

PART VI.

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 (Totalizer 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.

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

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

A summary of the transactions for the financial year 1940-41 in the Consolidated Revenue Fund and in certain special funds gives the following result:—

	£
Public Revenue	30,458,071
Public Expenditure	30,315,771
Net Surplus (transferred to Surplus Revenue Account, Act 3341, Section 13.)	142,300

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 1940-41 are as follows:—

Items.	Public Revenue.	Public Expenditure.
	£	£
Total—Treasurer's Finance Statement	29,182,657	29,040,357
<i>Add public revenue of the following funds—</i>		
Country Roads Board Fund*	1,113,671	1,113,671
Licensing Fund†	118,969	118,969
Police Superannuation Fund	12,777	12,777
Assurance Fund	2,167	2,167
Cattle Compensation Fund	29,213	29,213
Swine Compensation Fund	9,246	9,246
Metropolitan Roads Fund	26,217	26,217
Mallee Land Account	36,268	36,268
Other Funds	26,377	26,377
<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, and (c) non-paying lines—Act No. 3759, Section 102	99,491	99,491
Total	30,458,071	30,315,771

* Excluding £666,173 recouped to Revenue under Acts Nos. 3662, 3944, and 4140, Sec. 2.

† In addition to this amount £191,079 was transferred to Revenue under Section 312 of Act No. 3717 as amended by Act No. 4757.

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

**VICTORIA—STATE REVENUE AND EXPENDITURE,
1936-37 TO 1940-41.**

Year.	Public Revenue.	Public Expenditure.	Surplus (+). Deficiency (-).	
			For each Year.	Accumulated Deficiency to end of each Year (i.e., 30th June).
	£	£	£	£
1936-37	27,704,918	27,675,995	+ 28,923	-7,226,055
1937-38	28,938,052	28,907,107	+ 30,945	-7,197,132
1938-39	28,354,711	29,141,953	- 787,242	-7,953,429
1939-40	29,480,781	29,474,520	+ 6,261	-7,953,429
1940-41	30,458,071	30,315,771	+ 142,300	-7,947,168*

* Of this amount, £988,000 was provided from the proceeds of Treasury Bonds and £6,959,168 from the Public Account.

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

**VICTORIA—SUMMARY OF STATE REVENUE,
1936-37 TO 1940-41.**

Heads of Revenue.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
Commonwealth Payment to State—Act No. 3554—Financial Agreement	2,127,159	2,127,159	2,127,159	2,127,159	2,127,159
Special Grant	137,000	..	..	..	..
State Taxation—*					
Income Tax	3,299,440	3,976,958	4,370,656	4,737,696	5,009,172
Land Tax	492,143	498,232	482,336	490,255	492,939
Probate Duty	1,509,693	1,431,057	1,374,355	1,456,752	1,433,954
Unemployment Relief	1,955,269	1,934,440	1,879,852	1,999,902	1,585,491
Stamp Duties	1,080,617	1,134,148	1,134,026	1,144,896	1,140,717
Motor Taxation†	1,669,201	1,809,277	1,898,265	1,967,750	1,914,154
Other Taxation	812,437	862,533	883,750	913,411	971,218
Public Works and Services—					
Railways	9,546,824	9,801,730	9,314,910	9,813,781	11,045,444
Water Supply	657,427	675,251	683,183	741,864	688,658
State Coal Mine	159,477	188,230	189,078	213,028	263,991
State Electricity Commission					
Interest, &c.	876,282	875,405	877,438	878,473	889,901
Country Roads Board‡	Dr. 89,411	Dr. 145,921	Dr. 145,866	Dr. 145,776	Dr. 145,042
Maffra Beet Sugar Factory	154,625	174,971	139,588	145,288	137,612
Victoria Dock Cool Stores	45,394	42,319	31,716	40,096	41,105
Wharfage Rates, &c.	69,041	72,106	68,960	66,545	50,302
Other	64,820	64,702	69,516	66,733	66,650

* See also page 220.

† 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, 1936-37 TO 1940-41—
continued.

Heads of Revenue.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
Land—					
Land Sales, Rents, Penalties, &c.	373,824	512,036	441,743	464,471	503,624
Interest on Loans—					
Closer Settlement	427,861	434,950	} 1,023,843†	} 504,093†	} 463,307†
Discharged Soldiers' Settle- ment	1,000,900	994,015			
Fees, Fines, &c.	257,486	271,388	288,371	284,154	285,028
Tramways Act No. 3732 (Sec. 77)	112,050	125,746	101,066	106,346	108,968
Government Printer	133,066	125,280	124,025	150,885	137,455
Harbor Trust Contributions	136,690	152,580	147,011	139,717	186,747
Department of Agriculture*	35,497	36,327	36,684	37,920	38,770
Developmental Railways Account—					
Recoup . . . . .	..	..	..	85,000	..
Companies Act No. 4602 (Secs. 285 and 577) . . . . .	..	..	..	76,959	..
Miscellaneous	660,106	763,133	813,046	973,383	1,020,747
Total	27,704,918	28,938,052	28,354,711	29,480,781	30,458,071
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	14 19 2	15 11 0	15 2 5	15 11 11	15 17 2

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

† Closer Settlement Fund and Discharged Soldiers Settlement Fund abolished—now Land Settlement.

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, 1936-37 TO 1940-41.

Heads of Expenditure.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
<i>Legislature and General Administration.</i>					
Legislature—					
Government	13,219	12,012	11,740	11,867	10,693
Parliament	104,940	100,168	104,204	102,589	99,674
Electoral	27,176	23,755	2,355	34,577	7,930

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1936-37 TO 1940-41—*continued.*

Hheads of Expenditure.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
<i>Legislature and General Administration—continued.</i>					
Financial Administration—					
Public Debt Charges—					
Interest—					
Funded Debt	6,531,961	6,599,829	6,640,308	6,744,667	6,797,067
Temporary Loan	6,288	6,982	12,934	23,317	17,303
Exchange on Interest	657,448	657,819	668,899	700,005	719,066
Expenses of Paying Interest, Redemptions, Conversions, &c.	176,281	45,459	46,253	45,855	66,660
National Debt Sinking Fund	754,258	808,170	858,965	943,647	1,010,769
Pensions and Superannuation Contributions *	1,067,871	1,051,391	1,040,378	1,041,066	1,025,397
Departmental—					
Treasury (including Taxation, Stamps, &c.)	169,036	167,812	172,127	176,865	170,716
Superannuation Board and Pensions Office—Administration	3,027	6,315	5,260	5,284	5,384
Auditor-General	17,682	17,961	17,807	17,707	17,338
Royal Commissions, Boards of Inquiry, &c.	5,473	1,982	1,311	466	82
Administration, N.E.I.—					
Government Printer	124,522	129,144	130,926	135,397	146,432
Other	210,068	215,172	224,549	214,504	239,110
Total	9,869,250	9,843,771	9,938,016	10,197,813	10,333,621
 <i>Law, Order, and Public Safety.</i>					
Salaries of Judiciary	12,437	13,000	13,000	15,083	15,500
Attorney-General and Solicitor-General	237,520	248,057	256,226	259,277	252,694
Police	793,833	816,964	815,733	831,977	832,214
Prisons	120,896	122,340	126,355	131,566	136,114
Prevention of Fire and Flood	63,376	72,640	72,369	75,211	76,749
National Security Act (Public Safety) .. .. .	.. .. .	.. .. .	.. .. .	40,352	76,396
Other	2,863	4,149	3,252	4,072	6,581
Total	1,230,925	1,277,150	1,286,935	1,357,538	1,396,248
 <i>Regulation of Trade and Industry.</i>					
Factories and Shops Legislation }	31,074	32,597	33,653	33,403	33,799
Labour Legislation .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Transport Regulation Board	27,326	27,514	26,145	26,278	30,790†
Liquor Licence Control (Administration, including Compensation)	56,582	39,399	33,186	33,710	36,665
Other	10,617	12,015	10,034	13,265	13,756
Total	125,599	111,525	103,018	106,656	115,010

* For details, see page 223.

† Including £6,537, compensation to road hauliers.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1936-37 TO 1940-41—continued.

Hheads of Expenditure.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
<i>Education.*</i>					
Primary, Intermediate, Secondary, Technical — Administration, Salaries of Teaching Staffs, &c.	2,638,449	2,770,446	2,798,255	2,860,508	2,829,814
Technical N.E.I. include Maintenance Grant ..	147,264	161,748	168,217	170,203	176,413
University † ..	47,300	61,500	58,000	64,000	66,200
Deaf, Dumb, and Blind ..	175	175	175	29	..
Agricultural Education— Colleges, Experimental Farms, University Grants, &c. ..	30,386	36,961	32,819	38,073	44,685
Other Activities ..	3,843	4,147	4,106	5,349	5,282
Other ..	2,391	2,367	2,400	1,306	1,071
Total ..	2,919,808	3,037,344	3,063,972	3,139,468	3,123,465
<i>Encouragement of Science, Art, and Research.</i>					
Public Libraries, Museums, and Art Galleries ..	51,284	51,463	55,474	55,401	55,394
Observatory ..	4,127	3,830	3,823	3,924	3,648
Other Activities and Institutions..	400	150	175	175	175
Total ..	55,811	55,443	59,472	59,500	59,217
<i>Promotion of Public Health and Recreation.</i>					
Care of Sick and Mentally Afflicted—					
Hospital and Charities Fund (including Totalizator Con- tribution) ..					
..	347,802	449,185	433,367	619,709	640,109
Various Hospitals, &c. ..	91,919	93,632	90,194	98,069	98,845
Mental Hospitals ..	504,268	511,314	517,564	521,611	532,287
Mental Defectives ..	8,995	21,886	29,915	30,075	29,567
Health of Mothers and Children—					
Infant Welfare and Clinics ..	9,324	10,872	11,841	12,343	14,209
Medical and Dental Examination of School Children ..	11,155	10,410	11,255	11,202	10,668
Other ..	500	..	..	..	..
Preservation of Public Health—					
Health Department — Adminis- tration ..					
..	32,638	37,118	36,878	36,761	41,767
Other ..	91,791	172,217	151,862	94,152	109,161
Parks, Gardens, and Recreation Reserves ..	18,717	19,790	18,759	19,235	19,015
Total ..	1,117,109	1,326,424	1,301,635	1,443,157	1,495,628
<i>Social Amelioration.</i>					
Relief of Destitute, Aged, &c. ..	6,698	9,420	4,701	5,466	11,373
Children's Welfare Department ..	276,563	304,461	329,239	325,943	305,952
Miners' Phthisis Allowances ..	22,106	20,980	22,949	23,016	21,637
Care of Aborigines ..	7,492	7,568	7,471	7,430	6,746
Unemployment Relief Fund ‡ ..	1,955,269	1,934,441	1,879,852	1,999,902	1,585,491
Other ..	785	2,138	26,971	25,855	35,528
Total ..	2,268,913	2,279,008	2,271,183	2,387,612	1,966,727

* Detailed information regarding expenditure on education will be found on page 225.

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

‡ Details of actual expenditure on Unemployment Relief are shown on page 285 (Social Condition) of this Year-Book.

VICTORIA—SUMMARY OF EXPENDITURE FROM STATE REVENUE,
1936-37 TO 1940-41—continued.

Heads of Expenditure.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
<i>War Obligations.</i>					
Passes to Soldiers, &c.	12,458	12,021	12,104	19,105	28,323
<i>Local Government.</i>					
Licensing Fund Payment to Municipalities	59,872	59,660	59,532	59,440	59,304
Other	2,221	3,496	4,235	3,551	2,540
Total	62,093	63,156	63,767	62,991	61,844
<i>Development and Maintenance of State Resources other than Business Undertakings—</i>					
Land Settlement and Survey	791,912	922,649	724,974	241,030	218,263
British Migrants' (Agreement) Act 1933	400	..	..	..	..
Mining (excluding State Coal Mine)	41,377	45,239	44,550	42,903	45,772
Agricultural Pastoral and Dairying *	318,898	304,039	297,897	323,785	323,723
Forestry †	155,398	170,547	166,885	193,522	250,294
Fisherries and Game	9,371	9,944	10,434	11,032	11,271
Roads and Bridges—					
Country Roads Board ‡	961,568	1,038,641	1,141,287	1,151,314	1,113,671
Metropolitan Roads Fund	9,436	11,754	12,930	17,014	26,217
Other	49	..	..	..	298
Tourist Activities	4,950	4,824	2,606	1,687	1,435
Total	2,293,359	2,507,637	2,401,563	1,982,287	1,990,944
<i>Business Undertakings.</i>					
Railways	6,829,136	7,420,586	7,660,223	7,642,667	8,571,421
Harbors, Rivers, and Lights	63,228	64,045	71,590	78,030	83,987
Water Supply, Irrigation, &c.	359,729	370,775	442,568	492,352	500,292
State Coal Mine	295,940	338,451	318,949	270,186	380,079
Maffra Beet Sugar Factory	109,621	133,100	84,484	167,412	128,798
Victoria Dock Cool Stores	29,977	31,947	28,697	34,789	30,087
Seasoning Works (Newport)	10,045	13,047	14,227	16,993	26,241
Forest Tramways	3,836	3,433	4,378	3,112	3,768
Distillation of Eucalyptus Oil	1,450	1,236	20	2,171	1,785
Wire Netting Manufacture	17,663	16,960	15,107	10,681	4,802
State Saw Mill	45	48	45	..	13,484
Total	7,720,670	8,393,628	8,640,288	8,718,393	9,744,744
Grand Total	27,675,995	28,907,107	29,141,953	29,474,520	30,315,771
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	14 18 10	15 10 8	15 10 10	15 11 9	15 15 8

* 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 on page 146 of this Year-Book.

Reference to appropriations of Surplus Revenue will be found in previous issues of the *Year-Book*. During 1940-41 an amount of £6,261—surplus in respect of 1939-40—was transferred from the Surplus Revenue Account in reduction of the accumulated Consolidated Revenue Deficit Account. The surplus in respect of 1940-41, £142,300, was transferred to the Surplus Revenue Account in accordance with Act No. 3341, Section 13. Subsequently, under Surplus Revenue Act No. 4829 of 1941, an amount of £142,000 was applied to works, buildings, &c., in connexion with (a) Primary, Technical, Higher Elementary, and High Schools, £40,000; (b) departmental residences occupied by employees of the Victorian Railways Commissioners, £20,000; (c) hospitals and other institutions registered under the Hospitals and Charities Act, £82,000.

TAXATION.

INCOME TAX.

Income tax was first imposed in Victoria in 1895, and, although originally fixed for a period of three years, has been retained, with certain amendments and alterations, until the present time. Incomes assessed for tax in any year are generally speaking those earned, derived, or received in Victoria in the preceding year, and are divided into two classes, viz. :— (1) those derived from personal exertion, and (2) those derived from property. The former consist of salaries, wages, stipends, fees, commissions, bonuses, pensions, superannuation or retiring allowances earned in or derived from Victoria, and all incomes arising or accruing from any profession, trade, or business carried on in Victoria; whilst the latter comprise incomes from all other sources. Outgoings and losses incurred in the production of the income and the statutory exemption and concessional deductions are the principal items taken into consideration in computing the taxable income. Details regarding the two last-mentioned items are given on the next two pages.

Particulars of Income Tax Assessments on incomes earned in each of the years 1935-36 to 1939-40 appear on page 212. The figures are not comparable unless the varying rates of tax imposed are taken into consideration. The rates applicable to incomes earned during 1935-36, 1936-37, 1937-38, and 1938-39 respectively appear in previous issues of the *Year-Book*.

Rates of Tax—Individuals. The rates of tax on incomes earned in Victoria during 1939-40 were:—

Taxable Income.	Rate of Tax.	
	Individuals.	
	Personal Exertion.	Property.
£1 and not exceeding £2,500	7 253/1,000th pence where the taxable income is One pound and increasing uniformly by 3/1,000th pence for every pound by which the taxable income exceeds One pound	14 3/625th pence where the taxable income is One pound and increasing uniformly by 3/625th pence for every pound by which the taxable income exceeds one pound
Exceeding £2,500 but not exceeding £5,000	14 1,879/2,500th pence where the taxable income is £2,501 and increasing uniformly by 1/625th pence for every pound by which the taxable income exceeds £2,501.	26 7/2,500th pence where the taxable income is £2,501 and increasing uniformly by 7/2,500th pence for every pound by which the taxable income exceeds £2,501.
Exceeding £5,000 but not exceeding £10,000	18 3,753/5,000th pence where the taxable income is £5,001 and increasing uniformly by 3/5,000th pence for every pound by which the taxable income exceeds £5,001.	33 7/5,000th pence where the taxable income is £5,001 and increasing uniformly by 7/5,000th pence for every pound by which the taxable income exceeds £5,001.
Exceeding £10,000 ..	21½ pence for every pound of taxable income.	40 pence for every pound of taxable income.

Where income was derived partly from personal exertion and partly from property, the rate of tax applied to the respective portions of the taxable income was the rate that would have been applicable if the total taxable income had been derived exclusively from that source.

Rates of Tax—Companies. The rates of tax on the income of companies were:—

(a) **Mutual Life Assurance Companies**—On the income of a Mutual Life Assurance Company, with respect to its mutual life assurance business only, 12d. in the £1. On income from other business 24d. for every pound of taxable income. (b) **Other Companies**—On the income of Other Companies, 24d. for every pound of taxable income, and, in respect of interest paid or credited to persons non-resident in Australia on account of money secured or invested in Victoria, or on money lodged at interest in Victoria with the company, 16d. for every pound of taxable income.

Statutory Exemption. Of individuals subject to tax, the minimum income for persons domiciled in Victoria was £201, and for those outside Victoria, £51. In the case of the former, a general deduction of £200 was allowed on incomes between £201 and £500, after which it diminished at the rate of £2 for every £1 of income over £500 and finally disappeared at £600; in the latter case, the general deduction allowed was £50, which decreased by £1 for every £1 of income over £50, finally disappearing at £100. Companies were taxed on full profits but net dividends to recipients although not assessable income were included in the total income for the purpose of calculating the statutory exemption.

Interest from State Savings Bank bonds, debentures and stock (other than deposit stock) is not taxable.

Concessional Deductions. The following concessional deductions were granted :—
 (a) £50 for the maintenance of a taxpayer's spouse whose separate income did not exceed £100 per annum; (b) £50 in respect of each child under 16 years of age; (c) certain expenses during illness, not exceeding £50; (d) funeral and burial expenses not exceeding £20; (e) life assurance premiums, superannuation payments, and friendly society contributions, not exceeding £100 in the aggregate.

Where, after deducting from the sum of the assessable income and the net dividends, all allowable deductions except the Statutory Exemption, and items (a), (b), (c) and (d) above, the residue did not exceed £800, these deductions were allowed in full but, where such residue ranged between £801 and £1,200, such deductions were decreased proportionately in the same ratio as the income in excess of £800 bore to £400.

Details of the complete assessments on incomes earned during each of the years 1935-36 to 1939-40 are given below :—

VICTORIA—INCOME TAX ASSESSMENTS.

Heading.	On Incomes Earned during—				
	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.
Number of Assessments—					
Individuals	119,217	140,316	163,614	169,150	177,159
Companies	4,908	4,946	5,136	5,223	5,488
Total, Distinct Taxpayers ..	124,125	145,262	168,750	174,373	182,647
Taxable Incomes—	£	£	£	£	£
Individuals	26,695,000	33,619,724	33,315,991	32,711,181	36,825,254
Companies	17,897,726	22,008,215	24,053,658	24,090,812	29,271,706
Total	44,592,726	55,627,939	57,369,649	56,801,993	66,096,960
Tax payable—	£	£	£	£	£
Individuals	1,106,939	1,372,829	1,348,840	1,624,414	1,860,609
Companies	1,675,163	2,012,071	2,199,232	2,333,968	2,847,705
Total*	2,782,102	3,384,900	3,548,072	3,958,382	4,708,314
Per taxpayer—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Individuals	9 5 8	9 15 8	8 4 11	9 12 1	10 10 1†
Companies	341 6 3	406 16 2	428 4 0	446 17 3	518 17 11
Average tax payable in the £1 on taxable incomes by—	d.	d.	d.	d.	d.
Individuals	9·95	9·80	9·72	11·92	12·13
Companies	22·46	21·94	21·94	23·25	23·35

* For actual collections in the following financial year, see page 220.

† The average amount of tax payable per individual taxpayer with taxable income not exceeding £500 was £3 1s. 11d.; in the case of those with taxable incomes exceeding £500 the average amount was £72 1s. 5d.

The total net incomes of taxpayers, who were assessed to pay tax on account of incomes earned during 1939-40, amounted to £96,755,245 but, as 149,702 taxpayers on grades of income between £1 and £300 were allowed the £200 exemption, equalling £29,940,400, taxpayers numbering 5,940, on grades of income between £301, and £600 were allowed exemption to the amount of £624,966 and 1,379 taxpayers were allowed varying exemptions equalling £92,919, the amount available for taxation was £66,096,960.

The total numbers of individuals and companies who were taxed on incomes earned during 1939-40 are detailed, under specified grades of taxable income, in the following table :—

**VICTORIA—INCOME TAX—TOTAL NUMBER OF
TAXPAYERS (1939-40 INCOMES).**

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion Only.	Property Only.	Combined Personal Exertion and Property.	Total.		
£	No.	No.	No.	No.	No.	No.
Not exceeding 100	105,571	4,884	284	110,739	1,153	111,892
101 to 200	27,201	2,443	510	30,154	501	30,655
201 „ 350	11,083	1,454	691	13,228	490	13,718
351 „ 500	2,704	619	694	4,017	330	4,347
501 „ 700	2,999	768	2,424	6,191	353	6,544
701 „ 1,000	2,208	670	2,556	5,434	365	5,799
1,001 „ 1,250	855	261	1,203	2,319	223	2,542
1,251 „ 1,500	561	138	841	1,540	194	1,734
1,501 „ 2,000	553	143	830	1,526	266	1,792
2,001 „ 2,500	227	61	485	773	225	998
2,501 „ 3,000	119	19	240	378	144	522
3,001 „ 4,000	121	29	279	429	224	653
4,001 „ 5,000	37	17	113	167	148	315
5,001 „ 7,600	43	4	62	109	243	352
7,601 and over ..	20	16	119	155	629	784
Total ..	154,302	11,526	11,331	177,159	5,488	182,647

In the succeeding statement incomes earned during 1939-40 are arranged in groups of taxable incomes according to source thereof:—

VICTORIA—INCOME TAX—TAXABLE INCOMES
(1939-40 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion Only.	Property Only.	Combined Personal Exertion and Property.	Total.		
£	£	£	£	£	£	£
Not exceeding 100	4,399,692	217,400	17,334	4,634,426	43,992	4,678,418
101 to 200	3,788,659	352,614	77,443	4,218,716	74,013	4,292,729
201 " 350	2,784,292	376,838	186,730	3,347,860	133,227	3,481,087
351 " 500	1,138,342	259,709	301,400	1,699,451	139,191	1,838,642
501 " 700	1,814,890	463,390	1,496,350	3,774,630	210,532	3,985,162
701 " 1,000	1,821,835	565,558	2,127,561	4,514,954	305,857	4,820,811
1,001 " 1,250	955,667	238,947	1,840,651	2,585,265	248,598	2,833,863
1,251 " 1,500	769,585	189,644	1,149,325	2,108,554	266,364	2,374,918
1,501 " 2,000	961,372	243,605	1,424,315	2,629,292	462,327	3,091,619
2,001 " 2,500	506,454	135,928	1,070,692	1,722,074	504,285	2,226,359
2,501 " 3,000	323,465	52,444	650,471	1,026,380	396,653	1,423,033
3,001 " 4,000	410,376	101,005	954,437	1,465,818	773,096	2,238,914
4,001 " 5,000	162,499	77,103	506,531	746,133	660,134	1,406,267
5,001 " 7,600	247,701	25,136	719,520	992,357	1,504,329	2,496,686
7,601 and over ..	314,634	157,264	887,446	1,359,344	23,549,108	24,908,452
Total ..	20,399,463	3,506,585	12,919,206	36,825,254	29,271,706	66,096,960

The complete figures relating to the tax payable on incomes earned during 1939-40 are set out hereunder:—

VICTORIA—INCOME TAX—TAX PAYABLE
(1939-40 INCOMES).

Taxable Incomes.	Individuals.				Companies.	Grand Total.
	Personal Exertion Only.	Property Only.	Combined Personal Exertion and Property.	Total.		
£	£	£	£	£	£	£
Not exceeding 100	136,879	12,955	778	150,612	4,389	155,001
101 to 200	119,868	21,538	3,388	144,794	7,387	152,181
201 " 350	91,555	23,872	8,192	123,619	13,289	136,908
351 " 500	39,823	17,281	13,648	70,752	13,886	84,638
501 " 700	68,102	32,622	66,878	167,602	21,057	188,659
701 " 1,000	73,655	41,582	100,961	216,198	30,586	246,784
1,001 " 1,250	42,147	23,179	68,787	134,113	24,863	158,976
1,251 " 1,500	36,431	16,285	62,757	115,473	26,640	142,113
1,501 " 2,000	49,904	22,488	84,465	156,857	46,219	203,076
2,001 " 2,500	29,451	13,948	71,082	114,481	50,363	164,844
2,501 " 3,000	20,402	5,844	46,785	73,031	39,569	112,600
3,001 " 4,000	27,565	12,128	71,851	111,544	76,963	188,507
4,001 " 5,000	12,035	9,978	42,694	64,707	65,531	130,238
5,001 " 7,600	19,627	3,653	85,626	108,906	149,913	258,819
7,601 and over ..	21,094	25,370	61,456	107,920	2,277,050	2,384,970
Total ..	788,538	282,723	789,348	1,860,609	2,847,705	4,708,314

VICTORIA—SPECIAL INCOME TAX.

Income earned by any person (other than a company) in 1939-40 was subject also to a Special Tax. The minimum taxable income was £105 but, in the case of a married taxpayer whose spouse was a resident of Australia and had an income of not more than £50, or a widow or widower with a child under 16 years of age who was a resident of Australia, the minimum income taxable was £201. The deductions (other than outgoings and losses incurred in the production of the income) allowed for Ordinary Income Tax, which are shown on pages 211 and 212, were not allowable in calculating the taxable income for this tax. Dividends from any source were subject to, but interest from State Savings Bank Securities was free from tax. The rates of the Special Tax were as follows:—

Where the Taxable Income—						The Rate per £100 was—
Exceeded	£104	but did not exceed	£1,000	..	..	s. d. 6 0
..	£1,000	..	£1,250	..	..	7 0
..	£1,250	..	£1,750	..	..	8 0
..	£1,750	..	£2,000	..	..	9 0
..	£2,000	..	£2,500	..	..	11 0
..	£2,500	..	..	..	..	12 6

The total amounts of Special Tax assessed on incomes earned during 1935-36, 1936-37, 1937-38, 1938-39, and 1939-40, were £359,335, £400,741, £431,172, £441,930, and £455,599 respectively.

COMMONWEALTH INCOME TAX.

The Commonwealth Government also imposes taxation on incomes. Originally payable on incomes earned in 1914-15, the collection of this tax throughout Australia yielded £8,556,014 in 1936-37; £9,398,503 in 1937-38; £11,882,440 in 1938-39; £16,430,313 in 1939-40; and £39,315,548 in 1940-41.

UNEMPLOYMENT RELIEF TAX.

Legislative provisions for the relief of unemployment in Victoria are embodied in the *Unemployment Relief Act* 1930 (No. 3866) and the *Stamps (Unemployment Relief) Act* 1930 (No. 3868). Brief references to these Acts and to amending and continuing legislation arising in connexion therewith have been made in the *Year-Book* of 1929-30 and subsequent issues.

The *Unemployment Relief Tax (Rates) Act* 1939 (No. 4674) and the *Unemployment Relief Tax (Rates) Act* 1940 (No. 4772) made provision for the rates of tax, &c., on incomes earned during 1938-39 and 1939-40 respectively.

The following statement shows the rates of unemployment relief tax charged on incomes earned during 1939-40. These rates were the same as those applicable to 1938-39 incomes, but the amounts

payable were subject to a reduction of 15 per cent. The minimum income subject to tax was £105, and the general exemption of £200 and concessional allowances (wife, children, medical expenses, life assurance, &c.) mentioned on pages 211 and 212 were not deductible. Dividends from any source and interest on Victorian Government Loans (other than 3 per cent. stock) and State Savings Bank securities were taxable, but the profits earned by companies were not subject to tax.

VICTORIA—RATES OF UNEMPLOYMENT RELIEF TAX 1939-40.

Amount of Taxable Income.	Rate per £100 payable on the Taxable Income. (Less 15%.)
Not less than £105 but not amounting to £208 ..	s. d. 15 5
„ „ „ £208 but not exceeding £312 ..	19 4
Over £312 but not exceeding £350	19 9
„ £350 but not exceeding £400	20 2
Thereafter for every increase of £50 in taxable income up to the group exceeding £900 but not exceeding £950	The rate of tax increases by either 8d. or 9d. until it reaches 28s. 1d.
Thereafter for every increase of £50 in taxable income up to the group exceeding £2,350 but not exceeding £2,400	The rate of tax increases by either 9d., 10d., or 11d. until it reaches 53s. 2d.
Thereafter for every increase of £50 in taxable income up to the group exceeding £2,950 but not exceeding £3,000	The rate of tax increases by either 1s. 1d., 1s. 2d., or 1s. 3d. until it reaches 66s. 11d.
Over £3,000	68s. 1d. (the maximum rate of tax)

Particulars of assessments in respect of unemployment relief tax on incomes earned during 1938-39 and 1939-40 respectively are shown hereunder, according to specified grades of taxable income.

VICTORIA—UNEMPLOYMENT RELIEF TAX ASSESSMENTS (1938-39 AND 1939-40 INCOMES).

Taxable Incomes.	1938-39.			1939-40.		
	Number.	Taxable Income.	Tax Payable.	Number.	Taxable Income.	Tax Payable.
£		£	£		£	£
101 to 200 ..	182,964	26,717,345	208,660	165,254	24,443,623	160,257
201 „ 350 ..	220,923	57,405,378	551,137	213,630	56,310,817	460,963
351 „ 500 ..	42,799	17,698,891	181,323	45,084	18,374,230	161,940
501 „ 700 ..	16,957	9,881,899	114,670	18,029	10,494,864	103,735
701 „ 1,000 ..	8,620	7,154,547	95,113	9,336	7,674,721	87,377
1,001 „ 1,200 ..	2,510	2,750,533	42,426	2,807	3,065,271	40,337
1,201 „ 1,500 ..	2,216	2,988,201	52,165	2,515	3,361,775	50,613
1,501 „ 2,000 ..	1,934	3,363,762	69,687	2,127	3,641,603	65,062
2,001 „ 2,400 ..	864	1,922,937	46,765	937	2,048,968	43,333
2,401 „ 3,000 ..	715	1,930,579	57,192	798	2,100,526	54,409
3,001 „ 4,000 ..	602	2,096,062	70,224	696	2,371,880	68,797
4,001 „ 5,000 ..	304	1,393,523	45,999	329	1,454,793	42,107
5,001 „ 7,600 ..	336	2,100,793	68,897	370	2,223,380	64,255
7,601 and over ..	225	3,531,592	113,716	254	3,679,230	105,721
Total ..	481,969	140,936,042	1,717,974	462,116	141,245,651	1,508,906

Unemployment Relief Tax assessments on incomes earned in each of the years 1935-36 to 1939-40 were as follow :—

VICTORIA—UNEMPLOYMENT RELIEF TAX ASSESSMENTS,
1935-36 TO 1939-40.

On Income Earned in Year.	Number.	Taxable Income.	Tax Payable.
		£	£
1935-36	415,383	114,518,175	1,819,546
1936-37	448,691	130,129,768	1,708,491
1937-38	476,178	138,286,420	1,679,381
1938-39	481,969	140,936,042	1,717,974
1939-40	462,116	141,245,681	1,508,906

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

PAYMENT OF TAXES BY INSTALMENTS.

In November, 1932, a system was 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.

If the amounts so deducted are not sufficient to pay the amount of tax assessed, the taxpayer is required to pay the difference in cash ; if in excess, he receives an immediate cash refund.

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

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 ending 31st December, 1941, was one halfpenny on every pound sterling of the unimproved value exceeding £250. No tax is chargeable when the total unimproved value of all lands owned does not exceed £250. Where the assessed unimproved value exceeds the amount of exemption (£250) the exemption diminishes at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds, £500.

An analysis, in specified groups of unimproved values of holdings, of the 1941 Land Tax assessments is given hereunder.

VICTORIA—ANALYSIS OF STATE LAND TAX ASSESSMENTS, 1941.

(Based on unimproved values as at 31st December, 1940).

Unimproved Values of Holdings Ranging Between—				Number of Taxpayers.	Total Amount of Unimproved Values.	Tax Payable.
£	£				£	£
1 and	500	..	..	67,024	23,985,658	31,021
501	600	..	..	14,127	7,539,331	15,480
601	750	..	..	13,930	9,354,257	19,035
751	1,000	..	..	15,554	13,731,312	27,991
1,001	1,250	..	..	9,863	11,166,889	22,890
1,251	1,500	..	..	7,504	10,306,182	21,072
1,501	2,000	..	..	9,796	17,104,581	35,152
2,001	3,500	..	..	14,116	38,055,816	76,173
3,501	5,000	..	..	5,710	23,659,015	48,860
5,001	6,000	..	..	1,799	9,840,160	20,262
6,001	7,000	..	..	1,112	7,188,157	14,848
7,001	8,000	..	..	766	5,720,815	11,839
8,001	9,000	..	..	488	4,150,421	8,570
9,001	10,000	..	..	370	3,490,087	7,186
10,001	15,000	..	..	937	11,347,079	23,519
15,001	20,000	..	..	406	7,003,656	14,532
20,001	25,000	..	..	206	4,588,387	9,549
25,001	30,000	..	..	127	3,508,836	7,350
30,001	35,000	..	..	90	2,918,591	6,015
35,001	40,000	..	..	79	2,936,912	6,118
40,001	50,000	..	..	101	4,457,182	9,285
50,001	75,000	..	..	115	6,785,874	14,140
75,001	100,000	..	..	54	4,674,969	9,716
100,001	150,000	..	..	33	3,908,607	8,019
150,001	200,000	..	..	14	2,350,857	4,898
200,001	over	..	..	25	8,159,624	16,864
Total ..				164,346	247,933,255	490,384

In the succeeding statement details are shown relating to the assessments made during the years 1937 to 1941.

VICTORIA—STATE LAND TAX ASSESSMENTS, 1937 TO 1941.

Year.	Number of Taxpayers.	Total Tax Payable.	Average Tax Payable per Taxpayer.	Unimproved Value (approximate).
		£	£ s. d.	£
1937 ..	157,048	473,934	3 0 4	238,829,620
1938 ..	157,657	475,818	3 0 4	239,270,330
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

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,
1935-36 TO 1939-40.**

Assessment in respect of Year—	Victorian Returns Assessed.*	Central Office Assessments.†	Unimproved Value Assessed by Department.	Tax Payable.
	No.	No.	£	£
1935-36	7,158	1,693	84,916,146	362,843
1936-37	7,071	1,625	86,165,970	389,060
1937-38	7,208	1,677	86,865,450	398,532
1938-39	7,131	1,684	86,578,764	446,651
1939-40	7,208	1,668	91,858,615	512,937

* Including absentee returns on which tax was payable as follows :—1935-36, 281, £4,819 ; 1936-37, 291, £5,858 ; 1937-38, 300, £5,989 ; 1938-39, 308, £6,468 and 1939-40, 311, £8,055.

† 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 1½ per cent. The rate rises gradually thereafter until, on estates over £20,000, it reaches 10 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 per cent. and gradually increases until it reaches 10 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 10 per cent.

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

The total amounts of probate duty assessed for the years 1936-37, 1937-38, 1938-39, 1939-40, and 1940-41 were £1,451,238, £1,429,440, £1,416,067, £1,447,244, and £1,457,269 respectively. Actual collections of probate duty for the years mentioned are shown in the table below.

The Commonwealth Government also levies probate **Commonwealth, Estate Duty.** and succession duties. The amount of duty collected throughout Australia in each of the years 1936-37, 1937-38, 1938-39, 1939-40, and 1940-41 was £1,792,600, £1,872,654, £1,915,352, £2,212,690, and £2,364,133 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 hereunder for each of the last five years.

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, 1936-37 TO 1940-41.

Heads of Taxation.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
Total Commonwealth Taxation in Victoria*	17,088,000	18,719,000	20,039,000	24,325,000	34,345,000
State—					
Income Tax	3,299,440	3,976,958	4,370,656	4,737,696	5,009,172
Land Tax	492,143	498,232	482,336	490,255	492,939
Probate Duty	1,509,693	1,431,057	1,374,355	1,456,752	1,433,954
Unemployment Relief	1,955,269	1,934,440	1,879,852	1,999,902	1,585,491
Entertainments Tax†	268,211	262,039	286,034	295,512	319,586
Racing Taxation	353,884	414,560	390,487	385,959	406,912
Stamp Duties‡	917,255	952,470	959,727	978,992	973,711
Motor Taxation‡	1,682,561	1,825,152	1,913,689	1,981,509	1,925,430
Licences—					
Liquor	222,437	233,490	254,640	261,797	286,504
Other	90,735	91,521	90,719	100,609	98,602
Other Taxation	27,172	26,726	20,745	21,679	15,344
Total State Taxation	10,818,800	11,646,645	12,023,240	12,710,662	12,547,645
Municipal Taxation	3,698,118	3,805,023	3,731,856	3,984,081	§
Total Taxation	31,604,918	34,170,668	35,794,096	41,019,743	§

* Estimated.—See note on next page. † 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 last five years was as follows:—

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION IN VICTORIA PER HEAD OF POPULATION, 1936-37 TO 1940-41.

Authority.	Taxation per Head of Population in Victoria.				
	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Commonwealth* ..	9 4 6	10 1 2	10 13 9	12 17 6	17 17 8
State ..	5 16 10	6 5 2	6 8 3	6 14 6	6 12 3
Total (Commonwealth and State) ..	15 1 4	16 6 4	17 2 0	19 12 0	24 9 11
Municipal ..	1 19 11	2 0 10	1 19 8	2 1 10	†
Grand Total ..	17 1 3	18 7 2	19 1 8	21 13 10	†

* Average taxation per head collected by the Commonwealth Government on account of taxation derived from the following sources:—Customs, Excise, Probate and Succession Duties, Income, Land, Sales, Flour, Entertainment, War Time Profits and Gold.

† Not available.

TAXATION COLLECTIONS—AUSTRALIAN STATES.

In the following statement of taxation collections in each of the Australian States during the last five years, Commonwealth taxation has been excluded. The particulars shown include all State taxation whether paid into Consolidated Revenue or not.

STATE TAXATION COLLECTIONS—TOTAL AND PER HEAD OF POPULATION, 1936-37 TO 1940-41.

Year.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total All States.
TOTAL COLLECTIONS.							
	£	£	£	£	£	£	£
1936-37 ..	18,726,370	10,818,800	7,730,782	3,610,431	3,085,944	1,484,808	45,457,135
1937-38 ..	20,504,582	11,646,645	8,539,471	3,998,132	3,306,804	1,697,159	49,692,793
1938-39 ..	20,262,919	12,029,240	8,646,453	4,199,064	3,618,998	1,773,718	50,529,392
1939-40 ..	22,682,127	12,710,662	8,816,448	4,620,113	3,729,414	1,827,902	54,386,671
1940-41 ..	24,535,127	12,547,645	9,180,433	4,419,921	3,893,228	1,727,822	56,304,176
PER HEAD OF POPULATION.							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1936-37 ..	6 19 8	5 16 10	7 17 1	6 2 9	6 16 7	6 8 1	6 13 11
1937-38 ..	7 11 5	6 5 2	8 11 8	6 15 4	7 4 9	7 4 5	7 5 2
1938-39 ..	7 8 3	6 8 3	8 11 9	7 1 3	7 16 5	7 10 2	7 6 3
1939-40 ..	8 4 0	6 14 6	8 13 3	7 14 10	7 19 11	7 13 0	7 15 11
1940-41 ..	8 16 8	6 12 3	9 0 4	7 8 11	8 8 1	7 5 7	8 1 2

The total taxation collected by the Commonwealth and all States for the last five years is shown hereunder.

COMMONWEALTH AND ALL STATES TAXATION
COLLECTIONS, 1936-37 to 1940-41.

Year.	Taxation by Commonwealth Government.	Taxation by all State Governments.	Total Taxation.
	£	£	£
1936-37 ..	62,773,452	45,457,135	108,230,587
1937-38 ..	69,048,485	49,692,793	118,741,278
1938-39 ..	74,036,899	50,529,392	124,566,291
1939-40 ..	90,010,663	54,386,671	144,397,334
1940-41 ..	125,383,522	56,304,176	181,687,698

TAXATION FOR FINANCIAL YEAR, 1941-42.

Income Tax on 1940-41 Incomes. The *Income Tax (Rates) Act 1941* (No. 4826) imposed income tax on incomes earned during the year ended 30th June, 1941. The rates payable remain the same as those for the previous year, which appear on page 211.

Special Income Tax on 1940-41 Incomes. Under the Act mentioned in the previous paragraph, provision was also made for the Special Tax on incomes earned during 1940-41. No change was made in the existing rates, which are shown on page 215.

Unemployment Relief Taxation on 1940-41 Incomes. The *Unemployment Relief Tax (Rates) Act 1941* (No. 4833) fixed the rates of unemployment relief taxation on incomes earned in the year ended 30th June, 1941 as follows:—

VICTORIA.—RATES OF UNEMPLOYMENT RELIEF TAX,
1940-41.

Amount of Taxable Income.	Rate per £100 payable on the Taxable Income.
Not less than £105 but does not amount to £208 ..	s. d. 8 6
Not less than £208 but does not amount to £312 ..	10 8
Exceeds £312 but does not exceed £350	10 11
Exceeds £350 but does not exceed £400	11 2
Thereafter for every increase of £50 in taxable income up to the group exceeding £950 but not exceeding £1,000	The rate of tax increases by either 4d. or 5d. until it reaches 16s.
Thereafter for every increase of £50 in taxable income up to the group exceeding £2,350 but not exceeding £2,400	The rate of tax increases by either 5d. or 6d. until it reaches 29s. 4d.
Thereafter for every increase of £50 in taxable income up to the group exceeding £2,950 but not exceeding £3,000	The rate of tax increases by either 7d. or 8d. until it reaches 37s.
Over £3,000	37s. 7d. (the maximum rate of tax)

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 1940-41, the Government expended a sum of £1,024,849 on pensions, gratuities, &c. Of this amount, £186,600 was spent on pensions of a non-contributory nature. The remainder represents payments from State revenue to the Police Superannuation Fund, the Police Pensions Fund, and the Superannuation Fund. The following table gives details of the Government expenditure on pensions for each of the last five years.

VICTORIA—GOVERNMENT EXPENDITURE ON PENSIONS GRATUITIES, ETC., 1936-37 TO 1940-41.

Heading.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
Non-contributory Pensions, &c.—					
Railways	143,850	123,292	113,922	103,649	92,110
Lunacy	702	388	107	104	104
Judges	2,250	2,250	2,250	1,611	2,250
Civil Service	9,644	7,863	6,720	6,013	4,443
Public Service					
Education Department	113,421	105,128	94,836	84,676	77,949
Officers transferred to Commonwealth Service	13,000	11,000	9,000	9,668	8,500
Various Allowances ..	1,953	2,412	1,462	1,443	1,244
Compensations and Gratuities	2,915	181	..	..	..
Total Non-contributory Pensions, Gratuities, &c.	287,735	252,514	228,297	207,164	186,600
Police Superannuation Fund—					
Government Subsidy ..	79,410	85,093	74,169	70,534	63,934
Transferred from Licensing Fund (Act No. 3717)	23,000	23,000	23,000	23,000	23,000
Fines	9,530	8,864	11,290	12,252	12,777
Total	111,940	116,957	108,459	105,786	99,711
Police Pensions Fund ..	96,700	98,200	100,000	103,400	105,000
The Superannuation Fund—					
Railways	360,497	361,697	370,363	379,885	383,275
Other	211,001	222,022	233,259	244,831	250,263
Total	571,498	583,719	603,622	624,716	633,538
GRAND TOTAL ..	1,067,873	1,051,390	1,040,378	1,041,066	1,024,849

**Police
Super-
annuation
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 a deduction, not exceeding $2\frac{1}{2}$ per cent., from the pay of the members of the Police Force entitled to pensions ; by transfers from the Licensing Fund under the provisions of Act No. 3717 ; and, should the foregoing sources prove insufficient, by a further grant in aid from the Consolidated Revenue.

During the year 1940-41 the total receipts of the fund amounted to £99,716, consisting of £99,711 from Government Revenue, as shown in the preceding table, and £5 from members of the Force. Payments out of the Fund amounted to £99,716 which was all absorbed in pensions.

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

**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 it 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 1940-41 amounted to £204,273, comprising:—Deductions from pay, £30,073 ; special appropriation, £105,000, and interest on investments, £69,200. During the year £30,340 was paid in pensions, and £3,207 represented deductions of pay returned. There was a balance of £1,990,798 at 30th June, 1941, of which £1,973,795 was invested.

**The Super-
annuation
Fund.**

On 24th November, 1925, legislation was enacted by the State Parliament making provision on a contributory basis for superannuation benefits for public servants and railway employees. Contributions of officers, amounts received from the Government, and income from investments are paid into the Superannuation Fund and benefits provided by the Act are paid

therefrom. Act No. 3782 of 1928 consolidated existing legislation regarding the Fund. Brief references to the more important amendments to that Act have been made in the *Year-Books* of 1928-29 and subsequent issues. Recent amending legislation relating to the Fund is contained in (1) *The Superannuation (Life Assurance Policies) Act* 1940, No. 4744, which extends the facilities regarding the transfer of life assurance policies under Section 60 of the *Superannuation Act* 1928 to policies taken out after 25th November, 1925, and to certain temporary employees, and (2) *The Superannuation Act* 1940, No. 4775, which repealed the *Superannuation Act* 1938, No. 4619, and, *inter alia*, amended the provisions of the *Superannuation Acts* relating to the number of units for which officers are to contribute and the rate payable for certain units.

During the year 1940-41, the receipts of the Superannuation Fund amounted to £1,280,610, consisting of contributions from officers, £414,541; from Consolidated Revenue, £631,442; under Act No. 4085, £101; interest on investments, £230,874; and other receipts, £3,652. The total payments from the Fund during the year were £827,841, and comprised pensions, £783,941; refund of contributions, £40,236; endowment assurances matured, £3,454; and other expenditure, £210. The balance in the Fund at 30th June, 1941, was £5,926,951, of which £5,918,251 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 amounted to £2,758, and £5,360 respectively in 1940-41. During the same period, £6,068 was expended on pensions, £80 on sick allowances, and £25 on other purposes.

**Port Phillip
Pilot Fund.**

EXPENDITURE ON EDUCATION.

During 1940-41, 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 £3,431,519. This amount includes expenditure from loan moneys and the cost of pensions and gratuities, but excludes the

interest paid by the State on loans for educational purposes, particulars of which are not now obtainable. Comparative figures for the last five years were as follow :—

VICTORIA—EXPENDITURE ON EDUCATION,
1936-37 TO 1940-41.

Expenditure on—	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
Education, Primary, Intermediate and Secondary—					
Primary (including Special Subjects) ..	1,959,807	2,000,444	2,002,353	2,023,560	1,971,294
Intermediate ..	101,181	108,523	113,573	123,679	127,013
Secondary ..	248,337	267,264	279,769	299,583	309,652
Buildings and Land ..	187,559	184,251	190,585	227,460	233,876
Technical Education—					
Junior and Senior Schools	319,785	350,792	372,031	394,198	401,770
Buildings and Land ..	38,499	83,033	96,844	65,855	34,984
Training of Teachers ..	14,168	15,722	16,185	16,722	18,210
Administration ..	75,624	83,881	76,662	77,899	77,725
Pensions ..	169,271	169,525	169,677	171,666	172,885
University—					
Special Appropriations, &c.* ..	55,800	70,800	67,300	73,300	76,500
Scholarships ..	6,480	6,520	7,280	6,910	7,610
Total* ..	3,176,511	3,340,755	3,392,259	3,480,832	3,431,519
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per head of Population ..	1 14 4	1 15 11	1 16 2	1 16 10	1 16 2

* Excluding expenditure on Bacteriological Laboratory Services, viz. :—1936-37, £3,400; 1937-38, £3,400; 1938-39, £3,400; 1939-40, £3,500; and 1940-41 £4,000.

In addition to the expenditure shown in the preceding table, fees, donations, &c., amounting to £69,369 in 1936-37, £79,484 in 1937-38, £89,009 in 1938-39, £90,308 in 1939-40, and £87,932 in 1940-41, 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). 1936-37 TO 1940-41.

Expenditure on—	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.
	£	£	£	£	£
Education :—					
Primary—					
Day Schools, including Central Schools	1,923,537	1,940,748	1,935,834	1,952,772	1,899,765
Schools for Deaf Mutes and Blind and Feeble-minded Children	6,784	26,967	28,219	29,387	29,671
Subsidized Schools	220	107	138	116	107
Free Kindergarten Union	2,250	2,500	2,500	2,500	2,500
Special Subjects—					
Physical Training	2,150	4,562	8,810	10,378	10,179
Dressmaking and Needle-work	6,391	6,280	5,520	5,475	5,742
School Gardening and Plantations	1,701	2,018	2,098	2,639	2,668
Singing	992	1,852	3,007	4,087	4,206
Medical Inspection	15,782	14,997	16,227	16,206	16,455
Young Farmers' Clubs .. .. .	..	413	..	..	..
Total Primary	1,959,807	2,000,444	2,002,353	2,023,560	1,971,293
Intermediate—					
Higher Elementary Schools	51,505	56,321	60,951	67,606	68,877
Evening Continuation Classes	140	288	465	436	52
Schools of Domestic Arts	49,536	51,914	52,157	55,637	58,984
Total Intermediate	101,181	108,523	113,573	123,679	127,913
Secondary*—					
High Schools	240,026	259,818	271,775	284,366	290,044
Scholarships	8,311	7,446	7,994	15,217	19,608
Total Secondary	248,337	267,264	279,769	299,583	309,652
Training of Teachers	14,168	15,722	16,185	16,722	18,210
Administration	75,624	83,381†	76,162	77,399	77,726
Buildings—					
Primary Schools	158,244	161,127	163,654	187,647	181,282
Primary Schools (expended by School Committees)	5,714	6,109	6,304	6,406	7,220
Rents	4,517	3,915	3,517	3,540	3,950
Higher Elementary Schools	215	2	11	..	110
Domestic Arts Schools, &c.	23	114	80	164	10
High Schools	18,846	12,984	17,019	29,703	41,304
Total Buildings	187,559	184,251	190,585	227,460	233,876
Pensions	169,271	169,525	169,677	171,666	172,885
Grand Total	2,755,947	2,829,110	2,848,304	2,940,069	2,910,655

* Including Manual Training.

† Including £4,662 expenses in connexion with lessons to pupils on account of Polionyeftitis epidemic.

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 last five years :—

**VICTORIA—COST OF PRIMARY AND SECONDARY EDUCATION
—STATE SCHOOLS (EXCLUDING TECHNICAL SCHOOLS)
1936-37 TO 1940-41.**

Year.	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.
1936-37 ..	2,755,947	60,342	2,695,605	200,603	13 8 9
1937-38 ..	2,829,110	63,464	2,765,646	175,502	15 15 2
1938-39 ..	2,848,304	56,946	2,791,358	182,695	15 5 7
1939-40 ..	2,940,069	66,494	2,873,575	181,212	15 17 2
1940-41 ..	2,910,655	62,914	2,847,741	178,634	15 18 10

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

**STATE 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 1936 to 1940. 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, 1936 TO 1940.**

Heading.	Financial Year Ended in—				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
<i>Revenue.</i>					
State Government	26,336,274	27,446,355	28,659,726	28,106,634	29,234,718
Local Government	6,513,205	6,835,371	7,062,492	6,723,604	7,333,164
Semi-Governmental and other Public Bodies—					
Water Supply and Sewerage	2,338,209	2,451,325	2,583,648	2,699,250	2,860,126
Irrigation	45,362	50,730	56,983	64,182	61,027
Harbours	867,973	937,160	973,739	926,703	929,846
Tramways	2,090,755	2,188,241	2,218,557	2,320,226	2,431,634
Electricity	3,599,740	3,760,429	4,011,183	4,141,892	4,376,929
Fire Brigades	103,405	109,202	125,463	123,758	152,618
Housing Commission .. .. .	..	..	..	..	11,579
Grain Elevators Board .. .. .	..	..	..	..	101,496
Western Metropolitan Market Trust .. .. .	..	..	..	..	2,525
Total	41,894,923	43,778,813	45,691,791	45,106,249	47,495,662

VICTORIA—STATE GOVERNMENT, LOCAL GOVERNMENT, SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES—REVENUE AND EXPENDITURE, 1936 TO 1940—*continued.*

Heading.	Financial Year Ended in—				
	1936.	1937.	1938.	1939.	1940.
	£	£	£	£	£
<i>Ordinary Expenditure.</i>					
State Government	26,456,200	27,417,432	28,623,781	28,893,876	29,228,457
Local Government	6,528,638	6,777,738	7,050,672	6,809,595	7,280,502
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage	2,297,166	2,384,769	2,503,603	2,576,724	2,827,678
Irrigation	41,473	44,471	62,221	85,260	41,580
Harbours	849,593	919,641	966,038	921,062	916,913
Tramways	2,089,345	2,187,145	2,286,581	2,318,540	2,440,227
Electricity	3,572,012	3,721,528	3,957,354	4,020,992	4,250,416
Fire Brigades	109,301	128,148	118,766	121,353	149,086
Housing Commission ..	..	..	..	..	35,293
Grain Elevators Board ..	..	..	..	..	89,882
Western Metropolitan Market Trust .. .. .	..	..	..	..	3,410
Total	41,943,728	43,580,872	45,574,016	45,747,402	47,263,444
<i>Loan Expenditure.</i>					
State Government	3,899,452	3,303,501	3,230,451	3,998,531	3,962,647
Local Government	881,778	842,832	1,057,925	1,105,604	754,386
Semi-Governmental and Other Public Bodies—					
Water Supply and Sewerage	527,896	635,180	813,071	854,685	1,246,246
Irrigation .. .. .	..	35,000	16,175	..	..
Harbours	106,995	90,794	115,579	189,038	185,347
Tramways	572,262	376,611	199,576	203,437	293,622
Electricity	100,000	..	700,000	330,415	1,252,285
Fire Brigades	9,858	268	8,073	45,342	28,380
Housing Commission ..	..	..	..	..	261,714
Grain Elevators .. ..	..	..	..	101,240	220,682
Total	6,098,241	5,284,186	6,140,850	6,828,292	8,205,309

PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue, to 30th June, 1941 :—

LOANS RAISED AND REDEEMED TO 30TH JUNE, 1941.

	£
Cash received	848,236,492
Discount and expenses after deducting premiums	5,770,598
Securities issued	854,007,090
Add liability to Commonwealth for Treasury Bills issued for revenue purposes	2,515,000
Add liability to Commonwealth on account of flotation in course	620,000
	857,142,090
Loans redeemed by—	£
Renewal Loans	637,976,073
National Debt Sinking Fund	11,639,327
Other Funds	24,062,803
Discount (securities purchased under par)	83,739
Liability transferred to Commonwealth Government Act No. 4246	2,160,960
	675,922,902
Loans outstanding at 30th June, 1941	181,219,188

It will be seen that, upon the transactions to 30th June, 1941, securities representing £854,007,090 were issued, and that the amount of cash received was £848,236,492. The State thus received £99 6s. 6d. 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, 1941 :—

VICTORIA—LOANS FLOATED TO 30TH JUNE, 1941.

Heading.	Nominal Amount Raised (Amount for which Securities have been Issued):	Loans Paid Off (Including Renewal Loans).	Debt Outstanding at 30th June, 1941.			
			Inscribed Stock.	Debentures, &c.	Total Repayable in—	
					London.	Australia.
	£	£	£	£	£	£
London Register	361,880,170*	294,420,107	34,573,814	32,886,249	66,963,733	496,330†
Melbourne Register	492,126,920	381,502,795	109,634,046	990,079	..	110,624,125
Total ..	854,007,090	675,922,902	144,207,860	33,876,328		
Add Liability to Commonwealth for Treasury Bills issued for revenue purposes .. .. .					..	2,515,000
Add Liability to the Commonwealth on account of flotation in course .. .. .					..	620,000
Total Public Debt at 30th June, 1941					66,963,733‡	114,255,455

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

† Represents the outstanding amount of Inscribed Stock transferred from London to the Melbourne Register.

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

Due Dates of Loans. Particulars concerning the due dates of loans outstanding at 30th June, 1941, 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, 1941.

Due Date (Financial Year).	Repayable in London.	Repayable in Australia.	Total.
	£	£	£
1941-42	6,934,693	19,631,937	26,566,630
1942-43 .. .. .	..	4,890,395	4,890,395
1943-44 .. .. .	..	11,377,740	11,377,740
1944-45 .. .. .	..	10,621,417	10,621,417
1945-46 .. .. .	..	4,247,610	4,247,610
1947-48 .. .. .	..	4,467,995	4,467,995
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 .. .. .	..	3,104,860	3,104,860
1957-58	1,874,559*	3,828,348	5,702,907
1958-59	13,553,800	..	13,553,800
1959-60	2,902,116	3,861,216	6,763,332
1960-61	6,563,275	..	6,563,275
1961-62 .. .. .	..	3,889,368	3,889,368
1975-76	14,433,131	..	14,433,131
Not yet fixed .. .. .	..	3,431,747	3,431,747
Liability to Commonwealth for Treasury Bills issued for revenue purposes .. .. .	..	2,515,000	2,515,000
Liability to Commonwealth on account of flotation in course .. .. .	..	620,000	620,000
Total	66,963,733	114,255,455	181,219,188

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

Loans and
Interest
payable in
London and
Australia.

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 last five years are shown on page 238.

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 existing securities.

VICTORIA—PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND AUSTRALIA, 1900 TO 1941.

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

* 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, and 1941, £4,498,878.

Rates of
Interest on
Public Debt.

The conversion of Victoria's portion of the internal debt of the Commonwealth and States mentioned on the previous page effected a reduction of $22\frac{1}{2}$ per cent. per annum of the interest rates payable on existing securities. The appended table shows the rates of interest which were payable on the public debt at 30th June, 1941, and the portions of the debt at each rate in London and Australia respectively:—

VICTORIA—RATES OF INTEREST ON PUBLIC DEBT AT
30TH JUNE, 1941.

Rate of Interest.	Amount Repayable in—		
	London.	Australia.	Total.
Per cent.	£	£	£
5	18,171,173*	..	18,171,173
$4\frac{3}{4}$	5,913,200	..	5,913,200
$4\frac{1}{2}$	760,836†	..	760,836
4	2,902,116	44,145,867	47,047,983
£3 19s. 4d. .. .. .	..	5,685,910	5,685,910
£3 19s. 2d. .. .. .	..	4,061,000	4,061,000
£3 19s. 1d. .. .. .	..	1,875,750	1,875,750
$3\frac{7}{8}$ .. .. .	..	19,485,241	19,485,241
£3 15s. 10d. .. .. .	..	6,370,000	6,370,000
$3\frac{3}{4}$	6,852,149	8,921,455	15,773,604
$3\frac{3}{8}$ .. .. .	..	908,550	908,550
$3\frac{1}{2}$	19,609,345	4,702,390	24,311,735
£3 9s. 9d. .. .. .	..	500	500
$3\frac{3}{8}$ .. .. .	..	3,737,540	3,737,540
$3\frac{1}{4}$	650,075	4,512,235	5,162,310
$3\frac{1}{8}$ .. .. .	..	1,000	1,000
£3 2s. .. .. .	..	322,545	322,549
3	6,220,014	3,348,610	9,568,624
$2\frac{3}{4}$ .. .. .	..	1,959,930	1,959,930
£2 14s. 3d. .. .. .	..	303,845	303,845
£2 6s. 6d. .. .. .	..	778,083	778,083
£2 $\frac{1}{4}$	5,884,825	..	5,884,825
Not fixed .. .. .	..	3,135,000	3,135,000
Total	66,963,733	114,255,455	181,219,188
Average rate of interest	% 3·92	% 3·74	% 3·81

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

† Raised in New York by the Commonwealth Government.

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. 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.

VICTORIA—GROWTH OF PUBLIC DEBT AND INTEREST,
1855 TO 1940-41.

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 ..	176,597,010	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

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

The following table shows the capital liability of the State at 30th June, 1941, 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, 1941.

Works or Services.	Liability.	Deduction on Account of National Debt Sinking Fund.	Net Liability.
	£	£	£
Railways*—			
As Reduced	48,577,555	3,210,039	45,367,516
Transferred	30,008,725	2,051,778	27,956,947
Country Waterworks	28,025,126	1,843,309	26,181,817
Electricity Supply	18,178,380	1,231,118	16,947,262
Land Settlement	32,627,036	2,361,012	30,266,024
Grain Elevators Board†	661,612	11,747	649,865
Housing Commission†	1,202,194	11,965	1,190,229
Country Roads	10,122,318	814,739	9,307,579
Public Works, Buildings, &c.	4,645,065	309,687	4,335,378
Forests	1,204,006	42,863	1,161,143
Unemployment Relief	12,587,706	354,077	12,233,629
Unapportioned	620,000†	..	620,000
In Aid of Revenue	990,079	122,055	868,024
Treasury Bills in Aid of Revenue current at 30th June, 1941	189,449,802	12,364,389	177,085,413
	2,515,000	211,977	2,303,023
Total	191,964,803	12,576,366	179,388,436

* 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."

† This amount represents liability on account of portion of loan flotation in course.

‡ Previously included under Public Works Buildings, &c.

A reconciliation between the Public Debt at 30th June, 1941, and the net liability shown on previous page is given hereunder:—

				£
Public Debt at 30th June, 1941				181,219,188
			£	
Deduct Cash at Credit of National Debt Sinking Fund			937,039	
Deduct Repayments to State Loans Repayment Fund			9,546,401	
			10,483,440	
				170,735,748
Add Expenditure from the State Loans Repayment Fund				8,652,688
				179,388,436
Net Liability for Works				179,388,436

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually for various purposes from Loans and on account of Loan Funds. The figures in the following table include all such expenditure, whether the loans have been repaid or are still in existence. The table shows the details for each of the last four years and the total to 30th June, 1941.

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

Expenditure on—	Expenditure during the Year.				Total to 30th June, 1941.
	1937-38.	1938-39.	1939-40.	1940-41.	
	£	£	£	£	£
Public Works—					
Railways*—					
As reduced ..	492,208	354,259	865,500	641,845	48,361,124
Transferred ..	..	..	..	..	29,134,658
Country Roads ..	57,972	58,026	6,362	1,179	12,199,191
Bridges ..	1,207	..	..	..	443,438
Harbours and Rivers ..	..	..	..	..	1,404,535
Water Supply—					
Country ..	353,606	582,327	426,825	471,339	28,161,791
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—	Expenditure during the Year—				Total to 30th June, 1941.
	1937-38.	1938-39.	1939-40.	1940-41.	
Public Works—continued.		£	£	£	£
Public Buildings—					
Schools	137,138	168,410	169,965	147,219	5,795,898
Hospitals	22,599	3,545	65,134	175,638	439,246
Other	13,021	28,931	35,717	102,456	1,327,168
Other Public Works	..	3,127	..	..	702,989
Immigration .. .. .	..	..	..	..	20,000
Municipal Endowment	..	..	..	..	698,250
Municipalities, Loans, Grants, &c. .. .. .	..	..	..	..	928,127
Housing	490,130	150,000	270,000	250,000	1,190,000
Unemployment Relief	1,566,870	1,308,719	1,560,346	589,820	13,018,567
Primary Production—					
Closer Settlement ..	26,855	} 15,395*	1,140	245	41,570,934
Discharged Soldiers Settlement	1,275				
Wire Netting Advances	14,235	15,235	12,325	5,065	878,637
Agriculture .. .. .	..	..	..	..	150,682
Settlers Advances—					
Cultivation	11,242	134,715	100,842	3,191	2,404,647
Other .. .. .	..	..	..	..	80,633
Bulk Handling of					
Wheat .. .. .	..	350,000	300,000	..	1,000,000
Forestry	42,093	45,842	116,341	278,742	1,176,894
Mining, N.E.I. .. .. .	..	..	..	..	271,022
Mining—State Coal Mine .. .. .	..	..	23,910	25,052	298,361
Primary Products—					
Advances to Coys... ..	..	..	..	..	331,101
Cool Stores—Advances to Coys. .. .. .	..	..	..	35,000	613,299
Other Primary Pro- duction .. .. .	..	..	..	..	152,862
Other Purposes .. .. .	..	..	8,240	7,621	358,571
Total Works Expenditure	3,230,451	3,218,531	3,962,647	2,734,442	214,312,213
In Aid of Revenue .. .. .	..	780,000	..	..	4,863,682
Grand Total	3,230,451	3,998,531	3,962,647	2,734,442	219,175,895

* Land Settlement—Closer Settlement and Discharged Soldiers' Settlement Funds abolished during year.

The figures in the foregoing table are "Net" in as much as they exclude discounts and flotation expenses, particulars of which are as follow:—1937-38, £30,836; 1938-39, £72,362; 1939-40, £19,667; 1940-41, £15,350; and aggregate to 30th June, 1941, £5,770,598.

Of the proceeds of loans and temporary advances outstanding at 30th June, 1941, sums not yet expended amounted in the aggregate to £818,762, of which £62,491 was for Railways, £122,148 for Country Water Supply, £3,485 for Land Settlement, £75,066 for Public Works, Buildings, &c., £50,572 for State Forests, and £180,605 for Unemployment Relief. There was also an amount of £505,000 cash in the Loan Proceeds Suspense Account.

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

VICTORIA—INTEREST AND EXPENSES OF PUBLIC DEBT,
1936-37 TO 1940-41.

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.				
	£	£	£	£	£	£
1937 ..	2,636,680	3,895,281	6,288	176,281	657,448	7,371,978
1938 ..	2,637,607	3,962,022	6,982	45,459	657,819	7,309,889
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

* Includes Interest paid on Loans in New York: 1936-37, £223,778; 1937-38, £222,916; 1938-39, £222,310; 1939-40, £221,140; 1940-41, £221,140.

† Includes Exchange paid in respect of Loans raised in New York: 1936-37, £47,277; 1937-38, £49,921; 1938-39, £61,391; 1939-40, £94,448; 1940-41, £113,844.

‡ Includes £2,127,150 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 1940-41 :—

		£
Balance at credit of Victoria at 30th June, 1940	.. ..	521,576
Contributions during 1940-41—	£	
By Commonwealth under Financial Agreement	.. 303,231	
„ „ „ Federal Aid Roads Act	.. 7,457	
„ State under Financial Agreement	.. 1,028,469	
	<hr/>	1,339,157
Interest received .. .. .	.. ..	12,274
	<hr/>	1,873,007
Cancellation of securities to the value of £929,950	.. ..	935,968
	<hr/>	
Balance at credit of the State at 30th June, 1941	.. ..	937,039
Face value of securities cancelled to 30th June, 1941	.. ..	11,639,327
	<hr/>	
The net credit to Victoria at 30th June, 1941	.. ..	12,576,366
	<hr/>	

TRUST FUNDS.

At 30th June, 1941, the liability of the Treasurer on account of moneys lodged for investment and for securities and other lodgments amounted to £10,099,139. Investments in Australian Consolidated Inscribed Stock and other securities amounted to £3,805,243, and cash advances totalled £5,902,968. The balance—£390,928—was at the credit of the Public Account.

PUBLIC DEBT OF AUSTRALIA.

The public debts of the six Australian States aggregated £916,022,016 at 30th June, 1941. Details of the indebtedness in respect of each State are shown hereunder. 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, 1941.

Heading.	Victoria.*	New South Wales.	Queensland.	South Australia.	Western Australia.	Tasmania.
Public Debt	£ 181,219,188	£ 368,974,948	£ 130,094,603	£ 109,779,725	£ 97,791,724	£ 28,161,858
Debt per head of population at 30th June, 1941	£ s. d. 93 9 1	£ s. d. 131 15 1	£ s. d. 125 7 10	£ s. d. 183 14 8	£ s. d. 208 14 8	£ s. d. 118 1 7

* Including liability to Commonwealth for Treasury Bills issued for Revenue purposes, £2,515,000; and liability to Commonwealth on account of flotation in course, £620,000.

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 £510,228,394 at 30th June, 1941.

The total public debt of Australia—Commonwealth and States—at the above date was £1,426,250,440, of which £824,842,571 was payable in Australia, £558,045,082 in London, and £43,362,787 in New York. The loan liability of the Australian public at 30th June, 1941, averaged £200 15s. 11d. per head of population.

STATE AND LOCAL GOVERNMENT, ETC.—DEBTS.

The loan liability of the State Government, Local Government and Semi-Governmental and Other Public Bodies for the year ended 30th June, 1941, is shown hereunder.

VICTORIA—LOAN LIABILITY OF STATE GOVERNMENT, LOCAL GOVERNMENT, AND SEMI-GOVERNMENTAL AND OTHER PUBLIC BODIES AT 30TH JUNE, 1941.

Authorities.	Loans Outstanding (excluding Overdrafts) at 30th June, 1941, due to—				Grand Total.	Total Interest Payable on Loans Out- standing at 30th June, 1941.
	Central Govern- ment.	Public Creditor.				
		In Australia.	In London.	Total.		
	£	£	£	£	£	£
State Government ..	..	114,255,455	66,963,733*	181,219,188	181,219,188	6,897,758
Local Government ..	548,579	12,210,622	..	12,210,622	12,759,201	557,782
Semi-Governmental and Other Public Bodies—						
Water Supply and Sewerage	2,152,300	25,887,801	3,754,000	29,641,801	31,794,101	1,365,881
Irrigation and Drainage ..	41,986	57,638	..	57,638	99,624	4,182
Harbours ..	355,787	3,266,081	968,400	4,234,481	4,590,268	205,080
Tramways ..	..	3,384,712	1,000,000	4,384,712	4,384,712	196,430
Electricity Supply	..	2,716,285	917,080	3,633,365	3,633,365	141,020
Fire Brigades ..	..	297,044	..	297,044	297,044	12,754
Hospitals †	75,000	273,559	..	273,559	348,559	13,771
Marketing— Buying and Selling ..	..	33,289	..	33,289	33,289	1,395
Housing ..	1,302,193	168,878	..	168,878	1,471,071	53,766
Banking ..	..	19,754,930	..	19,754,930	19,754,930	651,302
Grain Elevators	650,739	1,412,600	..	1,412,600	2,063,339	81,616
Total ..	5,126,584	183,718,894	73,603,213	257,322,107	262,448,691	10,182,737

* Including £4,498,878 raised in New York by the Commonwealth Government.

† Not included previously.

The total liability—£262,448,691—in respect of the Authorities mentioned above represented a debt of £135 8s. 0d. per head of population at 30th June, 1941, and the average rate of interest payable amounted to £3 17s. 7d. per cent.