua-
tion Fund.**

This fund does not receive contributions from the Government but is maintained by deductions from pilots' earnings and annual income derived from investment of moneys belonging to the Fund which, in 1946-47 amounted to £5,438 and £5,676 respectively. During the same period, £6,732 was expended on pensions and £33 on sick allowances.

**Coal Mine
Workers'
Pensions Fund.**

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

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

During 1946-47 the Treasurer contributed £7,850 and the State Coal Mines (as owners) £11,014.

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

In the following statements ordinary revenue and expenditure of the State Government, Local Government, and certain semi-Governmental and other Public Bodies in Victoria have been combined for each of the five years 1942 to 1946. Where a grant has been made by one authority to another, such grant has been excluded from both the revenue and expenditure of the recipient.

**VICTORIA—STATE GOVERNMENT, LOCAL GOVERNMENT,
SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES—
REVENUE AND EXPENDITURE, 1942 TO 1946.**

Heading.	Financial Year ended in—				
	1942.	1943.	1944.	1945.	1946.
<i>Revenue.</i>	£	£	£	£	£
State Government	33,860,057	36,972,962	36,160,551	35,971,274	36,145,563
Local Government	*	7,914,779	8,041,246	8,345,060	8,651,614
Semi-Governmental and other Public Bodies—					
Water Supply and Sewerage ..	2,993,777	3,059,456	3,090,600	3,026,944	2,983,686
Irrigation	63,987	71,329	86,100	91,887	78,779
Harbours	1,044,955	1,010,791	960,948	1,001,189	1,062,735
Tramways	3,439,015	3,814,004	3,956,828	4,006,035	4,020,940
Electricity Supply	5,153,649	5,490,089	5,628,780	5,799,161	6,160,185
Fire Brigades	153,699	169,716	173,860	172,010	191,930
Housing Commission	52,933	72,410	76,741	96,240	169,039
Grain Elevators Board	170,170	242,778	181,913	195,237	190,384
Western Metropolitan Market Trust	2,707	2,854	3,234	3,080	4,626
Total	*	58,821,168	58,360,801	58,708,117	59,659,481
<i>Ordinary Expenditure.</i>					
State Government	33,067,757	36,218,631	35,540,240	35,622,150	36,139,829
Local Government	*	7,183,622	7,492,738	7,930,764	8,936,867
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage ..	2,940,564	2,937,358	3,059,482	2,975,365	2,993,088
Irrigation	63,354	75,680	89,929	93,404	78,095
Harbours	998,133	1,003,206	983,605	950,304	1,088,279
Tramways	3,414,144	3,788,885	3,928,064	3,956,530	3,986,361
Electricity Supply	5,069,227	5,348,696	5,503,908	5,739,953	6,096,722
Fire Brigades	154,026	169,391	162,521	163,476	157,708
Housing Commission	82,302	86,201	95,357	102,473	149,755
Grain Elevators Board	146,677	239,576	177,208	191,004	187,666
Western Metropolitan Market Trust	3,564	3,575	3,559	3,519	3,396
Total	*	57,054,821	57,036,611	57,728,942	59,812,766

* Not available.

PUBLIC DEBT.

Loans Raised
and
Redeemed.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1947:—

LOANS RAISED AND REDEEMED TO 30TH JUNE, 1947.

	£
Cash received	1,073,503,756
Discount and expenses after deducting premiums	7,213,816
Securities issued	1,080,717,572
Add liability to Commonwealth on account of flotations in course	2,762,561
	1,083,480,133
Loans redeemed by—	£
Renewal Loans	853,251,206
National Debt Sinking Fund	20,825,172
Other Funds	24,062,803
Discount (securities purchased under par)	83,739
Liability transferred to Commonwealth	
Government Act No. 4246	2,160,960
	900,383,880
Loans outstanding on 30th June, 1947	183,096,253

It will be seen that, upon the transactions to 30th June, 1947, securities representing £1,080,717,572 were issued, and that the amount of cash received was £1,073,503,756. The State thus received £99 6s. 7d. 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, 1947:—

VICTORIA—LOANS FLOATED TO 30TH JUNE, 1947.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid off (including Renewal Loans).	Debt Outstanding at 30th June, 1947.		
			Inscribed Stock.	Debentures, &c.	Total.
	£	£	£	£	£
London Register ..	*517,810,625	457,913,831	15,991,289	43,905,504	†59,896,794
Melbourne Register ..	562,906,947	442,470,049	115,710,669	4,726,229	120,436,898
Total ..	1,080,717,572	900,383,880	131,701,958	48,631,733	
Add liability to Commonwealth on account of flotations in Course—					
Australia					2,000,000
New York					762,561
Total Public Debt at 30th June, 1947					183,096,253

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

† Including £3,738,042 raised in New York through the Commonwealth Government.

Particulars concerning the due dates of loans outstanding at 30th June, 1947, 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, 1947.

Due Date (Financial Year).	Repayable in London.	Repayable in Australia.	Total
	£	£	£
1947-48	5,805,525	5,952,705	11,758,230
1948-49	12,022,295	5,909,750	17,932,045
1949-50	6,055,545	7,150,272	13,205,817
1950-51 .. .. .	..	5,317,888	5,317,888
1951-52 .. .. .	..	3,795,980	3,795,980
1953-54 .. .. .	..	4,039,193	4,039,193
1954-55 .. .. .	..	8,923,710	8,923,710
1955-56	1,863,483*	8,808,268	10,671,751
1956-57 .. .. .	..	3,532,170	3,532,170
1957-58	1,874,559*	14,603,384	16,477,943
1958-59	13,553,800	9,782,645	23,336,445
1959-60	2,902,116	14,398,896	17,301,012
1960-61	650,075	9,265,430	9,915,505
1961-62	762,561*	13,684,448	14,447,009
1966-67	5,913,200	..	5,913,200
1969-70	9,256,196	..	9,256,196
1982-83 .. .. .	..	3,869,676	3,869,676
Not yet fixed .. .. .	..	3,402,483	3,402,483
Total	60,659,355	122,436,898	183,096,253

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

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

In the subsequent statements "interest payable" does not include the cost of paying interest overseas. Particulars of exchange paid in each of the years 1942-43 to 1946-47 are shown on page 146.

**Loans and
Interest
payable in
London and
Australia.**

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

VICTORIA—PUBLIC DEBT AND INTEREST PAYABLE
THEREON IN LONDON AND AUSTRALIA, 1900 TO 1947.

At 30th June—	Amount of Loans Repayable in—		Annual Interest Payable in—	
	London,*	Australia.	London.	Australia.
	£	£	£	£
1900	44,655,579	4,670,306	1,735,307	152,096
1910	39,012,436	16,564,289	1,419,579	560,520
1915	41,333,738	31,750,189	1,520,762	1,131,811
1920	42,406,040	45,241,699	1,637,615	1,902,108
1925	51,869,204	79,300,361	2,319,486	3,999,635
1930	68,750,235	93,538,759	3,225,754	4,831,371
1935	67,638,378	106,522,285	2,651,050	3,930,414
1940	66,963,733	113,586,235	2,623,176	4,274,672
1945	65,834,565	113,570,626	2,515,982	3,840,676
1946	60,657,630	119,069,642	2,095,152	4,021,732
1947	60,659,355	122,436,898	2,086,649	4,153,388

* Loans raised in New York by the Commonwealth Government are included as follows:—
(At 30th June) 1930 and 1931, £4,658,461; 1932, £4,648,084; 1933, £4,615,021; 1934, £4,592,459
1935, £4,569,478; 1936, £4,547,877; 1937, £4,530,842; 1938, £4,517,207; 1939 to 1946,
£4,498,878; 1947, £4,500,603.

The appended table shows the rates of interest which were payable on the public debt at 30th June, 1947, and the portions of the debt at each rate in London and Australia respectively :—

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1947.

Rate of Interest.	Amount Repayable in—		
	London.	Australia.	Total.
Per cent.	£	£	£
5	3,738,042*	..	3,738,042
4	2,902,116	27,564,063	30,466,179
3 $\frac{7}{8}$ .. .. .	..	15,416,725	15,416,725
3 $\frac{3}{4}$	6,852,149	6,544,610	13,396,759
3 $\frac{1}{2}$ .. .. .	..	908,550	908,550
3 $\frac{1}{4}$	25,522,545	254,650	25,777,195
£3 9s. 9d. .. .. .	..	500	500
3 $\frac{3}{8}$	762,561*	1,465,260	2,227,821
3 $\frac{1}{2}$	9,906,271	53,193,416	63,099,687
3 $\frac{1}{8}$ .. .. .	..	1,903,000	1,903,000
£3 2s. .. .. .	..	320,190	320,190
3	5,170,146	2,331,155	7,501,301
£2 14s. 3d. .. .. .	..	223,545	223,545
2 $\frac{1}{2}$ .. .. .	..	6,490,185	6,490,185
£2 6s. 6d. .. .. .	..	778,083	778,083
2 $\frac{1}{4}$	5,805,525	..	5,805,525
2 .. .. .	..	1,173,290	1,173,290
1 .. .. .	..	3,869,676	3,869,676
Total	60,659,355	122,436,898	183,096,253
	%	%	%
Average rate of interest ..	3.439	3.392	3.408

* Raised in New York by the Commonwealth Government.

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

Growth of
Public Debt.

During 1928-29, the amount at credit of the State Redemption and Sinking Funds—£5,540,369—was applied to the liquidation of the public debt, and in 1934-35, the debt was decreased by the transfer of a liability amounting to £2,160,960 from the State to the Commonwealth Government under Act No. 4246. From £174,160,663 at 30th June, 1935—the first occasion on which the debt was less than that of the immediately preceding year—the public debt increased steadily until it reached the amount of £181,219,188 at 30th June, 1941. Although the Public Debt decreased during each of the years 1941-42, 1942-43, and 1943-44, it increased during each of the years 1944-45 to 1946-47 and at 30th June, 1947, amounted to £183,096,253.

The tables in this *Year-Book* relating to the Public Debt do not include an amount of £7,100,000 advanced to Victoria by the Commonwealth under the provisions of the Commonwealth-State Housing Agreement. The State Housing Commission is required to repay this amount by equal instalments of principal and interest over a period of 53 years from the date the advance was made. Up to 30th June, 1947, repayments of the principal amounted to £24,536.

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST, 1855 TO 1946-47.

Financial Year ending in—	Loans Outstanding.			Amount per Head of Population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest Payable.
		Total.	Average Rate per cent.		
	£	£	%	£ s. d.	£ s. d.
1855* ..	1,180,000	70,800	6.00	3 4 9	0 3 11
1860 ..	5,643,100	337,905	5.99	10 9 10	0 12 7
1870* ..	12,099,800	699,240	5.78	16 13 1	0 19 3
1880 ..	20,567,700	1,029,991	5.01	24 9 4	1 4 6
1890 ..	41,377,693	1,649,465	3.99	36 19 11	1 9 6
1900 ..	49,325,885	1,887,403	3.83	41 6 8	1 11 8
1910 ..	55,576,725	1,980,099	3.56	43 6 8	1 10 10
1920 ..	87,647,739	3,539,723	4.04	57 19 1	2 6 10
1925 ..	131,169,565	6,319,121	4.82	78 9 11	3 16 3
1930 ..	162,288,994	8,057,125	4.96	90 18 7	4 10 7
1935 ..	174,160,663	6,581,464	3.78	94 15 2	3 11 8
1940 ..	180,549,968	6,897,848	3.82	94 17 2	3 12 5
1945 ..	179,405,191	6,356,658	3.54	89 2 0	3 3 2
1946 ..	179,727,272	6,116,884	3.40	88 9 11	3 0 3
1947 ..	183,096,253	6,240,037	3.41	89 1 9	3 0 9

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

The following table shows the capital liability of the State at 30th June, 1947, in respect of its public works and services. The apportionment of the State's equity in the National Debt Sinking Fund is also shown.

VICTORIA—SUMMARY OF CAPITAL LIABILITY UNDER THE VARIOUS WORKS AND SERVICES, TOGETHER WITH THE APPORTIONMENT OF THE STATE'S EQUITY IN THE NATIONAL DEBT SINKING FUND AT 30TH JUNE, 1947.

Works or Services.	Liability.	Deduction on Account of National Debt Sinking Fund.	Net Liability.
Railways*—	£	£	£
As reduced	51,595,478	5,508,938	46,086,540
Transferred	30,259,994	3,405,684	26,854,310
Country Waterworks	30,823,851	3,204,454	27,619,397
Electricity Supply	18,328,848	2,099,180	16,229,668
Land Settlement	28,729,116	3,871,385	24,857,731
Soldier Settlement	2,336,917	2,752	2,334,165
Grain Elevators Board	661,612	37,202	624,410
Housing Commission	952,193	53,597	898,596
Country Roads	10,048,084	1,367,363	8,680,721
Public Works, Buildings, &c.	8,537,599	642,279	7,895,320
Forests	3,568,989	109,566	3,459,423
Unemployment Relief	12,156,020	868,651	11,287,369
In Aid of Revenue	5,245,079	806,960	4,438,119
Unapportioned	132,900	..	132,900
Total	203,376,680	21,978,011	181,398,669

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

A reconciliation between the Public Debt at 30th June, 1947, and the net liability shown above is given hereunder:—

Public Debt at 30th June, 1947	£	183,096,253
	£	
Deduct Cash at Credit of National Debt Sinking Fund	1,152,840	
Deduct Repayments to State Loans Repayment Fund	17,896,067	
		19,048,907
		164,047,346
Add Expenditure from the State Loans Repayment Fund		17,351,323
Net Liability for Works		181,398,669

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from Loans and on account of Loan Funds. The figures in the following table include all such expenditure, whether the loans have been repaid or are still in existence. The table shows the details for each of the years 1943-44 to 1946-47 and the total to 30th June, 1947 :—

VICTORIA—EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS, 1943-44 TO 1946-47.

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1947.
	1944.	1945.	1946.	1947.	
Public Works—	£	£	£	£	£
Railways*—					
As reduced ..	486,388	496,294	389,434	488,050	51,502,002
Transferred ..	..	..	..	..	29,134,658
Country Roads ..	165	..	1,899	25,042	12,229,460
Bridges .. ..	..	9,443	9,220	13,824	475,925
Harbors and Rivers ..	3,770	..	8,215	30,415	1,446,935
Water Supply—					
Country	143,178	315,729	432,906	1,466,122	30,870,050
Metropolitan ..	..	..	..	..	3,142,577
Sewerage .. ..	..	..	2,669	..	220,453
Electricity Supply ..	..	..	..	..	17,839,227
Public Buildings—					
Schools	77,072	164,784	177,107	539,436	6,982,938
Hospitals	46,009	605,747	118,020	176,230	1,690,633
Other	36,396	49,076	66,890	81,950	1,652,187
Other Public Works ..	..	..	6,552	61,838	771,379

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

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

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1947.
	1944.	1945.	1946.	1947.	
	£	£	£	£	£
Immigration .. ..	..	..	..	..	20,000
Municipal Endowment ..	..	..	..	..	698,250
Municipalities, Loans, Grants, &c. .. ..	..	..	..	33,616	961,743
Housing .. ..	..	750,000	25,285	528,562	2,493,847
Unemployment Relief ..	3,938	3,891	433	..	13,147,158
Primary Production—					
Land Settlement* ..	..	..	..	..	41,570,934
Soldier Settlement ..	..	..	69,378	2,226,665	2,296,043
Wire Netting Advances	60	79	5,878	..	885,729
Agriculture .. ..	..	..	..	..	150,682
Settlers Advances—					
Cultivation ..	3,646	86,256	88,310	7,130	2,591,953
Other .. ..	..	5,961	5,848	3,713	96,155
Bulk Handling of Wheat	..	..	..	..	1,000,000
Forestry	282,411	480,600	657,029	1,329,450	4,428,570
Mining, N.E.I. ..	..	..	..	..	271,022
Mining—State Coal Mine	1,556	437	499	197	321,064
Primary Products—Ad- vances to Companies	..	..	..	..	331,101
Cool Stores—Advances to Companies ..	..	45	9,562	10,230	633,136
Drought Relief ..	..	625,000	129,000	88,410	842,410
Other Primary Produc- tion .. ..	..	..	..	..	152,862
Other Purposes ..	..	90,000	..	..	450,950
Total Works Expenditure	1,084,589	3,683,342	2,204,134	7,110,880	231,302,033
In Aid of Revenue ..	..	4,255,000	..	..	9,118,682
Grand Total ..	1,084,589	7,938,342	2,204,134	7,110,880	240,420,715

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

The figures in the foregoing table are "Net" in as much as they exclude discounts and flotation expenses, particulars of which are as follow:—1943-44, nil; 1944-45, £59,625; 1945-46, £1,313,647, and 1946-47, £6,203. The aggregate to 30th June, 1947, was £7,213,816.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1947, sums not yet expended amounted in the aggregate to £272,245, of which £3,485 was for Land Settlement, £67,915 for Soldier Settlement, £103,102 for Public Works, Buildings, &c., £27,272 for Water Supply, and £70,471 for State Forests.

The amounts of interest and expenses paid on the Public Debt of Victoria during each of the financial years 1942-43 to 1946-47 are shown in the next table:—

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT,
1943 TO 1947.

Year Ended 30th June.	Interest Paid on Loans in—		Interest Paid on Temporary Loans.	Commission on Payment of Interest in London Expenses of Conversion Loans, &c.	Exchange on Payment of Interest in London.†	Total.‡
	London.*	Melbourne.				
	£	£	£	£	£	£
1943 ..	2,536,818	3,941,656	32,886	48,689	696,648	7,256,697
1944 ..	2,536,694	3,817,632	76,383	74,682	703,085	7,208,476
1945 ..	2,525,489	3,759,725	93,138	39,395	687,029	7,104,776
1946 ..	2,330,636	3,883,564	80,307	56,327	644,789	6,995,623
1947 ..	2,095,151	3,959,381	74,407	27,246	585,301	6,741,486

* Including £221,140 on account of interest paid on loans in New York in respect of each of the years 1942-43 to 1946-47.

† Includes Exchange paid in respect of Loans raised in New York £113,461 for each of the years 1942-43 to 1944-45, £113,845 for 1945-46, and £114,100 for 1946-47.

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

NATIONAL DEBT SINKING FUND.

The National Debt Sinking Fund was established under the provisions of the *Commonwealth and States Financial Agreement Act 1927* (No. 3554). The following table gives particulars of the receipts and disbursements during 1946-47 :—

	£
Balance at credit of Victoria at 30th June, 1946	789,186
Contributions during 1946-47—	£
By Commonwealth under Financial Agreement	321,245
" " " Federal Aid Roads Act	7,457
,, State under Financial Agreement	1,474,089
	<hr/>
	1,802,791
Interest received	9,600
	<hr/>
	2,601,577
Cancellation of securities to the value of £1,442,955	1,448,737
	<hr/>
Balance at credit of the State at 30th June, 1947	1,152,840
Face value of securities cancelled to 30th June, 1947	20,825,171
	<hr/>
Net credit to Victoria at 30th June, 1947	21,978,011
	<hr/>

TRUST FUNDS.

At 30th June, 1947, the liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgments amounted to £19,480,565. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £7,877,883, and cash advances totalled £3,601,791. The balance—£8,000,891—was at the credit of the Public Account.

PUBLIC DEBT OF AUSTRALIA.

The public debts of the six Australian States aggregated £926,248,908 at 30th June, 1947. Details of the indebtedness in respect of each State are shown in the following table. Sinking Funds have not been deducted. Treasury Bills covering Revenue Deficits are included. Revenue Deficits which are not covered by Treasury Bills overdrafts on Loan Account and advances from Trust Funds are excluded :—

**Public Debts
of Australian
States.**

PUBLIC DEBTS OF AUSTRALIAN STATES AT 30TH JUNE,
1947.

Heading.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
	£	£	£	£	£	£
Public Debt	183,096,252	362,027,630	135,355,499	114,134,262	99,002,301	32,632,064
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Debt per head of population at 30th June, 1947	89 1 9	122 1 5	122 3 6	176 4 4	196 8 8	127 7 6

The public debt of the Commonwealth exclusive of **Commonwealth Public Debt.** loans raised on behalf of the States but including debts on account of the Port Augusta-Oodnadatta Railway and the Northern Territory amounted to £1,920,599,139 at 30th June, 1947.

The total public debt of Australia—Commonwealth and **Commonwealth and States Public Debt.** States—at the above date was £2,846,848,047 of which £2,323,513,237 was payable in Australia, £482,734,995 in London and £40,599,815 in New York. The loan liability of the Australian public at 30th June, 1947, averaged £375 10s. 8d. per head of population.