

FINANCE.

There has been a marked improvement of late years in the finances of the State of Victoria, and, in addition to the ordinary expenditure, large sums out of ordinary revenue have been devoted to paying off liabilities of former years, and to the formation of Sinking Funds to meet outstanding loans as follows. After these payments had been made there were still substantial surpluses, applied specially to works or purposes of a public nature at the end of the financial years 1904, 1905, 1906, 1907, and 1909. State
finance.

REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES, ETC., ETC.,
1903-4 to 1908-9.

Year ended 30th June.	ORDINARY REVENUE APPROPRIATED.			Total.
	In reduction of the accumulated revenue deficiency of former years.	In redemption of loan raised in anticipation of revenue (Act No. 1451.)	In formation of Redemption Funds to meet outstanding loans.*	
	£	£	£	£
1904	175,000	25,000	57,500	257,500
1905	172,000	25,000	97,962	294,962
1906	550,000	25,000	97,936	672,936
1907	666,391	25,000	117,571	808,962
1908	452,234	25,000	119,685	596,919
1909	7,507	25,000	93,410	125,917
Totals (6 years)	2,023,132	150,000	584,064	2,757,196

* These Redemption Funds have sources of income beside these amounts. Full particulars of the funds will be found further on in this "part."

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1909. On 1st July, 1908, the total revenue deficiency was £340,494 5s. 11d., and in the course of the year it was reduced by £7,507 2s. 11d., leaving the accumulated revenue deficiency at the end of the financial year 1908-9 State
revenue
and expen-
diture.

at £332,987 3s., the whole of which amount was covered by advances from the trust funds.

REVENUE AND EXPENDITURE, 1908-9.

Revenue.	Amount.			Expenditure.	Amount.		
	£	s.	d.		£	s.	d.
Excise and Inland Territorial ...	844,218	10	8	Consolidated Revenue deficiency, 30/6/08	340,494	5	11
Public Works ...	4,292,279	7	4	Special Appropriations	3,093,943	7	3
Ports and Harbors	101,725	4	6	Chief Secretary ...	740,818	4	4
Fees ...	309,593	2	10	Minister of Public Instruction	712,543	15	4
Fines ...	13,863	1	2	Attorney-General...	75,771	12	7
Mallee Land Account	52,305	15	1	Solicitor-General ...	59,475	17	6
Miscellaneous ...	398,756	15	2	Treasurer ...	234,491	6	4
Commonwealth balances received	1,929,542	7	1	Commissioner of Crown Lands and Survey	125,359	16	8
Consolidated Revenue deficiency, 30/6/09	332,987	3	0	Commissioner of Public Works	487,504	11	7
				Minister of Mines and Forests	73,735	11	0
				Minister of Water Supply	77,846	5	11
				Minister of Agriculture	116,220	11	5
				Minister of Health	25,151	2	11
				Minister of Railways	2,365,008	11	7
				Mallee Land Account	52,305	15	1
Total ...	8,580,670	15	5	Total ...	8,580,670	15	5

The following is a return of the revenue and expenditure of Victoria for the ten years 1900-1909:—

STATE REVENUE AND EXPENDITURE: 1899-1900 TO 1908-9.

Year ended 30th June.	Revenue.	Expenditure.
	£	£
1900	7,453,355	7,285,636
1901	7,712,099	7,672,780
1902	6,997,792	7,398,832
1903	6,954,619	6,759,960
1904	7,319,949	7,339,608
1905	7,515,742	7,343,742
1906	7,811,475	7,261,475
1907	8,345,534	7,679,143
1908	8,314,480	7,862,246
1909	8,247,684	8,240,177

NOTE.—The differences between the revenue and expenditure shown above and the revenue and expenditure given in the Treasurer's Finance Statement arise

from the use of a different method of classification for statistical purposes. The particulars for 1908-9 are as follows:—

	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ...	8,195,378	8,048,555
<i>Add—</i>		
Mallee Land Account—appropriated to Lease Redemption purposes ...	52,306	52,306
Surplus Revenue—appropriated to “Revenue Services,” transferred to Trust Fund ... ..	...	146,823
<i>Deduct—</i>		
Appropriation to reduction of deficit ...	...	7,507
Total	8,247,684	8,240,177

If the total Commonwealth revenue and expenditure credited or debited to Victoria be taken into account in connexion with the above figures, the revenue for 1909 will amount to £10,068,303, and the expenditure to £10,002,903, an increase over 1900, the year before federation of £2,614,948 in the revenue, and £2,717,267 in the expenditure. The growth in revenue is due chiefly to the following increases:—Customs duties, £266,884; Excise duties, £327,953; Postal, Telegraphic, &c., £270,571; Probate duties, £291,940; Income tax, £89,393; and Railways, £1,180,980; that in expenditure to the introduction of Old-age pensions, £270,827; to Commonwealth “New” expenditure, £455,784; and to the following increases:—Postal, Telegraphic, &c., £382,660; Defences, £124,153; State School education and buildings, £214,329; Railways, £551,890; and redemption of loans £132,769.

The sources of revenue may be grouped under four headings—(1) taxation, (2) public works, (3) land, and (4) other sources. Customs and Excise and Posts and Telegraphs were transferred to the Federal Government in 1900-1, and the portion of the revenues of these departments which has been allotted to the State appears under the head of “Federal Government.” The State revenue during the last five financial years were as follows:—

Heads of
State
revenue.

HEADS OF STATE REVENUE; 1904-5 TO 1908-9.

Heads of Revenue.	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
	£	£	£	£	£
Federal Government ...	2,017,378	2,097,119	2,192,340	2,449,243	1,929,542
State Taxation—					
Probate and Succession Duties	265,876	328,628	401,631	304,830	418,418
Income Tax ...	316,943	318,135	355,148	317,354	304,464
Land Tax ...	97,840	103,536	92,438	89,496	85,559
Stamp Duties ...	183,246	205,345	222,671	222,923	220,693
Other	114,940	120,136	128,417	134,160	138,310

HEADS OF STATE REVENUE; 1904-5 TO 1908-9—*continued.*

Heads of Revenue.	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
Public Works and Services—	£	£	£	£	£
Railways ...	3,609,120	3,779,153	4,010,546	3,873,855	4,189,501
Other ...	190,306	212,174	214,338	223,775	231,273
Land—					
Sales ...	294,607	211,981	203,849	205,393	224,232
Rents and Penalties	118,433	118,756	121,453	126,235	137,807
Other Sources ...	307,053	316,512	402,698	367,216	367,885
Total ...	7,515,742	7,811,475	8,345,534	8,314,480	8,247,684
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	6 4 2	6 8 2	6 14 10	6 12 2	6 9 7

The amount received by the State from the Federal Government is that collected by transferred departments, less the amount deducted by the Federal Government under Section 89 of the "Commonwealth of Australia Constitution Act." For 1908-9 the Federal Government received £2,861,968 from Customs and Excise; £856,632 from Posts, Telegraphs, and Telephones; and £31,561 from other sources; and paid over to the State Government £1,929,542. Compared with 1907-8, these figures represent a decrease of £313,575 in the Commonwealth Revenue in the State and a decrease of £519,701 in the surplus revenue paid to the State Treasurer.

The revenue of the Railway Department maintains the high standard of recent years, the receipts for 1908-9 having been in excess of those for any previous year.

FEDERAL AND STATE FINANCE.

Federal and
State
Finance.

It was provided by Section 87 of the Commonwealth of Australia Constitution Act that during a period of ten years after the establishment of the Commonwealth and thereafter until Parliament otherwise decided, a proportion not exceeding one-fourth of the net revenue of the Commonwealth from duties of Customs and Excise should be applied annually by the Commonwealth towards its expenditure, the balance of three-fourths to be paid to the States. The period of ten years will expire on 31st December, 1910.

Since the inauguration of Federation various conferences have been held between representatives of the Commonwealth and the States, with the view of devising a satisfactory method of adjusting their finances, to take effect after the termination of the ten-year period. A description of the schemes submitted to the Conference held in May, 1908, is given in an Appendix to Part "Finance" of the *Year-Book* for 1907-8. Since that date two Conferences have been

held—one at Hobart, in March, 1909, and the other in Melbourne, in August of the same year. At the former the Premiers of the several States agreed to recommend that the existing agreement, known as the "Braddon Clause," should, in an amended form, be extended indefinitely, the minimum amount payable to the States to be three-fifths of the gross revenue from Customs and Excise duties, and to be not less than £6,750,000 in any one year, a special arrangement to be made in the case of Western Australia. At the Conference held in August, 1909, an agreement was come to between the Prime Minister of the Commonwealth and the Premiers of the various States by which the several States were to receive from the Commonwealth each month payments on a *per capita* basis, Western Australia obtaining an extra allowance of £250,000, decreasing by £10,000 each year. It was proposed to incorporate this agreement in the Constitution, but on the matter being submitted to the electors in April, 1910, it was rejected.

The terms of the agreement are given on page 102, Part "Constitution and Government." If it had been in existence during the financial year 1908-9, the sum received by Victoria from the Commonwealth would have been about £1,555,000, or nearly £375,000 less than the amount actually received.

INCOME TAX.

An income tax was first imposed in Victoria in 1895, and although originally fixed for a period of three years, it has, with certain amendments and alterations, been retained and continued from year to year until the present time. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding calendar year, and are divided into two classes, viz. :—(1) those derived from personal exertion, and (2) those derived from property. The former consist of salaries, wages, stipends, fees, commissions, bonuses, pensions, superannuation or retiring allowances earned in or derived from Victoria, and all incomes arising or accruing from any profession, trade, or business carried on in Victoria; whilst the latter comprise incomes from all other sources. In computing the taxable income certain deductions are allowed from the gross income, the principal of which are outgoings and losses incurred in the production of the income, life assurance premiums not exceeding £50, and calls or contributions actually paid into any company in liquidation or mining company. By the original Act, incomes of certain public, local, religious, provident, &c., bodies or societies were exempt from taxation, also the official salary of the Governor, and the incomes of mutual life offices with head offices in Australia, and of any company, person, or firm taking out licences under the "Stamps Act," so far only as regards any fire, fidelity, guarantee, or marine assurance or insurance business of such company, person, or firm, also incomes of non-residents of

Victoria from stock, debentures, or bonds of the Victorian Government or of any public or municipal trust or body. An exemption to the extent of £200 was allowed except in the case of absentees. The rate of tax is fixed annually by an "Income Tax Rate Act," and from 1895 to 1902 both inclusive was 4d. in the £1 on the first £1,200 of the taxable amount (allowing for £200 exemption), 6d. on the next £1,000, and 8d. on all over £2,200 on income from personal exertion, and double these rates on income from property. The rate of tax for 1903, based on the incomes of the previous year, was fixed by Act No. 1819, as follows:—(a) Personal Exertion—net incomes up to £125 exempt; from £126 to £500, 4d. (with £100 exemption to resident and non-resident taxpayers except companies); over £500, 4d. on first £500 (no exemption), 1d. extra on every £500 or portion thereof up to £2,000; and 8d. on all over £2,000. (b) Property—double these rates. This Amending Act also made companies taxable as persons, except mining companies, the shareholders of which include in their returns the dividends received. Special provision was also made for the assessment and taxation of life assurance companies, which were taxed at a uniform rate of 1s. in the £1, on 30 per cent. of the premiums received. The rates for the year 1904, based on the incomes of 1903, were altered by Act No. 1863, which did not alter the exemption, but raised the minimum taxable from £126 to £151. The following were the rates under this Act:—Incomes from personal exertion—3d. for every £1 of the taxable amount up to £300; thence up to £800, 4d.; thence to £1,300, 5d.; thence to £1,800, 6d.; and over £1,800, 7d.; incomes from property, double these rates; life assurance companies, 1s. in the £1. The rates for the year 1905, based on the incomes of 1904, were again altered by Act No. 1938, as follows:—Incomes from personal exertion were taxed 3d. for every £1 of the taxable amount up to £500; thence up to £1,000, 4d.; thence to £1,500, 5d.; over £1,500, 6d.; tax on income from property, double these rates. The minimum income taxable was £157, the exemption to resident and non-resident taxpayers except companies being £100 on incomes from £157 to £500. The tax on the income of life assurance companies was 8d.; that for other companies liable to tax, 7d. for every £1 of the taxable amount. Interest on Government stock, bonds, and debentures held by residents was exempted as in the case of non-residents, and the exemption of mining companies repealed. The taxable amount of the income of a mining company is the total amount of the dividends declared during the year. The exemption of the profits from trade of provident societies and other associations was also repealed. The rates and exemption for 1906 were the same as those for 1905; but for 1907, whilst the rates were the same as those for 1905 and 1906, the minimum amount taxable was £200 with an exemption of £100 up to £500. The rates of tax in 1908, based on incomes for the year 1907, were again respectively 3d., 4d., 5d., 6d., on personal income

up to £500, £1,000, £1,500, and over £1,500, with double rates on income from property, 8d. on taxable income of life assurance companies, and 7d. on that of all other companies, but the exemption allowed was £150 on incomes between £201 and £500 (except those of companies). There was also allowed a rebate of 20 per cent. on assessments to all taxpayers, except companies. The rates, exemption, and rebate in 1909 applicable to incomes of 1908 were in all respects the same as those for the preceding year. The following is a statement of the assessments, taxpayers, taxable income, and tax payable from personal exertion and property during the last five years :—

INCOME TAX : 1905 TO 1909.

—	1905.	1906.	1907.	1908.	1909.
Number of Assessments:					
Personal exertion ...	40,528	41,017	30,855	32,578	31,715
Property ...	8,237	8,453	7,754	6,993	7,689
Total ...	48,765	49,470	38,609	39,571	39,404
Distinct taxpayers ...	44,956	45,595	34,429	35,464	35,479
Taxable Income—					
Personal exertion ...	£ 13,072,600	£ 12,941,931	£ 14,228,399	£ 14,012,508	£ 13,079,531
Property ...	2,890,500	2,951,391	3,010,499	2,869,537	2,941,604
Total ...	15,963,100	15,893,322	17,238,898	16,882,045	16,021,135
Tax Payable—					
Personal exertion ...	230,737	227,290	258,113	229,814	211,889
Property ...	89,890	91,373	94,139	75,374	77,473
Total ...	320,627	318,663	352,252	305,188	289,362
Per taxpayer ...	£ s. d. 7 2 8	£ s. d. 6 19 9	£ s. d. 10 4 7	£ s. d. 8 12 1	£ s. d. 8 3 1
Average Tax payable in the £ on Taxable In- comes derived from—					
Personal exertion ...	d. 4·24	d. 4·22	d. 4·35	d. 3·94	d. 3·89
Property ...	7·46	7·43	7·50	6·30	6·32

In a comparison of the particulars contained in this table, it must be remembered that, although the rates of tax have been the same throughout the five years, yet there has been considerable variation in the amount of the minimum taxable income and the amount of exemption allowed. Thus, for 1905 and 1906 the exemption was £100 on incomes between £157 and £500, for 1907 the exemption was £100 on incomes between £200 and £500, and for 1908 and 1909 the exemption was £150 on incomes between £201 and £500,

with a rebate of 20 per cent. on assessments to all taxpayers. Therefore, the figures for 1905 and 1906 are on exactly the same basis, 1907 stands alone, and 1908 and 1909 are on another basis.

Notwithstanding that large numbers of Commonwealth civil servants were assessed in 1909 who were not assessed in 1908, the individual taxpayers for 1909 shew an increase of only 15 when compared with those for 1908, and this is accounted for chiefly by decreases in the number of merchants, farmers and graziers assessed. The tax payable for 1909 is less by £15,826 than that for 1908, the most conspicuous of the occupations in extent of decrease being merchants and graziers.

The following return shows particulars of rates of taxation, assessments, taxable incomes, and taxes payable in the respective groups for which different rates of taxation are charged:—

INCOME TAX ASSESSMENTS, 1909—BASED ON INCOMES OF 1908.

Taxable Income.	Rate of Tax in £ on Incomes derived from		Number of Assessments.		Taxable Income from		Tax Payable on	
	Personal Exertion.	Property.	Personal Exertion.	Property.	Personal Exertion.	Property.	Personal Exertion.	Property.
Up to £500 ...	3	6	25,473	6,124	3,793,260	797,915	39,353	16,043
£500 to £1,000	4	8	4,204	1,028*	2,864,299	706,168	32,799	15,459
£1,000 to £1,500	5	10	940	253	1,132,720	303,626	15,898	7,622
Over £1,500 ...	6	12	1,098	284	5,289,252	1,133,895	123,839	38,349
Total ...	...	...	31,715	7,689	13,079,531	2,941,604	211,889	77,473

It is here shown that the taxable income from personal exertion amounts to £13,079,531, and that from property to £2,941,604, after allowing for exemptions of £3,997,800. The total net incomes of those assessed in 1909 on incomes of the previous year amounted to over twenty millions sterling, or an average of £564 for each taxpayer. The averages of the assessed incomes of the four previous years were:—1905, £444; 1906, £438; 1907, £576; and 1908, £597.

In the succeeding tables the occupations of income taxpayers are exhibited, the summary table immediately following showing the percentage of each class paying the tax, and the proportion of the whole amount contributed by each.

OCCUPATIONS OF INCOME TAXPAYERS SUMMARIZED, 1909.

Occupations in Classes.	Number of Taxpayers.			Amount of Tax.				
	Total.	Percentage of Taxpayers.	Percentage of each class in Population.	Personal Exertion.	Property.	Total.	Percentage of Total.	Average to each Taxpayer.
				£	£	£		£ s. d.
1. Professional	5,581	15·73	15·84	20,005	4,007	24,012	8·30	4 6 0
2. Domestic ...	1,534	4·32	2·30	5,181	760	5,941	2·05	3 17 5
3. Commercial	9,392	26·47	11·88	42,987	7,321	50,308	17·39	5 7 1
4. Transport ...	1,281	3·62	4·06	2,585	292	2,877	1·00	2 4 11
5. Industrial ...	4,645	13·09	3·18	17,952	3,326	21,278	7·35	4 11 7
6. Primary producers ...	7,522	21·20	4·55	28,344	8,316	36,660	12·67	4 17 5
7. Indefinite ...	4,513	12·72	44·83	3,873	41,164	45,037	15·56	9 19 7
8. Companies ...	1,011	2·85	...	90,962	12,287	103,249	35·68	102 2 6
Total ...	35,479	100·00	...	211,889	77,473	289,362	100·00	8 3 1

An examination of this table reveals the relative wealth of the various classes. Thus the commercial class, which forms $26\frac{1}{2}$ per cent. of the taxpayers, has the proportion of only 15 per cent. of the total bread-winners in the population, whilst primary producers, among whom are included those following agricultural, pastoral, and mining pursuits, make up 21 per cent. of the taxpayers, but 31 per cent. of the bread-winners; the next great class—the industrial—contributes 13 per cent. to the taxpayers, and forms 27 per cent. of the bread-winners; whilst the professional class, contributing $15\frac{3}{4}$ per cent. to the taxpayers, forms only 7 per cent. of the bread-winners. Of the definite classes, that contributing the highest percentage of taxpayers in proportion to its number in the population is the professional, with nearly 16 per cent.; the commercial coming next, with nearly 12 per cent.; then primary producers with $4\frac{1}{2}$; and last, the domestic class with $2\frac{1}{3}$ per cent. Of the amount paid as tax, companies yielded $35\frac{3}{4}$ per cent. of the total; whilst the indefinite class, forming $12\frac{3}{4}$ per cent. of the taxpayers, yielded $15\frac{1}{2}$ per cent. of the tax. The commercial class, forming $26\frac{1}{2}$ per cent. of the taxpayers, gave $17\frac{1}{3}$ per cent. of the tax; primary producers, forming $21\frac{1}{3}$ per cent. of the taxpayers, gave $12\frac{2}{3}$ per cent. of the tax; the industrial class, forming 13 per cent. of the taxpayers, gave $7\frac{1}{3}$ per cent. of the tax; and the professional class, forming $15\frac{3}{4}$ per cent. of the taxpayers, gave $8\frac{1}{3}$ per cent. of the tax.

The next table deals with the sources of the incomes of taxpayers for all the principal occupations under the heads of personal exertion and property.

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1909.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
1 Professional.					£	£	£	£ s. d.
Civil Servants	1,024	...	70	1,094	2,874	236	3,110	2 16 10
Clergymen ...	492	2	21	515	909	65	974	1 17 9
Legal Practitioners	519	5	137	661	4,277	1,356	5,633	8 10 5
Medical Practitioners	477	7	160	644	4,836	1,233	6,069	9 8 5
Police ...	177	...	5	182	242	9	251	1 7 7
Teachers ...	793	...	31	824	1,566	82	1,648	2 0 0
Various ...	1,487	8	166	1,661	5,301	1,026	6,327	3 16 2
	4,969	22	590	5,581	20,005	4,007	24,012	4 6 0
2. Domestic.								
Hotelkeepers...	1,140	2	172	1,314	4,531	680	5,211	3 19 3
Various ...	197	...	23	220	650	80	730	3 6 4
	1,337	2	195	1,534	5,181	760	5,941	3 17 5
3. Commercial.								
Agents ...	599	6	109	714	3,224	692	3,916	5 9 8
Brokers ...	130	1	29	160	1,061	254	1,315	8 4 4
Butchers ...	256	1	33	290	709	192	901	3 2 2
Clerks ...	2,647	4	238	2,889	8,027	1,016	9,043	3 2 7
Drapers ...	353	1	64	418	3,604	214	3,818	9 2 8
Grocers ...	259	1	31	291	990	148	1,138	3 18 3
Merchants ...	887	5	267	1,159	13,292	2,530	15,822	13 13 0
Salesmen ...	1,699	3	110	1,812	4,765	598	5,363	2 19 2
Storekeepers ...	445	...	95	540	1,881	318	2,199	4 1 5
Various ...	921	13	185	1,119	5,434	1,359	6,793	6 1 5
	8,196	35	1,161	9,392	42,987	7,321	50,308	5 7 1
4. Transport.								
Carriers ...	168	...	20	188	446	40	486	2 11 8
Engaged in Postal Service	210	...	6	216	294	14	308	1 8 6
Engaged in Railways	689	...	8	697	945	5	950	1 7 3
Engaged in Shipping	142	1	30	173	858	233	1,091	6 6 2
Foreign Shippers	7	...	...	7	42	...	42	5 19 0
	1,216	1	64	1,281	2,585	292	2,877	2 4 11

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS,
1909—continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
5. Industrial.					£	£	£	£ s. d.
Carpenters ...	393	6	80	479	1,489	287	1,776	3 14 1
Engine-drivers	16	...	...	16	14	...	14	0 16 11
Engineers ...	355	4	26	385	892	70	962	2 9 11
Managers ...	518	3	44	565	1,726	188	1,914	3 7 9
Manufacturers	583	1	154	738	6,161	685	6,846	9 5 6
Printers ...	469	...	24	493	1,456	1,248	2,704	5 9 8
Various ...	1,767	6	196	1,969	6,214	848	7,062	3 11 8
	4,101	20	524	4,645	17,952	3,326	21,278	4 11 7
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers	680	6	59	745	1,514	155	1,669	2 4 9
Farmers ...	4,075	51	505	4,631	13,196	1,268	14,464	3 2 5
Graziers ...	830	88	370	1,288	11,207	5,658	16,865	13 1 10
Various ...	437	6	73	516	1,366	1,077	2,443	4 14 8
	6,022	151	1,007	7,180	27,283	8,158	35,441	4 18 8
Engaged in Mining—								
Legal Managers	26	1	...	27	82	2	84	3 2 7
Miners ...	46	1	5	52	181	25	206	3 19 0
Mining Managers	108	...	13	121	220	38	258	2 2 7
Various ...	135	1	6	142	578	93	671	4 14 5
	315	3	24	342	1,031	158	1,219	3 11 3
	6,337	154	1,031	7,522	28,344	8,316	36,660	4 17 5
7. Indefinite.	686	3,467	360	4,513	3,873	41,164	45,037	9 19 7
8. Companies.								
Life Assurance	...	21	...	21	...	11,482	11,482	546 15 7
Mining ...	89	17	...	106	10,495	349	10,844	102 6 0
Other ...	859	25	...	884	80,467	456	80,923	91 10 9
	948	63	...	1,011	90,962	12,287	103,249	102 2 6
Total ...	27,790	3,764	3,925	35,479	211,889	77,473	289,362	8 3 1

Of the total taxpayers, $78\frac{1}{2}$ per cent. gained their incomes from personal exertion, $10\frac{2}{3}$ per cent. from property, and 11 per cent. from personal exertion combined with property, the proportion of taxpayers of definite occupations deriving incomes from personal exertion

ranging from 84 per cent. of primary producers engaged in agriculture to 95 per cent. of those engaged in transport; personal exertion combined with property was the source of income in a proportion ranging from 5 per cent. of those engaged in transport to 14 per cent. of primary producers engaged in agriculture. The indefinite class, comprising persons of independent means, no occupation, and pensioners, has 15 per cent. gaining incomes from personal exertion, 77 per cent. from property, and 8 per cent. from personal exertion combined with property. Of companies 94 per cent. obtained their incomes from personal exertion, and 6 per cent. from property. Seventy-three per cent. of the total tax was yielded by incomes obtained from personal exertion, the range in the various classes extending from $8\frac{1}{2}$ per cent. for indefinite occupations to 77 per cent. for primary producers engaged in agriculture, after which it further increased until it attained 90 per cent. in the transport class.

The taxable incomes of taxpayers in conjunction with occupations are shown in the following statement:—

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1909.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£500 and £1,000.	£1,000 and over.		£51 and £500.	£500 and £1,000.	£1,000 and over.	
<i>1. Professional.</i>								
Civil Servants ...	938	129	27	1,094	£ 1,381	£ 961	£ 768	£ 3,110
Clergymen ...	479	31	5	515	623	233	118	974
Legal Practitioners ...	398	156	107	661	791	1,309	3,623	5,633
Medical Practitioners	283	249	112	644	570	2,060	3,439	6,069
Police ...	175	7	...	182	204	47	...	251
Teachers ...	752	59	13	824	973	425	250	1,648
Various ...	1,315	278	68	1,661	2,046	2,171	2,110	6,327
	4,340	909	332	5,581	6,498	7,206	10,308	24,012
<i>2. Domestic.</i>								
Hotelkeepers ...	976	283	55	1,314	1,592	2,155	1,464	5,211
Various ...	180	26	14	220	259	203	268	730
	1,156	309	69	1,534	1,851	2,358	1,732	5,941
<i>3. Commercial.</i>								
Agents ...	517	131	66	714	833	1,069	2,014	3,916
Brokers ...	92	49	19	160	161	359	795	1,315
Butchers ...	250	32	8	290	352	242	307	901
Clerks ...	2,432	336	121	2,889	3,298	2,574	3,171	9,043
Drapers ...	232	79	57	418	444	626	2,748	3,818
Grocers ...	260	18	13	291	384	142	612	1,138
Merchants ...	624	245	290	1,159	937	2,022	12,863	15,822
Salesmen ...	1,576	179	57	1,812	2,204	1,329	1,830	5,363
Storekeepers ...	405	106	29	540	710	849	640	2,199
Various ...	830	187	102	1,119	1,250	1,561	3,982	6,793
	7,268	1,362	762	9,392	10,573	10,773	28,962	50,308

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS,
1909—continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£500 and £1,000.	£1,000 and over.		£51 and £500.	£500 and £1,000.	£1,000 and over.	
4. Transport.								
Carriers ...	161	23	4	188	230	188	68	486
Engaged in Postal Service	210	5	1	216	250	41	17	308
Engaged in Railways	674	19	4	697	709	129	112	950
Engaged in Shipping	106	50	17	173	154	432	505	1,091
Foreign Shippers ...	3	4	...	7	6	36	...	42
	1,154	101	26	1,281	1,349	826	702	2,877
5. Industrial.								
Carpenters ...	388	64	27	479	587	507	682	1,776
Engine-driver ...	16	...	...	16	14	...	...	14
Engineers ...	338	33	14	385	448	261	253	962
Managers ...	443	99	23	565	666	780	468	1,914
Manufacturers ...	458	153	127	738	707	1,228	4,911	6,846
Printers ...	435	35	23	493	522	252	1,930	2,704
Various ...	1,676	201	92	1,969	2,215	1,566	3,281	7,062
	3,754	585	306	4,645	5,159	4,594	11,525	21,278
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers ...	665	70	10	745	930	518	221	1,669
Farmers ...	3,719	773	159	4,631	5,892	5,851	2,721	14,464
Graziers ...	793	253	242	1,288	1,412	2,155	13,298	16,865
Various ...	420	74	22	516	630	640	1,173	2,443
	5,597	1,170	413	7,180	8,864	9,164	17,413	35,441
Engaged in Mining—								
Legal Managers ...	22	2	3	27	28	13	43	84
Miners ...	39	11	2	52	41	93	72	206
Mining Managers ...	107	13	1	121	131	99	28	258
Various ...	118	14	10	142	180	95	396	671
	286	40	16	342	380	300	539	1,219
	5,883	1,210	429	7,522	9,244	9,464	17,952	36,660
7. Indefinite.								
	3,234	843	436	4,513	9,092	11,638	24,307	45,037
8. Companies.								
Life Assurance ...	5	2	14	21	36	50	11,396	11,482
Mining ...	33	12	61	106	178	273	10,393	10,844
Other ...	431	132	321	884	1,891	2,751	76,281	80,923
	469	146	396	1,011	2,105	3,074	98,070	103,249
Total ...	27,258	5,465	2,756	35,479	45,871	49,933	193,558	289,362

Of the number of taxable incomes assessed, 77 per cent. were under £500, 15 per cent. between £500 and £1,000, and 8 per cent. over £1,000; but the tax levied on these incomes formed 16, 17, and 67 per cent. respectively of the total. Of the definite occupations, that contributing the largest amount of tax was the commercial class, in which 1,159 merchants were responsible for £15,822, of which £12,863 came from 290 persons, whose incomes for the previous year exceeded £1,000 each. Clerks, who comprised nearly one-third of this class, came next to merchants, but as 84 per cent. of their number had taxable incomes under £500, their tax amounted to only three-fifths of that of the merchants, although in number they were two and a half times as great. Next to that from the commercial class the largest amount of tax came from the primary producers, the principal of whom were graziers, whose contribution amounted to £16,865 from 1,288 persons, of whom 242 had incomes exceeding £1,000 each during 1908, and were taxed to the extent of £13,298. Of the primary producers assessed, farmers represented three-fifths of the number, but contributed less than two-fifths of the tax.

LAND TAX.

Land tax.

A Land Tax was first imposed in Victoria in 1877, and has continued in force ever since without any amendment. All estates over 640 acres in extent, valued at upwards of £2,500, whether consisting of one block or several blocks of land not more than five miles apart, are taxed at the rate of one and a quarter per cent. upon their capital value after deducting an exemption of £2,500. If a proprietor holds more than one estate, only one exemption is allowed. The lands are valued on a purely pastoral basis, according to their sheep-carrying capacity, irrespective of whatever value may attach to such lands for dairying or agricultural purposes. The estates in question are divided into four classes, the value being estimated according to the number of sheep they are able to carry, as follows:—

			Value per Acre.
Class I.	—carrying 2 sheep or more per acre ...	...	£4
Class II.	„ 1½ sheep per acre ...	...	3
Class III.	„ 1 sheep per acre ...	...	2
Class IV.	„ under 1 sheep per acre ...	...	1

The following are particulars regarding the land tax for the half-year ended February, 1910:—

LAND TAX: RETURN FOR THE HALF-YEAR ENDED
27TH FEBRUARY, 1910.

Class.	Estates Assessed.			Exemptions.		Net Taxable Value.	Half-year's Tax Payable.	
	Number.	Area.	Capital Value.	Number.	Value.			
		Acres.	£		£	£	£	s. d.
I. ...	181	279,740	1,118,960	166	415,000	703,960	4,399	15 0
II. ...	224	555,230	1,665,690	211	527,500	1,138,190	7,113	13 9
III. ...	600	1,926,355	3,852,710	547	1,367,500	2,485,210	15,532	11 3
IV. ...	581	4,466,305	4,466,305	504	1,260,000	3,206,305	20,039	8 2
Total	1,586	7,227,630	11,103,665	1,428	3,570,000	7,533,665	47,085	8 2

There are thus 1,586 landed estates assessed in Victoria, containing land to the extent of 7,227,630 acres, valued at £11,103,665, or an average of 4,557 acres to each estate, from which a tax of £47,085 has been levied for the half-year ended 27th February, 1910. The collections for the twelve months in 1901-2 were £97,862; in 1902-3, £92,867; in 1903-4, £106,445; in 1904-5, £97,840; in 1905-6, £103,536; in 1906-7, £92,438; in 1907-8, £89,496; and in 1908-9, £85,559. In the following return a comparison is made of the number and size of the estates assessed for land tax in 1900, and in each of the last five years:—

LAND TAX: 1900, AND 1905 TO 1909.

Year.	Number of Exemptions.	Estates.			Net Taxable Value.	Average Area to each Assessment.
		Assessed.	Area.	Capital Value.		
			Acres.	£	£	Acres.
1900	907	1,146	7,424,542	11,775,026	9,507,526	6,479
1905	1,081	1,262	7,039,132	10,356,984	7,654,484	5,577
1906	1,124	1,307	6,977,313	10,197,723	7,387,723	5,338
1907	1,142	1,305	6,783,872	9,909,708	7,064,708	5,198
1908	1,276	1,442	7,068,920	10,440,615	7,250,615	4,902
1909	1,428	1,586	7,227,630	11,103,665	7,533,665	4,557

The total area of the State being 56,245,760 acres, there is thus more than an eighth of the whole subjected to taxation. The area of land alienated and in process of alienation is 27,953,071 acres, of

which about 26 per cent. is taxable. It will be noticed that the average area to each assessment has fallen by 30 per cent. since 1900.

The capital value applied to estates for taxation purposes, and arrived at on the pastoral basis previously explained, is considerably lower than the actual market value of the land and improvements. An estimate of this value for the area assessed for tax in 1909 has been compiled by the Registrar of Land Tax, some particulars of which are given hereunder:—

LAND TAX: ACTUAL VALUE OF ESTATES WITH IMPROVEMENTS,
AS AT 1ST DECEMBER, 1909.

Class.	Actual Value with Improvements.		Percentage of Assessment to Actual Value.	Yearly Tax Payable.	Rate of Tax.	
	Total.	Average per Acre.			Per Cent of Actual Value.	Per Acre.
I. ...	£ 4,699,953	£ s. d. 16 16 0	23·81	£ 8,800	·19	d. 7·5
II. ...	5,760,122	10 7 5	28·92	14,227	·25	6·1
III. ...	11,112,406	5 15 4	34·67	31,065	·28	3·9
IV. ...	16,711,593	3 14 10	26·73	40,079	·24	2·2
Total	38,284,074	5 5 11	29·00	94,171	·25	3·1

The results show, that the present Land Tax is equal to 5s. per cent., and that the valuation for the purpose of taxation represents only 29 per cent. of the actual capital value of estates. The most noticeable discrepancy between the present assessment and the actual value is in Class I.; but the greater difference in this, as compared with any other class, is explained by the fact that many of these first class estates are adapted for growing root crops, maize, and lucerne, also for fattening and dairying, and thus command a higher relative value, by comparison with their sheep carrying capacity, than is the case in the other three classes. The inclusion, in this class, of estates with a carrying capacity of more than two sheep per acre also largely contributes to the much higher average value shown.

RAILWAY REVENUE AND EXPENDITURE.

The following return shows the financial working of the Railways during the last five years, inclusive of the cost of pensions and gratuities. The figures have been taken from the Railway Report and they represent the actual business done each year, not

the receipts and expenditure brought to account by the Treasury, within the year. Working expenses include expenditure on belated repairs, and expenditure on account of previous years, together amounting to £248,485 in 1904-5, £117,542 in 1905-6, £165,749 in 1906-7, and £47,058 in 1907-8; also £9,941 in 1906-7, and £3,311 in 1907-8, for replacement on electric street railway of rolling-stock, car-shed, &c., which were destroyed by fire.

RAILWAY BALANCES, 1904-5 TO 1908-9.

	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
	£	£	£	£	£
Gross Receipts ...	3,582,266	3,789,068	4,022,231	3,883,742	4,189,065
Working Expenses ...	2,119,623	2,117,706	2,259,814	2,347,254	2,418,514
Pensions, Gratuities, &c.	102,656	99,637	110,881	103,064	105,415
Net Receipts ...	1,359,987	1,571,725	1,651,536	1,433,424	1,665,136
Interest on Cost of Construction	1,461,994	1,472,397	1,483,284	1,483,807	1,430,093
Deficit (-) Surplus (+)	- 102,007	+ 99,328	+ 168,252	- 50,383	+ 235,043

Comparing 1908-9 with the first year appearing in the table, the gross receipts have increased by £606,799, and working expenses and pensions by £301,650—the net receipts being in excess of those for 1904-5 by £305,149 and of those for 1907-8 by £231,712.

RAILWAY ACCIDENT FUND.

To meet claims for damages, costs, &c., a Railway Accident Fund was established by the *Railways Act 1891*, which was maintained by payments into the Fund of 10s. for every £100 received by the Commissioners for fares for the conveyance of passengers and for charges for conveyance of animals, goods, and parcels. By the *Railways Act* passed in 1907, this Fund with £50,000 in hand, was on 1st January, 1908, replaced by a Fund called the Railway Accident and Fire Insurance Fund; the money in hand was transferred, and into the new Fund the Railways Commissioners are to pay 10s. for every £100 of the revenue of the Victorian Railways until it reaches £100,000, at which amount it is to be maintained. During the year ended 30th June, 1909, the percentage receipts amounted to £20,945, while under Surplus Revenue Act No. 2,208 £69,972 was transferred to this fund; the payments made were £125,469 for damages and costs, &c., to persons other than employes injured, and £10,534 for compensation to employes injured, for goods or parcels lost, and for damages caused by fire.

The amounts paid for damages, claims, costs, &c., in each of the last ten years and the number of persons killed or injured in the same years, also the yearly averages for the same period are as follows:—

AMOUNTS PAID IN DAMAGES, CLAIMS, ETC., AND PERSONS KILLED OR INJURED ON VICTORIAN RAILWAYS: 1899-00 TO 1908-9.

Year ended 30th June.	Amount Paid out of Railway Accident Fund for Damages, Claims, Costs, &c.	Passengers.				Employés whilst in the execution of their duty.				Employés proceeding to or from duty; Persons at Cross- ings; Trespassers, and Others.		Total.	
		Due to Causes beyond their own Control.		Due wholly or partly to their own Action or Negligence.		Due to Causes beyond their own Control.		Due wholly or partly to their own Action or Negligence.		Killed.	Injured.	Killed.	Injured.
		Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.				
1900 ...	£ 5,474	...	2	2	106	...	13	6	192	27	36	35	349
1901 ...	2,674	...	6	1	124	3	13	8	194	33	34	45	371
1902* ...	22,076	...	194	2	163	...	19	6	230	26	28	34	634
1903 ...	8,593	...	11	1	133	...	21	9	261	27	28	37	454
1904 ...	2,269	...	34	2	190	...	43	5	245	20	29	27	541
1905 ...	2,544	...	8	4	165	...	35	5	214	16	24	25	446
1906† ...	24,060	...	162	9	139	...	43	8	262	35	24	52	630
1907 ...	7,810	...	14	6	165	...	32	8	252	32	35	46	498
1908‡ ...	9,509	45	434	2	203	...	29	6	263	25	41	78	970
1909 ...	125,469‡	...	9	5	155	...	12	10	232	30	43	45	451
Yearly Average ...	21,048	4·5	87·4	3·4	154·3	·3	26·0	7·1	234·5	27·1	32·2	42·4	534·4

* Including Jolimont Accident.

† Including Belgrave Accident.

‡ Including Sunshine Accident, claims for which were not fully paid on 30th June, 1908.

With regard to the payments contained in the table, it must be pointed out that they only cover cases of passengers where the accidents causing death or injury were "due to causes beyond their own control."

Of the total deaths and injuries which occurred on the railways, by far the greater proportion was outside the responsibility of the Railway Department, and it may be claimed that the Victorian Railways have been fairly free from accidents of a serious nature. It may be of some interest to examine the probability of accident to passengers, and accepting the last ten years' figures as a guide the average annual ratio of those killed or injured is compared with the latest available ten years' experience of different countries, in the return which follows:—

AVERAGE ANNUAL NUMBER AND RATIO OF PASSENGERS KILLED OR INJURED ON THE RAILWAYS IN VICTORIA AND OTHER COUNTRIES OVER A PERIOD OF TEN YEARS.

Country.	Average Annual Number of Passengers in 10 years.		Average per Ten Million Passengers carried.	
	Killed.	Injured.	Killed.	Injured.
Belgium	9·9	344·0	·67	23·19
Austria	12·0	263·5	·69	15·06
France	37·9	353·7	·88	8·19
Germany	94·0	436·3	·96	4·47
Norway	1·1	1·1	1·13	1·13
Holland	4·0	18·6	1·15	5·34
New South Wales	4·1	62·2	1·21	18·34
Victoria	7·9	241·7	1·27	38·89
Switzerland	10·7	77·9	1·49	10·85
Sweden	6·1	10·1	1·80	2·99
Japan	21·6	252·6	1·90	22·19
Hungary	15·2	71·5	1·99	9·38
Spain	18·8	94·1	4·83	24·20
United States	363·8	7,379·0	5·45	110·48
Canada	17·3	130·5	10·08	76·08
Russia	111·6	575·8	11·16	57·59

OTHER RAILWAY FUNDS.

Another Act passed in 1907, called the Railway Funds Act, established two permanent railway reserve funds—"The Railway Interest Reserve Fund," to be used only for the purpose of paying interest on railway loan funds to the extent to which the net railway revenue for the year may be insufficient for the purpose; and the "Railway Additions and Improvements Fund," for additions to and improvements on existing railways, and for equipment and rolling-stock. One-half of the surplus railway revenue for any year, after deducting superannuation or retiring allowances, compensation, and gratuities, is to be placed to the credit of each fund until the former amounts to £300,000 and the latter to £200,000. All

interest accruing from the funds is to be applied towards the payment of interest on the Railway Loan Funds.

STATE EXPENDITURE.

The following table shows for the last five years the principal heads of State expenditure:—

PRINCIPAL HEADS OF STATE EXPENDITURE, 1904-5 TO 1908-9.

Heads of Expenditure.	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
	£	£	£	£	£
General Administration	210,512	211,314	227,183	226,206	230,342
Retiring Allowances, Gratuities, &c.	343,694	339,508	347,534	325,283	345,346
Law, Order, and Pro- tection	478,058	481,953	488,829	493,195	492,274
Education:—					
State	624,677	630,500	628,996	689,142	799,391
Secondary and Tech- nical	37,617	38,722	42,544	55,747	54,909
Science, Art, Health, &c.	55,804	59,530	62,962	74,482	84,672
Charitable Institutions	293,738	290,875	303,357	343,572	338,237
Agriculture	157,307	160,238	160,083	153,460	146,118
Mining	56,355	56,178	59,721	57,290	79,524
Crown Lands	72,633	77,245	78,298	92,612	102,732
Public Works and Ser- vices:—					
Railways	2,004,601	2,033,818	2,159,577	2,294,749	2,353,844
Other	602,388	433,730	631,009	542,463	714,009
Public Debt:—					
Interest and expenses	1,884,208	1,919,869	1,934,542	1,922,061	1,873,609
Redemption	114,260	125,566	179,681	170,657	170,716
Interest, Savings Banks	93,687	91,995	76,268	63,154	48,221
Old Age Pensions ...	200,465	189,094	187,795	233,573	270,827
Other Expenditure ...	113,738	121,340	113,764	124,600	135,406
Totals { Special Ap- propriations	3,214,812	3,049,310	3,160,922	2,992,739	3,146,250
Annual Votes	4,128,930	4,212,165	4,518,221	4,869,507	5,093,927
Grand Total	7,343,742	7,261,475	7,679,143	7,862,246	8,240,177
Per Head of Popula- tion	£ s. d. 6 1 4	£ s. d. 5 19 2	£ s. d. 6 4 1	£ s. d. 6 5 0	£ s. d. 6 9 5

Compared with the previous year the ordinary expenditure of the State for 1908-9 shows an increase of £377,931, special appropriations being £153,511 in excess, and annual votes £224,420 in excess, of those for 1907-8. The heads of expenditure showing the largest increases are—State School education and buildings, £110,249; Railway working expenses, £59,095; Old-age pensions, £37,254; mining development, &c., £22,234; and appropriation of Surplus Revenue to "Revenue Services," comprising compensation Sunshine and Moranding railway accidents, £72,229; improvement

of Crown lands, £52,044; and building grants to charitable institutions, &c., £22,550. The most important decrease is that of interest on the public debt and expenses of paying same, £48,452.

PENSIONS AND GRATUITIES.

During the year 1908-9, 3,140 pensions, amounting to £304,655, were paid to ex-public servants not including police, viz., 2,913 under special appropriations, amounting to £292,266; and 227 from annual votes, amounting to £12,389. Sixty-five compensations and gratuities were also paid, the amount being £14,991; and £25,700 was paid as a subsidy to the Police Superannuation Fund. The following statement contains full particulars, showing various Acts under which these payments have been made:—

Pensions and gratuities to Government servants.

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC., PAID: 1908-9.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
General Public Service—						
Under Civil Service Act	468	80,022	} 15	1,087	661	104,750
„ Public Service Act	167	19,222				
„ Other Acts ...	11	4,419				
„ Discipline Act ...	18	1,617				
„ Lunacy Act ...	58	4,831	...	...	58	4,831
Education Department	978	88,445	27	1,595	1,005	90,040
Railways ...	1,209	89,210	176	9,439	1,385	98,649
Miscellaneous—						
Under Constitution Act	2	3,000	...	...	2	3,000
„ County Courts Act	2	1,500	...	...	2	1,500
Police ...	...	...	9	268	9	268
Total Pensions and Superannuation Allowances	2,913	292,266	227	12,389	3,140	304,655
Compensations and Gratuities	28	6,419	37	8,572	65	14,991
Subsidy to Police Superannuation Fund	...	2,000	...	23,700	...	25,700
Total Amount Paid ...	...	300,685	...	41,661	...	345,346

In 1908-9 the payments out of the Police Superannuation Fund were as follows:—339 pensions, amounting to £41,695, and 22 gratuities, amounting to £7,805. The Police Superannuation 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 2½ per cent., from the pay

of the members of the force; by transfers from the Licensing Fund under the provisions of Act No. 2068; and should the foregoing sources prove insufficient, by a further grant in aid from the consolidated revenue. The amount of such further grant in 1908-9 was £23,700.

In the year 1908-9, 27 pensions amounting to £1,576, and £78 sick allowances, were paid out of the Port Phillip Pilot Sick and Superannuation Fund, toward which, however, the Government does not contribute, the fund being maintained by deductions from pilots' earnings and the annual income from investments belonging to the fund.

Old-age pensions paid in 1908-9 amounted to £270,827, and pensions to members and relatives of Victorian contingents after active military service in South Africa, to £818. Full particulars regarding Old-age pensions are given in part "Social Condition" of this work.

EXPENDITURE ON EDUCATION.

The expenditure by the State during 1908-9 on education, exclusive of interest on loans expended on buildings, amounted to £963,615. Pensions, gratuities, &c., are included, but this expenditure may be considered as almost entirely belonging to the education of a past generation rather than as a portion of the cost of instruction of the children of the present day. The expenditure in detail for the five years 1904-5 to 1908-9, according to the Report of the Education Department, is as follows:—

EXPENDITURE ON EDUCATION 1904-5 TO 1908-9.

Expenditure on—	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
	£	£	£	£	£
Instruction	546,168	540,277	546,611	556,369	585,290
Training College	4,227	4,800	5,584	6,135	6,628
Continuation School	1,155	3,499	5,322	8,573	11,421
Instruction in Drawing ... ..	...	...	...	...	322
Administration	36,628	37,693	39,471	40,109	41,217
Technical Schools	17,117	21,444	22,322	26,839	27,039
Melbourne University	20,000	21,500	21,000	28,408	29,582
Pensions, Compensation, and Gratuities	82,414	84,637	87,642	90,278	90,954
Exhibitions and Scholarships	4,421	4,778	5,468	5,451	5,471
Miscellaneous ... ..	...	460	1,882	2,499	2,759
Total (exclusive of Buildings)	712,130	719,088	735,302	764,661	800,683
Buildings—					
Expended by the Public Works Department from Annual Votes	24,946	32,087	59,411	96,427	136,455
Expended by Boards of Advice... ..	3,710	3,674	3,794	4,311	3,999
Rent	3,385	3,423	3,556	3,901	4,345
Continuation and Agricultural High Schools ... ..	...	...	1,654	2,344	14,268
Minor Buildings, Repairs, &c. ... ..	...	...	...	...	3,865
Total	744,171	758,272	803,717	871,644	963,615

From the inception of the system of education by the State on the 1st January, 1873, up to the 30th June, 1909, the expenditure on public instruction amounted to £25,665,410, of which £18,488,412 had been spent on instruction, £1,371,422 on administration, £212,079 on training, £2,680,443 on miscellaneous items, principally pensions, technical schools, and the Melbourne University, and £2,913,054 on-buildings, of which £1,159,810 was paid out of loans and £1,753,244 from revenue. For particulars of the progress of State instruction since its inception, see Part "Social Condition" of this work.

The foregoing statement deals with public instruction generally, and includes some items of expenditure on secondary and technical education; but in the following statement particulars are given of primary State school education only—that is, the cost to the State of the "free, compulsory, and secular" system, the subjects of which are set out in the schedule of Act No. 1777, as follows:—Reading, writing, arithmetic, grammar, geography, history, drill, singing, drawing, elementary science, manual training, and, where practicable, gymnastics and swimming; also, for children over nine years of age, lessons in health and temperance from standard works; and, for girls, sewing, needlework, cookery, and domestic economy:—

EXPENDITURE ON PRIMARY EDUCATION: 1904-5 TO 1908-9.

Items.	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
	£	£	£	£	£
Instruction—					
Teachers' Salaries	494,546	493,415	500,034	507,019	535,703
Drawing, Cookery, Manual Training, &c.	4,841	2,126	337	486	...
Teachers' Travelling Expenses	2,519	2,125	1,907	2,936	2,780
Conveyance of Children to Schools	2,191	2,185	2,498	2,974	3,031
Printing, Stores, Cadets, Manual Training, and Cookery Expenses	8,345	7,855	8,983	9,639	10,441
Cleaning, Stationery, Fuel, &c.	33,206	32,128	32,520	32,889	32,915
Teaching Night Schools	520	443	332	426	420
Training Teachers	5,381	8,299	10,906	14,708	18,371
Total Instruction	551,549	548,576	557,517	571,077	603,661
Administration—					
Office and Inspectors... ..	29,187	29,855	30,510	31,792	32,381
Truant Officers	4,941	4,475	4,314	4,146	3,915
Stores, Cleaning, &c.*	2,500	3,363	4,647	4,171	4,921
Buildings	32,041	39,184	68,415	106,983	162,932
Retiring Allowances, Compensation, and Gratuities	82,414	84,637	87,642	90,278	90,954
Miscellaneous ... ..	...	460	1,476	1,209	530
Total Expenditure	702,632	710,550	754,521	809,656	899,354

* Including Postage and Telegrams, £1,376 in 1904-5, £1,591 in 1905-6, £2,747 in 1906-7, £2,436 in 1907-8, and £2,496 in 1908-9.

Of the increase in expenditure on education in 1908-9, as compared with the preceding year (£91,971), primary education is responsible for £89,698, the chief items making up this amount being teachers' salaries £28,684, and buildings £55,949.

The following return shows the total cost and cost per head of primary instruction during the last ten years:—

COST OF PRIMARY INSTRUCTION IN VICTORIA: 1899-1900 TO 1908-9.

Year.	Cost to the State.		Scholars in Average Attendance.	Cost per Head of Scholars in Average Attendance.	
	Including Buildings	Excluding Buildings		Including Buildings	Excluding Buildings.
1899-00	£ 673,174	£ 628,489	145,868	£ s. d. 4 12 4	£ s. d. 4 6 2
1900-01	699,418	663,378	147,818	4 14 8	4 9 9
1901-2	767,352	685,406	150,939	5 1 8	4 10 10
1902-3	713,445	674,076	150,268	4 14 11	4 9 8
1903-4	696,627	677,125	145,500	4 15 8	4 13 1
1904-5	702,632	670,591	143,362	4 18 0	4 13 7
1905-6	710,550	671,367	142,216	4 19 11	4 14 5
1906-7	754,521	686,106	147,270	5 2 6	4 13 2
1907-8	809,656	702,673	143,551	5 12 10	4 17 11
1908-9	899,354	736,422	146,106	6 3 1	5 0 10

This table reveals the steady upward tendency in the cost of instruction per head of scholars, the columns in which buildings are excluded being the better for comparative purposes, as the expenditure on buildings has been very heavy in recent years, averaging 14s. 11d. per head of scholars in 1907-8 and 22s. 3d. in 1908-9. In 1903-4 the expenditure on buildings averaged 2s. 7d. per head of scholars.

TRUST FUNDS.

The following are the amounts to the credit of the trust funds, and the manner of their investment, at the end of each of the last five financial years:—

TRUST FUNDS: 1905 TO 1909.

Accounts.	Credit Balance on 30th June.				
	1905	1906.	1907.	1908.	1909.
Deposits in Savings Banks	£ 3,445,418	£ 2,617,310	£ 2,050,059	£ 1,310,559	£ 963,052
Deposits in Savings Banks Security Account	2,036,262	2,451,549	2,287,707	1,847,032	2,269,532
Municipal Funds Sinking	627,914	628,497	647,950	663,431	666,492
Assurance Fund	204,301	213,790	222,440	231,530	240,918
Intestate Estates	103,557	106,677	97,774	91,751	93,098

TRUST FUNDS: 1905 TO 1909—*continued.*

Accounts.	Credit Balance on 30th June.				
	1905.	1906.	1907.	1908.	1909.
	£	£	£	£	£
Country Tramways* ...	94,164	46,732	26,600	6,879	6,060
Trustee and Assurance Companies	104,795	104,950	104,950	109,950	114,950
Police Superannuation Fund	7,312	7,718	5,876	2,700	2,245
Other Funds ...	1,010,804	1,346,423	1,571,568	1,528,461	1,545,272
Total ...	7,634,527	7,523,646	7,014,924	5,822,293	5,901,619
How Invested:—					
In State Debentures and Stock	1,586,470	1,796,652	2,531,656	2,640,747	2,454,562
In Bank Deposit Receipts, Cash, and Advances to Revenue, &c.	6,048,057	5,726,994	4,483,268	3,181,546	3,447,057

* This Fund was made available for water supply and railway purposes by Act No. 1933 (8th November, 1904).

The revenue deficiency on 30th June, 1909, £332,987, and the debit balance of £99,950 in the Land Sales by Auction Fund, are met from the last item in the above return.

In 1898 an Act, entitled "Municipalities' Loans Extension Act," was passed to relieve any municipality, which desired relief, from further contributions to its loan sinking fund. The amount already to the credit of the sinking fund of any municipality which takes advantage of the Act is allowed to accumulate with interest, and at the maturity of the loan the Government will, by the sale of inscribed stock, pay the difference between the amount at credit of the fund and the amount of the loan to be redeemed, the municipality repaying to the Government, in half-yearly instalments, the amount so paid. Previous to 1906 it was the practice to include in the Trust Funds the amount of the unsold stock inscribed under this Act, but the figures for 1905 given in the above table have been revised to bring them into accord with those of the other four years. The amount at credit of the Municipalities' Loans Extension Act on 30th June, 1909, was £1,081,199. The amount of money to the credit of the municipal sinking funds has not materially altered during recent years; on 30th June, 1909, it was £666,492.

COMMONWEALTH REVENUE AND EXPENDITURE.

The amount of revenue collected in this State to the 30th June, 1909, by the Federal Government from the date of its inauguration was £28,561,164. Of this amount £10,662,593 was used to meet the Victorian portion of Commonwealth expenditure, and £17,892,590 was paid over to the State Government. A sum of £20,000 is retained as "till-money," principally in the offices of the Post and Telegraph Department in the State, and the amount paid to the State Government was, therefore, in excess by £14,019.

Commonwealth finance.

A statement of the Commonwealth revenue and expenditure in Victoria for the last five years is as follows:—

COMMONWEALTH REVENUE AND EXPENDITURE CREDITED OR DEBITED TO THE STATE OF VICTORIA: 1904-5 TO 1908-9.

Heads of Revenue and Expenditure.	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
REVENUE.					
	£	£	£	£	£
Customs Duties ...	1,907,063	1,950,713	2,129,548	2,507,704	2,204,638
Excise Duties ...	581,780	586,357	589,883	704,434	657,330
Post, Telegraph, &c. ...	683,480	735,563	797,973	834,367	856,632
Miscellaneous ...	9,575	12,251	20,198	17,231	31,561
Total ...	3,181,898	3,284,884	3,537,602	4,063,736	3,750,161
EXPENDITURE.					
Trade and Customs ...	69,244	67,076	64,485	69,939	75,127
Postmaster-General ...	665,161	674,601	724,728	840,653	904,578
Defence ...	291,577	303,673	318,865	406,548	325,764
New Expenditure ...	140,432	153,032	228,511	368,783	455,784
Miscellaneous ...	118	...	...	105	1,473
Adjustments— Inter-State	4,863	...	...	...	...
Paid over to the State	2,017,378	2,097,119	2,192,340	2,449,243	1,929,542
Total ..	3,188,773	3,295,501	3,528,929	4,135,271	3,692,268

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

The total Government revenue and expenditure within the State of Victoria is shown by combining State and Commonwealth receipts and expenditure. The following are the main heads:—

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: 1904-5 TO 1908-9.

Heads of Revenue and Expenditure.	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
REVENUE.					
	£	£	£	£	£
Customs and Excise ...	2,488,843	2,537,070	2,719,431	3,212,138	2,861,968
Post, Telegraph, &c. ...	683,480	735,563	797,973	834,367	856,632
Railways ...	3,609,120	3,779,153	4,010,546	3,873,855	4,189,501
State Taxation ...	979,029	1,075,935	1,200,529	1,068,763	1,167,444
Other sources ...	919,790	871,519	962,317	939,850	992,758
Total Revenue ...	8,680,262	8,999,240	9,690,796	9,928,973	10,068,303
EXPENDITURE.					
Customs and Excise ...	69,244	67,076	64,485	69,939	75,127
Post, Telegraph, &c. ...	665,161	674,601	724,728	840,653	904,578
Railways ...	2,004,601	2,033,818	2,159,577	2,294,749	2,353,844
Public Instruction* ...	662,294	669,222	671,540	744,889	854,300
Public Debt—					
Interest and Expenses	1,884,208	1,919,869	1,934,542	1,922,061	1,873,609
Redemption ...	114,260	125,566	179,681	170,657	170,716
Other Expenditure ...	3,115,369	2,969,705	3,281,179	3,505,326	3,770,729
Total Expenditure	8,515,137	8,459,857	9,015,732	9,548,274	10,002,903

* Primary and Technical Schools, University, &c.

In 1900-1901, when the State Tariff was in force, the Customs and Excise revenue was £2,558,290, and, under the Commonwealth Tariff, this was not exceeded until 1906-7, when an increase of £161,141 was shown. The revenue from this source in 1900-1901 was exceeded by £653,848 in 1907-8, and by £303,678 in 1908-9.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

A statement of the ordinary revenue and expenditure and also of the loan expenditure of the Federal and the State Governments and of municipal and local bodies during the last five years will be found in the following table. From the totals of revenue and expenditure, the amounts received by one body from another have been deducted :—

Commonwealth, State, and local finance.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
1905 TO 1909.

	Financial Year ended in—				
	1905.	1906.	1907.	1908.	1909.
<i>Revenue.</i>					
Government—					
Federal ..	£ 3,181,898	£ 3,284,884	£ 3,537,602	£ 4,063,736	£ 3,750,161
State ..	5,426,800	5,642,899	6,081,617	5,797,099	6,252,932
Municipal ..	1,254,649	1,293,202	1,387,127	1,452,621	1,496,215
Harbor Trusts ..	189,983	219,322	227,536	236,916	225,162
Melbourne and Metropolitan Board of Works ..	390,441	418,849	476,949	493,767	503,992
Fire Brigades Boards	20,557	20,610	21,763	27,049	26,331
Total ..	10,464,328	10,879,766	11,732,594	12,071,188	12,254,793
<i>Ordinary Expenditure.</i>					
Government—					
Federal ..	3,188,773	3,295,501	3,528,925	4,135,271	3,692,268
State ..	5,254,800	5,092,899	5,415,226	5,344,865	6,245,425
Municipal ..	1,253,171	1,282,559	1,417,169	1,505,188	1,503,159
Harbor Trusts* ..	145,986	203,704	231,390	236,074	221,854
Melbourne and Metropolitan Board of Works ..	416,410	443,740	476,954	488,244	481,712
Fire Brigades Boards	21,041	22,867	23,340	26,234	26,911
Total ..	10,280,181	10,341,270	11,093,008	11,735,876	12,171,359
<i>Loan Expenditure.</i>					
Government (State)	373,191	932,966	595,658	783,538	1,098,360
Municipal ..	84,845	84,081	141,587	157,255	153,985
Melbourne and Metropolitan Board of Works ..	386,511	404,907	437,330	278,007	505,412
Fire Brigades Boards	405	3,250	2,623	244	3,203
Total ..	844,952	1,425,204	1,177,198	1,219,044	1,760,960
<i>Expenditure—Grand Total</i> ..	11,125,133	11,766,474	12,270,206	12,954,920	13,932,319

* Including expenditure from loans.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE,
1905 TO 1909—continued.

	Financial Year ended in—				
	1905.	1906.	1907.	1908.	1909.
Per Head of Population—					
Revenue ..	£ s. d. 8 12 11	£ s. d. 8 18 5	£ s. d. 9 9 4	£ s. d. 9 11 11	£ s. d. 9 12 6
Ordinary Expenditure ..	8 9 11	8 8 10	8 18 4	9 6 7	9 11 2
Loan Expenditure ..	0 14 0	1 3 5	0 19 0	0 19 5	1 7 8

The total revenue of the Federal and State Governments, the municipalities and other corporations, was $1\frac{1}{2}$ per cent. more in 1909 than in the previous year, and amounted to more than twelve and a quarter millions sterling. The ordinary expenditure showed an increase in the twelve months of £435,483. The loan expenditure was more by £541,916 than in 1908. The revenue per head in 1908 was £9 11s. 11d., and in 1909, £9 12s. 6d. The ordinary expenditure was £9 6s. 7d. and £9 11s. 2d.; and the loan expenditure 19s. 5d. and £1 7s. 8d. in those years respectively.

PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue to 30th June, 1909, with the exception of Melbourne and Hobson's Bay Railway debentures taken over, which are not treated in the Treasury accounts as a loan raised by the State:—

CASH RECEIPTS AND LOANS RAISED AND REDEEMED TO 30TH JUNE,
1909.

Cash received	£	s.	d.
Discount and expenses after deducting premiums received	92,200,221	2	5
Securities issued	1,843,639	17	7
Securities redeemed	94,043,861	0	0
Loans outstanding	39,377,663	7	10
	54,666,197	12	2*

* There is in addition to this amount the overdue debentures for £1,600 referred to further on, which together make the total loans outstanding at 30th June, 1909.

It will be seen that upon the transactions to date for cash, amounting to £92,200,221, securities representing £94,043,861 were issued, which is equivalent to the State receiving £98 os. 10d. in cash for every £100 Bond given.

Excluding London debentures for £388,100 taken over with the Melbourne and Hobson's Bay Railway and since paid off, the total amount of loans raised in London at varying rates of interest was £69,447,319, after conversion operations. The amount paid off by

Loans raised
and
redeemed.

Loans
floated
in London

means of new loans was £28,938,307, and by means of payment derived from revenue, &c., £1,563,198; while £353,383 was transferred to the Melbourne register, leaving a balance due in London on 30th June, 1909, of £38,592,431, consisting of debentures amounting to £251,200, and inscribed stock, £38,341,231. The following statement gives particulars respecting the various loans which have been raised in London since 1859, together with the average prices obtained after deducting flotation expenses as well as accrued interest, and the rates of interest to which such prices are equivalent:—

LOANS FLOATED IN LONDON, 1859 TO 1909.

When Raised.	Debentures or Stock.				Average Price Obtained per £100 Debenture Stock or Bond.		Actual Rate of Interest per £100 net.
	Currency.		Amount Sold.	Rate of Interest.	Ex Accrued Interest.	Ex Interest and Expenses. (Net proceeds.)	
	When Due.	No. of Years.					
			£	Per cent.	£ s. d.	£ s. d.	£ s. d.
1859	1883	24	1,000,000	6	105 1 11 ³ / ₄	103 18 11 ³ / ₄	5 14 0
"	"	"	750,000	6	107 17 7 ¹ / ₄	106 14 7 ¹ / ₄	5 9 10
1860	"	23	1,837,506	} 6	104 17 10 ¹ / ₂	103 14 10 ¹ / ₂	5 14 1
"	1884	"	812,500				
1861	1885	24	1,000,000	6	103 1 6 ¹ / ₄	101 18 6 ¹ / ₄	5 17 0
1862	"	23	1,600,000	6	102 19 7	101 16 7	5 17 2
1866	1891	25	850,000	6	100 8 11 ³ / ₄	99 5 11 ³ / ₄	6 1 1
1869	1894	"	588,600	5	98 4 2 ¹ / ₂	97 1 2 ¹ / ₂	5 4 3
1870	"	24	1,518,400	5	100 17 6 ¹ / ₂	99 14 6 ¹ / ₂	5 0 5
1874	1899	25	1,500,000	4	90 2 7	88 19 7	4 15 5
1876	1901	"	{ 500,000 2,500,000	} 4	94 16 10 ³ / ₄	93 18 11 ³ / ₄	4 8 1
1878	1904	26	457,000				
1879	"	25	3,000,000	4 ¹ / ₂	97 17 5 ¹ / ₂	96 19 2 ¹ / ₂	4 14 0
1880	"	24	2,000,000	4 ¹ / ₂	103 3 8 ¹ / ₂	102 5 11	4 6 11
			Stock.				
1883	1907	"	4,000,000	4	98 16 8 ¹ / ₂	97 13 7 ¹ / ₂	4 3 0
"	1908	"	2,000,000	4	97 14 1 ¹ / ₂	96 10 11 ¹ / ₂	4 4 6
1884	1913	29	{ 2,636,600 1,363,460	} 4	98 5 7	97 2 8 ¹ / ₂	4 3 3
1885	1919	34	{ 3,180,620 819,380				
1886	1920	"	1,500,000	4	105 12 3 ¹ / ₂	104 9 0	3 15 5
1887	"	33	3,000,000	4	102 5 6 ¹ / ₂	101 2 9	3 18 9
1888	"	32	1,500,000	4	108 1 1 ¹ / ₂	106 18 0 ¹ / ₂	3 12 9
1889	1923	34	3,000,000	3 ¹ / ₂	102 14 10	101 11 11 ¹ / ₂	3 8 5
1890	"	33	4,000,000	3 ¹ / ₂	100 2 4	98 19 6	3 11 1
1891	1921-6	30-5	{ 850,000 2,150,000	} 3 ¹ / ₂	96 3 7	95 0 10	3 15 6
1892	"	29-34	2,000,000				
1893	1911-26	17-32	2,107,000	4	94 7 5	93 4 8	4 11 7
1899	1929-49	30-50	1,600,000	3	94 7 1	93 4 2	3 7 3
1901	"	28-48	3,000,000	3	92 2 1	89 14 5	3 11 10
1902	"	27-47	1,000,000	3	95 16 6 ¹ / ₂	93 8 3 ¹ / ₂	3 7 6
1903	"	26-46	3,148,176	} 3 ¹ / ₂	{ 91 14 9 ¹ / ₂ 100 0 0	89 8 0	4 3 8
1906	"	23-43	587,808				
1907	"	22-42	22,240	} 3 ¹ / ₂	97 3 11 ¹ / ₂	94 15 8 ¹ / ₂	3 17 7
1909	"	20-40	1,067,295				
			Treasury-bonds.				
1892	1893	1	1,000,000	4 ¹ / ₂	99 3 11	99 1 5	5 0 0
1898	1900	2	500,000	3 ¹ / ₂	100 0 0	100 0 0	3 15 0
1903	1906	3	2,254,800	4	99 10 8 ¹ / ₂	96 18 10	5 2 7
Total	..	..	68,851,219				
Paid off	..	..	29,935,405				
Transferred to Melbourne register	..	..	853,383				
Outstanding	..	..	38,592,431				

The figures in the last column represent the rates of interest payable by the State for the actual amount of money which was obtained after the deduction of all expenses which had been incurred in connexion with the flotation, and with allowance for redemption at par on maturity.

The nominal rate of interest has varied from 6 per cent. for earlier loans to 3 per cent. for those of later date, and the actual rate paid by the Government varied from 6 per cent. in 1866 to $3\frac{3}{8}$ per cent. in 1899 and 1902. The first six loans raised were obtained at about $5\frac{3}{4}$ per cent., but money was secured in 1870 at 5 per cent. In 1883 it was obtained at about $4\frac{1}{5}$ per cent., in 1885 at $4\frac{1}{8}$, in 1888 at $3\frac{5}{8}$, and in 1889 at less than $3\frac{1}{2}$ per cent. In 1891 there was a reaction, when the money obtained cost $3\frac{3}{4}$ per cent., and the rate was further increased to over $4\frac{1}{2}$ in 1893, while 5 per cent. was paid on short-dated Treasury bonds obtained in 1892. Some later loans show a marked improvement, as in 1899 the actual rate of interest was less than $3\frac{3}{8}$ per cent., being the lowest rate realized on loans raised in London, while for loans floated in 1901 and 1907 the money was obtained at slightly over $3\frac{1}{2}$ per cent.; for one in 1902 the rate was $3\frac{3}{8}$ per cent., and for one floated in 1909 it was $3\frac{7}{8}$ per cent. On the other hand, the interest on loans raised in 1903 was as high as $5\frac{1}{8}$ per cent. on short-dated Treasury bonds, and $4\frac{1}{8}$ per cent. on stock sold.

Excluding Treasury bonds in aid of revenue and Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, and of which £62,000 have since been paid off, the total amount of loans floated in Melbourne after conversion operations was £20,531,929. Of this amount, £2,729,343 was redeemed by loans, and £2,182,203 by revenue, &c., leaving due a balance of £15,620,383 on 30th June, 1909, consisting of debentures, £5,355,749; inscribed stock, £3,982,774; and Treasury bonds, £6,281,860. In addition, inscribed stock for £353,383 has been transferred from London to the Melbourne register, so that of the debt outstanding the total amount payable in Melbourne is £15,973,766. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the last eleven years the local debt has been increased by nearly 13 millions sterling. This increase has been brought about principally by the replacing of London loans as they fell due by local issues and by the raising of local loans to acquire estates for Closer Settlement purposes. The

Loans
floated in
Melbourne

following is a statement of these loans, showing the amounts originally raised, the amounts converted or paid off, and the amounts outstanding on 30th June, 1909:—

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1909.

Authorization.		Loans.			Amounts.			Loans Outstanding on 30th June, 1909.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.		
		Percent.		£	£	£	£	
<i>Debentures.</i>								
13 & 23	1854	6	1855-75	735,000	...	735,000	...	
40	1855	6	1857-72	299,100	...	299,100	...	
15	1856	6	1872-4	2,900	...	2,900	...	
36	1857	6	1883-5-8	1,000,000	52,780	947,220	...	
150	1862	6	1889	300,000	23,900	276,100	...	
332	1868	5	1894	610,000	297,100	312,900	...	
371	1870	5	...	100,000	100,000	...	...
1296	1893	4	1913-23	746,795	...	...	746,795
1440	1896	3	1912-22	63,000	...	...	63,000
1659	1900	3	1921-30	1,000,000	14,162	188	985,650	
1753	1901	3	1923-32	467,000	3,948	71,352	391,700	
1816	1903	3½	1907-8	93,869	...	93,869	...	
1901	1904	3	1934-54	457,000	...	333,126	123,874	
		3½	1926-42	336,300	...	20,300	316,000	
		3½	1925-40	60,000	...	...	60,000
		3¾	1926-40	160,000	...	...	160,000
1962	1904	3½	1927-32	72,100	...	...	72,100
		3½	1928	77,000	...	...	77,000
		3½	1929	2,650	...	...	2,650
		3½	"	60,000	...	...	60,000
		4	1936	300,000	...	...	300,000
			1926-41	285,880	...	...	285,880
1930	1905	3½	1926	100,000	...	...	100,000
			1927-42	46,500	...	...	46,500
			1927	6,000	...	...	6,000
2026	1906	3½	1926-42	289,000	...	...	289,000
			1927-42	100,000	...	...	100,000
			1928	400,000	...	...	400,000
2041	1906	3½	1928-43	3,600	...	...	3,600
			1929	16,000	...	...	16,000
2053	1906	3½	1928	75,500	...	...	75,500
			1929	40,000	...	...	40,000
2116	1907	3½	1928	345,000	...	...	345,000
			1929	154,000	...	...	154,000
2163	1909	3½	1919	130,650	...	...	130,650
			1929	4,850	...	...	4,850
<i>Inscribed Stock.</i>								
428	1872	4	1897	1,113,000	} 2,659,613	}	...	
439	1872	4	"	86,780				
			"	13,102				
741	1882	4	"	167,600				
963	1887	4	"	130,000				
1015	1889	4	"	750,000				
1341	1893	4	"	150,000				
1369	1895	4	"	249,131				

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1909.—*continued.*

Authorization.		Loans.			Amounts.			Loans Outstanding on 30th June, 1909.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.		
		Per cent.		£	£	£		
<i>Inscribed Stock—continued.</i>								
1468	1896	3	1917*	2,290,482	}	294,544	3,025,131	
1564	1898	3	"	500,000				
1623	1899	3	"	493,784				
1552	1898	3	"	35,409				
1602 } 1749 }	1898	3	"	211,135				...	24,947	186,188
1659	1900	3	"	14,162	...	...	14,162
1753	1901	3	"	3,948	...	...	3,948
1962	1904	3½	"	326,406	...	...	326,406
1990	1905	3½	"	113,735	...	...	113,735
2026	1906	3½	"	256,000	...	...	256,000
2041	1906	3½	"	24,714	...	...	24,714
2053	1906	3½	"	31,490	...	...	31,490
2116	1907	3½	"	1,000	...	...	1,000
<i>Treasury Bonds.</i>								
1574	1898	3½	1901	500,000	...	500,000	...	
1800	1902	3½	1907	1,000,000	...	1,000,000	...	
1982	1905	3½	1915	500,000	...	...	500,000
			1916	2,767,000	...	...	2,767,000
			1917	3,014,860	...	...	3,014,860
Overdue debentures	...	...	...	1,000	...	...	1,000
Total, floated in Melbourne				23,684,432	3,151,503	4,911,546	15,621,383	
Transferred from London Register				...	...	...	353,383
Total, payable in Melbourne				...	...	...	15,974,766

* Or at any time thereafter, at option of the Government, upon twelve months' notice.

Of the total loans raised in Victoria (exclusive of Treasury bonds in aid of revenue and of Melbourne and Hobson's Bay Railway debentures) £2,337,000, *i.e.*, the total of those authorized prior to 1863, was at 6 per cent.; £710,000, or the total authorized from 1868 to 1870 was at 5 per cent.; and the balance (£20,636,432) was at rates varying from 3 to 4 per cent. Of the total Melbourne loans outstanding on 30th June, 1909, £1,113,795 is bearing interest at 4 per cent., £220,000 at 3½ per cent., £9,593,635 at 3½ per cent., and £5,046,336 at 3 per cent.

EXPENDITURE FROM LOANS.

In addition to the ordinary expenditure from revenue, certain sums are annually disbursed for various purposes from amounts raised by means of loans. The following table shows the details of such expenditure in each of the last five years:—

LOAN EXPENDITURE: 1904-5 TO 1908-9.

(Including Loan in aid of Revenue, Act 1451.)

Works.	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
	£	£	£	£	£
Railways	171,837	77,968	80,482	249,646	544,433
Water Supply	142,183	81,634	161,346	276,583	313,616
Schools and University	101	..	..	..	..
Agriculture	136	47	..	..	..
Closer Settlement and Small Holdings	754	754,983	339,497	254,833	189,473
Wire Netting .. .. .	..	..	..	..	45,850
Mining Development	552	83	..	..	..
Construction of Roads, &c.	14,945	1,919	498	23	237
Other Public Works	42,683	16,332	13,835	2,453	4,751
Total	373,191	932,966	595,658	783,538	1,098,360
Per Head of Population	<i>s. d.</i> 6 2	<i>s. d.</i> 15 4	<i>s. d.</i> 9 7	<i>s. d.</i> 12 5	<i>s. d.</i> 17 3

The loan expenditure of the State has since 1891 been upon a very much smaller scale than formerly, as the following particulars show:—

Average amount of loan expenditure per annum for the—

10 years ended 30th June, 1891	... £2,270,128
10 years ended 30th June, 1901	... 755,194
8 years ended 30th June, 1909	... 737,274

PURPOSES FOR WHICH LOANS WERE RAISED.

The aggregate amount of the loans raised to 30th June, 1909, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over, was £90,430,348; but a total of £35,863,151 (exclusive of conversion loans) having been repaid, viz., £3,745,401 out of the general revenue, and £32,117,750 out of the proceeds of redemption loans, the balance on 30th June, 1909, was reduced to £54,567,197.

The purposes for which the amount outstanding was borrowed and the annual interest payable thereon are as follows:—

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1909.	Annual Interest Payable.
REVENUE-YIELDING WORKS.		
	£	£
Railways and Tramways	40,715,127	1,465,826
Waterworks—Melbourne	1,688,663	61,039
" Country	6,701,286	233,115
Harbors	190,000	6,650
Graving Dock	316,103	10,772
Agriculture and Advances to Farmers, &c. ...	94,219	2,841
Closer Settlement and Small Holdings ...	1,707,334	60,876
Development of Mining	121,194	3,780
Total Revenue-yielding Works	51,533,926	1,844,899
OTHER WORKS OF A PERMANENT CHARACTER.		
Public Offices, Law Courts, and Parliament Houses	714,227	24,387
Defence Works	151,469	5,044
State Schools, Technical Schools, and University	1,257,824	40,919
Other	909,751	29,595
Total other Permanent Works	3,033,271	99,945
Net Borrowings	54,567,197	1,944,844

Out of the proceeds of these loans outstanding on 30th June, 1909, sums not yet expended amount in the aggregate to £504,979, of which £221,819 is for railways, £278,227 for country water supply, £2,410 for closer settlement and small holdings, and £2,523 for different other services. Of the amount of total loans outstanding, 94 per cent. has been allotted to revenue-yielding works, as detailed above.

DUE DATES OF LOANS.

The total amount of loans outstanding on 30th June, 1909, exclusive of debentures for £1,000 overdue since 1897, and of Treasury bonds in aid of revenue, was £54,566,197, and of this sum £5,606,949 was in the form of debentures; £38,341,231 of inscribed stock (London Register); £4,336,157 of inscribed stock (Melbourne Register); and £6,281,860 of Treasury bonds. The following are the dates on which these loans are repayable, those repayable in Melbourne and London being indicated—

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1909, AND DATES
WHEN REPAYABLE.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures.</i>		£	£	£
1296	1st April, 1913-23 ...	4	746,795	...	746,795
1440	" 1912-22 ...	3	63,000	...	63,000
1659	1st July, 1921-30 ...	3	985,650	...	985,650
1753	1st Jan., 1923-32 ...	3	391,700	...	391,700
1901	1st Jan., 1934-54 ...	3	123,874	...	123,874
	2nd April 1926, to 1st Feb., 1942 ...	3½	316,000	...	316,000
	29th Nov., 1925-40 ...	3¾	60,000	...	60,000
	27th Feb., 1926, to 29th Nov., 1940 ...	3¾	160,000	...	160,000
1962	1st Nov., 1927-32 ...	3½	41,400	...	41,400
	2nd Dec., 1927-32 ...	3½	30,700	...	30,700
	1st July, 1928 ...	3½	77,000	...	77,000
	30th June, 1929 ...	3½	2,650	...	2,650
	1st July, 1929 ...	3½	60,000	...	60,000
	14th March, 1936 ...	4	300,000	...	300,000
	1st April, 1926-41 ...	3½	285,880	...	285,880
	18th Oct., 1926 ...	3½	100,000	...	100,000
1990	1st April, 1927-42 ...	3½	500	...	500
	1st October, 1927-42 ...	3½	46,000	...	46,000
	1st July, 1927 ...	3½	6,000	...	6,000
	1st Oct., 1926, to 16th April, 1942 ...	3½	289,000	...	289,000
2026	1st July, 1927-42 ...	3½	100,000	...	100,000
	1st July, 1928 ...	3½	400,000	...	400,000
2041	1st Jan., 1928-43 ...	3½	3,600	...	3,600
	1st July, 1929 ...	3½	16,000	...	16,000
2053	1st July, 1928 ...	3½	75,500	...	75,500
	1st July, 1929 ...	3½	40,000	...	40,000
2116	1st July, 1928 ...	3½	345,000	...	345,000
	1st July, 1929 ...	3½	154,000	...	154,000
2163	1st April, 1919 ...	3½	130,650	...	130,650
	30th June, 1929 ...	3½	4,850	...	4,850
	<i>Inscribed Stock (London).</i>				
760	1st Oct., 1913 ...	4	9,000*	3,991,000	4,000,000†
805	" 1919 ...	4	28,000*	3,972,000	4,000,000
845	" 1920 ...	4	30,000*	5,970,000	6,000,000
989	" 1923 ...	3½	11,200*	6,988,800	7,000,000
1032	" 1923 ...	3½	11,200*	6,988,800	7,000,000
1196	1st Jan., 1921-26 ...	3½	...	5,000,000	5,000,000
1217	" 1911-26 ...	4	...	2,107,000	2,107,000
1287	" 1911-26 ...	4	...	2,107,000	2,107,000
1560	" 1929-49 ...	3	252,683*	4,212,031	4,464,714
	" 1929-49 ...	3½	22,500*	4,284,305	4,306,805
1562	" 1929-49 ...	3	...	1,000,000	1,000,000
2167	1st Oct., 1929-49 ...	3½	...	1,067,295	1,067,295

* Transferred from London to Melbourne register.

† Debentures convertible into inscribed stock at option of holder. The amount so converted to 30th June, 1909, was £3,748,800.

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1909, AND DATES
WHEN REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
			£	£	£
<i>Inscribed Stock (Melbourne).</i>					
1468	29th Sept., 1917, or after	3	3,025,131	...	3,025,131
1564					
1623					
1602					
1749					
1659					
1753					
1962					
1990					
2026					
2041	" " "	3½	256,000	...	256,000
2053					
2116					
<i>Treasury Bonds.</i>					
1982	1st July, 1915 ...	3½	500,000	...	500,000
	" 1916 ...	3½	2,767,000	...	2,767,000
	" 1917 ..	3½	3,014,860	...	3,014,860
<i>Melbourne and Hobson's Bay Railway Debentures.</i>					
617	(Overdue since 1897)	1,000	...	1,000
	Total	15,974,766	38,592,431	54,567,197
<i>Treasury Bonds in aid of Revenue.</i>					
1451	1st Jan., 1910-13 ...	3¼	100,000	...	100,000
	Total (including loans in aid of Revenue)...	...	16,074,766	38,592,431	54,667,197

In regard to due dates it may be mentioned that in several instances where they cover a series of years, the Government by giving twelve months' notice, has the option of fixing the particular year of redemption. If it be assumed that loans at the higher rates of interest will be redeemed at the earliest and those at the lower

rates at the latest dates of option, or that all optional loans will be redeemed at the latest dates, the following table shows the years in which the outstanding debt will be met.

DUE DATES OF VICTORIAN LOANS ON 30TH JUNE, 1909.
(Including Treasury Bonds in aid of Revenue.)

When Payable.	Amount Payable, assuming that—		
	3 per cent. Loans are redeemed at latest, and all others at earliest date of option.	3½ per cent. and under are redeemed at latest, and all others at earliest date of option.	All loans are redeemed at latest date of option.
	£	£	£
Overdue and Unclaimed	1,000	1,000	1,000
1910	25,000	25,000	25,000
1911	2,132,000	2,132,000	25,000
1912	25,000	25,000	25,000
1913	4,771,795	4,771,795	4,025,000
1915	500,000	500,000	500,000
1916	2,767,000	2,767,000	2,767,000
1917	3,768,205	3,014,860	3,014,860
1919	4,130,650	4,130,650	4,130,650
1920	6,000,000	6,000,000	6,000,000
1921	5,000,000	...	...
1922	63,000	63,000	63,000
1923	7,000,000	7,000,000	7,746,795
1925	60,000	60,000	...
1926	896,280	5,263,000	7,210,000
1927	479,200	156,000	156,000
1928	901,100	897,500	897,500
1929	5,651,600	277,500	277,500
1930	985,650	985,650	985,650
1932	391,700	463,800	463,800
1936	300,000	300,000	300,000
1940 ... ..	...	28,900	248,900
1941 ... ..	...	315,380	315,380
1942 ... ..	...	540,100	540,100
1943 ... ..	...	3,600	3,600
1949	5,464,714	10,838,814	10,838,814
1954	123,874	123,874	123,874
Indefinite	3,229,429	3,982,774	3,982,774
To end of 1925	36,243,650	30,490,305	28,323,305
After 1925... ..	18,423,547	24,176,892	26,343,892
Total	54,667,197	54,667,197	54,667,197

In connexion with the replacing of London loans as they fall due by local issues, and the practice which, except in one instance, has been followed of late years of borrowing money in the State instead of going to London for it, the following particulars are of interest:—

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND MELBOURNE, 30TH JUNE, 1900, AND 1906 TO 1909.
(Including Treasury Bonds in aid of Revenue.)

On 30th June.	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.	Melbourne.	London.	Melbourne.
	£	£	£	£
1900	44,655,579	4,669,306	1,735,307	152,046
1906	43,178,681	9,901,119	1,594,490	326,696
1907	39,629,869	13,475,120	1,450,950	450,952
1908	37,533,136	15,772,351	1,367,800	531,616
1909	38,592,431	16,074,766	1,404,875	543,219

An important point in relation to the London loans is that certain expenses occur each year in connexion with them which are not common to local loans. In the last financial year the amount was £6,895, of which £5,617 was paid as commission and £1,278 for stamps, advertising, &c.; the corresponding totals in recent previous years were:—£17,203 in 1902-3, £25,402 in 1903-4, £15,297 in 1904-5, £12,272 in 1905-6, £11,845 in 1906-7, and £11,980 in 1907-8.

The average rate of interest on the outstanding loans of the State is substantially less than it was a few years ago, and the following table, comparing the figures in 1900 (the year before Federation) with those in each of the last three years, illustrates this fact.

AMOUNT OF OUTSTANDING LOANS AT EACH RATE OF INTEREST, 1900, 1907, 1908, AND 1909.
(Including Treasury Bonds in aid of Revenue.)

Rates of Interest per cent.	Nominal amount outstanding on 30th June—			
	1900.	1907.	1908.	1909.
	£	£	£	£
4½	5,000,000	..	..	..
4	27,060,795	19,153,795	17,153,795	17,153,795
3½ ... ..	..	220,000	220,000	220,000
3½	12,250,000	23,043,884	25,356,269	26,934,035
3¼	300,000	150,000	125,000	100,000
3	4,714,090	10,536,310	10,449,423	10,258,367
Overdue (not bearing interest) ...	..	1,000	1,000	1,000
Total ...	49,324,885	53,104,989	53,305,487	54,667,197

The difference between the interest in 1900 and in 1909 represents a saving of nearly £144,000 per annum on the debt of £54,667,197 at 30th June, 1909.

LOANS AUTHORIZED BUT NOT RAISED.

The loans authorized, but not raised, on 30th June, 1909, amounted to £3,274,991, which sum now represents the unfloted balance of loans authorized since 1895. The following return gives the particulars of these loans:—

LOANS AUTHORIZED, BUT NOT RAISED, 30TH JUNE, 1909.

Under Loan Act No.—	Total.		
	Authorized.	Raised to 30th June, 1909.	Balance not raised.
	£	£	£
1440	100,000	63,000	37,000
1552	1,116,608	35,409	1,081,199
1623	500,000	493,784	6,216
1753	500,000	467,000	33,000
1816	100,000	93,869	6,131
1962	1,500,000	1,394,456	105,544
2041	1,250,000	44,314	1,205,686
2053	150,000	146,990	3,010
2163	500,000	135,500	364,500
2167	1,500,000	1,067,295*	432,705
Total	7,216,608	3,941,617	3,274,991

* The total of £1,500,000 has been raised, but only £1,067,295 of the amount was brought to account up to 30th June, 1909.

The rate of interest on the amount to be raised is 3 per cent. on £1,157,415, and 3½ per cent. on £2,117,576.

GROWTH OF FUNDED DEBT.

The following return shows the growth of the funded debt and interest since the date of the establishment of responsible government in 1855. The average rate of interest payable on the indebtedness has steadily declined from 6 per cent. in 1855 to 3.56 per cent. in

Growth of
Funded
Debt.

1908 and 1909. In relation to population, however, the amount per head substantially increased from 1855 to 1900, but since the latter year there has been no material alteration.

GROWTH OF FUNDED DEBT AND INTEREST, 1855 TO 1909.

End of Financial Year in—	Loans Outstanding.			Amount per head of population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest.
		Total.	Average rate per cent.		
1855	£ 480,000	£ 28,800	6·00	£ s. d. 1 6 4	£ s. d. 0 1 7
1860	5,118,100	306,405	5·99	9 10 4	0 11 5
1870	11,924,800	688,740	5·78	16 8 3	0 19 0
1880	20,056,600	1,004,436	5·01	23 11 9	1 3 7
1890	41,377,693	1,649,465	3·99	36 19 11	1 9 6
1900	48,774,885	1,867,604	3·83	40 17 4	1 11 3
1901	49,546,275	1,861,547	3·76	41 3 0	1 11 0
1902	50,408,957	1,887,877	3·74	41 15 5	1 11 4
1903	51,097,900	1,904,514	3·73	42 5 11	1 11 6
1904	51,519,962	1,876,011	3·64	42 13 4	1 11 1
1905	51,513,767	1,875,249	3·64	42 9 8	1 10 11
1906	52,904,800	1,915,499	3·62	43 2 3	1 11 3
1907	52,954,989	1,897,027	3·58	42 9 7	1 10 5
1908	53,180,487	1,895,354	3·56	42 1 1	1 10 0
1909	54,567,197	1,944,844	3·56	42 10 8	1 10 4

Including money borrowed for temporary purposes in aid of revenue (£100,000—Act 1451), the total amount of loans outstanding on 30th June, 1909, was £54,667,197, upon which the amount of interest and expenses (paid in 1908-9) was £1,873,609. In 1908-9, the net receipts from works constructed out of loan moneys and the interest received on advances to local bodies, &c., amounted to £1,928,636, or £55,027 more than was required to meet interest and expenses during the year on loans outstanding. It should be remembered that of the sum represented by these loans over £3,000,000, though expended on works of a permanent character, such as defences,

State schools, public offices, &c., does not earn revenue. On 30th June, 1909, there was also £727,021 at the credit of redemption funds.

SINKING FUNDS.

On 30th June, 1909, the sinking funds in Australia were as follows:—

Sinking Funds of Australian States.

SINKING FUNDS IN AUSTRALIAN STATES, 30TH JUNE, 1909.

State.	Sinking Funds in Connexion with—	
	State Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria	727,021	879,655
New South Wales	405,648	190,724
Queensland .. .. .	.. .. .	.. .. .
South Australia	426,315	19,023
Western Australia	2,233,385	143,434
Tasmania	357,419	99,484
Total	4,149,788	1,332,320

* Figures for 1908, except in the case of Tasmania, where they are for 1907.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1909:—

	Balance at Credit.
Mallee Land Account	£6,136
Closer Settlement Fund	34,475
Victorian Loans Redemption Fund	236,072
Victorian Government Consolidated Inscribed Stock Redemption Fund	450,338
Total	£727,021

By Act No. 1428 of 1896, the moneys accruing from licensing, leasing, or selling of land in the Mallee country, or Mallee border, are to be paid into the Treasury and placed to the credit of a separate account, to be called the "Mallee Land Account." The sums standing at credit of this account are available solely for the repurchase, redemption, or paying off of any Victorian stock or debentures.

Mallee Land Account.

By Act No. 1749 of 1901, it was provided that all moneys received by the Board of Land and Works, from lessees or purchasers of farm allotments, or purchasers of any land acquired by the Board, pursuant to the general provisions of the Act, should be paid into the Treasury, and placed to the credit of a separate account, to be called "The Farm Settlements Fund," which fund should be applied principally to the redemption of stock and debentures issued for Closer Settlement purposes, and the payment of interest thereon. Under the *Closer Settlement Act of 1904*, this fund was transferred to the Board appointed to administer that Act, and is now called the "Closer Settlement Fund."

Closer Settlement Fund.

By Act No. 1561 of 1898, it was enacted that a "Victorian Government Consolidated Inscribed Stock Redemption Fund" should be kept in the Treasury, and should be applied to the purchase or repurchase, and ultimately to the redemption of consolidated stock—that is, stock on the London Register—and to the payment of expenses and costs of such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. Transactions in this fund to 30th June, 1909, were as follows:—

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK
REDEMPTION FUND, 30TH JUNE, 1909.

Transactions.	To 30th June, 1909.
RECEIPTS.	
Waterworks Trusts	£ 169,365
Mallee Land Account	226,000
Revenue	201,233
Interest on Investments	18,613
Miscellaneous	85,268
Total receipts	700,479
EXPENDITURE.	
Purchase of Stock	249,432
Commission, &c.	709
Total expenditure	250,141
Balance in the Fund	450,338
Amount of stock repurchased and cancelled	266,605

The miscellaneous receipts include £62,827, surplus after redemption of loans, Acts 531 and 608. Of the balance in the fund, £414,300 was invested in Victorian Government debentures, and £36,038 held in cash.

By Act No. 1565 of 1898, it was enacted that a "Victorian Loans Redemption Fund" should be kept in the Treasury, and should be available for the purchase, repurchase, or redemption of any Victorian Government 3 per cent. stock and debentures payable at Melbourne, and for the payment of expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue, repayments on account of resumption of land in the Mallee district, and sundry

Consolidated
Inscribed
Stock Re-
demption
Fund.

Loans Re-
demption
Fund.

loans made by the Government to municipalities, &c. Transactions in this fund to 30th June, 1909, were as follows:—

THE VICTORIAN LOANS REDEMPTION FUND, 30TH JUNE, 1909.

Transactions.				To 30th June, 1909.
RECEIPTS.				£
From Revenue	...	...	...	559,331
Resumption of land in Mallee Districts and valuation of improvements	...	...	...	15,339
Payments by Municipalities	...	...	...	9,080
Geelong Municipal Waterworks Trust	...	...	...	265,000
Interest on Investments	...	...	...	10,571
Repayment of Loans—				
Bush fires relief	...	...	...	21,182
Floods relief	...	...	...	1,390
Seed advances	...	...	...	89,671
New pilot steamer	...	...	...	4,620
Yarrowee Channel	...	...	...	9,939
Wire Netting	...	...	...	11,657
Total receipts	...	...	...	997,780
EXPENDITURE.				
Purchase of stock	...	...	...	761,708
Balance in the fund	...	...	...	236,072
Amount of stock and debentures repurchased and cancelled				767,713

Of the balance in the fund, £230,329 was invested in Victorian Government debentures and stock, and £5,743 held in cash.

DEBTS IN AUSTRALIAN STATES AND NEW ZEALAND.

The following is a summary of the funded debts of the Australian States and New Zealand on 30th June, 1909, the amounts per head of population, and the total interest payable, the average rate per cent. and the rate *per capita*. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

Funded debts of Australian States and New Zealand.

FUNDED DEBTS OF AUSTRALIAN STATES AND NEW ZEALAND,
30TH JUNE, 1909.

State.	Funded Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	
Victoria	54,567,197	42 10 8	1,944,844	1 10 4	3.56
New South Wales	89,392,903	55 4 8	3,147,010	1 18 11	3.52
Queensland	41,568,827	73 4 11	1,534,837	2 14 1	3.69
South Australia	29,286,108	71 8 6	1,069,245	2 12 2	3.65
Western Australia	21,951,753	79 15 4	756,599	2 15 0	3.45
Tasmania	10,058,713	54 18 0	367,331	2 0 1	3.65
Total	246,823,501	56 18 2	8,819,866	2 0 8	3.57
New Zealand (31.3.09)	70,938,534	73 3 8	2,641,180	2 14 6	3.72

New Zealand, Queensland, South Australia, and Tasmania pay the highest average rate of interest on their loans, the reason being, not that their securities are considered of less value than those of the other States, but that a larger proportion of their loans was raised when the rates of interest were high.

In the following statement will be found the indebtedness per head of the various States of Australia and New Zealand at the close of each of the last five financial years :—

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN
AUSTRALIAN STATES AND NEW ZEALAND, 1905 TO 1909.

	At end of Financial Year—														
	1904-5.			1905-6.			1906-7.			1907-8.			1908-9.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Victoria	42	9	8	43	2	3	42	9	7	42	1	1	42	10	8
New South Wales ..	54	13	4	55	10	10	54	3	10	54	13	3	55	4	8
Queensland	74	17	10	73	6	7	72	0	9	70	15	8	73	4	11
South Australia ..	73	10	9	75	12	10	75	10	5	72	6	0	71	8	6
Western Australia ..	66	10	4	69	10	0	72	14	9	76	3	0	79	15	4
Tasmania	51	18	5	53	1	0	54	18	0	55	14	11	54	18	0
New Zealand	69	5	3	69	19	1	70	3	5	70	12	8	73	3	8

The following is a statement of the total indebtedness of the Australian States in 1909 :—

FUNDED AND UNFUNDED DEBTS OF AUSTRALIAN STATES, 1909.

State.	State Debts.		Municipal and Corporation Debts (exclusive of Loans from Government).	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria.. ..	54,567,197	532,937*	14,690,230	69,790,364	54 7 11
New South Wales	89,392,903	914,516	3,304,340	93,611,759	57 16 10
Queensland† ..	41,568,827	1,130,000	879,460	43,578,287	76 15 8
South Australia ..	29,286,108	1,150,075	128,976	30,565,159	74 10 11
Western Australia	21,951,753	312,631	710,594	22,974,978	83 9 9
Tasmania	10,056,713	78,201	572,051	10,706,965	58 8 11
Total	246,823,501	4,118,360	20,285,651	271,227,512	62 10 8

* Treasury Bonds have been issued for £100,000 of this amount, but it has been the practice to regard the sum represented by these bonds as part of the Unfunded Debt, as the money was borrowed for temporary purposes in aid of revenue, and is being paid off in yearly instalments.

† Excluding Government Savings Bank Stock and Debentures, £1,565,640.

The figures £271,227,512, include loans raised by the State Governments, municipal bodies, corporations, and trusts. The Victorian figures exclude the amount of the Tramways Trust loan, viz., £1,650,000, which is treated as a loan to a private company, for although the money has been borrowed by the Trust, which is composed of representatives of municipalities, on the security of municipal property, yet the interest is paid and a sinking fund provided by the Tramway Company, and the liability of the Trust thus becomes merely nominal.

The figures in the table show the full public indebtedness of the Commonwealth, including State, municipal, and corporation debts, to the latest date at which comparison can be made. Victoria has the smallest amount per head, New South Wales the next smallest, and Western Australia the largest. There are, of course, private debts to a considerable extent and private investments by British capitalists; but there is no reliable information as to the amount of this class of indebtedness.

The State debts are those for the year ended in 1909, the municipal and corporation debts are for the year ended in 1908, except in the case of Tasmania, where they are for 1907, figures for 1909 for other States than Victoria not being available. The complete figures for Victoria in 1909, appear in the following statement:—

STATE AND LOCAL DEBTS, 1909.

	£	£
State Debts (Funded)—		
London Register	38,592,431	
Melbourne Register	15,973,766	
State Debts (Unfunded)	532,937	
Overdue Debentures, late Melbourne and Hobson's Bay Railway—unpresented	1,000	
	<hr/>	
Total State Debts		55,100,134
Municipal	4,190,814	
Harbor Trusts	1,900,000	
Fire Brigades Board	130,000	
Melbourne and Metropolitan Board of Works	8,451,000	
	<hr/>	
Total Debts of Municipalities and Corporations		14,671,814
		<hr/>
Total Debts		69,771,948
		<hr/>

This sum (£69,771,948) is equal to a debt of £54 7s. 8d. per head of the population on 30th June, 1909.

DEBTS OF VARIOUS COUNTRIES.

Debts of
various
countries.

In order that a comparison may be instituted between the States of Australia and other countries of the world in regard to indebtedness, the following table is furnished. The highest debt per head of population here disclosed is that of France (£27 13s. 7d.), which is about two-thirds of that of Victoria. The next highest is the united liability of the Transvaal and Orange River Colonies (£21 14s.), then follows the liability of the Cape of Good Hope (£21 3s. 11d.), then the debt of Belgium (£19 1s. 2d.), Natal (£17 10s. 1d.), the United Kingdom (£16 15s. 1d.), and Italy (£15 8s.). After Italy there is shown a rapid diminution of indebtedness to £1 3s. per head in British India. It must be remembered, however, that the large indebtedness of the Australian States is the result of expenditure on railways, roads, irrigation and water supply works, harbors, public and other works, required for the speedy development of an entirely new country, whilst in the older countries of the world much of this class of work is left to private enterprise.

GOVERNMENT DEBTS PER HEAD OF POPULATION IN VARIOUS COUNTRIES.

Country.	Year.	Public Debt.	
		Total Amount.	Amount per Head of Population.
		£	£ s. d.
United Kingdom	1909	754,121,300	16 15 1
British India	1908	266,358,400	1 3 0
Canada	1909	98,365,600	14 3 3
Cape of Good Hope	1908	53,153,200	21 3 11
Natal	1908	20,749,100	17 10 1
Transvaal and Orange River	1908	36,660,300	21 14 0
France	1908	1,086,860,700	27 13 7
Italy	1908	522,298,000	15 8 0
Austria	1907	410,158,000	14 12 7
Hungary	1907	229,175,000	11 1 8
German States	1908	697,203,800	11 1 5
German Empire (Imperial)	1908	202,860,000	3 4 5
Norway	1908	18,597,000	7 18 1
United States of America (Federal)	1908	192,773,500	2 4 3
United States of America (States, Territories, &c.)	1902	383,228,000	4 17 6
Russia	1907	921,027,000	6 3 7
Sweden	1908	28,632,000	5 5 5
Belgium	1907	136,625,300	19 1 2

COMMONWEALTH, STATE, AND LOCAL TAXATION.

The following table shows for the last five financial years the amount of revenue collected under the various heads of taxation by the Commonwealth, the State, and the local bodies :—

COMMONWEALTH, STATE, AND LOCAL TAXATION, 1904-5 TO 1908-9.

Heads of Taxation.	Amount Received.				
	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
Federal—	£	£	£	£	£
Customs Duties... ..	1,907,065	1,950,713	2,129,548	2,507,704	2,204,638
Excise Duties	581,780	586,357	589,883	704,434	657,330
Total Federal Taxation	2,488,843	2,537,070	2,719,431	3,212,138	2,861,968
State—					
Wharfage Rates	50,213	52,771	53,099	55,389	56,683
Tonnage Dues	30,762	32,200	33,698	35,754	33,533
Licences	17,521	17,813	19,043	19,851	20,334
Probate & Succession Duties	265,876	328,628	401,631	304,830	418,418
Duties on Bank Notes	16,444	17,352	17,702	17,612	16,988
Stamp Duty	183,246	205,345	222,671	222,923	220,693
Land Tax	97,840	103,536	92,438	89,496	85,559
Income Tax	316,943	318,135	355,148	317,354	304,464
Race Clubs' percentage ... ..	...	...	4,875	5,554	5,772
Total State Taxation ...	978,845	1,075,780	1,200,305	1,068,763	1,167,444
Municipal Taxation ...	986,009	1,015,841	1,068,967	1,084,513	1,135,403
Harbor Trusts	167,727	197,434	199,944	212,320	201,881
Total Taxation ...	4,621,424	4,826,125	5,188,647	5,577,734	5,366,696

The relative pressure of taxation in successive years evidently depends, not on its amount or on its amount per head of population, but on the ability of the community to meet it. The figures in the above table should be read in conjunction with the wealth of the people, as indicated by the banking and probate returns and by income-tax returns, also with alterations in value of property as shown in municipal returns.

The taxation in Victoria per head of population by Commonwealth, State, and local bodies is as follows:—

COMMONWEALTH, STATE, AND LOCAL TAXATION PER HEAD OF POPULATION, 1904-5 TO 1908-9.

Division.	Taxation per Head of Population in—				
	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Federal	2 1 1	2 1 8	2 3 11	2 11 1	2 4 11
State	0 16 2	0 17 8	0 19 5	0 17 0	0 18 4
Local	0 19 1	0 19 9	1 0 4	1 0 7	1 1 0
Total	3 16 4	3 19 1	4 3 8	4 8 8	4 4 3

In the return following will be found, for the purpose of comparison, particulars of taxation by Government and local bodies throughout the States of Australia and in the United Kingdom:—

TAXATION BY GOVERNMENT AND LOCAL BODIES IN THE STATES OF AUSTRALIA AND THE UNITED KINGDOM.

	Total Amount of Taxation.	Rate per Head of Population.
	£	£ s. d.
Victoria	5,018,709	3 18 10
New South Wales	6,355,583	3 19 5
Queensland	2,472,443	4 8 7
South Australia	1,593,766	3 18 3
Western Australia	1,453,934	5 7 4
Tasmania	709,447	3 16 4
Total	17,603,882	4 1 11
United Kingdom	201,537,000	4 10 6

In these figures, which exclude wharfage rates and harbor dues, the Commonwealth and the State taxation have been taken for the year 1908-9, and the Local taxation for the year 1907-8, and it appears that the total taxation for Australia is £17,603,882, or an average of £4 1s. 11d. per head per annum. The lowest rate, £3 16s. 4d. per head, prevails in Tasmania; South Australia and Victoria are next, the former with £3 18s. 3d., and the latter with £3 18s. 10d.; then follow New South Wales, Queensland, and Western Australia, with £3 19s. 5d., £4 8s. 7d., and £5 7s. 4d. per head respectively. In the United Kingdom, the taxation is 8s. 7d. per head above that in Australia, and is higher than in any of the Australian States except Western Australia.

LICENCES.

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1909, and the amount of fees, under each head, collected during the year. Municipal licences for slaughtering, dairies, noxious trades, the carriage of passengers and goods, &c., are not shown.

LICENCES—NUMBER AND REVENUE, 1909.

Description of Licence.	Number of Licences Granted.	Amount of Fees Collected.		
<i>Excise.</i>				
Distilling—		£	s.	d.
Spirit Makers—General	4	200	0	0
Wine	5	125	0	0
Vignerons	27	135	0	0
Test Still	41	4	9	8
Manufacturing Tobacco, Cigars, Cigarettes, and Snuff	46	1,172	17	7
Brewers	33	825	0	0
Sugar refining	1	5	0	0
Starch manufacturing	2	10	0	0
<i>Licensing.</i>				
Victuallers*	4,536	78,859	0	0
Packet	15	300	0	0
Grocers	311	3,110	0	0
Australian Wine	298	1,490	0	0
Railway Refreshment Rooms	32	800	0	0
Billiard Tables	91	580	0	0
Wine and Spirit Merchants	415	10,320	10	2
Brewers	38	38	0	0
Club	108	216	0	0
Vignerons	35	175	0	0
<i>Customs.</i>				
Carriage	960	237	12	6
Lighter and Boat	55	13	12	6
Custom House Agents	69	340	0	0
Bond	49	4,353	10	0
<i>Explosives.</i>				
Importation	170	613	15	0
Manufacture of Rack-a-rock	16	4	0	0
Manufacture of other Explosives	6	7	10	0
Magazine	250	175	10	0
Fireworks, Sale of	757	37	17	0
Other than Fireworks, Sale of	1,441	360	5	0
<i>Miscellaneous.</i>				
Auctioneers—General †	719	13,517	19	7
Gold-buyers	42	96	4	5
Gold-assayers	44	126	7	10

* Including temporary licences, which numbered 1,232, on which the fees collected amounted to £2,464.

† Including 157 temporary licences, on which the fees collected were £157.

In addition to the preceding there are other licences, particulars of which cannot be obtained for the calendar year 1909, but the fees collected during the financial year 1908-9 are as follows:—

Description of Licence.	Amount of Fees Collected.		
	£	s.	d.
Insurance	13,965	0	0
Sale of Tobacco, &c. .. .	1,544	18	9
Pawnbrokers	1,110	0	0
Hawkers	1,314	15	0
Carriers	68	14	0
Stage Carriage	174	5	0
Marine Store	151	9	0
Forwarding Agents	100	0	0
Permits to Fish, &c. .. .	7	7	6
Race Clubs	235	4	6
Oysters	11	15	0