

PART V.

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, the Decentralization Fund, and the Transport Regulation 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 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, 1948, in the Consolidated Revenue Fund and in certain special funds gives the following result:—

	£
Public Revenue	43,629,448
Public Expenditure	44,183,152
	—
Deficit	553,704

The differences between the amounts of revenue and expenditure shown above and those given in the Treasurer's Finance Statement arise from the use, for statistical purposes, of a different method of classification. The Public Revenue of certain special funds is added to the Consolidated Revenue—an equivalent amount being entered as expenditure. The particulars for 1947-48 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total—Treasurer's Finance Statement	41,728,168	42,281,872
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund*	1,500,613	1,500,613
Licensing Fund†	107,197	107,197
Police Superannuation Fund	25,233	25,233
Assurance Fund	3,637	3,637
Cattle Compensation Fund	60,401	60,401
Swine Compensation Fund	14,950	14,950
Metropolitan Roads Fund	43,235	43,235
Mallee Land Account	58,281	58,281
Transport Regulation Fund	53,923	53,923
Other Funds	33,810	33,810
	43,629,448	44,183,152
<i>Deduct—</i>		
Loss of Revenue on account of (a) reduction in certain periodical fares to outer suburbs (b) non-paying lines	18,099	18,099
Total	43,611,349	44,165,053

* Excluding £619 491 recouped to Revenue under Acts Nos. 3944 and 4140.

† In addition to this amount £465,607 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 5089.

The revenue and expenditure of the State for each of the years 1943-44 to 1947-48, after taking into account the circumstances mentioned above, are shown in the next statement.

VICTORIA—STATE REVENUE AND EXPENDITURE,
1944 TO 1948.

Year ended 30th June—				Public Revenue.	Public Expenditure.	Surplus (+) or Deficit (-)	Accumulated Deficiency to end of each Year (i.e., 30th June).
				£	£	£	£
1944	..	..	..	36,427,814	35,807,503	(+) 620,311	7,946,237
1945	..	..	..	36,235,902	35,886,778	(+) 349,124	7,945,926
1946	..	..	..	36,415,207	36,409,473	(+) 5,734	7,945,803
1947	..	..	..	38,912,209	38,907,176	(+) 5,033	7,940,069
1948	..	..	..	43,611,349	44,165,053	(-) 553,704	8,488,740*

* Of this amount, £5,243,000 was provided from the proceeds of Treasury Bonds and £3,245,740 from the Public Account.

For the first time since 1938-39, there was a deficit in the Public Revenue during 1947-48 of £553,704.

The surplus in respect of each of the years 1943-44 to 1946-47 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 1943-44 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.
	£	£	£	
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 230.

Details of the sources of revenue for each of the financial years 1943-44 to 1947-48 are given in the following statement:—

VICTORIA—SUMMARY OF STATE REVENUE,
1944 TO 1948.

Heads of Revenue.	Year ended 30th June—				
	1944.	1945.	1946.	1947.	1948.
	£	£	£	£	£
Taxation—					
Income Tax	121,208	63,250	64,444	69,744	66,740
Income and Entertainments Tax—Commonwealth					
Reimbursement	6,690,918	6,796,023	6,803,905	8,770,774	9,881,621
Land Tax	359,983	357,603	321,299	382,599	373,766

VICTORIA—SUMMARY OF STATE REVENUE, 1944 TO 1948—
continued.

Heads of Revenue.	Year ended 30th June—				
	1944.	1945.	1946.	1947.	1948.
	£	£	£	£	£
Taxation—<i>continued</i>—					
Probate Duty	1,778,266	1,853,991	1,825,180	2,460,655	2,095,866
Unemployment Relief	78,133	30,986	21,909	19,482	19,138
Entertainments Tax*	487,492	646,117	877,770	969,401	1,251,897
Other Stamp Duties	823,452	886,718	1,070,841	1,335,406	1,482,628
Motor Taxation	1,582,439	1,655,159	1,846,937	2,093,747	2,388,718
Licences—					
Liquor	381,951	381,600	388,607	483,968	550,889
Other	84,565	88,345	90,360	104,565	112,629
Other Taxation	17,267	19,043	19,790	22,796	22,461
Total Taxation	12,405,674	12,778,835	13,331,042	16,713,137	18,246,353
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	15,913,935	15,415,687	14,725,689	13,747,827	16,290,532
Water Supply	827,076	839,488	809,791	1,021,919	1,056,006
State Coal Mine	395,142	397,739	344,979	283,333	300,322
State Electricity Commission					
Interest, &c.	859,669	856,090	847,712	815,552	817,828
Country Roads Board†	Dr. 143,668	Dr. 143,668	Dr. 143,668	Dr. 143,333	Dr. 143,310
Maffra Beet Sugar Factory	73,024	26,869	6,448	18,632	38,913
Victoria Dock Cool Stores	60,836	87,380	77,066	88,001	87,691
Wharfage Rates, &c.	33,132	36,263	45,587	65,679	75,331
Other	179,579	228,314	159,623	132,405	133,533
Land—					
Land Sales, Rents, Penalties, &c.	559,345	546,166	611,557	650,482	736,788
Interest on Loans—					
Land Settlement	477,471	406,206	416,736	417,147	395,434
Soldier Settlement				11,314	58,103
Fees, Fines, &c.	299,997	306,587	360,849	436,491	479,906
Tramways Act No. 3732 (Sec. 77)	128,802	129,348	126,728	120,641	137,424
Government Printer	202,548	208,489	227,358	234,124	310,760
Harbor Trust Contributions	138,461	135,280	142,916	149,675	182,532
Royal Mint	116,885	104,574	95,058	218,473	127,558
Interest and Recoups, N.E.I.	660,359	678,942	1,076,588	780,041	913,426
Department of Agriculture‡	46,769	55,393	82,837	86,827	108,941
Miscellaneous	1,065,619	1,014,761	943,152	936,683	1,130,119
Total Revenue	36,427,814	36,235,902	36,415,207	38,912,209	43,611,349
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	18 6 4	18 1 4	18 1 4	19 1 6	21 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 224 with reference to the statistical method of arriving at total public revenue.

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

Heads of State Expenditure.

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.

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, 1944 TO 1948.

Heads of Expenditure.	Year ended 30th June—				
	1944.	1945.	1946.	1947.	1948.
<i>Legislature and General Administration.</i>	£	£	£	£	£
Legislature—					
Governor	11,428	11,988	14,412	14,808	16,364
Parliament	102,969	113,468	121,825	124,776	142,799
Electoral	25,255	6,653	52,854	15,713	44,151
Financial Administration—					
Public Debt Charges—					
Interest—					
Funded Debt	6,354,326	6,285,214	6,214,200	6,054,532	6,165,743
Temporary Loan	76,383	93,138	80,307	74,407	60,500
Exchange on Interest	703,085	687,029	644,789	585,301	587,549
Expenses of Paying Interest, Redemptions, Conversions, &c.	74,682	39,395	56,327	27,246	23,674
National Debt Sinking Fund	1,192,159	1,327,108	1,406,924	1,474,089	1,554,945
Pensions and Superannuation Contributions*	1,013,352	1,005,864	996,826	1,021,060	1,165,412
Departmental—					
Treasury (including Taxation, Stamps, &c.)	106,901	110,720	117,962	135,525	152,845
Pay-roll Tax	364,109	374,720	384,477	427,365	505,609
Superannuation Board and Pensions Office—Administration	7,668	7,842	8,587	9,049	12,718
Auditor-General	28,717	30,448	33,291	37,091	39,907
Royal Commissions, Boards of Inquiry, &c.	4,278	1,256	412	1,431	3,175
Administration, N.E.I.—					
Government Printer	226,289	208,304	202,014	235,739	316,720
Mint Subsidy	68,000	55,000	52,000	102,000	84,000
War Damage Insurance	58,635	116	..	..	..
Other	283,259	315,526	437,131	579,093	651,253
	10,701,495	10,673,789	10,824,338	10,919,225	11,527,364
<i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary	15,422	15,500	17,738	19,042	24,694
Attorney-General, Solicitor-General, &c.	284,207	295,005	330,200	394,850	467,335
Police	1,105,583	1,094,933	1,122,045	1,286,854	1,454,539
Prisons	164,983	161,400	170,470	173,374	194,622
Prevention of Fire and Flood	104,901	138,142	112,324	152,118	132,708
National Security Act (Public Safety)	138,170	83,822	13,843	..	..
Other	2,197	2,622	4,749	5,511	6,248
	1,815,463	1,791,424	1,771,369	2,031,249	2,280,146

* For details, see page 240.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1944 TO 1948—continued.

Heads of Expenditure.	Year ended 30th June—				
	1944.	1945.	1946.	1947.	1948.
	£	£	£	£	£
<i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation } Labour Legislation } Transport Regulation Board .. Liquor Licence Control (Adminis- tration, including Compensation) Decentralization Fund and conces- sion for establishment of industries in country Other	38,820 22,966 24,791 103,503 18,845	41,984 26,203 24,137 100,000 13,929	46,604 28,888 21,568 .. 43,543	57,638 41,981 23,393 50,000 24,885	76,070 63,445 25,213 50,000 38,774
	208,925	206,253	140,603	197,897	253,502
<i>Education.*</i>					
Primary, Intermediate, Secondary, Technical — Administration, Salaries of Teaching Staffs, &c. Technical N.E.I., including Main- tenance Grant University† Adult Education-Grant Agricultural Education— Colleges, Experimental Farms, University Grants, &c. .. Other Activities Other	3,212,044 220,663 109,700 43,128 5,000 2,527	3,495,534 225,781 112,200 66,754 4,782 2,168	3,777,793 276,788 116,240 106,670 5,951 2,990	4,505,460 350,241 132,740 125,337 8,933 4,258	5,353,526 388,783 216,840 25,000 .. 137,762 9,263 3,635
	3,593,062	3,907,279	4,286,432	5,126,974	6,134,809
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and Art Galleries Observatory Other Activities and Institutions ..	58,220 2,002 175	68,603 .. 164	75,571 .. 175	88,612 .. 175	108,594 .. 175
	60,397	68,767	75,746	88,787	108,769
<i>Promotion of Public Health and Recreation.</i>					
Care of Sick and Mentally Afflicted— Hospital and Charities Fund (including Totalizator Contribu- tion) Various Hospitals, &c. Mental Hospitals Mental Defectives Health of Mothers and Children— Infant Welfare and Clinics .. Medical and Dental Examination of School Children Preservation of Public Health— Health Department—Administra- tion Other Parks, Gardens, and Recreation Reserves	858,782 134,456 658,881 37,913 23,316 10,021 .. 58,848 116,084 21,787	953,837 152,443 677,177 37,291 54,577 7,777 .. 75,813 138,522 22,066	1,092,444 220,695 711,951 39,631 97,834 4,453 .. 63,776 127,506 24,972	1,503,730 246,614 782,328 46,377 122,056 4,601 .. 77,368 166,508 29,878	1,626,856 276,706 893,761 58,258 141,103 4,156 .. 109,018 222,992 35,257
	1,920,088	2,119,503	2,383,262	2,979,460	3,368,107

* 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,
1944 TO 1948—continued.

Heads of Expenditure.	Year ended 30th June—				
	1944.	1945.	1946.	1947.	1948.
<i>Social Amelioration.</i>	£	£	£	£	£
Relief of Destitute, Aged, &c. ..	14,547	16,989	15,600	6,966	7,336
Children's Welfare Department ..	230,867	215,851	204,833	220,965	226,005
Miners' Phthisis Allowances ..	21,304	19,712	18,232	18,732	18,241
Care of Aborigines ..	5,670	7,260	7,555	6,393	7,340
Unemployment Relief Fund* ..	478,133	430,986	271,909	19,482	19,838
Bush Fire Relief ..	88,235	1,094	26	..	..
Housing Commission—Advance ..	16,500	23,000	14,000	..	..
Commonwealth—State Housing Agreement—Interest ..	..	..	..	165,714	336,666
State Relief Committee ..	6,000	6,000	6,000	7,000	7,000
Other ..	6,850	..	6,675	45,376	40,675
	868,106	720,892	544,830	490,628	663,101
<i>War Obligations.</i>					
Passes to Soldiers, Superannuation, &c. ..	62,402	61,799	41,262	19,652	20,663
<i>Local Government.</i>					
Licensing Fund Payment to Municipalities ..	59,032	58,988	58,984	58,984	58,984
Other ..	42,928	41,007	60,102	56,943	132,427
	101,960	99,995	119,086	115,927	191,411
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey ..	254,198	248,443	291,594	397,652	457,408
Immigration ..	..	..	..	..	5,485
Mining (excluding State Coal Mine)	53,263	57,251	50,563	56,815	63,354
Agricultural, Pastoral and Dairying†	442,040	408,405	416,054	486,087	544,524
Forestry‡	831,896	786,009	602,097	610,530	588,616
Fisheries and Game ..	8,281	10,205	13,508	24,484	31,434
Roads and Bridges—					
Country Roads Board§	790,464	858,797	1,032,540	1,277,726	1,500,613
Metropolitan Roads Fund ..	36,215	37,026	38,627	38,759	43,235
Other ..	18,596	2,496	280	1,753	..
Tourist Activities ..	128	142	322	733	669
	2,435,081	2,408,774	2,445,585	2,894,539	3,185,338
<i>Business Undertakings.</i>					
Railways ..	12,594,800	12,252,418	11,977,076	12,335,835	14,541,706
Harbours, Rivers, and Lights ..	82,381	79,844	116,886	127,805	115,654
Water Supply, Irrigation, &c. ..	685,473	816,932	1,069,645	1,027,686	1,160,754
State Coal Mine ..	446,232	446,479	397,530	366,398	407,740
Maffra Beet Sugar Factory ..	28,848	32,478	8,634	38,048	45,640
Victoria Dock Cool Stores ..	45,297	51,215	47,842	52,041	56,287
Seasoning Works (Newport)	37,935	41,844	43,693	53,201	57,603
Forest Tramways ..	3,575	9,197	9,977	9,327	10,962
Distillation of Eucalyptus Oil ..	1,310	76	35	1,073	29
Wire Netting Manufacture ..	..	3,456	3,374	2,991	20,199
State Saw Mill ..	19,379	20,662	20,666	19,078	15,243
Maffra Dehydration Plant ..	30,399	60,507	79,802	8,729	26

* 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,
1944 TO 1948—*continued.*

Heads of Expenditure.	Year ended 30th June—				
	1944.	1945.	1946.	1947.	1948.
<i>Business Undertakings—continued—</i>					
Charcoal Production	£ 64,845	£ 13,165	£ 1,750	£ 26	£ ..
	14,040,524	13,828,303	13,776,960	14,042,838	16,431,843
Total Expenditure	35,807,503	35,886,778	36,409,473	38,907,176	44,165,053
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	18 0 1	17 17 10	18 1 3	19 1 6	21 6 11

On page 225 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, 1946 TO 1948, AND TOTAL TO 30TH JUNE, 1948.

Service.	Year ended 30th June—			Total to 30th June, 1948.
	1946.	1947.	1948.	
Capital Services—				
Railways	£ ..	£ ..	£ ..	£ 250,696
Other .. .. .	..	..	..	64,170
Revenue Services—				
Social Services—				
Education—				
State Schools and Technical Schools ..	130,532	69,908	Cr. 48	716,992
University .. .. .	..	..	..	27,066
Other .. .. .	..	1,086	..	23,665
Health—				
Hospitals—				
Mental Hygiene	12,462	29,308	41,640	190,409
Other (including Sanatoria)	116,606	185,235	45,998	1,391,197
Other Health	13,200	8,830	1,763	54,549
Law, Order, and Public Safety—				
Penal Establishment and Gaols	398	..	190	29,063
Other	12,803	14,826	621	44,446
Public Works—				
Crown Lands (including reclamation, drainage, &c.) .. .. .	..	..	..	149,480
Harbours, Rivers, and Lights .. .. .	..	..	..	117,293
Mining Development .. .. .	..	..	..	85,000
Railways .. .. .	..	..	..	631,740
Roads and Bridges .. .. .	..	..	..	114,812
Water Supply, &c.	11,619	20,446	Cr. 3,216	109,250
Other .. .. .	..	..	..	62,826
Other Purposes—				
Developmental Railways Account .. .. .	..	..	..	129,148
Drought Relief Fund	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	357,396	328,666	86,948	5,002,138

To 30th June, 1948, the total amount authorized for expenditure on public works was £5,593,308, of which £591,170 was unexpended at that date.

TAXATION.

**State
Income Tax.** A brief summary of the history of income tax in Victoria was published in the 1941-42 *Year-Book*, page 292. Details of the rates of tax, assessments, &c., on income earned during 1940-41 (the last year in which the State imposed income tax) are also shown.

**Common-
wealth
Income Tax
and
Social
Services
Contributions.** Uniformity in the taxation of incomes and entertainments throughout Australia was adopted in 1942, and the Commonwealth became the sole authority levying these taxes. Formerly the Commonwealth and each of the States levied separate taxes on incomes, and each of the States (except Queensland) taxed entertainments. Initially, the plans were devised as temporary war-time measures, but, in 1946, the Commonwealth Government passed legislation continuing the uniform income tax indefinitely, and the uniform entertainments tax has been continued in practice. The Social Services Contribution was introduced as from 1st January, 1946.

The States are reimbursed for vacating these fields of taxation by annual grants from the Commonwealth. Payment of these grants is conditional upon a State refraining from levying tax on incomes. A similar restraint upon State taxation of entertainments was suspended as from 1st July, 1946. Reimbursements to the States under this agreement for the year 1947-48 were:—New South Wales £18,302,325, Victoria £9,881,621, Queensland £7,357,240, South Australia £3,883,695, Western Australia £3,792,877, and Tasmania £1,370,265.

At the present time two taxes on incomes of individuals are imposed by the Commonwealth—Income Tax and Social Services Contribution. Both taxes are based upon the same definition of assessable income and both are assessed and collected concurrently. Several taxes are however imposed on the income of companies for which assessable income is defined in a similar manner to that on individuals.

Certain types of income are exempt from tax in Australia. The most important of these are (1) income from gold mining, (2) some tax-free interest on Commonwealth Government securities, (3) profits from sale of a property if such property was not purchased with a view to resale at a profit, (4) no amount is calculated as assessable

income on account of a house occupied by its owner. War, invalid, old age and widows' pensions, child endowment, and unemployment and sickness benefits are also exempt.

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

Two income taxes, namely Social Services Contribution and Income Tax are levied on individuals. Social Services Contribution is payable by all persons without dependants whose contributable income exceeds £104 per annum and Income Tax is payable by all persons whose income exceeds £250 per annum. Rebates of tax are allowed to taxpayers on account of dependants, certain medical and dental expenses, life insurance premiums, superannuation and Friendly Society payments, &c.

No actual deductions from taxable income are made for dependants but rebates of tax are allowed against income tax assessed. Dependants include spouse, parent, children under sixteen years of age, invalid child brother or sister over sixteen years of age, housekeeper or daughter-housekeeper for widow or widower having care of taxpayer's children under sixteen years of age.

The effect of these rebates for dependants is to exempt taxpayers up to the incomes stated below during the income year 1947-48—

Taxpayer with—	Income Tax.	Social Services Contribution.
	£	£
No Dependants	250	104
Wife	396	200
Wife and one child	513	283
Wife and two children	572	317
Wife and three children	630	350
Wife and four children	689	400

The following table shows the rates of Income Tax for individuals in respect of the income year 1947-48:—

INDIVIDUALS—RATES OF INCOME TAX.

Taxable Income.	Pence in £.
£1 to £500—	
Personal Exertion—	
On first £250	Nil
On excess	25 + (.032 × excess)
Property—	
On first £250	Nil
On excess	35 + (.052 × excess)

INDIVIDUALS—RATES OF INCOME TAX.—*continued.*

Taxable Income.	Pence in £.
£501 to £1,000—	
Personal Exertion—	
On first £250	Nil
On excess	25 + (.032 × excess)
Property—	
On first £250	24
On excess	61 + (.032 × excess)
£1,001 to £2,500—	
Personal Exertion—	
On first £1,000	36.75
On excess	73 + (.018 × excess)
Property—	
On first £1,000	50.5
On excess	93 + (.018 × excess)
£2,501 to £5,000—	
Personal Exertion—	
On first £2,500	74.7
On excess	127 + (.007 × excess)
Property—	
On first £2,500	92.2
On excess	147 + (.003 × excess)
Exceeding £5,000—	
Personal Exertion—	
On first £5,000	109.6
On excess	162
Property—	
On first £5,000	123.35
On excess	162

Social Services Contribution Rates. In respect of the income year 1947-48, the basic rate for Social Services Contribution was 3d. in the £1 plus one-tenth of 1d. for every £1 by which the contributable income exceeds £100 with a maximum basic rate of 18d. in the £1 which is reached at an income of £250. If the contributable income does not exceed the sum of the concessional allowances by more than £250 a concessional rate is applied.

No Social Services Contribution is payable if the contributable income is less than £105, and if the contributable income is less than £113 the contribution payable shall not exceed half the excess of the contributable income over £104. The minimum amount payable is ten shillings and amounts payable and rebates are calculated to the nearest shilling.

Special Deduction for Members of the Defence Forces. The provisions of the Income Tax Act relating to income received by taxpayers as members of Defence Forces, merchant seamen, and accredited persons, were modified with effect from 1st July, 1947. The special deduction is now available only to members of the Defence Forces

who serve at an "overseas locality". Where the service at an "overseas locality" aggregates more than one-half of the year of income, the special deduction is £120 and a proportionate deduction is allowed if the service is of a duration of less than one-half of the year. The "overseas localities" are specified and it is not sufficient merely to serve outside Australia.

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

Income Tax and Social Services Contributions paid 1946-47. The following table shows the number of taxpayers, actual income received, and Social Services Contributions and Income Tax assessed during the year 1946-47 (based on incomes received during 1945-46). The particulars are classified according to grades of actual incomes and relate only to individuals who are resident in Victoria:—

VICTORIA—INCOME TAX AND SOCIAL SERVICES CONTRIBUTIONS, 1946-47.

Grade of Actual Income.		Tax-payers.	Actual Income.				Social Services Contributions.	Income Tax.
			Taxable Income.		Deductions and Exempt Income.	Total.		
			Personal Exertion.	Property.				
£	£	No.	£	£	£	£	£	
105-	150	65,111	7,415,170	808,074	7,833	8,231,077	109,592	202,602
151-	200	77,729	12,540,458	1,094,414	17,569	13,652,441	323,603	556,848
201-	250	65,620	13,613,834	1,087,841	25,900	14,727,575	466,347	922,138
251-	300	74,927	19,070,953	1,003,555	702,826	20,777,334	606,792	1,481,580
301-	350	91,279	28,212,817	960,293	536,584	29,709,694	925,544	2,483,021
351-	400	73,299	26,202,622	875,908	460,382	27,538,912	918,722	2,608,507
401-	500	68,763	28,660,646	1,535,445	241,733	30,437,824	1,096,545	3,601,204
501-	600	27,872	13,916,827	1,170,673	69,614	15,157,114	561,294	2,266,838
601-	800	22,432	13,545,471	1,721,312	70,822	15,337,605	569,797	2,858,999
801-	1,000	9,110	6,858,105	1,183,810	59,090	8,101,005	300,542	1,831,639
1,001-	1,250	5,758	5,225,537	1,119,776	93,273	6,438,586	237,059	1,656,389
1,251-	1,500	3,174	3,499,709	782,537	55,705	4,337,951	160,368	1,265,758
1,501-	2,000	3,209	4,441,364	1,080,907	121,882	5,644,153	206,594	1,876,964
2,001-	3,000	2,523	4,621,950	1,232,649	178,924	6,033,523	219,462	2,479,172
3,001-	4,000	825	2,097,207	612,874	109,076	2,819,157	101,648	1,382,923
4,001-	5,000	360	1,104,905	368,062	119,797	1,592,764	55,134	828,895
5,001-	10,000	406	1,677,165	716,629	241,325	2,635,119	89,017	1,500,969
10,001-	15,000	61	491,238	139,064	113,051	743,353	22,973	435,076
15,001 and over		28	322,454	146,891	231,168	700,513	17,502	333,311
		592,576	193,518,432	17,640,714	3,456,554	214,615,700	6,988,635	30,572,833

Company Tax. (a) The rates of tax for the income year 1947-48 payable by a company, other than a life assurance company, is 60d. for every £1 of the taxable income not exceeding £5,000, and 72d. for every £1 of the remainder of the taxable income; on

the income of a life assurance company with respect of its mutual life assurance business only, 48d. for every £1 of the mutual income not exceeding £5,000 and 60d. for every £1 of the remainder of the mutual income; on incomes from other business, 60d. for every £1 of the taxable income not exceeding £5,000 and 72d. for every £1 of the remainder.

(b) In the case of companies, other than private companies, for every £1 of that portion of the taxable income which has not been distributed as dividends and on which the company is liable under Part III.A of the Assessment Act to pay further tax, the rate of tax is 24d.

(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 12d. for every £1 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.

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 £1 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, 1947, was one halfpenny on every £1 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 1947 Land Tax assessments is given in the following table.

VICTORIA—ANALYSIS OF STATE LAND TAX
ASSESSMENTS, 1948.

(Based on unimproved values as at 31st December, 1947.)

Unimproved Values of Holdings Ranging Between—		Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£		£	£
1 and	500	77,257	25,782,042	33,038
501 "	600	11,299	6,254,451	12,765
601 "	750	10,362	7,057,773	14,304
751 "	1000	10,839	10,474,569	19,033
1,001 "	1,500	10,537	12,009,863	26,083
1,501 "	2,000	5,363	9,306,829	18,491
2,001 "	3,000	5,488	13,532,671	26,799
3,001 "	4,000	2,931	10,214,361	20,130
4,001 "	5,000	1,815	8,082,678	16,126
5,001 "	6,000	1,211	6,655,520	13,364
6,001 "	7,000	1,190	7,697,712	15,493
7,001 "	8,000	807	6,044,287	12,156
8,001 "	9,000	552	4,684,814	9,371
9,001 "	10,000	438	4,172,927	8,425
10,001 "	15,000	1,022	12,396,280	24,960
15,001 "	20,000	440	7,566,487	15,169
20,001 "	25,000	227	5,093,628	10,080
25,001 "	30,000	140	3,823,110	7,490
30,001 "	35,000	92	2,966,294	6,129
35,001 "	40,000	75	2,803,024	5,785
40,001 "	50,000	103	4,577,615	9,414
50,001 "	75,000	109	6,523,687	13,570
75,001 "	100,000	48	4,142,479	8,648
100,001 "	150,000	33	3,883,960	7,930
150,001 "	200,000	15	2,547,130	5,194
200,001 "	over	26	8,564,175	17,842
Total	..	142,419	196,858,366	377,789

In the succeeding statement details are shown relating to the assessments made during the years 1944 to 1948.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1944 TO 1948.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value.
		£	£ s. d.	£
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
1948	142,419	377,789	2 13 1	196,858,366

Common-wealth Land Tax.

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

PROBATE DUTIES.

Probate Duties, Victoria.

The rates of duty payable under Victorian statutes on estates of deceased persons are briefly summarized hereunder :—

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

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

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

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

Exemption.—£5,000 exemption for members of the forces killed on active service and members of the merchant service who died 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 1943-44, 1944-45, 1945-46, 1946-47 and 1947-48 were £1,847,245, £1,898,840, £1,878,182, £2,459,430 and £2,071,111 respectively. Actual collections of probate duty for the years mentioned are shown in the table on page 226.

The Commonwealth Government also levies probate and succession duties. The amount of duty collected throughout Australia in each of the years 1943-44, 1944-45, 1945-46, 1946-47, and 1947-48 was £2,761,562, £3,090,200, £3,880,041, £4,018,620 and £4,555,004 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 1943-44 to 1947-48 was as follows:—

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION IN VICTORIA PER HEAD OF POPULATION, 1943-44 TO 1947-48.

Authority.	1943-44.	1944-45.	1945-46.	1946-47.	1947-48.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	41 15 2	45 19 7	47 10 8	51 5 6	55 5 6
State†	2 18 10	3 0 5	3 7 7	3 15 8	4 4 5
Total (Commonwealth and State)	44 14 0	49 0 0	50 18 3	55 1 2	59 9 11
Municipal	2 1 6	2 2 0	2 2 11	2 5 7	2 9 6
Grand Total ..	46 15 6	51 2 0	53 1 2	57 6 9	61 19 5

* 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, Entertainment, War-time Company, Gold, Pay-roll Taxes, and Social Services Contributions.

† 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 1943-44 to 1947-48. The information 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, 1944 TO 1948.

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
1944	{ (a) 8,298	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	4,075	2,294	1,573	1,562	23,426
	{ (b) 16,128	8,770	6,564	3,436	3,352	1,214	39,464
1948	{ (a) 13,003	8,364	4,663	2,437	1,933	1,732	32,132
	{ (b) 18,302	9,882	7,357	3,884	3,793	1,370	44,588
PER HEAD OF POPULATION.							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
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 9	3 7 5	3 9 10	2 19 0	5 10 9	3 7 7
	{ (b) 5 3 4	3 7 6	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	6 14 9	4 15 6	5 5 4
1948	{ (a) 4 6 6	4 0 10	4 3 10	3 14 9	3 16 0	6 12 4	4 4 5
	{ (b) 6 1 9	4 15 6	6 12 3	5 19 1	7 9 1	5 4 8	5 17 2

(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 1943-44 to 1947-48 is shown hereunder :—

COMMONWEALTH AND ALL STATES—TAXATION COLLECTIONS, 1944 TO 1948.

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.
1944	303,752	21,314	325,066	44 14 0
1945	337,995	22,111	360,106	49 0 0
1946	353,211	25,060	378,271	50 18 3
1947	385,616	23,426	414,042	55 1 2
1948	422,413	32,132	454,545	59 9 11

* 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 1947-48, the State Government expended a sum of £1,165,412 on pensions, gratuities, &c. Of this amount, £69,303 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 1943-44 to 1947-48:—

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS, GRATUITIES, ETC., 1944 TO 1948.

Heading.	Year ended 30th June—				
	1944.	1945.	1946.	1947.	1948.
	£	£	£	£	£
Non-contributory Pensions, &c.—					
Railways	65,640	57,035	48,590	40,301	35,511
Lunacy	104	104	81	3	
Judges	1,375	2,250	2,250	3,375	2,395
Civil Service	2,815	1,765	1,088	869	376
Public Service	54,267	45,189	38,869	33,775	27,396
Education Department					
Officers transferred to Common-					
wealth Service	5,150	4,617	3,100	3,312	2,700
Various Allowances, &c. ..	1,021	951	917	925	925
Total Non-contributory Pen-					
sions, Gratuities, &c. ..	130,372	111,911	94,895	82,560	69,303
Contributory Pensions—					
Police Superannuation Fund—					
Government Subsidy	31,720	29,982	25,785	16,962	6,868
Transferred from Licensing					
Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	23,001	20,669	19,692	21,378	25,233
Total	77,721	73,651	68,477	61,340	55,101
Police Pensions Fund	124,472	125,000	126,000	151,800	161,800
The Superannuation Fund—					
Railways	393,257	403,041	412,308	426,425	513,098
Other	266,648	267,856	274,196	280,071	333,657
Total	659,905	670,897	686,504	706,496	846,755
Coal Mine Workers' Pensions Fund	20,882	24,405	20,950	18,864	28,872
Parliamentary Contributory Re-					
irement Fund .. .. .	..	..	..	..	3,581
Total Contributory Pensions	882,980	893,953	901,931	938,500	1,096,109
GRAND TOTAL	1,013,352	1,005,864	996,826	1,021,060	1,165,412

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

During the year 1947-48 the total receipts of the fund from Government Revenue amounted to £55,101, all of which was expended on pensions.

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 Fund. Under Act No. 3750, which came into operation on 1st January, 1924, pensions are provided for 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 main provisions of the principal Act were published in the *Year-Book* for 1928-29, page 100. The Police Regulation Act, No. 4592 of 1938, made several amendments regarding pensions and allowances, a summary of which was published in the *Year-Book* for 1937-38 and subsequent issues. Recent amending legislation is contained in the Police Regulation (Amendment) Act, No. 5359, of 1948. This Act provided *inter alia* for increases of up to 25 per cent. in pensions payable to ex-members of the Force with a proviso that the total pension payable shall not exceed £390 per annum. It also provided for increases in pensions payable to widows. The increased rates are payable on and after 2nd January, 1948.

The receipts of the Police Pensions Fund (established under Act No. 3750) during 1947-48 amounted to £317,597, comprising:—Deductions from pay, £44,768; special appropriation, £161,800; interests on investments, £110,947; and other income, £82. During the year £94,378 was paid in pensions, and £5,013 represented deductions of pay returned. There was a balance of £3,318,293 in the Fund at 30th June, 1948, of which £3,288,795 was invested.

The Superannuation 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 the *Superannuation Act*, 1947, No. 5255 which amended the principal Act and provided *inter alia* for the following:— (a) The unit of pension was increased from £26 to £32 10s. 0d., the Consolidated Revenue or the Railway Revenue (as the case may be) bearing the additional charge; (b) All existing pensions granted under the Superannuation Act (other than to children) were increased by 25 per cent; (c) The maximum number of units for which officers may contribute was increased from twelve to twenty-six, regulated according to rate of salary; (d) The Government guarantees the interest earnings of the Fund at $3\frac{1}{2}$ per cent.

The number of contributors to the Fund at 30th June, 1948, was 30,487—males 26,791 and females 3,696.

During the year 1947-48, the receipts of the Superannuation Fund amounted to £1,781,645, consisting of contributions from officers, £621,038; from Consolidated Revenue, £833,387*; under Act No. 4085 £4; interest on investments, £325,149; and other receipts, £2,067. The total payments from the fund during the year were £1,187,371, and comprised pensions, £1,096,709; refund of contributions, £86,139; endowment assurances matured, £1,529; and other expenditure, £2,994. The balance in the Fund at 30th June, 1948, was £9,526,545, of which £9,520,915 was invested.

Port Phillip Pilot Sick and Superannuation Fund. This fund does not receive contributions from the Government but is maintained by deductions from pilots' earnings and annual income derived from investment of moneys belonging to the Fund which, in 1947-48 amounted to £7,786 and £5,745 respectively. During the same period, £6,795 was expended on pensions and £15 on sick allowances.

Coal Mine Workers' Pensions Fund. This fund was established under Act No. 4922 of 1942 which provided 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 main provisions of the principal Act are shown in the *Year-Book* for 1943-44 and subsequent issues.

The Coal Mine Workers' Pensions Act, No. 5223, of 1947, provided for the following amendments to the principal Act:—(a) The retiring or disablement pension of a miner was increased to two pounds five

* This figure does not agree with that shown on page 240, which includes Consolidated Revenue's share of pensions accrued to 30th June.

shillings per week, while payment to his wife was increased to one pound ten shillings per week; (b) Upon the death of a miner, his wife is entitled to receive a pension of £1 15s. per week, provided that the miner was eligible to receive a pension or was in receipt of a pension at the time of his death; (c) The Treasurer of Victoria is required to pay into the Fund two-sevenths of the total amount required to pay pensions. Of the balance, one-fourth part shall be contributed by the mine workers and three-fourth parts by the mine owners.

The amendments relating to sections (a) and (b) shall apply on or after 4th July, 1947, while section (c) shall apply on or after 30th August, 1947.

During 1947-48 the Treasurer contributed £11,036 and the State Coal Mines (as owners) £17,836.

**Parliamentary
Contributory
Retirement
Fund Act.** This fund was established under authority of the Parliamentary Contributory Retirement Fund Act, No. 5185, of 24th December, 1946, to provide pensions for ex-members of the Victorian Parliament. The Act provided that members contribute to the fund at the rate of one pound per fortnight and that any additional amounts required to pay pensions under the Act shall be paid from the Consolidated Revenue.

Every person who has ceased to be a member and has served as a member for at least fifteen years, or for three consecutive Parliaments, is entitled to be paid out of the fund, a pension fortnightly at the rate of the basic wage payable in Melbourne.

Provision is also made for payments of certain sums to ex-members who do not fulfill the conditions necessary for a pension and the payment of a pension to the widow of a deceased member or ex-member at a rate equivalent to two-thirds of the amount that would have been paid or was being paid to the deceased.

All payments out of the fund are subject to the approval of trustees appointed to administer the fund.

Amending legislation which became operative from 1st July, 1948, provided for an increase in members' contributions to £2 per fortnight, and fixed the amounts of lump sum payments to be made.

**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 1943 to 1947. 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, 1943 TO 1947.**

Heading.	Financial Year ended in—				
	1943.	1944.	1945.	1946.	1947.
	£	£	£	£	£
<i>Revenue.</i>					
State Government	36,972,962	36,160,551	35,971,274	36,145,563	38,641,893
Local Government	7,914,779	8,041,246	8,345,060	8,651,614	9,380,827
Semi-Governmental and other Public Bodies—					
Water Supply and Sewerage ..	3,059,456	3,090,600	3,026,944	2,983,686	3,080,749
Irrigation	71,329	86,100	91,887	78,779	78,061
Harbors	1,010,791	960,948	1,001,189	1,062,735	1,215,154
Tramways	3,814,004	3,956,828	4,006,035	4,020,940	3,869,651
Electricity Supply	5,490,089	5,628,780	5,799,161	6,160,185	6,399,510
Fire Brigades	169,716	173,860	172,010	191,930	195,391
Housing Commission	72,410	76,741	96,240	169,039	281,310
Grain Elevators Board	242,778	181,913	195,237	190,384	227,687
Western Metropolitan Market Trust	2,854	3,234	3,080	4,626	3,300
Total	58,821,168	58,360,801	58,708,117	59,659,481	63,373,533
<i>Ordinary Expenditure.</i>					
State Government	36,218,631	35,540,240	35,622,150	36,139,829	38,636,860
Local Government	7,183,622	7,492,738	7,930,764	8,936,867	9,766,885
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage ..	2,937,358	3,059,482	2,975,365	2,993,088	3,191,344
Irrigation	75,680	89,929	93,404	73,095	67,336
Harbors	1,003,206	983,605	950,304	1,088,279	1,074,786
Tramways	3,788,885	3,928,064	3,956,530	3,986,361	3,890,645
Electricity Supply	5,348,696	5,503,908	5,739,953	6,096,722	6,310,110
Fire Brigades	169,391	162,521	163,476	157,708	188,406
Housing Commission	86,201	95,357	102,473	149,755	265,719
Grain Elevators Board	239,576	177,208	191,004	187,666	223,503
Western Metropolitan Market Trust	3,575	3,559	3,519	3,396	3,339
Total	57,054,821	57,036,611	57,728,942	59,812,766	63,618,933

PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1948 :—

LOANS RAISED AND REDEEMED TO 30TH JUNE, 1948.

		£
Cash received .. .. .	.. .. .	1,110,991,270
Discount and expenses after deducting premiums .. .. .	.. .. .	7,348,308
Securities issued .. .. .	.. .. .	1,118,339,578
Add liability to Commonwealth on account of flotation in course .. .. .	.. .. .	3,518,000
		1,121,857,578
Loans redeemed by—		£
Renewal Loans .. .. .	.. .. .	883,209,263
National Debt Sinking Fund .. .. .	.. .. .	23,432,786
Other Funds .. .. .	.. .. .	24,062,804
Discount (securities purchased under par) .. .. .	.. .. .	83,739
Liability transferred to Commonwealth Government Act No. 4246 .. .. .	.. .. .	2,160,960
Premium (securities redeemed above par)	Cr. 37,491	37,491
		932,912,061
Loans outstanding on 30th June, 1948 .. .. .	.. .. .	188,945,517

It will be seen that, upon the transactions to 30th June, 1948, securities representing £1,118,339,578 were issued, and that the amount of cash received was £1,110,991,270. The State thus received £99 4s. 11d. in cash for every £100 bond given.

The following table gives particulars relating to the **Loans Floated**, loans raised in London, New York, and Melbourne, and shows the amounts which were outstanding at 30th June, 1948 :—

VICTORIA—LOANS FLOATED TO 30TH JUNE, 1948.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid off (including Renewal Loans).	Debt Outstanding at 30th June, 1948.		
			Inscribed Stock.	Debentures, &c.	Total.
	£	£	£	£	£
London Register ..	*543,770,831	483,068,517	15,991,290	44,711,024	†60,702,314
Melbourne Register ..	574,568,747	449,843,544	120,044,563	4,680,640	124,725,203
Total ..	1,118,339,578	932,912,061	136,035,853	49,391,664	185,427,517
Add liability to Commonwealth on account of flotation in Course					3,518,000
Total Public Debt at 30th June, 1948					188,945,517

* Including loans raised in New York through the Commonwealth Government amounting to £7,070,913.

† Including £4,570,562 raised in New York through the Commonwealth Government.

Particulars concerning the due dates of loans outstanding at 30th June, 1948, 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, 1948.

Due Date (Financial Year).	Repayable in London.	Repayable in Australia.	Total
	£	£	£
1948-49	17,827,820	5,909,750	23,737,570
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	976,883*	3,305,980	4,282,863
1957-58 .. .. .	..	14,078,874	14,078,874
1958-59	13,553,800	9,301,235	22,855,035
1959-60	2,902,116	24,026,916	26,929,032
1960-61	650,075	12,793,430	13,443,505
1961-62	753,930*	13,565,138	14,319,068
1966-67	6,879,466†	..	6,879,466
1969-70	9,239,196	..	9,239,196
1982-83 .. .. .	..	3,824,086	3,824,086
Not yet fixed .. .. .	..	3,402,483	3,402,483
Total	60,702,314	128,243,203	188,945,517

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

† Including £976,266 raised in New York.

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 1943-44 to 1947-48 are shown on page 253.

All tables in the *Year-Book* relating to the Public Debt, show the Oversea Debt of Victoria in Australian currency, but at the time of repayment it will entail the use of sterling or dollars as the case may be.

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 $22\frac{1}{2}$ 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 1948.

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
1948	60,702,314	128,243,203	2,057,644	4,304,689

* Loans raised in New York by the Commonwealth Government are included as follows:— (At 30th June) 1930 and 1931, £4,658,461; 1932, £4,648,084; 1933, £4,615,021; 1934, £4,592,459; 1935, £4,569,473; 1936, £4,547,877; 1937, £4,530,842; 1938, £4,517,207; 1939 to 1946, £4,498,878; 1947, £4,500,603; 1948, £4,570,562.

The appended table shows the rates of interest which were payable on the public debt at 30th June, 1948, and the portions of the debt at each rate in London and Australia respectively :—

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1948.

Rate of Interest.	Amount Repayable in—		
	London.	Australia.	Total.
Per cent.	£	£	£
5	1,863,483*	..	1,863,483
4	2,902,116	23,432,028	26,334,144
3 $\frac{7}{8}$ .. .. .	..	15,080,765	15,080,765
3 $\frac{3}{4}$	6,852,149	6,544,610	13,396,759
3 $\frac{1}{2}$ .. .. .	..	908,550	908,550
3 $\frac{1}{4}$	26,488,811†	254,650	26,743,461
£3 9s. 9d. .. .. .	..	500	500
3 $\frac{3}{8}$	753,930*	1,465,260	2,219,190
3 $\frac{1}{2}$	10,866,154‡	51,818,216	62,684,370
3 $\frac{1}{4}$ .. .. .	..	15,082,800	15,082,800
£3 2s. .. .. .	..	320,190	320,190
3	5,170,146	2,331,155	7,501,301
£2 14s. 3d. .. .. .	..	223,545	223,545
2 $\frac{1}{2}$ .. .. .	..	5,005,475	5,005,475
£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 .. .. .	..	3,824,086	3,824,086
Total	60,702,314	128,243,203	188,945,517
	%	%	%
Average rate of interest	3.39	3.36	3.37

* Raised in New York by the Commonwealth Government.

† Including £976,266 raised in New York.

‡ Including £976,883 raised in New York.

Growth of
Public Debt.

The growth of the public debt of Victoria since the establishment of responsible government in 1855 is illustrated in the following statement :—

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 to 1943–44, it increased during each of the years 1944–45 to 1947–48 and at 30th June, 1948, amounted to £188,945,517.

The tables in this *Year-Book* relating to the Public Debt do not include an amount of £12,100,000 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, 1948, repayments of the principal amounted to £81,466.

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST,
1855 TO 1947–48.

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
1948 ..	188,945,517	6,362,333	3·37	90 7 6	3 0 11

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

The following table shows the capital liability of the **Capital Liability, &c., State at 30th June, 1948, 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, 1948.

Works or Services.	Liability.	Deduction on Account of National Debt Sinking Fund.	Net Liability.
	£	£	£
Railways*—			
As reduced	52,110,148	5,951,953	46,158,195
Transferred	30,282,462	3,662,869	26,619,593
Country Waterworks	32,745,327	3,475,762	29,269,565
Electricity Supply	18,342,427	2,264,151	16,078,276
Land Settlement	27,586,957	4,147,380	23,439,577
Soldier Settlement	7,120,085	21,254	7,098,831
Grain Elevators Board	661,611	42,071	619,540
Housing Commission	952,194	60,608	891,586
Country Roads	10,044,643	1,472,093	8,572,550
Public Works, Buildings, &c.	10,270,306	730,385	9,539,921
Forests	4,346,496	133,136	4,213,360
Unemployment Relief	12,127,674	965,759	11,161,915
In Aid of Revenue	5,245,079	909,867	4,335,212
Unapportioned	18,000	..	18,000
Total	211,853,409	23,837,288	188,016,121

* 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, 1948, and the net liability shown above is given hereunder :—

Public Debt at 30th June, 1948	£	188,945,517
	£	
Deduct Cash at Credit of National Debt Sinking Fund	404,503	
Deduct Repayments to State Loans Repayment Fund	20,085,205	
		20,489,708
		168,455,809
Add Expenditure from the State Loans Repayment Fund		19,560,312
Net Liability for Works		188,016,121

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 1944-45 to 1947-48 and the total to 30th June, 1948 :—

VICTORIA—EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS, 1944-45 TO 1947-48.

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1948.
	1945.	1946.	1947.	1948.	
Public Works—	£	£	£	£	£
Railways*—					
As reduced ..	496,294	389,434	488,050	479,275	51,981,277
Transferred ..	..	..	..	..	29,134,658
Country Roads ..	..	1,899	25,042	25,847	12,255,307
Bridges ..	9,443	9,220	13,824	792	476,717
Harbors and Rivers ..	..	8,215	30,415	87,890	1,534,825
Water Supply—					
Country ..	315,729	432,903	1,466,122	1,893,165	32,763,215
Metropolitan ..	..	..	..	..	3,142,577
Sewerage ..	..	2,669	..	2,095	222,548
Electricity Supply ..	..	..	..	..	17,839,227
Public Buildings—					
Schools ..	164,784	177,107	539,436	609,867	7,592,805
Hospitals ..	605,747	118,020	176,230	213,343	1,903,976
Other ..	49,076	66,890	81,950	180,268	1,832,455
Other Public Works ..	..	6,552	61,838	131,339	902,718
Immigration ..	..	..	..	10,038	30,038
Municipal Endowment ..	..	..	..	..	698,250
Municipalities, Loans, Grants, &c. ..	..	..	33,616	80,944	1,042,687
Housing ..	750,000	25,285	528,562	469,743	2,963,590
Unemployment Relief ..	3,891	433	..	..	13,147,158
Primary Production—					
Land Settlement† ..	..	..	..	..	41,570,934
Soldier Settlement ..	..	69,378	2,226,665	5,408,434	7,704,477
Wire Netting Advances ..	79	5,878	..	16,004	901,733
Agriculture ..	..	..	..	..	150,682

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

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

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

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1948.
	1945.	1946.	1947.	1948.	
	£	£	£	£	£
Settlers Advances—					
Cultivation	86,256	88,310	7,130	28,258	2,620,211
Other	5,961	5,848	3,713	6,870	103,025
Bulk Handling of Wheat .. .. .	..	..	..	..	1,000,000
Forestry	480,600	657,029	1,329,450	1,112,650	5,541,220
Mining, N.E.I. .. .. .	..	..	..	..	271,022
Mining—State Coal Mine	437	499	197	223	321,287
Primary Products—Advances to Companies .. .. .	..	..	..	..	331,101
Cool Stores—Advances to Companies	45	9,562	10,230	493	633,629
Drought Relief	625,000	129,000	88,410	182,001	1,024,411
Other Primary Production .. .. .	..	..	..	15,000	167,862
Other Purposes	90,000	..	..	58,112	509,062
Total Works Expenditure	3,683,342	2,204,134	7,110,880	11,012,651	242,314,684
In Aid of Revenue	4,255,000	..	..	..	9,118,682
Grand Total	7,938,342	2,204,134	7,110,880	11,012,651	251,433,366

The figures in the foregoing table are "Net" in as much as they exclude discounts and flotation expenses, particulars of which are as follow :—1944-45, £59,625 ; 1945-46, £1,313,647 ; 1946-47, £6,203, and 1947-48, £134,492. The aggregate to 30th June, 1948, was £7,348,307.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1948, sums not yet expended amounted in the aggregate to £149,339, of which £3,485 was for Land Settlement, £81,656 for Public Works, Buildings, &c., £40,675 for Water Supply, and £23,523 for State Forests.

The amounts of interest and expenses paid on the Public Debt of Victoria during each of the financial years 1943-44 to 1947-48 are shown in the next table :—

Interest paid
on Loans.

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT,
1944 TO 1948.

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.				
	£	£	£	£	£	£
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
1948 ..	2,100,256	4,065,487	60,500	23,674	587,549	6,837,466

* Including £221,140 on account of interest paid on loans in New York in respect of each of the years 1943-44 to 1946-47, £225,492 in 1947-48.

† Includes Exchange paid in respect of Loans raised in New York £113,461 for each of the years 1943-44 and 1944-45, £113,845 for 1945-46, £114,100 for 1946-47, and £116,247 for 1947-48.

‡ 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). Under the Federal Aid Roads Agreement, the Commonwealth Government agreed to pay Sinking Fund contributions on loan moneys provided by the States for certain roads. The agreement was terminated on 30th June, 1947, and from 1st December, these payments became a State liability. The following table gives particulars of the receipts and disbursements during 1947-48:—

	£
Balance at credit of Victoria at 30th June, 1947	1,152,840
Contributions during 1947-48—	
By Commonwealth under Financial Agreement	335,510
" " " Federal Aid Roads Act	3,729
" State under Financial Agreement	1,551,216
" " Roads	3,729
	<hr/>
	1,894,184
Interest received	9,040
	<hr/>
	3,056,064
Cancellation of securities to the value of £2,607,615	2,651,562
	<hr/>
Balance at credit of the State at 30th June, 1948	404,502
Face value of securities cancelled to 30th June, 1948	23,432,786
	<hr/>
Net credit to Victoria at 30th June, 1948	23,837,288

TRUST FUNDS.

At 30th June, 1948, the liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgments amounted to £17,764,442. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £8,064,086, and cash advances totalled £4,246,470. The balance—£5,453,886—was at the credit of the Public Account.

PUBLIC DEBT OF AUSTRALIA.

The public debts of the six Australian States aggregated £964,801,892 at 30th June, 1948. 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 AT 30TH JUNE, 1948.

Heading.	Victoria.	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
	£	£	£	£	£	£
Public Debt	188,945,518	384,078,299	138,693,988	118,851,946	100,274,741	33,957,400
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Debt per head of population at 30th June, 1948	90 7 6	126 7 6	123 1 8	180 10 0	193 8 10	127 11 4

The public debt of the Commonwealth exclusive of loans raised on behalf of the States but including debts on account of the Port Augusta-Oodnadatta Railway and the Northern Territory amounted to £1,905,137,497 at 30th June, 1948.

The total public debt of Australia—Commonwealth and States—at the above date was £2,869,939,389 of which £2,351,910,399 was payable in Australia, £477,324,994 in London, and £40,703,996 in New York. The loan liability of the Australian public at 30th June, 1948, averaged £372 4s. 6d. per head of population, while the average interest payable for 1947-48 was £10 13s. 2d. per head.