

### FINANCE.

State  
Finance.

Under the Constitution Act the revenues of the State are payable into Consolidated Revenue, but certain of these revenues have been hypothecated by various Acts of Parliament for specified purposes, and are payable into special accounts or funds kept at the State Treasury. These special accounts or funds include the Mallee Land Account, the Assurance Fund, the Licensing Fund, the Licensing Act Compensation Fund, the Police Superannuation Fund, the Country Roads Board Fund, and the Developmental Railways Account. In addition to these funds there are the Loan Fund, into which all borrowed moneys are paid, and various Trust Funds.

Subsequent to the elevation of Victoria into a self-governing Colony, in 1851, it was divided for the purposes of local government into Districts, which were evolved later into the present system of municipalities. The municipalities have power to levy rates, and are assisted with grants by the State Government. Particulars regarding municipal finance are dealt with in another section of the *Year-Book*. Allied to the municipalities are the Boards and Trusts which control water supply, irrigation, and sewerage, and have rating powers in connexion therewith. There are also the Metropolitan Fire Brigades Board and the Country Fire Brigades Board, which are concerned with fire extinction in the metropolis and urban districts, and derive their revenues from the State Government, the Municipalities, and Insurance Companies; and the Melbourne and Geelong Harbour Trusts, which are intrusted with the management of those respective ports, and derive their revenues mainly from wharfage rates.

The Lands Purchase and Management Board manages closer settlement on behalf of the State. Lands are purchased with loan moneys, and the revenues received by the Board from lessees, &c., are paid into the Closer Settlement Fund, from which the working expenses of the Board are met, interest on loans provided, and loans redeemed.

Upon the federation of the Australian Colonies in 1901 the Customs and Excise, Post and Telegraph, and Defence Departments were transferred to the Commonwealth Government, as a set off against which the Commonwealth paid to the States at least three-fourths of the net Customs and Excise revenue until 31st December, 1910, and subsequently an annual amount equal to 25s. per head of the population.

A summary of the transactions for the financial year 1917-18 in the Consolidated Revenue Fund and in the special funds referred to above gives the following result :—

REVENUE AND EXPENDITURE ACCOUNT OF VICTORIA,  
1917-18.

						£
Revenue ...	...	...	...	...	...	12,672,787
Expenditure ...	...	...	...	...	...	12,631,169
Surplus for the year	...	...	...	...	...	41,618
Revenue deficit at 30th June, 1917	...	...	...	...	...	1,623,507
Revenue deficit at 30th June, 1918	...	...	...	...	...	1,581,889

The Revenue and Expenditure Account is a statement of cash transactions, the revenue representing actual receipts less refunds, and the expenditure actual payments made during the year. The accumulated revenue deficiency at 30th June, 1918, as shown above, was £1,581,889, being a decrease as compared with that for the previous year of £41,618. This deficiency had its beginning in the year 1890-91, when it amounted to £206,843, and in the course of the next five years it was added to year by year, until it reached its greatest magnitude (£2,711,436) on 30th June, 1896. After that date it was steadily reduced year by year, with one or two exceptions, to £251,652 on 30th June, 1914; but during 1914-15, under conditions brought about by the war and a serious drought, it was increased to £1,429,603, and it was further increased in the following year to £1,642,091.

The differences between the amounts of revenue and expenditure shown above and those given in the Treasurer's Finance Statement arise from the use of a different method of classification for statistical purposes, the particulars of which are as follows :—

	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ...	12,361,235	12,141,079
<i>Add—</i>		
Mallee Land Account—appropriated to		
Loan Redemption purposes ...	77,529	77,529
Country Roads Board Fund ...	83,268	83,268
Surplus Revenue appropriated to		
“Revenue Services” ...	...	220,156
Licensing Fund ...	143,501	143,501
Police Superannuation Fund ...	5,337	5,337
Assurance Fund ...	1,917	1,917
<i>Deduct—</i>		
Treasury Bonds Redeemed ...	...	25,000
Appropriation to reduction of deficit ...	...	16,618
Total ...	12,672,787	12,631,169

Compiled on the above basis, the revenue and expenditure of the State for the last ten years are shown in the next statement:—

### STATE REVENUE AND EXPENDITURE: 1908-9 TO 1917-18.

Year ended 30th June.	Revenue.	Expenditure.	Year ended 30th June.	Revenue.	Expenditure.
	£	£		£	£
1909 ...	8,409,543	8,402,036	1914 ...	10,958,037	10,944,718
1910 ...	8,760,305	8,742,293	1915 ...	10,529,017	11,706,968
1911 ...	9,372,637	9,362,291	1916 ...	11,470,875	11,683,363
1912 ...	10,181,840	10,171,386	1917 ...	11,813,879	11,795,295
1913 ...	10,508,945	10,479,741	1918 ...	12,672,787	12,631,169

The expenditure shown in this statement includes considerable sums appropriated to pay off liabilities of former years, and to form sinking funds to meet outstanding loans. Such appropriations and the amount of revenue applied in reduction of the accumulated deficiency are detailed in the succeeding table.

### REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES, ETC., 1908-9 TO 1917-18.

Year ended 30th June.	ORDINARY REVENUE APPROPRIATED.				Total.
	In reduction of the accumulated revenue de- ficiency of former years.	To Land Sales by Auction Fund.	In redemption of loans raised in anticipation of revenue.	Towards Redemption Funds to meet out- standing loans.*	
	£	£	£	£	£
1909 ...	7,507	45,216	25,000	145,716	223,439
1910 ...	18,012	43,319	25,000	165,527	251,858
1911 ...	10,346	41,643	25,000	166,864	243,853
1912 ...	10,454	14,988	25,000	190,909	241,351
1913 ...	29,204	...	25,000	212,269	266,473
1914 ...	13,319	...	...	204,745	218,064
1915 ...	17,519	...	...	211,117	228,636
1916 ...	20,327	...	...	266,599	286,926
1917 ...	18,584	...	...	296,345	314,929
1918 ...	16,618	...	25,000	299,578	341,196
Totals (10 years)	161,890	145,166	150,000	2,159,669	2,616,725

\* Full particulars of the Redemption Funds will be found further on in this "part."

In addition to the above appropriations there were in the financial years 1908-9 and 1911-12 large surpluses, which were applied specially to works or purposes of a public nature.

**Heads of State Revenue.**

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

**HEADS OF STATE REVENUE, 1913-14 TO 1917-18.**

Heads of Revenue.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£	£	£	£	£
Federal Government...	1,733,280	1,757,894	1,743,467	1,722,409	1,739,481
State Taxation—					
Probate and Succession Duties ...	457,042	536,869	510,032	546,400	506,662
Income Tax ...	527,705	506,214	702,745	766,746	773,468
Land Tax ...	302,224	303,550	352,353	369,486	353,156
Stamp Duties ...	275,839	287,169	397,978	430,352	505,637
Licences ...	116,678	112,953	98,302	154,542	158,842
Other ...	13,848	15,286	13,429	14,846	12,958
Public Works and Services—					
Railways ...	5,568,039	5,170,020	5,727,275	5,882,968	6,615,914
Water Supply ...	324,143	284,979	355,083	352,071	342,600
Harbor Trusts, Wharfage, &c. ...	120,241	105,517	105,045	92,937	92,237
State Coal Mine ...	257,192	275,590	253,668	250,334	302,276
Interest on properties transferred to Commonwealth ...	87,068	82,803	82,764	82,763	83,333
Other ...	28,990	39,838	47,856	46,324	89,223
Land—					
Sales ...	164,124	139,122	162,239	172,766	157,297
Rents ...	142,738	144,466	129,191	129,265	135,176
Interest, &c. ...	168,173	172,064	193,188	180,445	184,239
Other Sources ...	670,713	594,683	596,260	619,225	620,288
Total ...	10,958,037	10,529,017	11,470,875	11,813,879	12,672,787
Per Head of Population	£ s. d. 7 15 2	£ s. d. 7 7 2	£ s. d. 8 1 0	£ s. d. 8 8 0	£ s. d. 8 19 8

The revenue for 1917-18 represents an increase of £858,908 on that for the previous year, and of this amount £732,946 is shown against Railways. The payments to the State by the Federal Government in the last eight years were computed on the basis of a fixed payment of 25s.\* per head of population in the State, whereas in preceding years the Federal Government paid over to the State at least three-fourths of the net revenue from Customs and Excise duties. The reduction during the last five years in the revenue from sale of Crown lands is chiefly due to the fact that revenue from lands sold by auction is now payable into the "Developmental Railways Account."

\* This is subject to a slight reduction on account of a special payment to Western Australia. The reduction in 1917-18 was about 4d. per head of population. See *Year-Book* 1915-16, page 142.

## FEDERAL AND STATE FINANCE.

### Federal and State Finance.

A statement of the financial relations existing between the Commonwealth and the several States appears in the *Year-Book* for 1916-17, page 148.

## INCOME TAX.

### State 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 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 mining company or company in liquidation.

In the years 1914 and 1915, figures for which appear on page 51, incomes up to £200 were exempt from taxation except in the cases of companies and absentees, and those between £201 and £500 were allowed an exemption of £150 except in the cases of companies and absentees. The rates of tax in those years on incomes from personal exertion were 3d. on every £1 of the taxable amount up to £500; thence up to £1,000, 4d.; thence up to £1,500, 5d.; and over £1,500, 6d. in the £1. The rates on incomes from property were respectively double the rates on incomes from personal exertion. In the case of life assurance companies the tax was 8d. in the £1 on 30 per cent. of the premium income from ordinary business and on 15 per cent. of that from industrial business. In the case of mining companies the tax was 7d. in the £1 on the total amount of dividends declared and debenture interest paid. In the case of other companies liable to tax the rate was 7d. in the £1 on the net income.

For the year 1915-16 and for the three subsequent years, while the exemptions and rates for incomes up to £500 were not altered, the rates on incomes over £500 from personal exertion were increased to 4d. for every £1 of the taxable amount thereof up to £500, to 5d.

for every £1 between £500 and £1,000, to 6d. for every £1 between £1,000 and £1,500, and to 7d. for every £1 over £1,500. The rates on incomes from property were respectively double those on incomes from personal exertion, and the rate for companies was 12d. for every £1 of the taxable amount.

In the following table are shown the rates of taxation, also the number of assessments, the amount of taxable incomes, and the tax payable in the respective groups for which different rates of taxation are charged :—

### INCOME TAX ASSESSMENTS, 1917-18—BASED ON INCOMES OF 1916-17.

Taxable Income.	Rate of Tax in £1 of Taxable Income.			Number of Assessments.			
	Personal Exertion.	Property.	Companies.	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.
	d.	d.	d.				
Up to £500 ..	3	6		31,354	8,450	824	642
£501 to £1,000	4	8		1,986	957	2,229	222
£1,001 to £1,500	5	10		369	243	596	144
£1,501 to £2,000	6	12		156	107	295	95
£2,001 and upwards	7	14		205	132	521	531
Total ..	...	..	.. ..	34,070	4,889	4,465	1,634

  

Taxable Income.	Taxable Incomes.				Tax Payable.			
	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.
	£	£	£	£	£	£	£	£
Up to £500 ..	4,135,978	544,924	170,904	112,243	51,699	13,626	2,983	5,609
£501 to £1,000	1,330,782	655,210	1,523,773	161,492	23,565	23,313	31,599	8,028
£1,001 to £1,500	448,242	295,921	718,029	177,035	8,839	11,759	15,655	8,852
£1,501 to £2,000	265,863	185,798	507,997	165,406	5,771	8,164	12,568	8,270
£2,001 and upwards	753,342	512,788	2,429,661	6,676,103	19,411	26,612	77,360	333,805
Total ..	6,934,207	2,194,641	5,350,364	7,292,279	109,285	83,474	140,165	364,564

On account of rebates of income tax allowed under section 18 of the *Income Tax Act* 1915 the tax payable does not coincide with the rates of tax when applied to the taxable incomes shown in the above statement.

In the succeeding statement particulars of the assessments, incomes, and tax for the last five years are set forth :—

## INCOME TAX : 1914 TO 1917-18.

—	1914.	1915.	1915-16.	1916-17.	1917-18.
Number of Assessments:					
Individuals ..	44,172	44,863	40,581	45,084	43,424
Companies ..	1,500	1,632	1,473	1,546	1,634
Total, Distinct Taxpayers ..	45,672	46,495	42,054	46,630	45,058
Taxable Incomes of previous year:					
Individuals ..	£ 17,306,324	£ 16,869,357	£ 14,730,654	£ 16,569,263	£ 14,479,213
Companies ..	6,064,835	6,546,342	6,653,015	7,191,667	7,292,279
Total ..	23,371,159	23,415,699	21,383,669	23,760,930	21,771,492
Tax payable:					
Individuals ..	327,293	320,166	338,413	377,472	332,924
Companies ..	178,522	192,679	333,148	359,569	364,564
Total ..	505,815	512,845	671,561	737,041	697,488
Per taxpayer ..	£ s. d. 11 1 6	£ s. d. 11 0 7	£ s. d. 15 19 4	£ s. d. 15 16 1	£ s. d. 15 9 7
Average tax payable in the £1 on taxable incomes by—					
Individuals ..	d. 4·54	d. 4·55	d. 5·51	d. 5·47	d. 5·52
Companies ..	7·06	7·06	12·00	12·00	12·00

In a comparison of the particulars contained in this table it should be noted that the rate of tax was increased in 1915-16. The figures have not been revised, and are subject to a slight adjustment for corrections and payments made in a year subsequent to that to which they relate, but it is unlikely that any such adjustment will materially affect them.

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' 1917-18.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
<b>1 Professional.</b>					£	£	£	£ s. d.
Civil Servants	1,660	...	102	1,762	5,719	346	6,065	3 8 10
Clergymen ...	625	3	35	663	1,525	144	1,669	2 10 4
Legal Practitioners ...	416	7	152	575	5,537	3,310	8,847	15 7 9
Medical Practitioners ...	276	9	189	474	7,114	2,449	9,563	20 3 6
Police ...	597	...	12	609	770	12	782	1 5 8
Teachers ...	1,478	1	72	1,551	3,518	319	3,837	2 9 6
Various ...	2,576	23	287	2,886	11,820	3,417	15,237	5 5 7
	7,628	43	849	8,520	36,003	9,997	46,000	5 8 0
<b>2. Domestic.</b>								
Hotelkeepers...	529	13	161	703	4,625	1,503	6,128	8 14 4
Various ...	306	8	37	351	1,041	271	1,312	3 14 9
	835	21	198	1,054	5,666	1,774	7,440	7 1 2



SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1917-18—  
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.
					£	£	£	£ s. d.
<i>3. Commercial.</i>								
Agents ...	630	18	166	814	4,990	1,585	6,575	8 1 6
Brokers ...	103	2	31	136	2,632	267	2,899	21 6 3
Butchers ...	288	3	45	336	1,679	718	2,397	7 2 8
Clerks ...	5,580	10	401	5,994	22,623	2,898	25,521	4 5 2
Drapers ...	356	3	80	439	6,015	782	6,797	15 9 8
Grocers ...	316	...	62	378	1,874	421	2,295	6 1 5
Merchants ...	566	14	359	939	29,503	6,589	36,092	38 8 9
Salesmen ...	3,086	5	283	3,374	12,578	1,634	14,212	4 4 3
Storekeepers ...	295	1	62	358	2,176	469	2,645	7 7 9
Various ...	1,436	56	254	1,746	9,464	3,468	12,932	7 8 2
	12,656	112	1,746	14,514	93,534	18,831	112,365	7 14 10
<i>4. Transport.</i>								
Carriers ...	342	2	45	389	1,331	216	1,547	3 19 6
Engaged in Postal Service	680	...	12	692	1,137	43	1,180	1 14 1
Engaged in Railways	1,846	1	42	1,889	2,928	81	3,009	1 11 10
Engaged in Shipping	300	...	33	333	1,746	331	2,077	6 4 9
	3,168	3	132	3,303	7,142	671	7,813	2 7 4
<i>5. Industrial.</i>								
Carpenters ...	445	28	75	548	1,657	924	2,581	4 14 2
Engine-drivers	247	...	2	249	260	4	264	1 1 2
Engineers ...	843	2	62	907	2,882	224	3,106	3 8 6
Managers ...	725	1	99	825	3,987	1,357	5,344	6 9 7
Manufacturers	559	5	228	792	14,315	2,307	16,622	20 19 9
Printers ...	642	1	41	684	2,019	1,186	3,205	4 13 9
Various ...	4,610	9	254	4,873	12,380	1,388	13,768	2 16 6
	8,071	46	761	8,878	37,500	7,390	44,890	5 1 2

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1917-18—  
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.
<b>6. Primary Producers.</b>					£	£	£	£ s. d.
Engaged in Agriculture, &c.—								
Dairy Farmers	97	3	21	121	422	170	592	4 17 9
Farmers ...	371	88	184	643	4,587	3,172	7,759	12 1 4
Graziers ...	124	85	210	419	11,835	6,703	18,538	44 4 11
Various ...	338	23	45	406	1,276	622	1,898	4 13 6
	930	199	460	1,589	18,120	10,667	28,787	18 2 4
Engaged in Mining—								
Legal Managers	20	...	3	23	179	68	247	10 15 1
Miners ...	85	...	3	88	243	60	303	3 8 11
Mining Managers ...	78	...	5	83	267	6	273	3 5 8
Various ...	97	1	6	104	421	31	452	4 7 0
	280	1	17	298	1,110	165	1,275	4 5 7
	1,210	200	477	1,887	19,230	10,832	30,062	15 18 8
<b>7. Indefinite.</b>	502	4,464	302	5,268	2,389	81,965	84,354	16 0 3
<b>8. Companies.</b>								
Life Assurance	20	...	...	20	24,225	...	24,225	1,211 5 4
Mining ...	17	...	...	17	2,794	...	2,794	164 7 1
Other ...	1,597	...	...	1,597	337,545	...	337,545	211 7 3
	1,634	...	...	1,634	364,564	...	364,564	223 2 3
<b>Total ...</b>	<b>35,704</b>	<b>4,889</b>	<b>4,465</b>	<b>45,058</b>	<b>566,028</b>	<b>131,460</b>	<b>697,488</b>	<b>15 9 7</b>

Of the total taxpayers, 79 per cent. gained their incomes from personal exertion, 11 per cent. from property, and 10 per cent. from personal exertion combined with property. The proportion of taxpayers of definite occupations deriving incomes from personal exertion ranged from 59 per cent. in the case of primary producers engaged in agriculture to 96 per cent. in the case of those engaged in transport. Personal exertion combined with property was the source of income in a proportion ranging from 4 per cent. of those engaged in transport

to 29 per cent. of primary producers engaged in agriculture. The incomes of the indefinite class, which comprises persons of independent means and of no occupation and pensioners, are gained by 10 per cent. of their number from personal exertion, by about 85 per cent. from property, and by 5 per cent. from personal exertion combined with property. The tax on all incomes obtained from personal exertion furnished 81 per cent. of the total, the percentage being as low as 3 for indefinite occupations, and for the definite classes ranging from 63 for primary producers engaged in agriculture to 91 in the case of persons engaged in transport.

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

### TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1917-18.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£501 and £1,000.	£1,001 and over.		£51 and £500.	£501 and £1,000.	£1,001 and over.	
<i>1. Professional.</i>					£	£	£	£
Civil Servants ...	1,531	214	17	1,762	2,906	2,673	436	6,065
Clergymen ...	626	31	6	663	1,033	385	202	1,670
Legal Practitioners ...	337	130	108	575	714	1,920	6,213	8,847
Medical Practitioners	144	172	158	474	386	2,461	6,716	9,563
Police ...	604	5	...	609	720	62	...	782
Teachers ...	1,457	77	17	1,551	2,331	985	520	3,836
Various ...	2,363	413	110	2,886	4,414	5,212	5,611	15,237
	7,062	1,042	416	8,520	12,554	13,698	19,748	46,000
<i>2. Domestic.</i>								
Hotelkeepers ...	466	185	52	703	1,086	2,493	2,548	6,127
Various ...	306	36	9	351	543	503	267	1,313
	772	221	61	1,054	1,629	2,996	2,815	7,440
<i>3. Commercial.</i>								
Agents ...	593	152	69	814	1,212	2,161	3,201	6,574
Brokers ...	76	32	28	136	178	468	2,253	2,899
Butchers ...	269	50	17	336	496	682	1,218	2,396
Clerks ...	5,204	566	224	5,994	8,919	7,107	9,495	25,521
Drapers ...	323	74	42	439	621	930	5,246	6,797
Grocers ...	306	46	26	378	606	582	1,108	2,296
Merchants ...	397	219	323	939	870	3,087	32,134	36,091
Salesmen ...	2,930	342	102	3,374	5,258	4,353	4,602	14,213
Storekeepers ...	263	65	30	358	546	855	1,245	2,646
Various ...	1,379	257	110	1,746	2,617	3,549	6,766	12,932
	11,740	1,803	971	14,514	21,323	23,774	67,268	112,365

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1917-18—  
continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£501 and £1,000.	£1,001 and over.		£51 and £500.	£501 and £1,000.	£1,001 and over.	
<b>4. Transport.</b>								
Carriers ...	345	31	13	389	£ 558	£ 420	£ 570	£ 1,548
Engaged in Postal Service ...	673	18	1	692	938	220	22	1,180
Engaged in Railways	1,845	43	1	1,889	2,470	501	37	3,008
Engaged in Shipping	274	38	21	333	443	504	1,130	2,077
	3,137	130	36	3,303	4,409	1,645	1,759	7,813
<b>5. Industrial.</b>								
Carpenters ...	485	44	19	548	814	709	1,058	2,581
Engine-drivers ...	248	1	...	249	254	10	...	264
Engineers ...	824	63	20	907	1,253	825	1,027	3,105
Managers ...	656	131	38	825	1,282	1,614	2,449	5,345
Manufacturers ...	431	184	177	792	889	2,428	13,305	16,622
Printers ...	629	34	21	684	952	460	1,793	3,205
Various ...	4,558	238	77	4,873	6,204	3,148	4,416	13,768
	7,831	695	352	8,878	11,648	9,194	24,048	44,890
<b>6. Primary Producers.</b>								
Engaged in Agriculture, &c. ...								
Dairy Farmers ...	97	20	4	121	222	262	107	591
Farmers ...	405	147	91	643	1,013	1,951	4,795	7,759
Graziers ...	149	85	185	419	476	1,460	16,602	18,538
Various ...	354	31	21	406	657	448	793	1,898
	1,005	283	301	1,589	2,368	4,121	22,297	28,786
Engaged in Mining—								
Legal Managers ...	15	5	3	23	36	58	154	248
Miners ...	85	...	3	88	106	...	198	304
Mining Managers ...	74	6	3	83	134	66	72	272
Various ...	94	6	4	104	143	75	234	452
	268	17	13	298	419	199	658	1,276
	1,273	300	314	1,887	2,787	4,320	22,955	30,062
<b>7. Indefinite.</b>								
	3,813	981	474	5,268	13,958	2,851	47,545	84,354
<b>8. Companies.</b>								
Life Assurance ...	4	...	16	20	29	...	24,197	24,226
Mining ...	2	4	11	17	23	145	2,625	2,793
Other ...	636	218	743	1,597	5,557	7,883	324,105	337,545
	642	222	770	1,634	5,609	8,028	350,927	364,564
Total ...	36,270	5,394	3,394	45,058	73,917	86,506	537,065	697,488

Of the number of taxable incomes assessed, about 80½ per cent. were under £500, 12 per cent. were between £501 and £1,000, and 7½ per cent. were over £1,000; but the tax levied on these incomes formed 10·6, 12·4, and 77 per cent. respectively of the total. A perusal of the above table shows that the occupational group which contributes the largest amount of tax is that of merchants, 939 of whom were taxed £36,091, and that of these 323 had taxable incomes of over £1,000, and were called upon to pay £32,134. The group paying the next largest amount of tax is that of clerks, 5,994 of whom were taxed £25,521. Of these, 224 had taxable incomes of over £1,000, and were called upon to pay £9,495.

In addition to the State Income Tax there is a Commonwealth Income Tax, which was first imposed on incomes earned in the financial year 1914-15.

### LAND TAX.

#### State Land Tax.

The State Land Tax Act of 1915 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might in ordinary circumstances be expected to require; and assuming that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act at a rate declared for each year by Act of Parliament. The rate of tax for 1918 was one halfpenny on every pound sterling of the unimproved value of all land having an unimproved value exceeding £250. No tax is chargeable when the unimproved value does not exceed £250. Where the assessed unimproved value exceeds the amount of exemption (£250) the exemption diminishes at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds £500. The present land tax is a complete departure from the principles of the former one, under which only the lands of estates over 640 acres in extent and over £2,500 in value were taxed, and such lands were valued on a purely pastoral basis, the valuation varying from £1 to £4 per acre according to their sheep-carrying capacity, irrespective of whatever value might have attached to them for dairying or agricultural purposes.

The Assessment Roll at 31st December of each of the last five years showed the following particulars:—

Assessment.	Taxpayers.			Net Assessment of Tax.
1914 ... ..	...	83,087	...	£317,695
1915 ... ..	...	83,972	...	£315,858
1916 ... ..	...	85,902	...	£311,514
1917 ... ..	...	88,783	...	£309,429
1918 ... ..	...	88,926	...	£310,142

**Common-  
wealth Land  
Tax Act.**

In addition to the State Land Tax there is upon the lands in the State a Commonwealth Land Tax, which was assented to on 17th November, 1910. The following particulars of land tax assessment for Victoria for the financial year 1916-17 were furnished by the Federal Commissioner of Land Tax. The estates assessed numbered 4,968, of which 4,277 belonged to resident and 691 to absentee taxpayers. The unimproved value of these estates, as ascertained by the Department, was £47,970,702. The taxable value, after allowing for all statutory deductions from the unimproved value, was £32,407,447, on which the tax payable was £301,267. In addition there were 926 central office taxpayers who held an unimproved value of £8,520,756 representing their Victorian interests, on which the tax payable was £123,372.

**RAILWAY REVENUE AND EXPENDITURE.****Victorian  
Railways,  
financial  
results.**

A summary of the results of the working of the Victorian Railways during the last five years is given in the annexed statement. The figures have been taken from the Railway Report and represent the actual business done each year, not the receipts and payments brought to account by the Treasury within the year. They include particulars of the St. Kilda-Brighton Electric Street Railway.

**RAILWAY BALANCES : 1913-14 TO 1917-18.**

	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£	£	£	£	£
Gross Revenue ...	5,581,474	5,183,687	5,730,743	5,980,638	6,593,873
Working Expenses ...	3,773,493	4,134,878	4,020,256	4,174,542	4,474,745
Pensions, Gratuities, &c.	112,855	123,438	121,332	131,416	129,160
Net Receipts ...	1,695,126	925,371	1,589,155	1,674,680	1,989,968
Interest on Cost of Construction	1,677,369	1,767,807	1,927,107	2,012,447	2,126,906
Surplus ...	17,757	...	...	...	...
Deficit ...	...	842,436	337,952	337,767	136,938

There was a decrease in the surplus of 1913-14 as compared with the preceding year of £4,493, which was due to concessions in freight charges, to the improved train facilities provided, to the higher cost of materials, &c., and to the improved scale of payment and better working conditions provided for the staff. In 1914-15 these factors again operated and expenditure was further increased by efforts to minimize unemployment, also there was a loss in revenue on account of adverse conditions occasioned by a drought. The result was that a deficit of £842,436, the first since 1907-8, was shown for that year,

and, although there has since been an improvement, the transactions for 1917-18 showed a deficit of £136,938.

### RAILWAY ACCIDENT AND FIRE INSURANCE FUND.

The establishment of a permanent fund to be kept at the Treasury, and called the Railway Accident and Fire Insurance Fund, was effected by provision in the *Railways Act 1907*. This provision requires the Railway Commissioners to pay into such fund the sum of 10s. for every £100 sterling of the revenue of the Victorian Railways until the fund amounts to £100,000, at which amount it is to be maintained. During the year ended 30th June, 1918, the receipts of the fund amounted to £32,744, whilst the payments made therefrom were £6,741 for compensation, damages, costs, &c., to persons other than employees injured; £11,482 as compensation on account of injuries to or deaths of employees; and £9,881 as compensation for goods or parcels lost, and for damages caused by fire, &c.

### STATE EXPENDITURE.

Heads of  
State  
expenditure.

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

### SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE: 1913-14 TO 1917-18.

Heads of Expenditure.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£	£	£	£	£
<i>General Government.</i>					
Governor ...	10,755	7,756	7,816	8,341	7,486
Parliament and Ministry	74,354	83,238	73,867	71,055	82,591
Civil Establishment ...	327,632	333,663	320,930	302,345	293,836
Pensions and Gratuities	340,863	367,718	371,031	382,160	391,521
<i>Law, Order, and Protection.</i>					
Judicial and Legal ...	197,099	206,016	175,188	168,021	165,613
Police ...	363,692	370,381	343,546	334,010	341,364
Penal Establishments and Gaols	56,555	58,864	58,395	59,614	55,027
<i>Education, &amp;c.</i>					
State Schools, &c. ...	1,033,256	1,081,461	1,052,506	1,045,203	1,084,050
Technical Schools ...	41,592	55,673	46,771	51,946	70,247
University ...	30,413	17,576	39,212	26,284	26,500
Libraries, &c. ...	40,839	36,069	28,119	27,289	26,253
Art and Science ...	12,630	11,969	9,739	9,506	8,830
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts	29,475	27,229	24,436	23,981	21,547
Public Health ...	53,632	49,192	39,718	85,870	50,439
Charitable Institutions, &c.	497,642	540,259	563,990	574,840	564,535

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE :  
1913-14 TO 1917-18—*continued.*

Heads of Expenditure.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
<i>Crown Lands, &amp;c.</i>	£	£	£	£	£
Crown Lands ...	176,917	180,400	151,659	151,588	142,540
Agriculture and Stock ...	188,826	189,784	286,081	185,831	198,193
Mining ...	317,632	360,044	334,761	322,799	409,502
<i>Public Works.</i>					
Railways ...	3,781,671	4,144,959	4,028,449	4,184,199	4,475,717
Water Supply ...	115,524	133,059	125,574	111,052	120,789
Harbors, Rivers, and Lights	164,814	155,530	111,217	75,932	75,928
Roads and Bridges ...	13,777	16,690	9,509	4,086	6,546
Country Roads Board Fund	49,276	54,785	62,270	71,807	83,268
Municipal Endowment, &c.	124,915	127,828	73,797	61,611	60,753
Works and Buildings, n.e.i.	51,997	48,064	45,349	37,242	67,460
Interest and Expenses of Public Debt	2,298,005	2,439,180	2,706,313	2,869,511	3,010,358
Interest on Advances from Savings Banks	16,293	7,887	7,689	7,879	8,453
Redemption Funds, &c.	204,745	211,117	266,599	296,345	299,578
<i>Other Expenditure.</i>					
Mint Subsidy ...	20,000	20,000	20,000	20,000	25,000
Fire Brigades ...	27,753	29,656	31,822	32,820	32,882
Immigration ...	67,848	75,600	19,315	13,286	9,895
Licensing Fund ...	108,912	107,752	95,606	144,732	143,501
Licensing Act Compensation Fund	60,139	63,624	60,396	...	...
Expeditionary Forces — Allowance to Railway Department for carriage	...	32,232	45,997	738	6,610
Assurance Fund ...	3,052	2,564	2,127	2,050	1,917
Surplus Revenue appropriated to "Revenue Services"	...	...	...	...	220,156
Miscellaneous ...	42,193	59,149	43,569	31,322	42,284
Total ...	10,944,718	11,706,968	11,683,363	11,795,295	12,631,169
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	7 15 0	8 3 8	8 4 8	8 8 8	8 19 0

Compared with the previous year the ordinary expenditure of the State for 1917-18 shows an increase of £835,874. The heads of expenditure showing the largest increases are—Railways, £291,518; Interest and Expenses of Public Debt, £140,847; Mining, £86,703; State and Technical Schools, £57,148.



## PENSIONS AND GRATUITIES.

**Pensions and gratuities to Government servants.**

The bestowal of pensions or superannuation allowances was abolished on the 24th December, 1881, in the case of persons, except Supreme Court Judges and police, entering the Public Service after that date.

During the year 1917-18, 3,153 pensions, amounting to £350,713, were paid to ex-public servants not including police, viz., 2,984 under special appropriations, amounting to £341,082; and 169 from annual votes, amounting to £9,631. Thirty compensations and gratuities were also paid, the amount being £5,972. The following statement summarizes the numbers and amounts of payments made in the last financial year :—

## PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC., PAID: 1917-18.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
Education Department ...	1,052	112,203	14	643	1,066	112,846
Railways ...	1,261	116,553	136	8,338	1,397	124,891
Defence... ..	6	436	...	...	6	436
Lunacy ... ..	37	3,702	...	...	37	3,702
Under Constitution Act ...	2	2,875	...	...	2	2,875
Commissioners of Audit ...	1	667	...	...	1	667
Officers of Parliament ...	1	509	...	...	1	509
County Court Judges ...	1	750	...	...	1	750
Under Act 1988 ... ..	1	283	...	...	1	283
Under Civil Service Act 160	265	51,520	...	...	265	51,520
„ Public Service Act 773	139	27,651	...	...	139	27,651
Commonwealth Service— Officers of transferred Departments	218	23,933	...	...	218	23,933
Various allowances ...	...	...	19	650	19	650
<b>Total Pensions and Superannuation Al- lowances</b>	<b>2,984</b>	<b>341,082</b>	<b>169</b>	<b>9,631</b>	<b>3,153</b>	<b>350,713</b>
<b>Compensations and Gra- tuities</b>	<b>7</b>	<b>830</b>	<b>23</b>	<b>5,142</b>	<b>30</b>	<b>5,972</b>
<b>Subsidy to Police Super- annuation Fund</b>	<b>...</b>	<b>7,337</b>	<b>...</b>	<b>27,500</b>	<b>...</b>	<b>34,837</b>
<b>Total amount paid ...</b>	<b>...</b>	<b>349,249</b>	<b>...</b>	<b>42,273</b>	<b>...</b>	<b>391,522</b>

In 1917-18 the payments out of the Police Superannuation Fund were as follows :—383 pensions, amounting to £53,312, and 17 gratuities, amounting to £11,142. 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  $2\frac{1}{2}$  per cent., from the pay of the members of the force entitled to pensions; 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.

Pensions are payable only to those members of the police force who joined prior to the 25th November, 1902.

In the year 1917-18, 31 pensions amounting to £3,852 were paid out of the Port Phillip Pilot Sick and Superannuation Fund, towards 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.

South Africa  
Contingent  
pensions.

Pensions to members and relatives of members of the South African war contingents amounted to £657 in 1917-18.

### EXPENDITURE ON EDUCATION.

During the year 1917-18 the State expended on education generally the sum of £1,385,075. This amount includes the interest payable on loan moneys expended on buildings and expenditure in connexion with pensions and gratuities. The expenditure for the five years 1913-14 to 1917-18 was as follows:—

#### STATE EXPENDITURE ON EDUCATION: 1913-14 TO 1917-18.

Expenditure on—	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£	£	£	£	£
Education—Primary ..	763,351	787,834	783,540	782,869	813,071
Intermediate and secondary	64,257	72,690	73,339	75,059	77,203
Special Subjects	23,951	25,581	26,436	25,633	29,074
Training of Teachers ..	22,106	20,928	19,796	19,130	17,836
Administration ..	47,180	49,265	49,243	49,193	47,745
Buildings ..	198,377	315,869	220,042	116,010	62,532
Technical Schools (including Building Grants)	73,654	78,902	94,098	98,661	132,943
University (including Building Grants)	34,777	33,126	31,330	31,345	32,407
Interest on Loan Money expended on Buildings	39,784	53,086	56,499	57,873	57,981
Miscellaneous ..	104,617	107,551	107,907	111,619	114,283
Total ..	1,372,054	1,544,832	1,462,230	1,367,392	1,385,075*

\* In addition an amount of £18,836, paid by students as fees, was expended on technical education.

The foregoing statement deals with the expenditure by the State on education generally, and includes expenditure connected with the University and technical schools, but the statement which follows

relates to that portion of the expenditure which has been incurred in connexion with the State schools of Victoria, primary and secondary, in each of the last five years :—

EXPENDITURE ON STATE EDUCATION SYSTEM: 1913-14  
TO 1917-18.

Items.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£	£	£	£	£
<b>Education:</b>					
<b>Primary—</b>					
Day Schools .. ..	760,330	784,148	779,612	778,649	808,506
Night Schools .. ..	64	64	65	67	64
Schools for Deaf Mutes and Blind and Feeble-minded Children	1,957	2,622	2,863	3,153	3,501
	762,351	786,834	782,540	781,869	812,071
<b>Intermediate—</b>					
Higher Elementary Schools ..	10,631	7,679	6,773	5,613	5,685
Evening Continuation Classes ..	697	1,053	875	532	461
<b>Secondary—</b>					
High Schools .. ..	26,714	33,481	36,894	40,474	} 62,814
Agricultural High Schools ..	21,116	22,840	20,872	20,648	
	59,158	65,053	65,414	67,267	68,960
<b>Special Subjects—</b>					
Cookery .. ..	8,779	9,826	11,018	12,146	14,052
Manual Training .. ..	12,267	12,184	11,608	10,519	12,245
Physical Training .. ..	951	800	874	769	843
Medical Inspection .. ..	1,788	2,328	2,458	1,673	1,462
Dressmaking and Needlework ..	216	222	244	246	247
School Gardening .. ..	..	221	234	280	225
	23,951	25,581	26,436	25,633	29,074
<b>Training of Teachers—</b>					
Training College .. ..	10,897	11,180	9,994	9,923	9,867
University Practising School ..	2,570	2,586	2,686	2,640	2,580
Miscellaneous .. ..	8,639	7,162	7,116	6,567	5,389
	22,106	20,928	19,796	19,130	17,836
<b>Administration .. ..</b>	47,180	49,265	49,243	49,193	47,745
<b>Buildings—</b>					
Primary Schools .. ..	152,275	270,156	189,399	94,664	46,383
Primary Schools (expended by School Committees) .. ..	14,794	13,144	9,709	6,147	5,767
Rent .. ..	7,097	8,711	6,442	4,481	4,500
Higher Elementary Schools ..	5,994	8,776	3,083	400	278
High Schools .. ..	16,048	13,686	8,017	3,596	} 5,604
Agricultural High Schools ..	2,169	1,396	3,442	6,722	
	198,377	315,869	220,042	116,010	62,532
<b>Interest on Loan Money expended on Buildings ..</b>	39,700	53,002	56,415	57,789	57,897
<b>Miscellaneous—</b>					
Pensions and Gratuities .. ..	101,567	105,810	107,220	110,823	113,215
Grant to State Schools Decoration and Equipment Society	2,000	1,000	..	..	..
Grant to State Schools Horticultural Society .. ..	300	300	300	300	300
Subsidies, sparsely populated districts .. ..	..	83	233	343	616
<b>Total .. ..</b>	1,256,690	1,423,725	1,327,639	1,228,357	1,210,246

The following return summarizes the expenditure and revenue connected with the State educational system, and shows the cost per scholar for the last ten years :—

**COST OF INSTRUCTION IN VICTORIAN STATE SCHOOLS :  
1908-9 TO 1917-18.**

Year.	Expenditure by the State.	Revenue of the Education Department.	Net Expenditure.	Number of Scholars— Average Attendance.	Cost per Scholar to the State.
	£	£	£		£ s. d.
1908-9 ..	941,029	17,849	923,180	146,106	6 6 4
1909-10 ..	959,160	19,138	940,022	145,968	6 8 10
1910-11 ..	1,002,415	20,707	981,708	146,464	6 14 1
1911-12 ..	1,118,240	24,540	1,093,700	154,807	7 1 4
1912-13 ..	1,198,649	28,646	1,170,003	156,965	7 9 1
1913-14 ..	1,256,690	26,175	1,230,515	163,200	7 10 10
1914-15 ..	1,423,725	28,607	1,395,118	166,407	8 7 8
1915-16 ..	1,327,639	26,399	1,301,240	167,989	7 14 11
1916-17 ..	1,228,357	28,477	1,199,880	167,588	7 3 2
1917-18 ..	1,210,246	30,575	1,179,671	167,653	7 0 9

This table includes the amount payable each year as interest on loan moneys expended on school buildings.

**COMMONWEALTH FINANCE IN VICTORIA.**

**Commonwealth Finance.** A statement of the Commonwealth revenue and expenditure in Victoria for the last five years is given below :—

**COMMONWEALTH REVENUE AND EXPENDITURE IN THE  
STATE OF VICTORIA (ESTIMATED) : 1913-14 TO 1917-18.**

Heads of Revenue and Expenditure.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
<b>REVENUE.</b>	£	£	£	£	£
Customs Duties ...	3,783,064	3,539,654	4,214,997	3,845,131	2,970,677
Excise Duties ...	645,345	817,175	927,701	887,895	1,003,085
Post, Telegraph, &c. ...	1,191,191	1,220,578	1,350,922	1,478,667	1,520,518
Income Tax ...	...	...	1,028,000	1,856,000	2,070,000
Land Tax ...	422,127	483,826	469,821	471,056	472,830
Probate Duty ...	...	8,588	198,043	275,774	357,995
War-Time Profits Tax ...	...	...	...	...	335,100
Entertainments Tax ...	...	...	...	32,947	72,085
Miscellaneous ...	149,273	190,179	498,516	1,051,530	1,772,719
<b>Total ...</b>	<b>6,191,000</b>	<b>6,260,000</b>	<b>8,688,006</b>	<b>9,699,000</b>	<b>10,575,000</b>
<b>EXPENDITURE.</b>	£	£	£	£	£
Trade and Customs ...	82,062	80,991	84,978	89,139	89,778
Post, Telegraph, &c. ...	1,497,170	1,488,969	1,448,041	1,320,832	1,434,928
Defence ...	...	...	...	...	...
New Expenditure ...	2,684,488	7,048,146	5,116,514	6,098,620	6,865,813
Miscellaneous ...	...	...	...	...	...
Payment to the State Government ...	1,733,280	1,757,894	1,743,467	1,722,409	1,739,481
<b>Total ...</b>	<b>5,997,000</b>	<b>10,376,000</b>	<b>8,393,000</b>	<b>9,231,000</b>	<b>10,130,000</b>

## 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 figures relating to the principal items are given in the following table:—

### REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: 1913-14 TO 1917-18.

Heads of Revenue and Expenditure.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
<b>REVENUE.</b>					
	£	£	£	£	£
Customs and Excise ...	4,428,409	4,356,829	5,142,698	4,733,026	3,973,762
Post, Telegraph, &c. ...	1,191,191	1,220,578	1,350,922	1,478,667	1,520,518
Railways ...	5,568,039	5,170,020	5,727,275	5,882,968	6,615,914
State Taxation ...	1,693,336	1,762,041	2,074,832	2,282,372	2,310,723
Other sources ...	2,534,782	2,521,655	4,119,674	5,613,437	7,087,389
<b>Total Revenue ...</b>	<b>15,415,757</b>	<b>15,031,123</b>	<b>18,415,408</b>	<b>19,990,470</b>	<b>21,508,306</b>
<b>EXPENDITURE.</b>					
	£	£	£	£	£
Customs and Excise ...	82,062	80,991	84,978	89,139	89,778
Post, Telegraph, &c. ...	1,497,170	1,488,969	1,448,041	1,320,832	1,434,928
Railways ...	3,781,671	4,144,959	4,028,449	4,184,199	4,475,717
Public Instruction* ...	1,105,261	1,154,710	1,138,489	1,123,433	1,180,797
Public Debt (Victoria)—					
Interest and Expenses	2,298,005	2,439,180	2,706,313	2,869,511	3,010,358
Redemption ...	204,745	211,117	266,599	296,345	299,578
Other Expenditure ...	6,239,524	10,805,148	8,660,027	9,420,427	10,530,532
<b>Total Expenditure</b>	<b>15,208,438</b>	<b>20,325,074</b>	<b>18,332,896</b>	<b>19,303,886</b>	<b>21,021,688</b>

\* Primary and Technical Schools, and University.

## COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

A statement of the ordinary revenue and expenditure and of the loan expenditure of the Federal Government in Victoria, also of the State Government and of the municipal and local bodies, during the last five years, will be found in the next table. From the totals of revenue and

expenditure the amounts received by one body from another have been deducted :—

COMMONWEALTH, STATE, AND LOCAL REVENUE AND  
EXPENDITURE : 1914 TO 1918.

	Financial Year ended in—				
	1914.	1915.	1916.	1917.	1918.
<i>Revenue.</i>					
	£	£	£	£	£
Government—					
Federal ..	6,191,000	6,260,000	8,688,000	9,899,000	10,575,000
State .. ..	9,162,474	8,711,427	9,667,712	10,031,774	10,873,610
Municipal .. ..	1,952,534	1,988,189	2,107,727	2,222,890	2,392,851
Harbor Trusts ..	328,011	281,333	290,355	291,291	303,521
Melbourne and Metro- politan Board of Works .. ..	716,772	797,930	769,542	725,846	742,564
Fire Brigades Boards	37,447	48,631	47,296	38,024	41,248
Total ..	18,388,238	18,087,510	21,570,632	23,208,825	24,928,794
<i>Ordinary Expenditure.</i>					
Government—					
Federal ..	5,997,000	10,376,000	8,393,000	9,231,000	10,130,000
State .. ..	9,149,155	9,889,378	9,880,200	10,013,190	10,831,992
Municipal .. ..	1,984,486	2,020,380	2,141,467	2,198,535	2,412,562
Harbor Trusts ..	515,229*	209,436	269,581	285,811	259,646
Melbourne and Metro- politan Board of Works .. ..	636,892	648,734	738,246	687,533	737,241
Fire Brigades Boards	38,623	44,428	42,071	41,700	43,890
Total ..	18,321,385	23,188,356	21,464,565	22,457,769	24,415,331

\* Including expenditure from loans.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :  
1914 TO 1918—*continued.*

	Financial Year ended in—				
	1914.	1915.	1916.	1917.	1918.
<i>Loan Expenditure.</i>	£	£	£	£	£
<b>Government—</b>					
Federal ..	624,681	623,824	11,580,148	15,240,144	16,267,280
State ..	3,276,994	5,351,830	4,473,569	2,440,966	1,931,679
Municipal ..	344,811	439,973	549,714	290,824	190,184
Harbor Trusts ..	..	321,262	327,147	191,882	188,571
Melbourne and Metro- politan Board of Works ..	441,285	454,680	376,768	214,655	207,602
Fire Brigades Boards	19,373	28,808	14,711	5,209	14,721
Total ..	4,707,144	7,220,377	17,322,057	18,383,680	18,800,037
<i>Expenditure—Grand Total ..</i>	23,028,529	30,408,733	38,786,622	40,841,449	43,215,368
<b>Per Head of Popula- tion—</b>					
Revenue ..	£ s. d. 13 0 5	£ s. d. 12 12 10	£ s. d. 15 4 3	£ s. d. 16 11 10	£ s. d. 17 13 4
Ordinary Expen- diture ..	12 19 6	16 4 2	15 2 10	16 1 1	17 6 1
Loan Expenditure	3 6 8	5 0 11	12 4 4	13 2 10	13 6 6

The loan expenditure of the Federal Government for 1917-18, exclusive of loans to the States, amounted to £56,898,556; the proportion shown in the table above as being chargeable to Victoria has been calculated on a population basis.

The total revenues in Victoria of the Federal and State Governments, the municipalities, and other corporations in the financial

year 1918 amounted to nearly 25 millions sterling, which was £1,719,969 more than the revenues of the previous year. The total expenditure in 1918 exceeded that of 1917 by £2,373,919, or about 6 per cent.

### PUBLIC DEBT.

The following statement shows the result of loan transactions including Treasury Bonds in aid of revenue to 30th June, 1918, 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, 1918.

	£	s.	d.
Cash received ... ..	130,307,599	12	7
Discount and expenses after deducting pre- miums received ... ..	2,379,459	2	1
Securities issued ... ..	132,687,058	14	8
Securities redeemed ... ..	53,092,412	8	0
Loans outstanding ... ..	79,594,646	6	8*

It will be seen that, upon the transactions to date, for cash amounting to £130,307,599 securities representing £132,687,059 were issued, which is equivalent to the State receiving £98 4s. 2d. 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 the loans which have been raised in London at varying rates of interest is £80,622,376 after allowing for conversion operations. The amount which has been paid off by means of new loans is £34,921,730 and by means of appropriations from revenue, &c., £1,822,775, while £440,152 has been transferred to the Melbourne register, leaving a balance due in London on 30th June, 1918, of £43,437,719, consisting of debentures amounting to £3,801,400, and inscribed stock £39,636,319. The following table gives particulars respecting the various loans which have been raised in London since 1859, together with the average prices obtained after

\* There are, in addition to this amount, the overdue debentures for £1,000, which are referred to further on.



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 1918.

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 11½	103 18 11½	5 14 0
1860	"	23	750,000	6	107 17 7½	106 14 7½	5 9 10
1861	1884	24	1,837,500	6	104 17 10½	103 14 10½	5 14 1
1862	1885	23	812,500	6	103 1 6½	101 18 6½	5 17 0
1866	1891	25	1,000,000	6	102 19 7	101 16 7	5 17 2
1869	1894	25	850,000	6	100 8 11½	99 5 11½	6 1 1
1870	1894	24	588,600	5	98 4 2½	97 1 2½	5 4 3
1874	1899	25	1,518,400	5	100 17 6½	99 14 6½	5 0 5
1876	1901	25	1,500,000	4	90 2 7	88 19 7	4 15 5
1878	1901	"	500,000	4	94 16 10½	93 18 11½	4 8 1
1878	1904	26	2,500,000	4			
1879	"	25	457,000	4½			
1880	"	25	3,000,000	4½	97 17 5½	96 19 2½	4 14 0
1880	"	24	2,000,000	4½	103 3 8½	102 5 11	4 6 11
1915	1920-25	5-10	784,700	4½	100 0 0	98 2 9	4 18 6
1916	1920-22	4-6	550,000	5½	97 9 4½	97 9 4½	5 15 1
1916	1920-22	4-6	100,000	5½	97 9 4½	97 9 4½	5 15 1
1917	1927	11	1,109,481	5½	95 18 7½	95 18 7½	5 14 8
1917	1927	10	194,519	5½	95 17 8½	95 17 8½	5 14 9
1883	1907	24	<i>Stock.</i> 4,000,000	4	98 16 8½	97 13 7½	4 3 0
"	1908	"	2,000,000	4	97 14 1½	96 10 11½	4 4 6
1884	1913	29	1,957,500	4	98 5 7	97 2 8½	4 3 3
1884	1918-22	34	2,042,500	4			
1885	1919	34	3,180,820	4	98 18 6½	97 15 9½	4 2 5
1886	1920	"	819,380	4			
1886	"	33	1,500,000	4	105 12 3½	104 9 0	3 15 5
1887	"	33	3,000,000	4	102 5 6½	101 2 9	3 18 9
1888	"	32	1,500,000	4	108 1 1½	106 18 0½	3 12 9
1889	1923	34	3,000,000	3½	102 14 10	101 11 11½	3 8 5
1890	"	33	4,000,000	3½	100 2 4	98 19 6	3 11 1
1891	1921-6	30-35	850,000	3½	96 3 7	95 0 10	3 15 6
1892	"	29-34	2,150,000	3½			
1892	"	29-34	2,000,000	3½	91 13 7	90 10 8	4 1 5
1893	1911-26	17-32	2,007,000	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 6½	93 8 3½	3 7 6
1903	"	26-46	3,148,176	3	91 14 9½	89 8 0	4 3 8
1906	"	23-43	587,808	3½			
1907	"	22-42	702,140	3½	100 0 0	98 19 1	3 11 5
1909	"	20-40	1,500,000	3½	97 3 11½	94 15 8½	3 17 7
1910	"	19-39	538,352	3½	99 2 6	97 10 0	3 13 8
1913	1918-22	5-9	3,000,000	4	98 0 0	96 4 7	4 17 4
"	1940-60	27-47	1,000,000	4	97 15 0	95 7 5	4 5 10
"	"	"	2,000,000	4	96 18 9	94 9 10	4 7 0
1915	1920-25	5-10	1,465,300	4½	100 0 0	98 4 3½	4 18 2
1892	1893	1	<i>Treasury-bonds</i> 1,000,000	4½			
1898	1900	2	500,000	3½	99 3 11	99 1 5	5 0 0
1903	1906	3	2,254,800	4	100 0 0	100 0 0	3 15 0
					99 10 8½	96 18 10	5 2 7
Total	..	..	80,056,276				
Paid off	..	..	36,178,405				
Transferred to Melbourne register	..	..	440,152				
Outstanding	..	..	43,437,719				

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 deduction of all expenses that 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 has varied from 6 per cent. in 1866 and 1917 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  $4\frac{1}{2}$  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  $4\frac{1}{2}$  per cent. in 1893, while 5 per cent. was paid on short-dated Treasury bonds issued 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 at which loans were 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 a loan in 1902 the rate was  $3\frac{3}{8}$  per cent., for one in 1909 it was  $3\frac{7}{8}$  per cent., and in 1910 portion of a loan falling due was converted at  $3\frac{3}{8}$  per cent. On the other hand, the interest on loans raised in 1903 was as high as  $5\frac{1}{2}$  per cent. on short-dated Treasury bonds, and  $4\frac{1}{2}$  per cent. on stock sold. As regards recent loans, the average rate was  $4\frac{3}{8}$  per cent. in 1913, nearly 5 per cent. in 1915, and  $5\frac{1}{4}$  per cent. in 1916 and 1917.

**Loans  
Floated in  
Melbourne.**

Excluding Treasury bonds in aid of revenue and Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, of which £62,000 have since been paid off, the total amount of the loans which have been floated in Melbourne exclusive of conversion operations is £45,846,786. Of this amount £7,393,703 has been redeemed by loans, and £4,139,593 by revenue, &c., leaving due a balance of £34,313,490 on 30th June, 1918, consisting of debentures, £21,929,882, inscribed stock, £9,431,608, and Treasury bonds, £2,952,000. In addition, outstanding inscribed stock for £439,652, and debentures for £500 have been transferred from the London to the Melbourne register, so that of the debt outstanding the total amount payable in Melbourne is £34,753,642. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the following twenty years the local debt was increased by nearly 32 millions sterling. This increase was brought about principally by the replacing of certain London loans as they fell due by local issues and by the raising of local loans to acquire estates for Closer Settlement purposes, &c.

The 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, 1918 :—

LOANS FLOATED IN MELBOURNE TO 30th JUNE, 1918.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1918.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
					<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	1,400	40	745,355
1440	1896	3	1913-22	63,000	..	..	63,000
1659	1900	3	1921-30	1,000,000	19,362	13,188	967,450
1753	1901	3	1923-32	500,000	5,548	152,952	341,500
1816	1903	3½	1907-8	93,869	..	93,869	..
1901	1904	3	1934-54	457,000	..	333,126	123,874
		3½	1913	18,000	..	18,000	..
		3½	1914-23	50,000	..	25,000	25,000
		3½	1918	18,000	..	18,000	..
		4½	1919	12,000	..	..	12,000
		4½	..	6,000	..	..	6,000
		5	1919-20	50,000	..	..	50,000
		4½	1920	1,400	..	..	1,400
		3½	1921	447,980	..	..	447,980
		3½	1922	366,660	..	..	366,660
		3½	1923	70,000	..	..	70,000
		3½	..	4,700	..	..	4,700
		5	..	50,000	..	..	50,000
2629		3½	1924	1,600	..	..	1,600
		4	..	2,000	..	..	2,000
1962	1904	4	1925	8,200	..	..	8,200
		3½	1926-42	186,300	900	20,300	165,100
		3½	1925-40	60,000	..	..	60,000
		3½	1926-40	160,000	..	..	160,000
		3½	1927-32	72,100	..	..	72,100
		3½	1927	150,000	..	..	150,000
		3½	1928	77,000	..	..	77,000
		3½	1929	162,650	..	..	162,650
		3½	1930	182,000	..	..	182,000
		3½	1931	1,000,000	..	..	1,000,000
		3½	1931-46	15,400	..	..	15,400
		4	1936	300,000	300,000	..	..
		3½	1926-41	285,880	2,400	..	283,480
		3½	1926	100,000	..	..	100,000
1990	1905	3½	1927-42	500	..	..	500
		3½	1927	52,000	..	..	52,000

## LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1918—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1918.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Debentures—continued.</i>							
2026	1906	5	1917	9,040	..	9,040	..
		5	1918	473,000	..	473,000	..
		5	1919	16,400	..	..	16,400
		4	"	40,000	..	..	40,000
		5	1920	10,000	..	..	10,000
		4½	"	514,860	..	..	514,860
		5	1921	1,500,000	..	..	1,500,000
		4½	1921-23	281,700	..	..	281,700
		4	1924	10,000	..	..	10,000
		4½	1925	500,000	..	..	500,000
		3½	1926-41	9,000	..	..	9,000
		3½	1927-42	380,000	..	..	380,000
		4	1927	185,400	..	..	185,400
		3½	1928	400,000	..	..	400,000
		3½	1930	500,000	..	..	500,000
		3½	1931	61,648	..	..	61,648
		3½	1931-46	150,500	..	..	150,500
		3½	1932-46	51,500	..	..	51,500
		4	1934-49	5,300	..	..	5,300
		4	1916	400	..	..	400
		4½	1918	12,700	..	..	12,700
		4	1919	40,000	..	..	40,000
		4½	"	11,000	..	..	11,000
2041	1906	4	1921	7,500	..	..	7,500
		5	"	50,000	..	..	50,000
		5	1922	30,000	..	..	30,000
		5	1923	65,000	..	..	65,000
		4	"	600	..	..	600
		4	1924	15,600	..	..	15,600
		3½	1928-43	3,600	..	..	3,600
		3½	1929	16,000	..	..	16,000
		4	"	210,000	..	..	210,000
		3½	1930	100,000	..	..	100,000
		3½	1928	75,500	..	..	75,500
		3½	1929	40,000	..	..	40,000
2053	1906	3½	1928	345,000	..	..	345,000
2116	1907	3½	1929	154,000	..	..	154,000
		3½	1910-20	250,000	..	200,000	50,000
2163	1909	3½	1919	130,650	..	..	130,650
		5	1920-21	34,100	..	..	34,100
		3½	1929	4,850	..	..	4,850
		3½	1929-44	400	..	..	400
2286	1911	3½	1921	1,788,220	..	..	1,788,220
2323	1911	3½	1922	1,307,100	1,500	..	1,305,600
		3½	1932	507,850	3,200	..	504,650

## LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1918—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1918.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Debentures—continued.</i>							
2635 2415	1912	5	1919-20	75,000	..	..	75,000
		4	1920	14,400	..	..	14,400
		5	"	170,000	..	..	170,000
		4½	1921-23	1,000	..	..	1,000
		5	1921	55,000	..	..	55,000
		4½	"	25,000	..	..	25,000
		5	1922	47,000	..	..	47,000
		5	1923	89,000	..	..	89,000
		4½	1925	350,000	..	..	350,000
		4½	1927	60,000	..	..	60,000
2429	1912	4	1930	40,000	..	..	40,000
		4	1919	170,000	..	..	170,000
		4	1920	4,000	..	..	4,000
		3½	1922	59,590	..	..	59,590
		3½	1923	56,250	..	..	56,250
		4	"	500	..	..	500
		4	1925	3,400	..	..	3,400
		4	1927	800	..	..	800
		4	1929	20,000	..	..	20,000
		4	1915	249,000	..	249,000	..
2481	1914	4	1924	8,400	..	..	8,400
		4½	1925	575,000	..	..	575,000
		4	"	500	..	..	500
		4	1929	140,000	..	..	140,000
2531	1914	4½	1925	2,675,000	..	..	2,675,000
2568	1914	4½	1919	150,000	..	..	150,000
		4½	1925	200,000	..	..	200,000
2591	1915	4½	1919	45,000	..	..	45,000
		4½	1920	179,530	..	..	179,530
		4½	"	55,000	..	..	55,000
		5	1922	23,000	..	..	23,000
		5	1918-19	1,000	..	1,000	..
2772	1915	5	1919	3,500	..	..	3,500
		5	1919-20	3,200	..	..	3,200
		5	1919-21	1,100	..	..	1,100
2794	1915	5	1919-20	125,000	..	..	125,000
		4½	1920	20,000	..	..	20,000
		5	"	350,000	..	..	350,000
		4½	"	12,000	..	..	12,000
		5	1920-21	83,085	..	..	83,085
		5	1922	280,000	..	180,000	100,000
		5	1923	135,000	..	..	135,000
		4½	1925	100,000	..	..	100,000

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1918—*continued.*

Authorization.		Loans.			Amounts.		Loans Outstand- ing on 30th June, 1918.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
Debentures—continued.							
2871	1916	4½	1919	2,000	..	2,000	..
2873	1916	4½	1921	65,000	..	..	65,000
2916	1917	5	1923	140,000	..	..	140,000
		4½	1928	30,000	..	..	30,000
2933	1918	4½	1920	20,000	..	..	20,000
		5	1923	41,000	..	..	41,000
2938	1918	5	1923	30,000	..	..	30,000
Inscribed Stock.							
428	1872	4	1897	1,113,000	} 2,659,613	..	..
439	1872	4	"	86,780			
741	1882	4	"	13,102			
963	1887	4	"	167,600			
1015	1889	4	"	130,000			
1341	1893	4	"	750,000	} ..	..	1,400
1369	1895	4	"	150,000			
1296	1893	4	"	249,131			
1468	1896	3	1913-23	1,400			
1552	1898	3	Optional*	2,290,482			
1564	1898	3	"	329,452	} ..	1,390,960	2,228,974
1623	1898	3	"	500,000			
1602	1899	3	"	500,000			
1749	1898	3	Optional*	211,135			
1659	1900	3	Optional*	14,162	..	24,947	186,188
1753	1901	3	Optional*	14,162	..	..	14,162
		3	1921-30	5,200	..	..	5,200
		3	Optional*	3,948	..	..	3,948
		3	1923-32	1,600	..	..	1,600
		3½	Optional*	351,975	..	..	351,975
		4	"	17,532	..	..	17,532
		3½	1919	351,697	..	..	351,697
		4½	"	30,000	..	..	30,000
		4	1920	1,706	..	..	1,706
		3½	1921	32,525	..	..	32,525
		4½	"	1,000	..	..	1,000
		4½	1922	98,500	..	7,000	91,500
2629	1904	4½	"	52,940	..	..	52,940
1962		3½	1923	268,000	..	..	268,000
		3½	"	3,383	..	..	3,383
		4	"	1,905	..	..	1,905
		4½	1924	6,000	..	..	6,000
		3½	"	85,859	..	..	85,859
		4½	1926	6,000	..	..	6,000
		3½	1927-42	900	..	..	900
		4	1927	1,000	..	..	1,000
		4½	"	8,000	..	..	8,000
		4	1936	300,000	..	..	300,000

\* At option of the Government, upon twelve months' notice.

## LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1918—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1918.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Inscribed Stock—continued.</i>							
1990	1905	3½	{ Optional*	113,735	..	5,100	108,635
			{ 1926-41	2,400	..	..	2,400
		4½	1916	25,000	..	25,000	..
		3	Optional*	35,257	..	..	35,257
		3½	"	779,885	..	100,000	679,885
		4½	"	20,000	..	20,000	..
		4	"	33,128	..	..	33,128*
		5	1918	27,000	..	27,000	..
		4½	"	25,000	..	..	25,000
		5	1918-19	35,000	..	..	35,000
		4½	1919	42,200	..	..	42,200
		4½	"	20,000	..	..	20,000
		5	"	114,185	..	..	114,185
		5	1919-20	500	..	..	500
2026	1906	5	1921	64,000	..	..	64,000
		4	"	75,000	..	..	75,000
		4½	"	15,918	..	..	15,918
		4½	1921-23	78,700	..	..	78,700
		4½	1922	8,000	..	..	8,000
		4½	1923	141,100	..	..	141,100
		4	"	700	..	..	700
		4	1924	4,750	..	..	4,750
		4	1927	241,300	..	..	241,300
		3½	Optional*	163,916	..	5,850	158,066
		4	"	900	..	..	900
		5	1919	11,000	..	..	11,000
		4½	"	8,000	..	..	8,000
		4	"	14,240	..	..	14,240
2041	1906	4	1920	2,400	..	..	2,400
		4½	1921	25,100	..	..	25,100
		4½	1921-23	1,000	..	..	1,000
		4½	1922	12,000	..	..	12,000
		3½	1923	151,515	..	..	151,515
		4	"	19,045	..	..	19,045
		4	1924	36,500	..	..	36,500
		3½	"	1,737	..	..	1,737
		4	1927	750	..	..	750
		4	1930	20,000	..	..	20,000
		3½	Optional*	46,026	..	..	46,026
		3½	"	1,000	..	..	1,000
		3	"	500,000	..	350	499,650
		3½	"	80,000	..	31,409	48,591
2053	1906	3½	"	29,750	..	..	29,750
2116	1907	3½	"	150,000	..	7,050	142,950
2161	1909	3	"				
2163	1909	3½	"				
2218	1910	3½	"				
2240	1910	3½	"				

\* At option of the Government, upon twelve months' notice.

## LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1918—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1918.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Inscribed Stock—continued.</i>							
2286	1911	3½	Optional*	11,800	..	..	11,800
			1919	70,707	..	..	70,707
			1922	30,000	..	..	30,000
			1923	75,758	..	..	75,758
			1924	23,515	..	..	23,515
2308	1911	4	1931†	377,304	..	2,650	374,654
		4	1916	1,500	..	1,500	..
		4	Optional*	6,000	..	6,000	..
2323	1911	3½	..	28,550	..	..	28,550
		3½	1919	77,778	..	..	77,778
		4	..	700	..	200	500
		4	1920	400	..	..	400
		4¾	1921-23	2,500	..	..	2,500
		3½	1922	1,500	..	..	1,500
		4	..	10,000	..	10,000	..
		3½	1932	9,700	..	..	9,700
		4	Optional*	6,833	..	..	6,833
		5	1919	14,680	..	..	14,680
		4¾	..	25,000	..	..	25,000
2635	1912	4	..	6,000	..	..	6,000
		5	1919-20	1,000	..	..	1,000
		5	1919-21	1,000	..	..	1,000
2415	1912	4½	1920	25,000	..	..	25,000
		5	1921	25,000	..	..	25,000
		3½	..	75,717	..	..	75,717
		4	1922	6,000	..	..	6,000
		3½	1923	26,818	..	..	26,818
		4	1925	8,500	..	..	8,500
		4	1914-15	7,750	..	7,750	..
		3	Optional*	5,400	..	..	5,400
		3½	..	46,940	..	..	46,940
		4	..	8,000	..	..	8,000
		4¼	1918	80,850	..	..	80,850
		4	..	1,500	..	..	1,500
		3½	1919	249,818	..	..	249,818
		4½	1920	3,800	..	..	3,800
		4	1921	1,000	..	..	1,000
		4¾	1921-23	20,000	..	..	20,000
		4	1922	30,000	..	..	30,000
2429	1912	3½	..	35,000	..	..	35,000
		3½	1923	87,909	..	..	87,909
		4	..	70,000	..	..	70,000
		3½	1924	30,303	..	..	30,303
		4	..	6,750	..	..	6,750
		4	1925	440	..	..	440
		4	..	..	..	..	..

\* At option of the Government, upon twelve months' notice.

† Or at any time thereafter, at option of either party, upon twelve months' notice.



## LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1918—continued.

Authorization.		Loans.			Amounts.		Loans Outstand- ing on 30th June, 1918.
Act No.	Year.	Rate of Interest.	When due.}	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Inscribed Stock—continued.</i>							
2481	1914	4	1916	1,100	..	1,100	..
		4	1915-17	200	..	200	..
		4	Optional*	173,516	..	143,645	29,871
		4	1918	1,200	..	190	1,010
		4	1919	54,400	..	50,800	3,600
		4	1920	2,200	..	..	2,200
		3½	1921	16,758	..	..	16,758
		4	"	14,300	..	..	14,300
		4	1921-22	34,500	..	..	34,500
		3½	1924	201,717	..	..	201,717
		4	"	27,009	..	..	27,009
		4	1927	200	..	..	200
2531	1914	3	Optional*	34,764	..	..	34,764
		4	1921-22	90,000	..	..	90,000
2568	1914	4	Optional*	1,814	..	..	1,814
		4½	1920	100,000	..	..	100,000
2591	1915	3	Optional*	16,223	..	1,000	15,223
		3½	"	709	..	..	709
		3½	"	500	..	..	500
		4	"	20,808	..	..	20,808
		4½	1918	20,000	..	20,000	..
		4½	1919	5,500	..	..	5,500
		4½	"	3,000	..	..	3,000
		4½	1920	6,800	..	..	6,800
		4	1922	7,500	..	..	7,500
		4	1925	1,200	..	..	1,200
		4½	1927	3,000	..	..	3,000
		4	Optional*	7,729	..	..	7,729
2772	1915	3½	"	559	..	..	559
		4½	1918-19	150	..	..	150
		4½	1918	200	..	..	200
		5	1918-19	24,000	..	..	24,000
		5	1919	4,540	..	..	4,540
		5	1919-20	2,600	..	..	2,600
		4½	1921	9,082	..	..	9,082
		3	Optional*	120,235	..	..	120,235
		3½	"	14	..	..	14
		4	"	11,549	..	..	11,549
2794	1915	5	1918-19	5,000	..	..	5,000
		5	1919	5,630	..	..	5,630
2871	1916	3½	Optional*	445	..	..	445
2933	1918	4½	Optional*	1,000	..	..	1,000
		4½	1921-23	1,000	..	..	1,000

\* At option of the Government, upon twelve months' notice.

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1918—*continued.*

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1918.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per Cent.		£	£	£	£
<i>Treasury Bonds.</i>							
1574	1898	3½	1901	500,000	..	500,000	..
1800	1902	3½	1907	1,000,000	..	1,000,000	..
		3½	1915	500,000	..	500,000	..
		3½	1916	2,767,000	..	2,767,000	..
1982	1905	3½	1917	514,860	..	514,860	..
		4½	1918	2,500,000	..	..	2,500,000
		3½	1921	352,000	..	..	352,000
		3½	1922	100,000	..	..	100,000
Overdue debentures				1,000	..	..	1,000
Total, floated in Melbourne				49,315,489	3,467,703	11,533,296	34,314,490
Transferred from London Register				..	..	..	440,152
Total, payable in Melbourne				..	..	..	34,754,642

Of the Victorian loans (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.; £4,984,560 at 5 per cent.; and the balance (£41,992,929) at rates varying from 3 to 4½ per cent. Of the amount outstanding on 30th June, 1918, £3,584,520 is bearing interest at 5 per cent., £20,000 at 4½ per cent., £1,268,900 at 4½ per cent., £20,000 at 4½ per cent., £3,009,350 at 4½ per cent., £279,530 at 4½ per cent., £660,250 at 4½ per cent., £3,900,000 at 4½ per cent., £3,413,190 at 4 per cent., £230,183 at 3½ per cent., £13,466,244 at 3½ per cent., and £4,901,475 at 3 per cent.

The amount of the loans raised to 30th June, 1918, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over, was £126,920,262, and of this sum a total of £48,727,901 (exclusive of conversion loans) had been repaid, viz., £5,962,368 out of the general revenue, and £42,765,533 out of the proceeds of redemption loans. The balance outstanding on 30th June, 1918, was £78,192,361. The purposes for which the amount out-

**Purposes for which Loans were raised.**

standing 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, 1918.	Annual Interest Payable.
<b>REVENUE-YIELDING WORKS.</b>	<b>£</b>	<b>£</b>
Railways and Tramways ... ..	55,322,323	2,129,859
Waterworks—Melbourne ... ..	1,559,786	55,884
"    Country ... ..	8,817,832	322,633
Harbors ... ..	981,564	37,694
Graving Dock ... ..	287,759	9,922
Agriculture and Advances to Farmers, &c. ...	599,038	24,941
Closer Settlement ... ..	5,219,426	189,724
Development of Mining ... ..	312,537	11,396
Total Revenue-yielding Works ... ..	73,100,265	2,782,053
<b>OTHER WORKS OF A PERMANENT CHARACTER.</b>	<b>£</b>	<b>£</b>
Public Offices, Law Courts, and Parliament Houses	509,918	17,882
Defence Works ... ..	114,747	3,942
State Schools, Technical Schools, and University	1,691,075	57,981
Other ... ..	2,776,356	113,331
Total other Permanent Works ... ..	5,092,096	193,136
Net Borrowings ... ..	78,192,361	2,975,189

Of the proceeds of these loans outstanding on 30th June, 1918, sums not yet expended amount in the aggregate to £316,669, of which £267,481 is for railways, and £49,188 for different other services. Of the amount of the loans outstanding 93 per cent. has been allotted to revenue-yielding works, as detailed above.

The total amount of loans outstanding on 30th June, 1918, was £79,595,646. Of this sum £25,732,782 was in the form of debentures; £39,636,319 of inscribed stock (London Register); £9,871,260 of inscribed stock (Melbourne Register); and £4,355,285 of Treasury bonds, of which bonds for £1,403,285 were

in aid of revenue. The dates on which the different loans are repayable in many instances cover a series of years during which the Government, by giving twelve months' notice, has the option of fixing the particular year of redemption. On the assumption (a) that loans at 4 per cent. and under will be redeemed at the latest date of option, and (b) 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, 1918.

(Including Treasury Bonds in aid of Revenue.)

When Payable.	Amount Payable, assuming that—	
	Loans at 4 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
1918 ... ..	2,749,310	2,684,160
1919 ... ..	6,617,495	6,272,245
1920 ... ..	11,035,996	8,343,296
1921 ... ..	5,037,000	4,853,200
1922 ... ..	5,498,790	6,148,790
1923 ... ..	9,479,938	9,865,838
1924 ... ..	461,740	461,740
1925 ... ..	4,422,240	6,672,240
1926 ... ..	5,109,000	5,109,000
1927 ... ..	2,006,450	2,006,450
1928 ... ..	927,500	927,500
1929 ... ..	747,500	747,500
1930 ... ..	1,814,650	1,814,650
1931 ... ..	1,061,648	1,061,648
1932 ... ..	929,550	929,550
1936 ... ..	300,000	300,000
1940 ... ..	248,900	248,900
1941 ... ..	324,380	324,380
1942 ... ..	485,100	485,100
1943 ... ..	3,600	3,600
1944 ... ..	400	400
1946 ... ..	217,400	217,400
1949 ... ..	11,699,471	11,699,471
1954 ... ..	123,874	123,874
1960 ... ..	2,979,700	2,979,700
Indefinite ... ..	5,313,014	5,314,014
To end of 1925 ... ..	45,303,509	45,302,509
After 1925 ... ..	34,292,137	34,293,137
Total ... ..	79,595,646	79,595,646

Loans and  
Interest  
payable in  
London and  
Melbourne.

In connexion with the replacing of London loans, as they fall due, by local issues, and the practice which, except in a few instances, 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 1907  
TO 1918.**

(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
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
1910	39,012,436	16,564,289	1,419,579	560,520
1911	37,417,128	20,566,636	1,353,208	701,154
1912	37,392,128	23,345,088	1,352,333	799,227
1913	37,281,578	25,495,146	1,348,306	875,621
1914	39,275,178	26,855,548	1,428,076	926,666
1915	41,333,738	31,750,189	1,520,762	1,131,811
1916	42,160,566	34,614,466	1,562,884	1,270,886
1917	42,907,086	35,218,309	1,604,171	1,327,518
1918	43,437,719	36,157,927	1,633,681	1,407,419

An important point in relation to the London loans is that certain expenses occur each year in connexion with the payment of interest on them which are not common to local issues. In the last financial year the amount was £8,127, which was paid as commission; the corresponding totals in the immediately preceding years were :—£6,310 in 1909-10, £6,079 in 1910-11, £5,625 in 1911-12, £5,611 in 1912-13, £10,740 in 1913-14, £6,276 in 1914-15, £6,265 in 1915-16, and £8,245 in 1916-17.

Rates of  
Interest on  
Loans.

The average rate of interest on the outstanding loans of the State, notwithstanding its increase since the commencement of the war, is still less than it was prior to Federation. The following table shows the loans outstanding at each

rate of interest in 1900 (the year before Federation) and in each of the last four years :—

### AMOUNT OF OUTSTANDING LOANS AT EACH RATE OF INTEREST: 1900, AND 1915 TO 1918.

(Including Treasury Bonds in aid of Revenue.)

Rate of Interest per cent.	Nominal amount outstanding on 30th June—				
	1900.	1915.	1916.	1917.	1918.
	£	£	£	£	£
5½ ...	...	...	...	758,000	1,304,000
5¼ ...	...	...	650,000	650,000	650,000
5 ...	...	...	1,404,975	3,665,935	4,067,335
4½ ...	...	...	20,000	20,000	20,000
4¼ ...	...	...	...	105,000	1,468,900
4 ...	...	...	...	...	20,000
4½ ...	5,000,000	2,974,760	3,265,100	3,202,850	5,859,350
4¼ ...	...	300,000	600,000	600,000	400,000
4½ ...	...	150,000	630,500	760,250	660,250
4 ...	...	2,300,000	3,900,000	3,900,000	3,900,000
4 ...	27,060,795	19,500,706	19,554,892	19,397,714	19,301,678
3¾ ...	...	267,683	267,683	267,683	230,183
3½ ...	12,250,000	37,314,973	36,182,175	34,639,103	31,604,311
3¼ ...	300,000	...	...	...	...
3 ...	4,714,090	10,274,805	10,298,707	10,157,860	10,108,639
Overdue*	...	1,000	1,000	1,000	1,000
Total	49,324,885	73,083,927	76,775,032	78,125,395	79,595,646

\* Not bearing interest.

The difference between the interest in 1900 and in 1918 represents a saving of £4,525 per annum on the debt of £79,595,646 at 30th June, 1918.

**Growth of Funded Debt.** The next 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 declined from 6 per cent. in 1855 to a little over  $3\frac{1}{2}$  per cent. in recent years. In relation to population, the annual interest per head increased considerably from 1855 to 1900; from that year to 1914 there was only a slight increase, but since 1914 there has again been a marked advance.

## GROWTH OF FUNDED DEBT AND INTEREST: 1855 TO 1918.

End of Financial Year in—	Loans Outstanding.			Amount per head of population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest.
		Total.	Average rate per cent.		
	£	£		£ s. d.	£ s. d.
1855	480,000	28,800	6·00	1 6 4	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
1910	55,501,725	1,977,662	3·56	42 14 6	1 10 5
1911	57,933,764	2,052,737	3·54	43 17 9	1 11 1
1912	60,712,216	2,150,748	3·54	44 17 7	1 11 10
1913	62,776,724	2,223,927	3·54	45 3 0	1 12 0
1914	66,130,726	2,354,742	3·56	46 10 1	1 13 1
1915	72,183,927	2,612,698	3·62	50 12 1	1 16 8
1916	75,504,562	2,776,062	3·68	53 13 0	1 19 5
1917	76,822,110	2,871,778	3·74	54 15 5	2 0 11
1918	78,192,361	2,975,189	3·81	55 3 8	2 2 0

**Expenditure  
from Loans.**

In addition to the ordinary expenditure from revenue, certain sums are disbursed annually 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 : 1913-14 TO 1917-18.**

(Excluding Loans in aid of Revenue.)

Works.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£	£	£	£	£
Railways .. ..	2,361,660	2,809,926	2,440,317	1,266,352	761,705
Water Supply ..	229,127	304,766	347,135	302,893	302,955
Closer Settlement and Small Holdings ..	303,935	173,752	86,938	103,647	273,494
Wire Netting ..	62,428	19,732	3,078	3,203	9,472
State Coal Mine ..	69,992	20,764	..	..	..
State Schools ..	84,786	200,951	134,441	63,490	14,016
Country Roads ..	18,424	274,362	495,062	252,836	241,892
Other Public Works	146,642	647,577	521,128	448,545	328,145
<b>Total ..</b>	<b>3,276,994</b>	<b>4,451,830</b>	<b>4,028,099</b>	<b>2,440,966</b>	<b>1,931,679</b>
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
<b>Per Head of Population ..</b>	<b>2 6 5</b>	<b>3 2 5</b>	<b>2 16 10</b>	<b>1 14 10</b>	<b>1 7 5</b>

The following statement shows the average annual amount expended in each decade from 1881 to 1911, and in each of the last seven years :—

**AVERAGE AMOUNT OF LOAN EXPENDITURE PER  
ANNUM.**

	£
10 years ended 30th June, 1891 .. ..	2,270,128
10 years ended 30th June, 1901 .. ..	755,194
10 years ended 30th June, 1911 .. ..	976,497
Year ended 30th June, 1912 .. ..	2,974,149
Year ended 30th June, 1913 .. ..	2,693,844
Year ended 30th June, 1914 .. ..	3,276,994
Year ended 30th June, 1915 .. ..	4,451,830
Year ended 30th June, 1916 .. ..	4,028,099
Year ended 30th June, 1917 .. ..	2,440,966
Year ended 30th June, 1918 .. ..	1,931,679



## SINKING FUNDS.

Sinking Funds  
of Australian  
States and  
the Common-  
wealth.

On 30th June, 1918, the sinking funds in Australia were as follows :—

## SINKING FUNDS IN AUSTRALIA : 30th JUNE, 1918.

Held in—	Sinking Funds in Connexion with—	
	Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria .. .. .	2,186,079	1,090,439
New South Wales .. .. .	494,163	763,777
Queensland .. .. .	369,522	..
South Australia .. .. .	1,533,973	22,623
Western Australia .. .. .	5,570,851	502,249
Tasmania .. .. .	878,737	182,427
The Commonwealth .. .. .	1,364,445	..
Total .. .. .	12,397,770	2,561,515

\* Figures for 1917.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1918 :—

	Balance at Credit.
Mallee Land Account ... .. .	£121,019
Closer Settlement Redemption Fund ... .. .	30,000
Victorian Loans Redemption Fund ... .. .	534,590
Victorian Government Consolidated Inscribed Stock Redem- tion Fund ... .. .	1,500,470
Total ... .. .	£2,186,079

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. The amount in hand on 30th June, 1917, was £101,490, and during 1917-18 the receipts amounted to £77,529, and the expenditure to £58,000, so that the balance in the fund on 30th June, 1918, was £121,019.

Mallee Land  
Account.

**Closer Settlement Fund.**

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 called the "Closer Settlement Fund."

**Consolidated Inscribed Stock Redemption 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 connected with 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. During 1917-18 there was no expenditure from this fund and receipts amounted to £163,527. Transactions to 30th June, 1918, were as follows:—

**THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK REDEMPTION FUND: 30th JUNE, 1918.**

Transactions.					To 30th June, 1918.
RECEIPTS.					£
Waterworks Trusts	...	...	...	...	255,907
Mallee Land Account	...	...	...	...	748,000
Revenue	...	...	...	...	517,067
Interest on Investments	...	...	...	...	255,142
Miscellaneous	...	...	...	...	99,975
Total receipts	...	...	...	...	1,876,091
EXPENDITURE.					
Purchase of Stock	...	...	...	...	374,398
Commission, &c.	...	...	...	...	1,211
Investment Expenses	...	...	...	...	12
Total expenditure	...	...	...	...	375,621
Balance in the Fund	...	...	...	...	1,500,470
Amount of stock repurchased and cancelled	...	...	...	...	397,305

The miscellaneous receipts include £62,827, surplus after redemption of loans, Acts 531 and 608. Of the balance in the fund, £1,435,561 was invested in Victorian Government debentures and stock, and £64,909 held in cash.

**Loans  
Redemption  
Fund.**

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 Victorian Government 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 of sundry loans made by the Government to municipalities, &c. During 1917-18 receipts amounted to £556,059, and £544,939 was expended in the purchase for cancellation of £549,042 stock and debentures, of which £222,692 bore interest at 3 per cent., £26,100 at 3½ per cent., £97,250 at 4 per cent., £22,000 at 4½ per cent., and £181,000 at 5 per cent. Transactions in this fund to 30th June, 1918, are shown in the following statement:—

**THE VICTORIAN LOANS REDEMPTION FUND:**  
30th JUNE, 1918.

Transactions.	To 30th June, 1918.
<b>RECEIPTS.</b>	<b>£</b>
From Revenue ... ..	1,639,845
Resumption of land in Mallee Districts and valuation of improvements ... ..	24,867
Payments by Municipalities ... ..	69,240
Geelong Municipal Waterworks Trust .. ..	265,000
Interest on Investments ... ..	107,640
Shipbuilding Yard (realization) ... ..	180,000
Repayment of Loans—	
Bush fires relief ... ..	22,383
Floods relief ... ..	1,453
Seed advances ... ..	532,254
New pilot steamer ... ..	10,915
Yarrowee Channel ... ..	13,562
Wire Netting ... ..	223,857
Cool stores ... ..	7,724
Municipalities ... ..	11,657
Cattle advances ... ..	52,711
Excess of face value of securities over amount invested ... ..	408
Total receipts ... ..	3,163,516
<b>EXPENDITURE.</b>	
Purchase of stock and debentures ... ..	2,628,926
Balance in the Fund ... ..	534,590
Amount of stock and debentures repurchased and cancelled	2,650,052

The balance in the fund was represented by the face value of Victorian Government debentures and stock amounting to £501,261, and £33,329 held in cash.

## DEBTS IN AUSTRALIA AND NEW ZEALAND.

Funded debts  
of Australia  
and New  
Zealand.

The following is a summary of the funded debts of the Australian States, the Commonwealth, and New Zealand on 30th June, 1918, showing the amounts, the amounts per head of population, 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 THE AUSTRALIAN STATES, THE COMMONWEALTH, AND NEW ZEALAND: 30th JUNE, 1918.

	Funded Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	
Victoria ..	78,192,361	55 3 8	2,975,189	2 2 0	3·81
New South Wales	152,584,693	79 17 4	6,080,162	3 3 8	3·98
Queensland (31.12.17)	59,822,046	88 5 1	2,353,308	3 9 5	3·93
South Australia ..	40,621,480	92 9 6	1,636,758	3 14 6	4·03
Western Australia	40,836,426	131 5 1	1,537,435	4 18 10	3·76
Tasmania ..	15,137,355	74 12 6	601,038	2 19 3	3·97
The Commonwealth	205,956,656	41 7 0	9,422,211	1 17 10	4·57
Total ..	593,151,017	119 12 6	24,606,101	4 19 3	4·15
New Zealand (31.3.18)	150,840,055	136 10 8	6,141,589	5 11 2	4·07

In the next 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, THE COMMONWEALTH, AND NEW ZEALAND: 1914 TO 1918.

	At 30th June—				
	1914.	1915.	1916.	1917.	1918.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria ..	46 10 1	50 12 1	53 13 0	54 15 5	55 3 8
New South Wales ..	62 17 9	68 7 2	70 6 0	73 16 6	79 17 4
Queensland ..	76 16 10	78 17 5	81 2 11	86 6 11	88 5 1
South Australia ..	76 12 0	80 1 2	87 1 1	91 18 9	92 9 6
Western Australia ..	106 5 0	114 15 10	124 7 6	130 7 6	131 5 1
Tasmania ..	62 6 1	66 3 9	70 8 0	74 7 0	74 12 6
The Commonwealth ..	1 18 2	4 19 9	15 18 4	28 18 6	41 7 0
Total ..	65 19 2	73 11 5	87 16 8	104 2 0	119 12 6
New Zealand (31st March)	91 10 2	90 18 4	99 12 8	117 19 0	136 10 8

State and  
Local debts.

The following is a statement of the total indebtedness of the Australian States and the Commonwealth in 1918:—

## FUNDED AND UNFUNDED DEBTS OF AUSTRALIA: 1918.

	State and Federal Debts.		Municipal and Corporation Debts (exclusive of Loans from Government).	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria ..	78,192,361	1,581,889	19,084,270	98,858,520	69 15 4
New South Wales	152,584,693	1,999,972	9,268,550	163,853,215	85 15 4
Queensland(31.12.17)*	59,822,046	1,534,802	1,450,129	62,806,977	92 13 2
South Australia ..	40,621,480	1,144,900	371,916	42,138,296	95 18 6
Western Australia	40,836,426	2,766,465	1,983,097	45,585,988	146 10 5
Tasmania ..	15,137,355	69,213	1,260,945	16,467,513	81 3 8
The Commonwealth	205,956,656	66,098,413	..	272,055,069	54 12 5
Total ..	593,151,017	75,195,654	33,418,907	701,765,578	141 10 7

\* Excluding Government Savings Bank Stock and Debentures, £1,349,530

The figures in the table show the full public indebtedness of the Commonwealth, including Federal, State, municipal, and corporation debts, to the latest date at which comparison can be made. Of the States, Victoria has the smallest amount of debt *per capita*, Tasmania the next smallest, and Western Australia the largest. There are, of course, private debts to a considerable extent and private investments by British and other 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 1918, while the municipal and corporation debts are for the year ended in 1917, figures for 1918 for other States than Victoria not being available. The complete figures for Victoria for 1918 appear in the succeeding statement:—

## STATE AND LOCAL DEBTS: 1918.

State Debts (Funded)—	£	£
London Register .. .. .	43,437,719	
Melbourne Register .. .. .	34,753,642	
State Debts (Unfunded) .. .. .	1,581,889	
Overdue Debentures, late Melbourne and Hobson's Bay		
Railway—unpresented .. .. .	1,000	
Total State Debts .. .. .		79,774,250
Municipal .. .. .	5,188,970	
Harbor Trusts .. .. .	2,790,000	
Metropolitan Fire Brigades Board .. .. .	200,000	
Melbourne and Metropolitan Board of Works .. .. .	10,830,035	
Total Debts of Municipalities and Corporations .. .. .		19,009,005
Total Debts .. .. .		98,783,255

This sum (£98,783,255) is equal to a debt of £69 14s. 3d. per head of the population on 30th June, 1918.

**COMMONWEALTH, STATE, AND LOCAL TAXATION.**

**Taxation.** The subjoined table shows approximately for the last five financial years the amount of revenue collected under the various heads of taxation by the Commonwealth, the State, and local bodies in Victoria :—

**COMMONWEALTH, STATE, AND LOCAL TAXATION: 1913-14 TO 1917-18.**

Heads of Taxation.	Amount Received.				
	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£	£	£	£	£
<b>Federal—</b>					
Customs Duties... ..	3,783,064	3,539,654	4,214,997	3,845,131	2,970,677
Excise Duties ... ..	645,345	817,175	927,701	887,895	1,003,085
Income Tax ... ..	...	...	1,028,000	1,856,000	2,070,000
Land Tax ... ..	422,127	483,826	469,821	471,056	472,830
Probate Duty ... ..	...	8,588	198,043	275,774	357,995
War-Time Profits Tax ...	...	...	...	...	335,100
Entertainments Tax ...	...	...	...	32,947	72,085
<b>Total Federal Taxation</b>	<b>4,850,536</b>	<b>4,849,243</b>	<b>6,838,562</b>	<b>7,368,803</b>	<b>7,281,772</b>
<b>State—</b>					
Licences ... ..	116,678	112,953	98,302	154,542	158,842
Probate & Succession Duties	457,042	536,869	510,032	546,400	506,662
Duties on Bank Notes ...	2,401	2,215	2,078	1,995	1,936
Stamp Duties ... ..	275,839	287,169	397,978	430,352	505,637
Land Tax ... ..	302,224	303,550	352,353	369,486	353,156
Income Tax ... ..	527,705	506,214	702,745	766,746	773,468
Race Clubs' percentage ...	11,447	13,071	11,351	12,851	11,022
<b>Total State Taxation ...</b>	<b>1,693,336</b>	<b>1,762,041</b>	<b>2,074,839</b>	<b>2,282,372</b>	<b>2,310,723</b>
<b>Municipal Taxation ...</b>	<b>1,303,448</b>	<b>1,325,117</b>	<b>1,400,611</b>	<b>1,453,145</b>	<b>1,522,804</b>
<b>Total Taxation ...</b>	<b>7,847,320</b>	<b>7,936,401</b>	<b>10,314,012</b>	<b>11,104,320</b>	<b>11,115,299</b>

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 those relating to the incomes of the people as shown in the Income Tax Returns and the value of properties as given in Municipal Statistics.

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

COMMONWEALTH, STATE, AND LOCAL TAXATION PER  
HEAD OF POPULATION: 1913-14 TO 1917-18.

Division.	Taxation per Head of Population in—				
	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Federal ... ..	3 8 8	3 7 10	4 16 6	5 5 4	5 3 3
State ... ..	1 4 0	1 4 7	1 9 3	1 12 8	1 12 9
Local ... ..	0 18 6	0 18 5	0 19 9	1 0 9	1 1 7
Total ... ..	5 11 2	5 10 10	7 5 6	7 18 9	7 17 7

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 :—

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

	Amount of Taxation.	Rate per Head of Population.
	£	£ s. d.
Victoria .. .. .	11,045,640	7 16 7
New South Wales .. ..	18,184,935	9 12 2
Queensland .. .. .	5,415,076	7 19 9
South Australia .. ..	3,159,654 •	7 3 3
The Northern Territory ..		
Western Australia .. ..	2,176,541	7 0 8
Tasmania .. .. .	1,247,727	6 2 10
Total .. .. .	41,229,573	8 7 1

In this return the Commonwealth and the State taxation have been taken for the year 1917-18, and the local taxation for the year 1916-17, and it is shown that the total taxation for Australia is £41,229,573 or an average of £8 7s. 1d. per head per annum. The lowest rate, £6 2s. 10d. per head, prevails in Tasmania; Western Australia and South Australia (combined with the Northern Territory owing to difficulty in separating some of the Federal items) are next in order, the former with £7 0s. 8d., and the latter with £7 3s. 3d. per head; then follow Victoria, Queensland, and New South Wales, with £7 16s. 7d., £7 19s. 9d., and £9 12s. 2d. per head respectively. From information published in the *Statesman's Year Book* it has been computed that in the United Kingdom the taxation for the year ended 31st March, 1918, amounted to about £711,000,000 (including £220,214,000 collected as Excess Profits Tax), or an average of £15 5s. 9d. per head per annum. No adjustments on account of Inter-State transfers of dutiable goods have been made in the Customs figures used in this table as it is not possible from the information available to make such adjustments; while therefore the figures given are correct for Australia as a whole, they should be regarded as being only fairly accurate for the individual States.

**Additional  
Taxation.**

The only additional taxation for the financial year 1917-18 was the levying of the War-Time Profits Tax. The tax assessed up to 30th June, 1918, in the Commonwealth amounted to £1,093,420. For the year 1918-19 the additional taxation imposed comprised an increase of 30 per cent. in the Federal Income Tax, an increase of 20 per cent. in the Federal Land Tax, a broadening of the scale of the Entertainments Tax, and a new postage war-tax. From the 1st January, 1919, the Victorian Stamp Duties have been increased by the *Stamps Act* 1918, which was passed on 31st December, 1918.

### LICENCES.

**Licences.**

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1918, 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 : 1918.

Description of Licence.	Number of Licences Granted.	Amount of Fees Collected.
<i>Excise.</i>		
Distilling—		£ s. d.
General Distillers .. .. .	5	250 0 0
Wine Distillers .. .. .	6	150 0 0
Vignerons .. .. .	17	85 0 0
Test Stills .. .. .	27	3 5 0
Brewers .. .. .	17	425 0 0
Manufacturing Tobacco, Cigars, Cigar- ettes, and Snuff .. .. .	33	1,059 19 7
<i>Licensing.</i>		
Victuallers* .. .. .	3,109	99,939 8 9
Railway Refreshment Rooms .. .. .	33	1,254 11 3
Australian Wine .. .. .	261	2,215 10 4
Clubs .. .. .	121	2,551 18 4
Packet (passenger boat) .. .. .	12	43 5 5
Grocers .. .. .	271	13,343 12 10
Licensed Spirit Merchants .. .. .	78	3,054 14 0
Brewers .. .. .	25	83 18 0
Vignerons .. .. .	26	130 0 0
Billiard Tables .. .. .	249	2,382 10 0
<i>Customs.</i>		
Carriage .. .. .	1,128	278 5 0
Lighter and Boat .. .. .	33	8 5 0
Custom House Agents .. .. .	76	273 5 0
Bond .. .. .	49	3,427 5 0
<i>Explosives.</i>		
Importation .. .. .	64	439 0 0
Manufacture of Rackarock and Lithyte .. .. .	6	1 10 0
Manufacture of other Explosives .. .. .	9	13 10 0
Magazine .. .. .	233	139 10 0
Fireworks, Sale of .. .. .	453	22 13 0
Other than Fireworks, Sale of .. .. .	1,361	340 5 0
<i>Miscellaneous.</i>		
Auctioneers—General† .. .. .	906	18,153 0 0
Gold-buyers and Assayers .. .. .	553	251 0 0

\* Including temporary licences, which numbered 759, on which the fees collected amounted to £1,636 ls. 5d.

† Including 249 temporary licences, on which the fees collected were £249.

In addition to the preceding there are other licences, particulars of which cannot be obtained for the calendar year 1918; the fees

collected in respect of these during the financial year 1917-18 were as follows :—

Description of Licence.	Amount of Fees collected.		
	£	s.	d.
Insurance .. .. .	51,294	3	7
Sale of Tobacco, &c. .. .	2,074	10	8
Pawnbrokers .. .. .	910	0	0
Hawkers .. .. .	890	13	2
Carriers .. .. .	83	5	0
Stage Carriage .. .. .	135	5	0
Marine Store .. .. .	213	0	0
Forwarding Agents .. .. .	160	0	0
Bookmakers .. .. .	11,270	0	0
Race Clubs .. .. .	324	0	0