

PART IX.

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, etc.

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

Commonwealth and State Financial Relations. 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 financial year 1942-43 in the Consolidated Revenue Fund and in certain special funds gives the following result:—

	£
Public Revenue	37,244,562
Public Expenditure	36,490,231
Net Surplus (transferred to Surplus Revenue Account, Act 3341, Section 13.)	754,331

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 1942-43 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total—Treasurer's Finance Statement	36,489,924	35,735,593
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund*	698,910	698,910
Licensing Fund†	107,022	107,022
Police Superannuation Fund	23,630	23,630
Assurance Fund	2,430	2,430
Cattle Compensation Fund	38,143	38,143
Swine Compensation Fund	10,897	10,897
Metropolitan Roads Fund	36,759	36,759
Mallee Land Account	48,400	48,400
Other Funds	29,555	29,555
<i>Deduct—</i>		
Loss of Revenue on account of (a) reduction in certain periodical fares to outer suburbs, (b) additional concessions to Defence Forces on leave, (c) non-paying lines	241,108	241,108
Total	37,244,562	36,490,231

* Excluding £647,203 recouped to Revenue under Acts Nos. 3662, 3944, and 4140.

† In addition to this amount £279,871 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 4909.

The revenue and expenditure of the State for the years 1938-39 to 1942-43, after taking into account the circumstances mentioned above, are shown in the next statement.

**VICTORIA—STATE REVENUE AND EXPENDITURE,
1938-39 TO 1942-43.**

Year ended 30th June—	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (-).	Accumulated Deficiency to end of each Year (i.e., 30th June).
	£	£	£	£
1939	28,354,711	29,141,953	— 787,242	7,953,429
1940	29,480,781	29,474,520	+ 6,261	7,953,429
1941	30,458,071	30,315,771	+ 142,300	7,947,168
1942 *	34,111,835	33,819,535	+ 792,300	7,946,869
1943	37,244,562	36,490,231	+ 754,331	7,946,569*

* Of this amount, £988,000 was provided from the proceeds of Treasury Bonds and £6,958,569 from the Public Account.

Heads of State Revenue. Details of the sources of revenue for each of the financial years 1938-39 to 1942-43 are given in the following statement:—

**VICTORIA—SUMMARY OF STATE REVENUE,
1938-39 TO 1942-43.**

Heads of Revenue.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
Commonwealth Payment to State—Act. No. 3554—Financial Agreement	2,127,159	2,127,159	2,127,159	2,127,159	2,127,159
State Taxation—*					
Income Tax	4,370,656	4,737,696	5,009,172	5,903,387	6,344,682
Land Tax	482,336	490,255	492,939	516,282	355,007
Probate Duty	1,374,355	1,456,752	1,433,954	1,426,525	1,517,897
Unemployment Relief	1,879,852	1,999,902	1,585,491	1,284,797	545,695
Stamp Duties	1,134,026	1,144,896	1,140,717	1,090,383	945,933
Motor Taxation†	1,898,265	1,967,750	1,914,154	1,669,859	1,487,194
Other Taxation	883,750	913,411	971,218	1,032,383	1,103,792
Public Works and Services—					
Railways	9,314,910	9,813,781	11,045,444	14,029,449	16,829,288
Water Supply	683,183	741,864	688,658	713,532	936,382
State Coal Mine	189,078	213,028	263,991	337,361	410,466
State Electricity Commission					
Interest, &c.	877,438	878,473	889,901	894,204	861,229
Country Roads Board‡	Dr. 145,866	Dr. 145,776	Dr. 145,042	Dr. 143,668	Dr. 143,668
Maffra Beet Sugar Factory	139,588	145,238	137,612	113,450	71,911
Victoria Dock Cool Stores	31,716	40,096	41,105	42,189	56,957
Wharfrage Rates, &c.	68,960	66,545	50,302	49,353	37,792
Other	69,516	66,733	66,650	130,379	153,551

* See also page 390.

† Including cost of collection of Motor Fees paid into the Country Roads Board Fund, but excluding Stamp Duties.

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

VICTORIA—SUMMARY OF STATE REVENUE, 1938-39 TO 1942-43—
continued.

Heads of Expenditure.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
Land—					
Land Sales, Rents, Penalties, &c.	441,743	464,471	508,624	526,626	536,671
Interest on Loans—					
Land Settlement	1,023,843	504,093	463,307	512,192	561,970
Fees, Fines, &c.	288,371	284,154	285,028	279,887	290,051
Tramways Act No. 3732 (Sec. 77)	101,066	106,346	108,968	115,428	129,443
Government Printer	124,025	150,885	137,455	144,258	173,956
Harbor Trust Contributions ..	147,011	139,717	131,223	136,350	152,157
Department of Agriculture*	36,684	37,920	38,770	38,749	42,540
Departmental Railways Account—					
Recoup .. .. .	..	85,000	..	..	..
Companies Act No. 4602 (Secs. 235 and 577) .. .. .	..	76,959	..	..	..
Miscellaneous	813,046	973,383	1,076,271	1,141,321	1,440,184
Total	28,354,711	29,480,781	30,458,071	34,111,835	37,244,562
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	15 2 5	15 11 11	15 17 2	17 9 1	18 17 7

* 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.

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, 1938-39 TO 1942-43.

Heads of Expenditure.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
<i>Legislature and General Administration.</i>					
Legislature—					
Governor	11,740	11,867	10,693	10,488	10,793
Parliament	104,204	102,589	99,674	99,828	102,755
Electoral	2,355	34,577	7,930	6,463	27,241

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1938-39 TO 1942-43—continued.

Heads of Expenditure.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
<i>Legislature and General Administration—continued.</i>					
Financial Administration—					
Public Debt Charges—					
Interest—					
Funded Debt	6,640,308	6,744,667	6,797,067	6,754,671	6,478,474
Temporary Loan	12,934	23,317	17,303	16,731	32,886
Exchange on Paying Interest ..	668,899	700,005	719,066	719,597	696,648
Expenses of Paying Interest, Redemptions, Conversions, &c.	46,253	45,855	66,660	230,784	48,689
National Debt Sinking Fund ..	858,965	943,647	1,010,769	1,074,410	1,118,107
Pensions and Superannuation Contributions*	1,040,378	1,041,066	1,024,849	1,012,172	996,755
Departmental—					
Treasury (including Taxation, Stamps, &c.)	172,127	176,865	170,716	234,292†	135,791
Pay-roll Tax .. .. .	..	..	..	282,104	351,458
Superannuation Board and Pensions Office—Administration	5,260	5,284	5,384	5,969	7,420
Auditor-General	17,807	17,707	17,338	17,786	26,918
Royal Commissions, Boards of Inquiry, &c.	1,311	466	82	184	2,355
Administration, N.E.I.—					
Government Printer	130,926	135,397	146,432	137,532	174,775
Other	224,549	214,504	239,110	313,266	557,432
Total	9,938,016	10,197,813	10,383,073	10,916,277	10,768,497
 <i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary	13,000	15,083	15,500	15,500	15,500
Attorney-General and Solicitor-General	256,226	259,277	252,694	266,996	275,997
Police	815,733	831,977	832,214	843,567	1,052,151
Prisons	126,355	131,566	136,114	142,068	151,258
Prevention of Fire and Flood ..	72,369	75,211	76,749	82,848	83,936
National Security Act (Public Safety) .. .. .	..	40,352	76,396	261,210	358,054
Other	3,252	4,072	6,581	5,909	5,495
Total	1,286,935	1,357,538	1,396,248	1,618,098	1,942,391
 <i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation ..	33,653	33,403	33,799	41,949	84,014
Labour Legislation .. .. .	..	..	..	..	..
Transport Regulation Board	26,145	26,278	30,790	38,731	25,280
Liquor Licence Control (Administration, including Compensation) ..	33,186	33,710	36,665	37,629	24,978
Other	10,034	13,265	13,756	15,306	15,789
Total	103,018	106,656	115,010	133,615	150,061

* For details, see page 392.

† Includes £61,026 Public Service Salary adjustment.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1938-39 TO 1942-43—continued.

Heads of Expenditure.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
<i>Education.*</i>					
Primary, Intermediate, Secondary, Technical — Administration, Salaries of Teaching Staffs, &c.	2,798,255	2,860,508	2,829,814	2,844,543	2,952,783
Technical N.E.I. including Maintenance Grant	168,217	170,203	176,413	199,898	202,424
University †	58,000	64,000	66,200	88,200	98,200
Deaf, Dumb, and Blind	175	29	..	..	..
Agricultural Education— Colleges, Experimental Farms, University Grants, &c.	32,819	38,073	44,685	41,713	39,556
Other Activities	4,106	5,349	5,282	5,111	5,839
Other	2,400	1,306	1,071	2,006	1,960
Total	3,063,972	3,139,468	3,123,465	3,181,471	3,300,762
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and Art Galleries	55,474	55,401	55,394	52,562	54,169
Observatory	3,823	3,924	3,648	3,589	2,800
Other Activities and Institutions ..	175	175	175	175	175
Total	59,472	59,500	59,217	56,326	57,144
<i>Promotion of Public Health and Recreation.</i>					
Care of Sick and Mentally Afflicted—					
Hospital and Charities Fund (including Totalizator Con- tribution)	433,367	619,709	640,109	656,970	771,139
Various Hospitals, &c.	90,194	98,069	98,845	111,249	127,882
Mental Hospitals	517,564	521,611	532,287	550,178	616,664
Mental Defectives	29,915	30,075	29,567	32,095	33,011
Health of Mothers and Children—					
Infant Welfare and Clinics	11,841	12,343	14,209	16,450	17,735
Medical and Dental Examination of School Children	11,255	11,202	10,668	9,266	18,736
Preservation of Public Health—					
Health Department — Adminis- tration	36,878	36,761	41,767	44,194	50,955
Other	151,862	94,152	109,161	85,915	106,311
Parks, Gardens, and Recreation Reserves	18,759	19,235	19,015	19,436	20,933
Total	1,301,635	1,443,157	1,495,628	1,525,753	1,763,366
<i>Social Amelioration.</i>					
Relief of Destitute, Aged, &c. .. .	4,701	5,466	11,373	13,787	12,966
Children's Welfare Department .. .	329,239	325,943	305,952	297,653	235,998
Miners' Phthisis Allowances	22,949	23,016	21,637	21,907	22,710
Care of Aborigines	7,471	7,430	6,746	5,339	4,505
Unemployment Relief Fund ‡ .. .	1,879,852	1,999,902	1,585,491	1,284,797	1,185,695
Other	26,971	25,855	35,528	32,832	20,956
Total	2,271,183	2,387,612	1,966,727	1,656,315	1,482,830

* Detailed information regarding expenditure on education will be found on page 394.

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

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

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1938-39 TO 1942-43—continued.

Heads of Expenditure.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
<i>War Obligations.</i>					
Passes to Soldiers, Superannuation, &c.	12,104	19,105	28,323	39,509	60,038
<i>Local Government.</i>					
Licensing Fund Payment to Muni- cipalities	59,532	59,440	59,304	59,192	59,044
Other	4,235	3,551	2,540	1,759	28,346
Total	63,767	62,991	61,844	60,951	87,390
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey ..	724,974	241,030	218,263	264,866	280,844
Mining (excluding State Coal Mine)	44,550	42,903	45,772	45,190	56,423
Agricultural Pastoral and Dairy- ing *	297,897	323,785	323,723	328,239	302,655
Forestry †	166,885	193,522	250,294	383,400	768,891
Fisheries and Game	10,434	11,032	11,271	9,228	6,858
Roads and Bridges— Country Roads Board † ..	1,141,287	1,151,314	1,118,671	872,511	698,910
Metropolitan Roads Fund ..	12,930	17,014	26,217	30,779	36,759
Other .. .. .	..	..	298	38,553	95
Tourist Activities	2,606	1,687	1,435	1,120	..
Total	2,401,563	1,982,287	1,990,944	1,973,886	2,151,435
<i>Business Undertakings.</i>					
Railways	7,660,223	7,642,667	8,571,421	10,932,482	13,366,781
Harbors, Rivers, and Lights ..	71,590	78,030	83,987	85,683	78,563
Water Supply, Irrigation, &c. ..	442,568	492,352	500,292	507,831	623,402
State Coal Mine	318,949	270,186	380,627	430,939	475,188
Maffra Beet Sugar Factory ..	84,484	167,412	128,798	94,930	68,548
Victoria Dock Cool Stores ..	28,697	34,789	30,087	32,145	35,413
Seasoning Works (Newport) ..	14,227	16,993	26,241	42,219	51,150
Forest Tramways	4,378	3,112	3,768	4,185	2,889
Distillation of Eucalyptus Oil ..	20	2,171	1,785	1,584	1,216
Wire Netting Manufacture ..	15,107	10,681	4,802	1,417	90
State Saw Mill	45	..	13,484	23,919	23,077
Total	8,640,288	8,718,393	9,745,292	12,157,334	14,726,317
Grand Total	29,141,953	29,474,520	30,315,771	33,319,535	36,490,231
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	15 10 10	15 11 9	15 15 8	17 1 0	18 9 11

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

† Excluding "Newport Seasoning Works."

‡ 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.

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 income taxing authority in Australia for the period of the war and twelve months thereafter, the States to receive grants from the Commonwealth based on the average of their income tax collections in 1939-40 and 1940-41.

As provided for under the States Grants (Income Tax Reimbursement) Act, the States will receive annually from the Commonwealth the following amounts: New South Wales £15,356,000, Victoria £6,517,000, Queensland £5,821,000, South Australia £2,361,000, Western Australia £2,546,000, and Tasmania £888,000.

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. The rates imposed on incomes derived during the year ended 30th June, 1943, are set out hereunder:—

INDIVIDUALS—RATE OF TAX.

Personal Exertion.		Property.	
Taxable Income.	Rate.	Taxable Income.	Rate.
£ 1- 300	On first £100, 6d. in £1. Exceeding £100, 30·165d. in £1 and increasing uniformly by ·165d. for each £1 in excess of £101.	£ 1- 200	On first £100, 6d. in £1. Exceeding £100, 30·165d. in £1, and increasing uniformly by ·165d. for each £1 in excess of £101.
301-1,000	On first £300, 44d. in £1. Exceeding £300, 96·01d. in £1 and increasing uniformly by ·01d. for each £1 in excess of £301.	201- 300	On first £200, 26·25d. in £1. Exceeding £200, 75·74d. in £1 and increasing uniformly by ·24d. for each £1 in excess of £201.
1,001-2,000	On first £1,000, 85·3d. in £1. Exceeding £1,000, 110·033d. in £1 and increasing uniformly by ·033d. for each £1 in excess of £1,001.	301-1,000	On first £300, 50·6d. in £1. Exceeding £300, 123·51d. in £1 and increasing uniformly by ·01d. for each £1 in excess of £301.
2,001-3,000	On first £2,000, 114·15d. in £1. Exceeding £2,000, 176·015d. in £1 and increasing uniformly by ·015d. for each £1 in excess of £2,001.	1,001-2,000	On first £1,000, 106·55d. in £1. Exceeding £1,000, 137·534d. in £1 and increasing uniformly by ·034d. for each £1 in excess of £1,001.
3,001-5,000	On first £3,000, 139·76d. in £1. Exceeding £3,000, 206·004d. in £1 and increasing uniformly by ·004d. for each £1 in excess of £3,001.	2,001-5,000	On first £2,000, 139·025d. in £1. Exceeding £2,000, 205·50275d. in £1 and increasing uniformly by ·00275d. for each £1 in excess of £2,001.
5,001 and over	On first £5,000, 169·46d. in £1. Exceeding £5,000, 222d. in £1.	5,001 and over	On first £5,000, 183·86d. in £1. Exceeding £5,000, 222d. in £1.

Where income was derived partly from personal exertion and partly from property, the rate of tax in respect of each class of income is the rate that would be applicable were the total income wholly derived from that source.

Tax was not levied on individual incomes not exceeding £104. Where the net income is between £104 and £112, provision is made that the tax otherwise payable shall not exceed one-half of the excess over £104. Of individuals assessed to pay tax the minimum amount payable is ten shillings.

Concessional Deductions. The existing deductions for dependants, medical expenses, &c., life assurance and superannuation, rates on non-income producing property, &c., were withdrawn and replaced by rebates of tax. The rebates are calculated at the personal exertion rate appropriate to the taxpayer's income, with a proviso that dependants' rebates shall not exceed defined limits.

Exemption Defence Forces and Merchant Seamen. 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 sea-going ship, 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.

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

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.

Taxes may also be paid by the purchase of tax instalment stamps.

Company Tax. (a) For every pound of taxable income of a company, other than a life assurance company, the rate of tax is 72d. On the income of a life assurance company with respect of its mutual life assurance business only, 60d. in £1. On incomes from other business 72d. in £1.

(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 3A 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 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 whole of the distributable income of private companies is subject to additional tax calculated by reference to the aggregate amount of tax which would have been payable by shareholders had the undistributed profits been actually distributed.

**War-Time
Company
Tax.**

This tax was imposed on the amount by which taxable profit exceeds a percentage standard of 5 per cent. ascertained by applying that percentage to the capital employed. The tax does not apply to companies mentioned in (c) above. Where the taxable profit of a company (other than a subsidiary company) is less than £1,000, no tax is payable.

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, 1942, 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 1943 Land Tax assessments is given hereunder.

VICTORIA—ANALYSIS OF STATE LAND TAX ASSESSMENTS, 1943.

(Based on unimproved values as at 31st December, 1942).

Unimproved Values of Holdings Ranging Between—				Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£				£	£
1	and 500	..	..	64,077	20,444,852	38,304
501	.. 600	..	..	11,300	5,706,140	11,635
601	.. 750	..	..	9,725	6,556,821	13,351
751	.. 1,000	..	..	10,255	8,748,200	17,947
1,001	.. 1,500	..	..	10,011	12,298,437	24,761
1,501	.. 2,000	..	..	5,023	8,782,396	17,490
2,001	.. 3,500	..	..	5,132	6,558,323	25,119
3,501	.. 5,000	..	..	4,423	9,742,973	33,418
5,001	.. 6,000	..	..	1,133	6,215,494	12,519
6,001	.. 7,000	..	..	1,104	7,112,536	6,890
7,001	.. 8,000	..	..	794	5,943,245	12,009
8,001	.. 9,000	..	..	486	4,129,663	8,334
9,001	.. 10,000	..	..	388	3,666,004	7,435
10,001	.. 15,000	..	..	953	11,569,036	23,333
15,001	.. 20,000	..	..	419	7,207,805	14,421
20,001	.. 25,000	..	..	228	5,017,273	10,096
25,001	.. 30,000	..	..	134	3,643,604	7,501
30,001	.. 35,000	..	..	98	3,178,324	6,439
35,001	.. 40,000	..	..	86	3,217,828	6,538
40,001	.. 50,000	..	..	95	4,183,736	8,674
50,001	.. 75,000	..	..	124	7,272,967	15,019
75,001	.. 100,000	..	..	50	4,321,140	8,788
100,001	.. 150,000	..	..	37	4,372,326	8,699
150,001	.. 200,000	..	..	14	2,335,167	4,865
200,001	.. over	..	..	24	7,711,540	15,516
Total				126,113	169,935,830	359,101

In the succeeding statement details are shown relating to the assessments made during the years 1939 to 1943.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1939 TO 1943.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
		£	£ s. d.	£
1939	156,123	475,356	3 0 11	238,523,354
1940	160,671	487,511	3 0 8	247,596,712
1941	164,346	490,384	2 19 8	247,933,255
1942	165,512	492,461	2 19 6	240,857,533
1943	126,113	359,101	2 16 11	169,935,830

The increase in the amount of the exemption allowed to primary producers contributed to the decline in the assessments in 1943 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, given in the table hereunder, have been extracted from the report of the Federal Commissioner of Taxation. It should be noted that resident landowners whose property does not exceed the unimproved value of £5,000 are exempted from the payment of this tax.

COMMONWEALTH LAND TAX—VICTORIAN ESTATES,
1937-38 TO 1941-42.

Assessment in respect of Year ended 30th June—	Victorian Returns Assessed *	Central Office Assessments. †	Unimproved Value Assessed by Department.	Tax Payable.
	No.	No.	£	£
1938	7,208	1,677	86,865,450	398,532
1939	7,131	1,684	86,578,764	446,651
1940	7,208	1,668	91,858,615	512,937
1941	7,307	1,693	92,775,273	1,055,411
1942	7,242	1,720	91,353,627	1,208,273

* Including absentee returns on which tax was payable as follows:—1937-38, 300, £5,898; 1938-39, 308, £6,468; 1939-40, 311, £8,055; 1940-41, 319, £13,384; and 1941-42, 303, £13,719.

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

PROBATE DUTIES.

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

Part 1.—Where 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.

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

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 for the years 1937–38, 1938–39, 1939–40, 1940–41 and 1941–42 were £1,451,238, £1,429,440, £1,416,067, £1,447,244, £1,457,269 and £1,490,978 respectively. Actual collections of probate duty for the years mentioned are shown in the table on page 390.

The Commonwealth Government also levies probate and succession duties. The amount of duty collected throughout Australia in each of the years 1938–39, 1939–40, 1940–41, 1941–42 and 1942–43 was £1,872,654, £1,915,352, £2,212,690, £2,364,133, £2,845,005 and £2,696,000 respectively.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

The amounts of taxation collected in *Victoria* by the Commonwealth and State Governments, and by the Municipalities respectively, are shown hereafter for each of the years 1938–39 to 1942–43.

Details of State taxation have been arranged according to the nature of the tax rather than to the method of collection.

TAXATION IN VICTORIA—COMMONWEALTH, STATE, AND MUNICIPAL, 1938-39 TO 1942-43.

Heads of Taxation.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
Total Commonwealth Taxation in Victoria* ..	20,039,000	24,325,000	34,345,000	49,134,000	70,468,000
State—					
Income Tax	4,370,656	4,737,696	5,009,172	5,903,387	6,344,682
Land Tax	482,336	490,255	492,939	516,282	355,007
Probate Duty	1,374,355	1,456,752	1,433,954	1,426,525	1,517,895
Unemployment Relief ..	1,879,852	1,999,902	1,585,491	1,284,797	545,695
Entertainments Tax† ..	236,034	295,512	319,586	338,548	334,408
Racing Taxation	390,487	385,959	406,912	413,702	432,500
Stamp Duties‡	959,727	978,992	973,711	938,551	809,237
Motor Taxation‡	1,913,639	1,981,509	1,925,430	1,675,256	1,492,745
Licences—					
Liquor	254,640	261,797	286,504	316,544	361,556
Other	90,719	100,609	98,602	95,000	89,786
Other Taxation	20,745	21,679	15,344	15,024	16,684
Total State Taxation ..	12,023,240	12,710,662	12,547,645	12,923,616	12,300,195
Municipal Taxation	3,731,856	3,984,081	4,075,621	§	4,187,601
Total Taxation	35,794,096	41,019,743	50,968,266	§	86,955,796

* Estimated.—See *note to next table. † Not elsewhere included. ‡ Including cost of collection of Motor Fees paid into the Country Roads Board. § Not available.

Taxation in Victoria per head of population levied by the Commonwealth, the State, and the Municipalities for each of the years 1938-39 to 1942-43 was as follows:—

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION IN VICTORIA PER HEAD OF POPULATION, 1938-39 TO 1942-43.

Authority.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	10 13 9	12 17 4	17 14 9	25 2 10	35 14 5
State	6 8 3	6 14 6	6 12 3	6 12 3	3 9 7‡
Total (Commonwealth and State) ..	17 2 0	19 11 10	24 7 0	31 15 1	39 4 0
Municipal	1 19 8	2 1 10	2 2 1	†	2 2 5
Grand Total ..	19 1 8	21 13 8	26 9 1	†	41 6 5

* Average taxation per head collected 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 and Pay-roll Taxes.

† Not available.

‡ Excluding payments by the Commonwealth under the Income Tax and Entertainments Tax Reimbursement Acts of 1942.

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 1938-39 to 1942-43. The information for 1942-43 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.

STATE TAXATION COLLECTIONS—TOTAL AND PER HEAD OF POPULATION, 1938-39 TO 1942-43.

Year ended 30th June—	New South Wales.	Victoria.	Queens- land.	South Australia.	Western Australia.	Tasmania.	Total All States.
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TOTAL COLLECTIONS.

	£	£	£	£	£	£	£
1939 ..	20,262,919	12,023,240	8,646,453	4,199,064	3,618,998	1,778,718	50,529,392
1940 ..	22,682,127	12,710,662	8,816,448	4,620,118	3,729,414	1,827,902	54,386,671
1941 ..	24,535,127	12,547,645	9,180,433	4,419,921	3,893,228	1,727,822	56,304,176
1942 ..	24,798,182	12,923,616	8,941,735	4,790,767	3,818,445	1,986,733	57,259,478
1943 { (a)	11,754,786	6,861,190	3,347,701	1,789,121	1,542,986	1,033,556	26,329,340
(b)	11,266,758	5,439,005	5,105,900	2,214,334	2,176,187	803,699	27,006,583

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1939 ..	7 8 3	6 8 3	8 11 9	7 1 3	7 16 5	7 10 2	7 6 3
1940 ..	8 4 0	6 14 6	8 13 3	7 14 10	7 19 11	7 13 0	7 15 11
1941 ..	8 16 8	6 12 3	9 0 4	7 8 11	8 8 1	7 5 7	8 1 2
1942 ..	8 16 4	6 12 3	8 13 1	7 18 3	8 3 0	8 5 11	8 1 0
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

(a) State Taxation collections.

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

The total taxation collected by the Commonwealth and all States for the years 1938-39 to 1942-43 is shown hereunder.

COMMONWEALTH AND ALL STATES TAXATION COLLECTIONS, 1938-39 to 1942-43.

Year ended 30th June—	Taxation by Commonwealth Government.	Taxation by all State Governments.	Total Taxation.	
			Amount.	Per Head of Population.
	£	£	£	£ s. d.
1939 ..	74,036,899	50,529,392	124,566,291	17 19 6
1940 ..	90,010,663	54,386,671	144,397,334	20 12 10
1941 ..	125,383,522	56,304,176	181,687,698	25 14 1
1942 ..	179,435,345	57,259,478	236,694,823	33 3 3
1943 ..	257,143,520	26,329,340*	283,472,860	39 7 6

* Excluding payments by the Commonwealth to the States under Income and Entertainments Tax Reimbursement Acts of 1942.

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.

Cost of Pensions and Gratuities.

During the year 1942-43, the Government expended a sum of £996,755 on pensions, gratuities, &c. Of this amount, £154,998 was spent on pensions of a non-contributory nature. The remainder represents payments from State revenue to the Police Superannuation Fund, the Police Pensions Fund, and the Superannuation Fund. The following table gives details of the Government expenditure on pensions for each of the years 1938-39 to 1942-43.

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS GRATUITIES, ETC., 1938-39 TO 1942-43.

Heading.	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
Non-contributory Pensions, &c.—					
Railways	113,922	103,649	92,110	84,354	74,543
Lunacy	107	104	104	104	104
Judges	2,250	1,611	2,250	2,250	2,250
Civil Service	6,720	6,013	4,443	3,521	2,986
Public Service	94,836	84,676	77,949	70,207	62,748
Education Department } Officers transferred to Common- wealth Service	9,000	9,668	8,500	6,700	6,339
Various Allowances, &c. ..	1,462	1,443	1,244	1,288	6,028
Total Non-contributory Pensions, Gratuities, &c.	228,297	207,164	186,600	168,424	154,998
Contributory Pensions—					
Police Superannuation Fund—					
Government Subsidy	74,169	70,534	63,934	56,160	38,208
Transferred from Licensing Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	11,290	12,252	12,777	15,088	23,631
Total	108,459	105,786	99,711	94,248	84,839
Police Pensions Fund	100,000	103,400	105,000	106,500	107,475
The Superannuation Fund—					
Railways	370,363	379,885	383,275	387,766	388,820
Other	233,259	244,831	250,263	255,234	260,623
Total Contributory Pensions	603,622	624,716	633,538	643,000	649,443
GRAND TOTAL	1,040,378	1,041,066	1,024,849	1,012,172	996,755

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 1942-43 the total receipts of the fund amounted to £84,839, from Government Revenue, as shown in the preceding table. Expenditure on pensions during the year amounted to £84,839.

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 1942-43 amounted to £224,658, comprising:—Deductions from pay, £35,448; special appropriation, £107,475, and interest on investments, £81,735. During the year £46,264 was paid in pensions, and £434 represented deductions of pay returned. There was a balance of £2,339,904 at 30th June, 1943, of which £2,319,795 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 (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 1942-43, the receipts of the Superannuation Fund amounted to £1,360,401, consisting of contributions from officers, £447,752; from Consolidated Revenue, £647,504; under Act No. 4085, £187; interest on investments, £264,150; and other receipts, £808. The total payments from the Fund during the year were £858,264, and comprised pensions, £820,406; refund of contributions, £34,893; endowment assurances matured, £2,784; and other expenditure, £181. The balance in the Fund at 30th June, 1943, was £6,924,408, of which £6,917,890 was invested.

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 1942-43, amounted to £3,263, and £5,480 respectively. During the same period, £7,057 was expended on pensions, £27 on sick allowances.

EXPENDITURE ON EDUCATION.

During 1942-43, expenditure by and on behalf of the Education Department of Victoria, as published in the Report of the Minister of Public Instruction, together with the payment by the Treasury to the University (less that for Bacteriological Laboratory Services) totalled £3,585,173. This amount includes expenditure from loan moneys and the cost of pensions and gratuities, but excludes the interest paid by the State on loans for educational purposes (particulars of which are not available), payroll tax, and superannuation paid on behalf of officers in the Defence Forces. Comparative figures for each of the years 1938-39 to 1942-43 were as follow:—

VICTORIA—EXPENDITURE ON EDUCATION, 1938-39 TO 1942-43.

Expenditure on—	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
Education, Primary, Intermediate and Secondary—					
Primary (including Special Subjects)	2,002,353	2,023,560	1,971,294	1,966,892	2,001,879
Intermediate	113,573	123,679	127,013	130,520	141,924
Secondary	279,769	299,583	309,652	321,301	328,607
Buildings and Land	190,585	227,460	233,876	185,779	177,167
Technical Education—					
Junior and Senior Schools	372,031	394,198	401,770	423,732	442,825
Buildings and Land	96,844	65,855	34,984	69,743	74,821
Training of Teachers	16,185	16,722	18,210	33,329	36,767
Administration	76,662	77,899	77,725	82,106	94,479
Pensions	169,677	171,666	172,885	170,600	171,116
University—					
Special Appropriations, &c.*	67,300	73,300	76,500	98,500	108,500
Scholarships	7,280	6,910	7,610	7,962	7,988
Total*	3,392,259	3,480,832	3,431,519	3,490,464†	3,585,173†
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per head of Population	1 16 2	1 16 10	1 16 2	1 15 9	1 16 4

* Excluding expenditure on Bacteriological Laboratory Services, viz.:—1937-38, £3,400; 1938-39, £3,400; 1939-40, £3,500; 1940-41, £4,000; 1941-42, £4,000; and 1942-43, £4,000.

† Excluding (a) pay-roll tax, £52,856 in 1941-42 and £63,767 in 1942-43; and (b) superannuation paid on behalf of officers in Defence Forces, £19,110 in 1942-43.

In addition to the expenditure shown in the preceding table, fees, donations, &c., amounting to £89,009 in 1938-39, £90,308 in 1939-40, £87,932 in 1940-41, £91,520 in 1941-42, and £80,619 in 1942-43 were retained and expended by the various technical school councils.

In the two following statements the expenditure shown has been confined to that relating to primary, intermediate, and secondary education in State Schools (i.e., excluding amount expended on technical education). No attempt has been made to apportion general expenditure items such as "Training of Teachers, Administration, &c." These items therefore are somewhat overstated.

VICTORIA—EXPENDITURE ON PRIMARY AND SECONDARY EDUCATION—STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS), 1938-39 TO 1942-43.

Expenditure on—	Year ended 30th June—				
	1939.	1940.	1941.	1942.	1943.
	£	£	£	£	£
Education:—					
Primary—					
Day Schools, including Central Schools ..	1,935,834	1,952,772	1,899,765	1,892,209	1,917,587
Schools for Deaf Mutes and Blind and Feeble-minded Children ..	28,219	29,387	29,671	29,203	30,857
Subsidized Schools ..	138	116	107	64	12
Free Kindergarten Union ..	2,500	2,500	2,500	4,500	6,000
Special Subjects—					
Physical Training ..	8,810	10,378	10,179	9,946	9,524
Dressmaking and Needlework ..	5,520	5,475	5,742	5,574	5,779
School Gardening and Plantations ..	2,098	2,639	2,668	2,618	2,695
Singing ..	3,007	4,087	4,206	4,652	3,720
Medical Inspection ..	16,227	16,206	16,455	18,126	25,705
Total Primary ..	2,002,353	2,023,560	1,971,293	1,966,892	2,001,879
Intermediate—					
Higher Elementary Schools ..	60,951	67,606	68,877	70,567	77,358
Evening Continuation Classes ..	465	436	52	..	..
Schools of Domestic Arts ..	52,157	55,637	58,084	59,953	64,566
Total Intermediate ..	113,573	123,679	127,013	130,520	141,924
Secondary*—					
High Schools ..	271,775	284,366	290,044	296,517	314,272
Scholarships ..	7,994	15,217	19,608	24,783	14,335
Total Secondary ..	279,769	299,583	309,652	321,300	328,607
Training of Teachers ..	16,185	16,722	18,210	33,329	36,767
Administration ..	76,162	77,399	77,726	82,012	94,479
Buildings—					
Primary Schools ..	163,654	187,647	181,282	133,688	131,354
Primary Schools (expended by School Committees) ..	6,304	6,406	7,220	4,304	4,753
Rents ..	3,517	3,540	3,950	3,758	3,145
Higher Elementary Schools ..	11	..	110	2,145	11,273
Domestic Arts Schools, &c. ..	80	164	10	3,380	3,534
High Schools ..	17,019	29,703	41,304	13,335	10,187
Teachers' College ..	..	..	..	25,170	12,921
Total Buildings ..	190,585	227,460	233,876	185,780	177,167
Pensions ..	169,677	171,666	172,885	170,600	171,116
Grand Total ..	2,848,304	2,940,069	2,910,655	2,890,433	2,951,939

* Including Manual Training.

The following return summarizes the expenditure and revenue connected with primary and secondary education of the Victorian State Schools (excluding technical schools), and shows the cost per scholar in average attendance. Particulars are shown for each of the years 1938-39 to 1942-43:—

**VICTORIA—COST OF PRIMARY AND SECONDARY EDUCATION
—STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS),
1938-39 TO 1942-43.**

Year ended 30th June.	Expenditure by and for the Education Department.*	Revenue of the Education Department.	Net Expenditure.	Number of Scholars— Average Attendance.†	Cost per attending Scholar to the State.
	£	£	£	No.	£ s. d.
1939 ..	2,848,304	56,946	2,791,358	182,695	15 5 7
1940 ..	2,940,069	66,494	2,873,575	181,212	15 17 2
1941 ..	2,910,655	62,914	2,847,741	178,634	15 18 10
1942 ..	2,890,433	65,033	2,825,400	178,691	15 16 3
1943 ..	2,951,939	70,067	2,881,872	165,745	17 7 9

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

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

In the following statements ordinary revenue and expenditure and loan 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 1938 to 1942. 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, 1938 TO 1942.**

Heading.	Financial Year Ended in—				
	1938.	1939.	1940.	1941.	1942.
Revenue.	£	£	£	£	£
State Government	28,659,726	28,106,634	29,234,718	30,217,880	33,860,057
Local Government	7,062,492	6,723,604	7,333,164	7,421,307	*
Semi-Governmental and other Public Bodies—					
Water Supply and Sewerage	2,583,648	2,699,250	2,860,126	2,952,641	2,993,777
Irrigation	56,983	64,182	61,027	77,730	63,987
Harbours	973,739	926,703	929,846	837,521	1,044,955
Tramways	2,218,557	2,320,226	2,431,634	2,774,852	3,439,015
Electricity Supply	4,011,183	4,141,892	4,376,929	4,724,056	5,153,649
Fire Brigades	125,463	123,758	152,618	131,199	153,699
Housing Commission .. ..	..	..	11,579	21,718	52,933
Grain Elevators Board .. ..	..	..	101,496	82,630	170,170
Western Metropolitan Market Trust .. ..	..	..	2,525	3,294	2,707
Total	45,691,791	45,106,249	47,495,662	49,294,828	*

* Not available.

VICTORIA—STATE GOVERNMENT, LOCAL GOVERNMENT, SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES—REVENUE AND EXPENDITURE, 1938 TO 1942—*continued.*

Heading.	Financial Year Ended in—				
	1938.	1939.	1940.	1941.	1942.
	£	£	£	£	£
<i>Ordinary Expenditure.</i>					
State Government	28,628,781	28,893,876	29,228,457	30,075,580	33,067,757
Local Government	7,050,672	6,809,595	7,280,502	7,149,666	*
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage	2,503,603	2,576,724	2,827,678	2,879,325	2,940,564
Irrigation	62,221	85,260	41,580	72,548	63,354
Harbours	966,038	921,062	916,913	867,993	998,133
Tramways	2,286,581	2,318,540	2,440,227	2,783,284	3,414,144
Electricity Supply	3,957,354	4,020,992	4,250,416	4,563,376	5,069,227
Fire Brigades	118,766	121,353	149,086	130,450	154,026
Housing Commission .. .. .	..	..	35,293	55,524	82,302
Grain Elevators Board .. .. .	..	..	89,882	105,248	146,677
Western Metropolitan Market Trust .. .. .	..	..	3,410	3,585	3,564
Total	45,574,016	45,747,402	47,263,444	48,686,579	*
<i>Loan Expenditure.</i>					
State Government	3,230,451	3,998,531	3,962,647	2,734,442	1,870,788
Local Government	1,057,925	1,105,604	754,386	486,231	*
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage	813,071	854,685	1,246,246	964,575	574,082
Irrigation	16,175	..	..	4,500	1,100
Harbours†	115,579	189,038	185,347	257,803	308,227
Tramways	199,576	203,437	293,622	135,345	251,302
Electricity Supply	700,000	330,415	1,252,285	321,865	..
Fire Brigades	8,073	45,342	28,380	39,908	8,223
Housing Commission .. .. .	..	..	261,714	430,854	258,124
Grain Elevators Board .. .. .	..	101,240	220,682	202,282	1,000
Western Metropolitan Markets Trust† .. .. .	..	38,310	5,861	4,154	7
Total	6,140,850	6,866,602	8,211,170	5,581,959	*

* Not available.

† Capital expenditure.

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, 1943 :—

LOANS RAISED AND REDEEMED TO 30TH JUNE, 1943.

		£
Cash received		926,673,724
Discount and expenses after deducting premiums		5,834,341
Securities issued		932,508,065
Add liability to Commonwealth for Treasury Bills issued for revenue purposes		5,000
		932,513,065
Loans redeemed by—	£	
Renewal Loans	715,264,426	
National Debt Sinking Fund	15,006,485	
Other Funds	24,062,803	
Discount (securities purchased under par)	83,739	
Liability transferred to Commonwealth Government Act No. 4246	2,160,960	
		756,578,413
Loans outstanding at 30th June, 1943		175,934,652

It will be seen that, upon the transactions to 30th June, 1943, securities representing £932,508,065 were issued, and that the amount of cash received was £926,673,724. The State thus received £99 7s. 5d. 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, 1943 :—

VICTORIA—LOANS FLOATED TO 30TH JUNE, 1943.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued).	Loans Paid off (including Renewal Loans).	Debt Outstanding at 30th June, 1943.		
			Inscribed Stock.	Debentures, &c.	Total.
	£	£	£	£	£
London Register ..	415,507,434*	348,959,749	28,164,284	38,383,401	66,547,685
Melbourne Register ..	517,000,631	407,618,664	108,391,888	990,079	109,381,967
Total	932,508,065	756,578,413	136,556,172	39,373,480	175,929,652
Add Liability to Commonwealth for Treasury Bills issued for revenue purposes ..					5,000
Total Public Debt at 30th June, 1943					175,934,652†

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

† Including £4,498,878 raised in New York through the Commonwealth Government.

Particulars concerning the due dates of loans outstanding at 30th June, 1943, 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, 1943.

Due Date (Financial Year).	Repayable in London.	Repayable in Australia.	Total.
	£	£	£
1943-44	5,884,825	11,312,490	17,197,315
1944-45	633,820	10,584,717	11,218,537
1945-46 .. .. .	..	4,247,610	4,247,610
1946-47 .. .. .	..	5,024,391	5,024,391
1947-48 .. .. .	..	5,962,295	5,962,295
1948-49	12,022,295	4,673,790	16,696,085
1949-50	6,055,545	3,414,772	9,470,317
1950-51 .. .. .	..	4,112,108	4,112,108
1951-52 .. .. .	..	3,795,980	3,795,980
1953-54 .. .. .	..	4,039,194	4,039,194
1954-55 .. .. .	..	8,923,710	8,923,710
1955-56	2,624,319*	8,808,268	11,432,587
1956-57 .. .. .	..	3,867,030	3,867,030
1957-58	1,874,559*	14,900,324	16,774,883
1958-59	13,553,800	4,531,165	18,084,965
1959-60	2,902,116	3,861,216	6,763,332
1960-61	650,075	..	650,075
1961-62 .. .. .	..	3,889,368	3,889,368
1966-67	5,913,200	..	5,913,200
1975-76	14,433,131	..	14,433,131
Not yet fixed .. .. .	..	3,433,539	3,433,539
Liability to Commonwealth for Treasury Bills issued for revenue purposes .. .. .	..	5,000	5,000
Total	66,547,685	109,386,967	175,934,652

* 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 1938-39 to 1942-43 are shown on page 406.

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 1943.

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
1931 ..	68,976,946	98,039,650	3,157,330	5,088,867
1932 ..	68,707,872	101,126,092	3,144,480	3,990,364
1933 ..	68,059,626	103,339,405	3,010,355	3,978,515
1934 ..	67,843,364	107,289,385	2,677,474	4,080,640
1935 ..	67,638,378	106,522,285	2,651,050	3,930,414
1936 ..	67,457,682	107,600,603	2,627,847	3,973,528
1937 ..	67,380,647	109,216,363	2,639,829	4,038,557
1938 ..	67,207,012	110,021,483	2,633,504	4,085,272
1939 ..	66,996,833	112,701,285	2,624,562	4,182,747
1940 ..	66,963,733	113,586,235	2,623,176	4,274,672
1941 ..	66,963,733	114,255,455	2,623,176	4,274,582
1942 ..	66,549,331	111,167,153	2,536,829	4,040,566
1943 ..	66,547,685	109,386,967	2,536,780	3,949,677

* 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, 1940, 1941, 1942, and 1943, £4,498,878.

The appended table shows the rates of interest which were payable on the public debt at 30th June, 1943, and the portions of the debt at each rate in London and Australia respectively:—

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1943.

Rate of Interest.	Amount Repayable in—		
	London.	Australia.	Total.
Per cent.	£	£	£
5	18,171,173*	..	18,171,173
4½	760,836†	..	760,836
4	2,902,116	33,137,410	36,039,526
£3 19s. 2d. .. .. .	..	4,061,000	4,061,000
37/8 .. .. .	..	17,020,257	17,020,257
£3 15s. 10d. .. .. .	..	6,370,000	6,370,000
3½	6,852,149	6,544,610	13,396,759
3½ .. .. .	..	908,550	908,550
3½	25,522,545	4,127,140	29,649,685
£3 9s. 9d. .. .. .	..	500	500
33/8 .. .. .	..	3,737,540	3,737,540
3¼	650,075	20,877,546	21,527,621
33/8 .. .. .	..	1,000	1,000
£3 2s. .. .. .	..	320,190	320,190
3	5,803,966	2,779,675	8,583,641
2¾ .. .. .	..	1,959,930	1,959,930
£2 14s. 3d. .. .. .	..	239,345	239,345
2½ .. .. .	..	6,519,191	6,519,191
£2 6s. 6d. .. .. .	..	778,083	778,083
2¼	5,884,825	..	5,884,825
Not fixed .. .. .	..	5,000	5,000
Total	66,547,685	109,386,967	175,934,652
	%	%	%
Average rate of interest	3·81	3·61	3·69

* Including £3,738,042 raised in New York by the Commonwealth Government.

† 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.

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. During each of the years 1941-42 and 1942-43 the Public Debt decreased and at the end of the latter year amounted to £175,934,652.

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST,
1855 TO 1942-43.

Financial Year ending in—	Loans Outstanding.			Amount per Head of Population.	
	Amount.	Annual Interests 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
1931 ..	167,016,596	8,246,197	4·94	92 16 2	4 12 0
1932 ..	169,833,964	7,134,844	4·20	93 18 9	3 19 1
1933 ..	171,399,031	6,988,870	4·08	94 3 2	3 17 0
1934 ..	175,132,749	6,758,114	3·86	95 16 6	3 14 1
1935 ..	174,160,663	6,581,464	3·78	94 15 2	3 11 8
1936 ..	175,058,285	6,601,375	3·77	94 15 9	3 11 6
1937 ..	176,597,610	6,678,386	3·78	95 3 4	3 12 0
1938 ..	177,228,495	6,718,776	3·79	94 18 6	3 11 11
1939 ..	179,698,118	6,807,309	3·79	95 10 3	3 12 4
1940 ..	180,549,968	6,897,848	3·82	94 16 6	3 12 5
1941 ..	181,219,188	6,897,758	3·81	93 9 1	3 11 2
1942 ..	177,716,484	6,577,395	3·70	90 5 4	3 6 10
1943 ..	175,934,652	6,486,457	3·69	88 15 5	3 5 5

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

Capital
Liability, etc.,
of the State.

The following table shows the capital liability of the State at 30th June, 1943, 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, 1943.

Works or Services.	Liability.	Deduction on Account of National Debt Sinking Fund.	Net Liability.
	£	£	£
Railways*—			
As reduced	49,798,204	3,887,061	45,911,143
Transferred	30,019,510	2,453,811	27,565,699
Country Waterworks	28,297,202	2,246,073	26,051,129
Electricity Supply	18,183,348	1,489,297	16,694,051
Land Settlement	31,710,803	2,817,761	28,893,042
Grain Elevators Board	661,612	19,452	642,160
Housing Commission	1,202,194	25,210	1,176,984
Country Roads	10,069,532	979,469	9,090,063
Public Works, Buildings, &c. ..	5,186,883	388,777	4,798,106
Forests	1,492,689	58,246	1,434,443
Unemployment Relief	12,456,813	510,838	11,945,975
In Aid of Revenue	995,079	456,463	538,616
Total	190,073,869	15,332,458	174,741,411

* 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, 1943, and the net liability shown on previous page is given hereunder:—

				£
Public Debt at 30th June, 1943..	..	..	..	175,934,652
				£
Deduct Cash at Credit of National Debt				
Sinking Fund ..	..	..	..	325,973
Deduct Repayments to State Loans				
Repayment Fund ..	..	..	..	11,155,025
				11,480,998
				164,453,654
Add Expenditure from the State Loans				
Repayment Fund ..	..	..	..	10,287,757
				174,741,411
Net Liability for Works ..	..	..	..	174,741,411

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 1939-40 to 1942-43 and the total to 30th June, 1943.

VICTORIA—EXPENDITURE FROM LOAN FUNDS AND ON ACCOUNT OF LOANS, 1939-40 TO 1942-43.

Expenditure on—	During the Year Ended 30th June—				Total to 30th June, 1943.
	1940.	1941.	1942.	1943.	
	£	£	£	£	£
Public Works—					
Railways*—					
As reduced ..	865,500	641,845	740,271	540,441	49,641,836
Transferred ..	..	..	..	..	29,134,658
Country Roads ..	6,362	1,179	2,570	593	12,202,354
Bridges ..	..	..	..	..	443,438
Harbours and Rivers ..	..	..	..	..	1,404,535
Water Supply—					
Country ..	426,825	471,369	274,845	75,479	28,512,115
Metropolitan ..	..	..	..	..	3,142,577
Sewerage (Country) ..	..	..	..	..	217,784
Electricity Supply ..	..	..	..	..	17,839,227

* 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, 1943.
	1940.	1941.	1942.	1943.	
	£	£	£	£	£
Public Works— <i>continued.</i>					
Public Buildings—					
Schools	169,965	147,219	131,636	97,005	6,024,539
Hospitals	65,134	175,638	247,391	57,990	744,627
Other	35,717	102,456	63,487	27,220	1,417,875
Other Public Works .. ..	..	..	..	..	702,989
Immigration .. ..	..	..	..	..	20,000
Municipal Endowment .. ..	..	..	..	..	698,250
Municipalities, Loans, Grants, &c. .. ..	..	..	..	..	928,127
Housing	270,000	250,000	..	..	1,190,000
Unemployment Relief	1,560,346	589,820	104,897	15,432	13,138,896
Primary Production—					
Land Settlement*	1,140	245	..	..	41,570,934
Wire Netting Advances	12,325	5,065	1,008	67	879,712
Agriculture .. ..	..	..	..	..	150,682
Settlers Advances—					
Cultivation	100,842	3,191	917	1,047	2,406,611
Other .. ..	..	..	..	..	80,633
Bulk Handling of					
Wheat	300,000	..	..	..	1,000,000
Forestry	116,341	278,742	285,827	216,359	1,679,080
Mining, N.E.I. .. ..	..	..	..	..	271,022
Mining—State Coal Mine	23,910	25,052	15,560	4,454	318,375
Primary Products—					
Advances to Com- panies .. ..	..	..	..	..	331,101
Cool Stores—Advances to Companies .. ..	..	35,000	..	..	613,299
Other Primary Pro- duction .. ..	..	..	..	..	152,862
Other Purposes	8,240	7,621	2,379	..	360,950
Total Works Expenditure	3,962,647	2,734,442	1,870,788	1,036,087	217,219,088
In Aid of Revenue .. ..	..	..	..	..	4,863,682
Grand Total	3,962,647	2,734,442	1,870,788	1,036,087	222,082,770

* Land Settlement—Closer Settlement and Discharged Soldiers' Settlement Fund abolished during 1938-39.

The figures in the foregoing table are "Net" in as much as they exclude discounts and flotation expenses, particulars of which are as follow:—1939-40, £19,667; 1940-41, £15,350; 1941-42, £63,742; 1942-43, Nil and aggregate to 30th June, 1943, £5,834,341.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1943, sums not yet expended amounted in the aggregate to £85,911, of which £27,753, was for Country Water Supply, £3,485 for Land Settlement, and £54,673 for Public Works, Buildings, &c.

The amounts of interest and expenses paid on the Public Debt of Victoria during each of the financial years 1938-39 to 1942-43 are shown in the next table:—

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT,
1938-39 TO 1942-43.

Year Ended 30th June.	Interest Paid on Loans in—		Interest Paid on Temporary Loans.	Commission on Payment of Interest in London, Expenses of Conversion Loans, etc.	Exchange on Payment of Interest in London.†	Total‡.
	London.*	Melbourne.				
	£	£	£	£	£	£
1939 ..	2,636,406	4,003,902	12,934	46,253	668,899	7,368,394
1940 ..	2,624,861	4,119,806	23,317	45,855	700,005	7,513,844
1941 ..	2,623,177	4,173,890	17,303	66,660	719,066	7,600,096
1942 ..	2,626,816	4,127,855	16,731	230,784	719,597	7,721,783
1943 ..	2,536,818	3,941,656	32,886	48,689	696,648	7,256,697

* Includes Interest paid on Loans in New York: 1938-39, £222,310; 1939-40, £221,140; 1940-41, £221,140; 1941-42, £221,140; 1942-43, £221,140.

† Includes Exchange paid in respect of Loans raised in New York: 1938-39, £61,391; 1939-40, £94,448; 1940-41, £113,844; 1941-42, £113,461; 1942-43, £113,461.

‡ 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 1942-43 :—

	£
Balance at credit of Victoria at 30th June, 1942	693,484
Contributions during 1942-43—	£
By Commonwealth under Financial Agreement ..	301,019
" " " Federal Aid Roads Act ..	7,457
" " " State under Financial Agreement ..	1,140,100
	<hr/>
	1,448,576
Interest received	15,777
	<hr/>
	2,157,837
Cancellation of securities to the value of £1,831,486	1,831,864
	<hr/>
Balance at credit of the State at 30th June, 1943	325,973
Face value of securities cancelled to 30th June, 1943	15,006,485
	<hr/>
	15,332,458
	<hr/>

TRUST FUNDS.

At 30th June, 1943, the liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgments amounted to £16,488,136. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £4,327,996, and cash advances totalled £7,959,888. The balance—£4,200,242—was at the credit of the Public Account.

PUBLIC DEBT OF AUSTRALIA.

The public debts of the six Australian States aggregated £898,838,719 at 30th June, 1943. 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, 1943.

Heading.	Victoria.*	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
Public Debt	£ 175,934,652	£ 360,239,090	£ 128,568,485	£ 108,429,169	£ 96,998,206	£ 28,679,117
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Debt per head of population at 30th June, 1943	88 15 5	126 1 6	123 1 7	176 18 10	205 13 2	118 11 2

* Including liability to Commonwealth for Treasury Bills issued for Revenue purposes, £5,000.

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 £1,106,898,562 at 30th June, 1943.

The total public debt of Australia—Commonwealth and **Commonwealth and States Public Debt.** States— at the above date was £2,005,737,281, of which £1,411,466,672 was payable in Australia, £552,870,013 in London, and £41,400,596 in New York. The loan liability of the Australian public at 30th June, 1943, averaged £227 8s. 6d. per head of population.