

GENERAL FINANCE.

STATE REVENUE AND EXPENDITURE.

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1903. On 1st July, 1902, the total revenue deficiency was £2,356,119 12s. 5d.; and in the course of the year this amount was reduced by £194,659 9s. 0d., leaving the accumulated revenue deficiency at the end of the financial year, 1902-3, £2,161,460 3s. 5d., the whole of this amount, as in previous years, being covered by advances from the trust funds, with the exception of £100,000, which has been raised by the issue of Treasury bonds.

Revenue and
expendi-
ture, 1902-3.

REVENUE AND EXPENDITURE, 1902-3.

Revenue.	Amount.			Expenditure.	Amount.		
	£	s.	d.		£	s.	d.
From—				On—			
Excise and Inland ...	703,601	9	3	Revenue deficiency, 30/6/02:	2,356,119	12	5
Territorial ...	348,089	16	8	Consolidated deficit			
Public Works ...	3,078,665	6	1	Special Appropriations ...	2,801,582	14	4
Ports and Harbors ...	70,324	19	5	Chief Secretary ...	683,040	1	8
Fees ...	272,113	4	3	Minister of Public Instruc- tion	631,968	7	4
Fines ...	8,505	19	4	Attorney-General ...	73,319	17	7
Miscellaneous ...	382,214	1	3	Solicitor-General ...	60,190	3	8
Commonwealth balances re- turned	2,105,449	15	3	Treasurer ...	222,338	1	4
Revenue deficiency, 30/6/03:	2,161,460	3	5	Commissioner of Crown Lands and Survey	116,518	8	7
Consolidated deficit				Commissioner of Public Works	167,202	8	8
				Minister of Mines and Water Supply	70,300	18	8
				Minister of Agriculture ...	68,858	14	7
				Minister of Health ...	18,492	12	5
				Minister of Railways ...	1,860,492	13	8
Total ...	9,130,424	14	11	Total ...	9,130,424	14	11

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

Trust funds,
1899 to
1903.

TRUST FUNDS: RETURN FOR FIVE YEARS.

Accounts.	Credit Balance on 30th June.				
	1899.	1900.	1901.	1902.	1903.
	£	£	£	£	£
Deposits in Savings Banks	3,595,418	3,675,418	3,675,418	3,603,187	3,595,418
Deposits in Savings Banks Security Account	1,727,988	2,116,141	2,453,452	2,500,327	1,543,952
Municipal Investments Account	...	614,480	1,116,380	1,115,380	1,113,799
Municipal Sinking Funds	660,711	610,895	626,368	652,951	634,141
Assurance Fund ...	153,680	161,025	169,076	176,683	181,685
Intestate Estates ...	87,590	93,575	89,482	89,288	88,698
Country Tramways ...	137,872	137,872	137,872	137,872	137,872
Trustee and Assurance Companies	89,845	99,795	104,795	104,795	104,795
Police Superannuation Fund	55,803	37,422	15,327	1,665	3,253
Other Funds ...	650,380	858,751	945,731	1,437,001	1,018,959
Total ...	7,159,287	8,405,374	9,333,901	9,819,149	8,422,572
How Invested:—					
Invested in Debertures, &c.	1,494,277	2,136,814	2,673,002	2,689,430	2,709,343
Deposited in Banks	198,851	306,138	132,096	504,228	42,624
Held otherwise ...	5,466,159	5,962,422	6,528,803	6,625,491	5,670,605

The revenue deficiency on 30th June, 1903, £2,161,460 3s. 5d., is, with the exception of £100,000 met out of Treasury bonds, made a charge against the item "Held Otherwise," £5,670,605.

In 1898 an Act was passed to relieve any municipality, which desired relief, from further contributions to its loan sinking fund. The amount already to the credit of the sinking fund of any municipality, which took advantage of the Act, is allowed to accumulate with interest, and at the maturity of the loan, the Government will, by the sale of inscribed stock, pay the difference between the amount at credit of the fund and the amount of the loan to be redeemed, the municipality repaying to the Government the amount so paid.

The following is a return of the revenue and expenditure of Victoria for the five years 1899-1903—special receipts and expenditure being excluded. The Mallee land receipts (£9,372 in 1902-3), which are set apart for the redemption of loans, are included as revenue, an equivalent amount being entered as expenditure, and afterwards transferred to the Mallee Land Account:—

Municipal
Investment
Account.

Revenue and
expendi-
ture, 1898-9
to 1902-3.

REVENUE AND EXPENDITURE: RETURN FOR FIVE YEARS.

Year ended 30th June.	Revenue.	Expenditure.	Surplus.	Deficit.
	£	£	£	£
1899	7,389,444	7,107,206	282,238	...
1900	7,453,355	7,285,636	167,719	...
1901	7,712,099	7,672,780	39,319	...
1902	6,997,792	7,398,832	...	401,040
1903	6,954,619	6,759,960	194,659	...

Early in 1901, the Customs, Post and Telegraph, and Defence Departments were transferred to the Commonwealth Government. If the full Federal returns were included, the revenue for 1903 would be increased to £7,976,290, the expenditure to £7,778,790, and the figures for the five years would show that an annual increase in both revenue and expenditure had been maintained; but that, while the increase in revenue between 1899 and 1903 would have been £586,846, the increase in expenditure would have been £671,584. The latter is mainly due to the introduction of old age pensions, and to increased expenditure on education and on the railway working expenses. In the period shown, the excess of revenue over expenditure is £282,895.

The sources of revenue may be grouped under three headings—(1) taxation, (2) public works, and (3) other services. Customs and Excise (under taxation), and Posts and Telegraphs (under public works) were transferred to the Federal Government in 1900-1, and an additional heading, "Federal Government," which comprises these sources, is therefore added. Land revenue, which averaged £373,000 yearly, is included under "other sources." The amounts received during the last five financial years were as follow:—

Heads of
revenue,
1898-9 to
1902-3.

HEADS OF REVENUE: RETURN FOR FIVE YEARS.

Head of Revenue.	1898-9.	1899-1900.	1900-1.	1901-2.	1902-3.
	£	£	£	£	£
Federal Government ...	...	...	1,177,740	1,920,974	2,105,450
State Taxation—					
Customs and Excise	2,234,442	2,267,131	1,202,191	...	...
Other ...	851,363	717,461	762,438	818,274	950,183
Public Works and Services—					
Railways ...	2,849,370	3,008,521	3,302,202	3,362,030	3,033,596
Posts and Telegraphs	553,672	586,061	410,435	...	...
Others ...	191,371	175,445	195,743	202,502	180,379
Other Sources	709,226	698,736	661,350	694,012	685,011
Total ...	7,389,444	7,453,355	7,712,099	6,997,792	6,954,619
Per Head of Population	£ s. d. 6 4 11	£ s. d. 6 5 4	£ s. d. 6 8 10	£ s. d. 5 15 9	£ s. d. 5 15 5

In this table the figures for 1900-1 for Customs and Excise include only the amounts collected for the half-year ended 31st December, 1900, and for Posts and Telegraphs for the eight months ended 28th February, 1901. There is no State revenue under these headings for 1901-2 and 1902-3. The amount returned to the State by the Federal Government—£1,177,740 for 1900-1, £1,920,974 for 1901-2, and £2,105,450 for 1902-3—is that collected from the transferred departments, less the amount deducted by the Federal Government under Section 89 of the "Commonwealth of Australia Constitution Act." For 1902-3, the Federal Government received £2,499,014 from Customs and Excise; £622,700 from Posts and Telegraphs; and £5,407 from other sources; and returned to the State Government £2,105,450. Had the old arrangement remained in existence, the amount per head of the population would have been £6 12s. 4d. instead of £5 15s. 5d. under the new arrangement.

Railway
revenue.

The railway revenue during 1902-3 was the lowest of the last three years, the falling off in that year amounting to £328,434, which is entirely due to severe drought, the almost total harvest failure, and the consequent small carriage of grain resulting therefrom.

Income tax.

An income tax was first imposed in Victoria in 1895, and was to have expired by effluxion of time in 1898, but it has been from time to time extended ever since. The Act is administered by a Commissioner, who, together with his officers, are bound by oath to secrecy. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding calendar year; and are divided into two classes, viz.:—Incomes, (1) from personal exertion, and (2) from property. The former consists of earnings, salaries, wages, allowances, pensions, &c., or stipends earned in or derived from Victoria, and all income arising or accruing from any profession, business, or occupation carried on in Victoria, and the latter, of all other income. This is the gross income, and the net income is ascertained by making certain deductions, the principal of which are losses and outgoings incurred in the production of the income, all other

taxes under any Victorian Act, life assurance premiums not exceeding £50, and calls or contributions actually paid into any reconstructed company whose shares are of no value. Incomes of certain public, local, religious, provident, &c., bodies or societies are exempt from taxation, also the official salaries of the Governor and of Ministers of the Crown, and the incomes of mutual life offices with head offices in Australia, fire, fidelity, &c. insurance companies taking out licences under the "Stamps Act," limited to income from that class of business; and income from stock debentures or bonds of the Victorian Government or of any public or municipal trust or body. Prior to 1903 an exemption to the extent of £200 was allowed, except in the case of absentees. The rate of tax was 4d. in the £ on the first £1,200 of the taxable amount (allowing for £200 exemption), 6d. on the next £1,000, and 8d. on all over £2,200 on income from personal exertion, and double these rates on income from property. The rate of tax for 1903, based on the incomes of the previous year, was fixed by Act No. 1819, as follows:—(a) Personal exertion—Net incomes up to £125 exempt; from £125 to £500, 4d. (with £100 exemption); over £500, 4d. on first £500 (no exemption), 1d. extra on every £500 or portion thereof up to £2,000; and 8d. on all over £2,000. (b) Property—Double these rates. This Amending Act also makes companies taxable as persons, except mining companies, the shareholders of which still pay on the dividends received. Special provision is also made for the assessment and taxation of life, fire, fidelity, and guarantee assurance and insurance companies. The rates for the year 1904, based on the incomes of 1903, were altered by Act No. 1863, which did not alter the exemption, but raised the minimum taxable from £125 to £150, and altered the rates as follow:—Incomes from personal exertion—3d. for every £ of the taxable amount up to £300; thence up to £800, 4d.; thence to £1,300, 5d.; thence to £1,800, 6d.; and over £1,800, 7d. Incomes from property—double these rates. The following is a statement of the assessments, taxpayers, taxable income, and tax payable from personal exertion and property during the last five years:—

INCOME TAX: RETURN FOR FIVE YEARS.

	1899.	1900.	1901.	1902.	1903.
Number of Assessments:					
Personal exertion ...	17,954	20,322	21,511	22,901	58,690
Property ...	16,766	15,322	17,589	17,577	12,015
Total ...	34,720	35,644	39,100	40,478	70,705
Distinct taxpayers ...	33,577	34,377	37,803	39,215	64,548
Taxable Income—	£	£	£	£	£
Personal exertion ...	4,570,300	6,027,200	6,150,300	6,261,800	9,740,143
Property ...	2,126,400	2,316,500	2,348,000	2,325,000	3,802,973
Total ...	6,696,700	8,343,700	8,498,300	8,586,800	13,543,116
Tax Payable—	£	£	£	£	£
Personal exertion ...	89,444	123,457	125,824	123,609	206,227
Property ...	83,976	93,787	95,091	91,494	188,535
Total ...	173,420	217,244	220,915	215,103	394,762
Per Taxpayer ...	£ s. d. 5 3 4	£ s. d. 6 6 5	£ s. d. 5 16 11	£ s. d. 5 9 8	£ s. d. 6 2 4
Average Tax payable in the £ on Taxable Incomes derived from—	d.	d.	d.	d.	d.
Personal exertion ...	4.70	4.91	4.91	4.74	5.08
Property ...	9.48	9.72	9.72	9.45	11.90

The effect of the Act of 1903 was that during the five years under review, the number of assessments increased from 34,720 in 1899 to 70,705 in 1903, the latter figures including 896 assessments of companies. Of the total increase, 40,736 were from personal exertion; but there was a decrease of 4,751 from property. The taxpayers increased by 30,971; the number in 1903 being 64,548, of which 570 were companies. The taxable income from personal exertion increased from £4,570,300 in 1899 to £9,740,143 in 1903; and that from property, in the years given, from £2,126,400 to £3,802,973. The total increase in the taxable income was £6,846,416. The income exempt from taxation in 1899 was £5,359,200, and in 1903 it was £6,387,900. The amount of tax payable increased from £89,444 in 1899, to £206,227 in 1903, from personal exertion; and from £83,976 to £188,535 from property—a total increase of £221,342.

Notwithstanding the fact that by the reduction of the minimum amount taxable a large number of smaller taxpayers were included in the figures for 1903, yet by the alteration of rates and exemptions and by the taxation of companies as individuals, the average amount per taxpayer shows a considerable increase over the two previous years,

though not equal to that of 1900. The average tax payable in the pound has also been raised in 1903, both on taxable incomes derived from personal exertion (to 5d.) and from property (to nearly 1s.). The highest previous rates were—under 5d. and 9½d. respectively. The following return shows particulars of rates of taxation, assessments, taxable incomes, and taxes payable, in the respective groups for which different rates of taxation are charged:—

INCOME TAX ASSESSMENTS, 1903—BASED ON INCOMES OF 1902.

Taxable Income.	Rate of Tax in £ on Incomes derived from		Number of Assessments.		Taxable Income from		Tax Payable on	
	Personal Exertion.	Property.	Personal Exertion	Property	Personal Exertion.	Property.	Personal Exertion.	Property.
Up to £500 ...	d. 4	d. 8	54,947	10,136	£ 5,648,280	£ 1,270,170	£ 94,138	£ 42,339
£500 to £1,000 ...	5	10	2,534	1,115	1,473,456	647,184	30,697	26,966
£1,000 to £1,500 ...	6	12	574	300	558,080	295,100	13,952	14,755
£1,500 to £2,000 ...	7	14	229	145	297,017	187,149	8,663	10,917
Over £2,000 ...	8	16	406	319	1,763,310	1,403,370	58,777	93,558
Total ...	...	...	58,690	12,015	9,740,143	3,802,973	206,227	188,535

It is here shown that the taxable income from personal exertion amounts to £9,740,143, and that from property to £3,802,973, after allowing for exemptions of about £5,427,200 in the former, and of £960,700 in the latter. The total net incomes of those who paid income tax, during 1902-3, amounted to nearly twenty millions sterling, or an average of £308 for 64,548 taxpayers.

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

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

The following are particulars regarding the land tax for the half-year ended February, 1904:—

LAND TAX: RETURN FOR THE HALF-YEAR ENDED
27TH FEBRUARY, 1904.

Class.	Number of Proprietors.	Estates Assessed.			Value of Exemptions.	Net Taxable Value.	Half-year's Tax Payable.
		Number.	Area.	Capital Value.			
			Acres.	£	£	£	£
I	80	90	232,383	925,632	200,000	725,632	3,535
II	158	169	503,225	1,504,613	395,000	1,109,613	6,935
III	274	319	1,480,675	2,961,350	685,000	2,276,350	14,227
IV	360	470	4,580,745	4,580,745	900,000	3,680,745	23,005
Total ...	872	1,048	6,797,028	9,972,340	2,180,000	7,792,340	47,702

There are thus 872 proprietors in the State who hold land to the extent of 6,797,028 acres, valued at £9,972,340, or an average of 7,800 acres to each proprietor; from which a tax of £47,702 has been levied for the half-year ended 27th February, 1904. The collections in 1898-9 amounted to £108,745; in 1899-1900, to £108,222; in 1900-1, £97,948; in 1901-2, £97,862; and in 1902-3, to £92,867. In the following return a comparison is made of the number and size of the estates assessed for land tax in 1899 and in 1903:—

LAND TAX: RETURN FOR 1899 AND 1903.

Year.	Number of Proprietors.	Estates.			Net Taxable Value.	Average Area to each Proprietor.
		Assessed.	Area.	Capital Value.		
			Acres.	£	£	Acres.
1899	887	1,145	7,280,223	11,830,190	9,612,690	8,208
1903	872	1,048	6,797,028	9,972,340	7,792,340	7,795

The total area of the State being 56,245,760 acres, there is thus slightly less than an eighth of the whole subjected to taxation. The quantity of land alienated and in process of alienation is 24,058,181 acres; of which the taxable land is only two-sevenths.

COMMONWEALTH REVENUE AND EXPENDITURE.

Revenue
and expen-
diture.

The amount of revenue collected in this State by the Federal Government since its inauguration is £7,640,431. Of this amount £2,407,626 was used to meet the Victorian portion of Commonwealth expenditure, and £5,204,164 was returned to the State Government. A balance of £28,641 is still due to the State, but of this amount £28,000 is retained as "till-money," principally in the offices of the post and telegraph department in the State.

A statement of the Commonwealth revenue and expenditure for Victoria given separately is as follows:—

Commonwealth revenue and expenditure for Victoria.

COMMONWEALTH REVENUE AND EXPENDITURE CREDITED OR DEBITED TO THE STATE OF VICTORIA: RETURN FOR 2½ YEARS.

Revenue from—	1901, to 30th June.	1901-2.	1902-3.
	£	£	£
Customs Duties	1,123,106	1,976,245	2,096,318
Excise Duties	232,993	400,280	402,696
Posts and Telegraphs	177,931	591,470	622,700
Miscellaneous	2,780	8,505	5,407
Total	1,536,810	2,976,500	3,127,121
Expenditure on—	1900-1.	1901-2.	1902-3.
	£	£	£
Customs and Excise	32,645	63,812	64,770
Posts and Telegraphs	181,177	588,888	597,008
Defences	77,148	316,876	258,852
New Expenditure	41,056	87,194	98,200
Paid over to the State	1,177,740	1,920,974	2,105,450
Total	1,509,766	2,977,744	3,124,280

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

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

Revenue and expenditure, Commonwealth and State combined.

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: RETURN FOR THREE YEARS.

Heads of Revenue and Expenditure.	1900-1.	1901-2.	1902-3.
	REVENUE.		
	£	£	£
Customs and Excise	2,558,290	2,376,525	2,499,014
Posts and Telegraphs	588,366	591,470	622,700
Railways	3,302,202	3,362,030	3,033,596
State Taxation	762,438	818,274	950,183
Other sources	859,873	905,019	870,797
Total Revenue	8,071,169	8,053,318	7,976,290
	EXPENDITURE.		
	£	£	£
Customs and Excise	67,255	63,812	64,770
Posts and Telegraphs	510,449	588,888	597,008
Railways	1,982,421	2,052,264	1,849,989
Public Instruction	655,456	690,737	661,024
Public Debt—			
Interest and Expenses	1,900,139	1,941,449	1,907,656
Redemption	47,702	94,414	68,155
Other Expenditure	2,841,384	3,024,038	2,630,188
Total Expenditure	8,004,806	8,455,602	7,778,790

In 1901-2 the Customs and Excise revenue was less by £181,765 than during the preceding year, when the State tariff was in force, but exceeded that for the year 1899-00 by £109,394. In 1902-3 this source of revenue showed an increase of £122,489 over that of 1901-2. It is satisfactory to note that since the transfer of that department to the Commonwealth the expenditure on Customs and Excise was reduced to £64,770 in 1902-3, as against £68,107 in 1899-00 under State control. On the other hand, under the Commonwealth in 1902-3 Posts and Telegraphs showed a surplus of £25,692, whereas under State control in 1899-1900 there was a surplus of £64,143, the loss of which has not been caused by a diminution of revenue, but by an increase in expenditure under Commonwealth control.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

Common-
wealth,
State, and
Municipal
taxation.

In the following table will be found a statement showing for the years 1898-9 to 1902-3, the amount of revenue collected under the various heads of taxation by the Commonwealth, the State, and the Municipal bodies:—

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION: RETURN FOR FIVE YEARS.

Heads of Taxation.	Amount Received.				
	1898-9.	1899-00.	1900-1.	1901-2.	1902-3.
	£	£	£	£	£
Federal—					
Customs Duties ... ..	...	...	1,123,106	1,976,245	2,096,318
Excise Duties ... ..	...	...	232,993	400,280	402,696
Total Federal Taxation	...	...	1,356,099	2,376,525	2,499,014
State—					
Customs Duties	1,918,721	1,937,754	1,027,805	...	...
Excise Duties	315,721	329,377	174,386	...	...
Wharfage Rates	33,732	34,462	37,592	41,760	43,976
Ports and Harbors	21,674	24,763	29,248	28,298	27,616
Business Licenses	19,061	19,205	18,377	16,914	16,969
Probate & Succession Duties	305,762	126,478	155,902	217,796	161,636
Duties on Bank Notes	17,735	18,660	19,057	19,041	18,434
Land Tax	108,745	108,222	97,948	97,862	92,867
Income Tax	182,154	215,071	220,314	220,629	415,048
Stamp Duty	162,500	170,600	184,000	175,974	173,637
Total State Taxation	3,085,805	2,984,592	1,964,629	818,274	950,183
Municipal Taxation	853,694	857,322	897,062	964,240	940,351
Melbourne Harbor Trust Taxation	110,393	127,785	136,178	140,258	164,611
Total Taxation	4,049,892	3,969,699	4,353,968	4,299,297	4,554,159

STATE EXPENDITURE.

The following table shows for the years 1898-9 to 1902-3, the principal heads of State expenditure:—

Heads of expenditure, 1898-9 to 1902-3.

PRINCIPAL HEADS OF STATE EXPENDITURE: RETURN FOR FIVE YEARS.

Heads of Expenditure.	1898-9.	1899-1900.	1900-1.	1901-2.	1902-3.
	£	£	£	£	£
General Administration ...	220,199	231,189	246,238	248,543	226,374
Retiring Allowances, Gratuities, &c. ...	313,005	320,118	310,301	319,280	337,226
Defences ...	197,585	201,611	161,342	...	...
Law, Order, and Protection ...	470,374	484,597	501,767	502,645	482,239
Education :—					
State ...	543,987	585,062	621,774	656,761	631,129
Secondary and Technical ...	29,250	31,100	33,682	33,976	29,895
Science, Medical, &c. ...	46,319	60,371	61,083	63,084	52,398
Charitable Institutions ...	305,196	281,656	293,154	313,735	300,821
Agriculture ...	78,503	133,961	150,222	169,351	110,867
Mining ...	59,021	64,889	67,953	59,502	53,961
Crown Lands ...	67,186	68,879	78,978	83,096	79,014
Public Works and Services :—					
Railways ...	1,710,696	1,801,954	1,982,421	2,052,264	1,849,989
Posts and Telegraphs ...	514,500	521,918	329,272	...	...
Others ...	368,349	280,156	322,370	330,555	209,146
Public Debt :—					
Interest and expenses ...	1,881,198	1,852,970	1,900,139	1,941,449	1,907,656
Redemption ...	30,543	37,947	47,702	94,414	68,155
Old Age Pensions ...	...	...	129,338	292,432	215,973
Other Expenditure ...	271,295	327,258	435,044	237,745	205,117
Special Appropriations ...	2,758,073	2,672,851	2,878,550	2,996,333	2,810,955
Total Votes ...	4,349,133	4,612,785	4,794,230	4,402,499	3,949,005
Grand Total ...	7,107,206	7,285,636	7,672,780	7,398,832	6,759,960
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population ...	6 0 3	6 2 7	6 8 2	6 2 5	5 12 2

The figures for 1902-3 show a reduction of expenditure to the amount of £185,378 under special appropriations, and of £453,494 under annual votes. The principal reductions were under the following heads, viz.:—Railways, £202,275; Old Age Pensions, £76,459; Agriculture, £58,484; Interest on Public Debt, £33,793; Expenditure on Education, £29,713; and Expenditure on Charitable Institutions, £12,914. The only item which shows an increase over the previous year is Retiring Allowances and Gratuities, which has increased to the extent of £17,946.

The causes of the reduction under Old Age Pension payments were that under Act No. 1751 the maximum payments were reduced from 10s. to 8s. per week, and provision was made for enforcing contributions from relatives. The total expenditure has decreased from £7,398,832 in 1901-2 to £6,759,960 in 1902-3, and the amount per head of the population from £6 2s. 5d. to £5 12s. 2d. per annum.

PENSIONS AND GRATUITIES.

Pensions,
etc.

During the year 1902-3, 2,661 pensions were paid under special appropriations, amounting to £264,150; from annual votes, 202, amounting to £9,945. The total number of pensions was 2,863, and the amount £274,095. 109 compensations and gratuities were also paid, the amount being £16,131; and £47,000 was paid as a subsidy to the Police Superannuation Fund. The following statement contains full particulars, showing various Acts under which these payments have been made:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, &c.,
PAID, 1902-3.

	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
General Public Service—		£		£		£
Under Civil Service Act	504	85,282	17	1,116	709	110,472
„ Public Service Act	176	18,821				
„ Other Acts ...	12	5,253				
„ Discipline Act ...	22	1,530				
„ Lunacy Act ...	56	3,660	...	...	22	1,530
Education Department ...	822	74,121	35	2,277	56	3,660
Railways ...	1,063	71,186	143	6,333	857	76,398
Miscellaneous—					1,206	77,519
Under Constitution Act	1	610	7	219	13	4,516
„ County Courts Act	5	3,687				
Total Pensions and Superannuation Allowances	2,661	264,150	202	9,945	2,863	274,095
Compensation and Gratuities	66	9,058	43	7,073	109	16,131
Subsidy to Police Superannuation Fund	...	2,000	...	45,000	...	47,000
Total Amount Paid...	...	275,208	...	62,018	...	337,226

Other funds.

In 1902-3 the payments out of the Police Superannuation Fund were as follow:—364 pensions, amounting to £43,253,

and 23 gratuities, amounting to £12,395. The Police Superannuation Fund is maintained by the annual income arising from the balance of an investment in Government stock; by an annual subsidy of £2,000 from the consolidated revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; and, if necessary, by a deduction, not exceeding $2\frac{1}{2}$ per cent., from the pay of the members of the force, and a further grant in aid from the consolidated revenue. In the year 1902-3, 25 pensions, amounting to £1,125, and £205 sick allowances were paid out of the Port Phillip Pilot Sick and Superannuation Fund, towards which, however, the Government does not contribute.

RAILWAY REVENUE.

After deducting the net earnings of the Department of Railways from the amount of interest and expense of loans, a correct idea of its financial condition is obtained. This has been done in the table which follows, and from the figures supplied by the Railway Department the actual annual loss to the State in the last five years is shown; the loss in 1902-3 being much greater than in any of the years under review, and due, as has been before pointed out, to the extreme severity of the last season, when the yield of wheat alone was only 2,569,364 bushels, the lowest returned since 1864-5. No account is taken of the value of the work performed free of cost for other Government departments, which is estimated at £20,000 in each of the first 2 years, £31,000 in 1900-1, £34,000 in 1901-2, and £61,161 in 1902-3.

Loss on
working of
railways,
1898-9 to
1902-3.

RAILWAY DEFICIT: RETURN FOR FIVE YEARS.

—	1898-9.	1899-1900.	1900-1.	1901-2.	1902-3.
	£	£	£	£	£
Gross Receipts ...	2,873,729	3,025,162	3,337,797	3,367,843	3,046,858
Working Expenses ...	1,716,441	1,807,301	1,984,796	2,072,374	1,938,580
Pensions, Gratuities, &c.	81,284	95,239	90,443	93,744	93,507
Net Receipts ...	1,076,004	1,122,622	1,262,558	1,201,725	1,014,771
Interest on Cost of Construction	1,472,090	1,430,448	1,464,809	1,492,695	1,473,532
Deficit ...	396,086	307,826	202,251	290,970	458,761

As compared with the two preceding years, this table shows a decrease both in receipts and in working expenses. There is only a slight variation—a decrease of £19,163—in the last year, under the heading Interest on Construction. The

amount paid in pensions is about the same as in the preceding year. During the years under review an increase is shown in the revenue amounting to £173,129, and in the expenditure to £234,362 for working expenses and pensions, and to £1,442 for interest, the deficit in 1902-3 being £62,675 greater than that of 1898-9.

EXPENDITURE ON EDUCATION.

Expenditure
on public
instruction.

The expenditure during 1902-3 on State education amounted to £738,997, portion of which, however (£21,030) was for the Melbourne University and for technical schools. Pensions, gratuities, etc., are also included, but this expenditure may be considered as more appropriately belonging to the education of a past generation rather than as a portion of the cost of instruction of the children of the present day. The expenditure in detail for the five years 1898-9 to 1902-3, extracted from the report of the Education Department, is as follows:—

EXPENDITURE ON EDUCATION: RETURN FOR FIVE YEARS.

Expenditure on—	1898-9.	1899-1900.	1900-1.	1901-2.	1902-3.
	£	£	£	£	£
Instruction	487,592	517,714	546,009	565,931	552,838
Training ... ..	...	2,242	4,516	4,701	4,555
Administration	31,024	34,218	39,865	41,977	39,148
Technical Schools	20,930	24,740	26,225	22,958	16,430
Melbourne University	5,250	5,250	5,750	6,000	4,600
Pensions, Compensation, and Gratuities	77,993	75,785	75,166	76,352	77,341
Miscellaneous	120	144	22	338	4,716
Total (exclusive of Buildings)	622,909	660,093	697,553	718,257	699,628
Buildings—					
Expended by the Public Works Department:—					
From Loans	1,089	13,940	4,758	35,197	10,734
„ Annual Votes	20,919	25,756	24,144	39,231	20,886
By Boards of Advice	2,202	2,077	3,293	3,398	3,901
Rents	2,186	2,912	3,845	4,119	3,848
Total	649,305	704,778	733,593	800,202	738,997

A considerable annual increase in the expenditure will be noticed during each of the four years, 1898-9 to 1901-2, but a decrease to the extent of £61,205 for 1902-3. The decreases are under—Instruction, £13,093; Training, £146; Administration, £2,829; Technical Schools, £6,528; Melbourne University, £1,400; and Buildings, £42,576. The increases were in Pensions, etc., £989; and Miscellaneous, £4,378. Since the inception of the system of free, compulsory, and secular education in 1872, up to the 30th June, 1903, the expenditure on public

instruction has amounted to £20,431,577, of which £15,157,102 has been spent on instruction, £1,138,683 on administration, £150,237 on training teachers, £1,574,167 on miscellaneous items, principally pensions, technical schools, and the Melbourne University (excluding the annual fixed grant of £9,000 to that institution), £2,411,388 on buildings, of which £1,129,226 was paid out of loans, and £1,282,162 from revenue. For particulars of the progress of State instruction since its inception, see Part Social Condition, ante.

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

Expenditure
on primary
education.

EXPENDITURE ON PRIMARY EDUCATION: RETURN FOR FIVE YEARS.

Items.	1898-9.	1899-00.	1900-01.	1901-02.	1902-3.
Instruction:—	£	£	£	£	£
Teachers' Salaries ...	446,340	472,704	496,336	511,846	499,559
Singing, Drawing, Drill, Gymnas- tics, Kindergarten, Cookery, and Manual Training	...	1,211	2,497	4,681	5,955
Teachers' Travelling Expenses ...	1,789	1,438	1,803	2,060	2,540
Conveyance of Children to Schools	1,978	2,372	2,063	2,386	2,536
Books, Stores, Cadets, Kinder- garten, Manual Training, and Cookery Expenses	5,630	7,350	9,479	9,140	10,034
Cleaning, Stationery, Fuel, &c. ...	30,178	30,863	31,039	31,459	31,532
Teaching Night Schools ...	232	306	615	804	682
Training ...	...	2,242	4,516	4,701	4,555
Total Instruction ...	486,147	518,486	548,348	567,077	557,393
Administration:—					
Office and Inspectors ...	26,814	29,380	31,257	31,235	29,156
Truant Officers ...	3,342	3,655	6,793	7,569	6,046
Stores, Cleaning, &c. ...	868	1,183	1,814	3,173	*3,946
Buildings ...	26,396	44,685	36,040	81,946	39,369
Retiring Allowances, Compensa- tion, and Gratuities	77,993	75,785	75,166	76,352	77,535
Total Expenditure ...	621,560	673,174	699,418	767,352	713,445

* Including Postage and Telegrams, £2,136.

Out of the total decrease (£61,205) which has taken place in the expenditure on Education during the past year, £53,907 has been effected on items comprising primary instruction. This has occurred in the items Teachers' Salaries and Buildings. Slight increases are shown in the expenditure on Singing, etc., Teachers' Travelling Allowances, Conveyance of Children to Schools, Books, Stores, etc., Cleaning, Stationery, Fuel, and Pensions.

The following return shows the cost per head of primary instruction, including salaries and allowances paid to teachers, travelling expenses, stores, maintenance of schools, stationery, fuel, books and school requisites, office administration, inspection, buildings, and retiring allowances, computed on the number of children in daily average attendance throughout the year:—

COST OF PRIMARY INSTRUCTION IN VICTORIA: RETURN FOR
FIVE YEARS.

Year.	Cost to the State.		Scholars in Average Attendance.	Per Head of Scholars in Average Attendance.	
	Including Buildings.	Excluding Buildings.		Including Buildings.	Excluding Buildings.
	£	£		£ s. d.	£ s. d.
1898-9 ...	621,560	595,164	141,740	4 7 8	4 4 0
1899-00 ...	673,174	628,489	145,868	4 12 4	4 6 2
1900-01 ...	699,418	663,378	147,818	4 14 8	4 9 9
1901-2 ...	767,352	685,406	150,939	5 1 8	4 10 10
1902-3 ...	713,445	674,076	150,268	4 14 11	4 9 8

On the whole the cost for 1902-3 is well below that of the preceding year, the column which includes buildings showing a decrease of 6s. 9d. per head. It is somewhat difficult to institute a fair comparison of the cost of primary instruction with other States, inasmuch as there are different elements which go to make up the item primary instruction; for instance, in Victoria, contributions by parents are in every instance paid to the teachers, principally for imparting instruction in extra subjects, whereas in New South Wales these fees are paid for instruction in primary subjects, and placed to the credit of the general revenue. Again, in some States the buildings are under the control of the Public Works Department, and in others, under the control of the Education Department. So far, however, as it has been possible to collect figures making a fair comparison, the information is included in the following table, the Victorian figures being for 1902-3, those for the other States a year earlier:—

COST PER SCHOLAR OF PRIMARY INSTRUCTION EXCLUDING BUILDINGS

	£	s.	d.		£	s.	d.
Victoria	4	9	8	Western Australia ...	5	18	1
New South Wales ...	4	16	1	Tasmania	4	2	10
Queensland	3	11	9	New Zealand	3	9	4
South Australia ...	3	8	10				

SUBSIDIES, GRANTS, AND ENDOWMENTS.

The following is a statement of all grants and endowments, and expenditure in aid of various services, institutions, and societies, from 1898-9 to 1902-3:—

Subsidies,
grants,
endow-
ments, etc

	1898-9.	1899-1900.	1900-1.	1901-2.	1902-3.
	£	£	£	£	£
Grants to Agriculture, &c. ...	56,403	106,478	123,358	142,418	82,978
„ Mining	20,917	23,399	24,900	15,992	11,866
Subsidy to Municipalities ...	100,000	100,000	100,000	100,000	50,000
<i>Educational Grants, &c.—</i>					
Melbourne University—Endow- ment under Act	9,000	9,000	9,000	9,000	9,000
Melbourne University—Addi- tional Endowment voted	3,250	3,250	6,250	6,000	4,500
College of Pharmacy	500	500	500	500	250
Technological Schools—Mainte- nance, &c.	14,500	16,350	17,932	18,476	16,145
Working Men's College—Work- shops	6,000	...	...	...	...
Public Libraries, &c. (including Melbourne Public Library)	19,870	24,767	26,660	27,065	20,828
Royal Society	100	100	100	100	50
Royal Geographical Society ...	...	...	...	75	...
Victorian Artists' Society ...	100	100	150	100	...
Fine Art Galleries—Ballarat, Bendigo, &c.	500	500	500	500	250
Zoological and Acclimatisation Society, &c.	3,100	3,600	3,500	3,500	3,000
Parks and Gardens (including Melbourne Botanical Gardens)	13,963	14,383	14,867	15,175	12,295
Charitable Institutions	136,483	116,026	115,979	114,459	98,384
Instructor of the Blind	170	170	170	170	164
Animals Protection Society ...	50	50	50	50	50
<i>Miscellaneous Grants and Sub- sidies—</i>					
Exhibitions	9,296	4,302	500	1,000	...
Exhibition Trustees, Expenses of	2,249	2,749	1,250	1,250	300
Fire Brigades	14,423	14,766	15,941	16,215	16,262
Mint Subsidy	20,000	20,000	20,000	20,000	20,000
Village Settlements and Labor Colonies	5,898	4,000	3,987	2,993	3,519
Carriage of Water—to reimburse Railway Department for	102	...	5,036	11,026	2,919
Relief on account of Bush Fires, Cyclones, Drought, &c.	221	...	1,250	3,295	495
Relief of the Unemployed	700	1,082	906	1,161	907
Savings Banks Commissioners— Extra Working Expenses	13,736	10,841	11,178	12,685	13,663
Total	451,531	476,413	503,964	523,205	367,825

In 1901-2, the amount expended was £523,205; in 1902-3, it was £367,825, a reduction of £155,380. Large reductions appear under all the items, with the exception of University Endowment, Animals Protection Society, and Mint Subsidy, which are the same as in the previous year, and the items Village Settlements, Fire Brigades, and Savings Banks Commissioners, where increases are shown. The most noticeable reductions are:—Grants to Agriculture, by nearly £60,000; Subsidies to Municipalities, £50,000; Charities, over £16,000; Public Libraries, over £6,000; and Parks and Gardens, nearly £3,000. The amounts under some of the minor heads have altogether disappeared.

LOANS FLOATED IN LONDON.

London
loans.

The total amount of loans raised in London at varying rates of interest was £62,075,200, after conversion operations. The amount paid off by means of new loans was £16,416,629, and by means of payment derived from revenue, £566,100; leaving a balance due on 30th June, 1903, £45,092,471, consisting of debentures amounting to £6,584,000, and inscribed stock £38,508,471. The following statement gives particulars respecting the various loans now forming part of the public debt, which were raised in London since 1859, together with the average prices obtained after deducting flotation expenses as well as accrued interest, and the rates of interest to which such prices are equivalent:—

LOANS FLOATED IN LONDON, 1859 TO 1903.

When Raised.	Debentures or Stock.				Average Price Obtained per £100 Debenture or Bond.				Actual Rate of Interest per £100 Net.
	Currency.		Amount Sold.	Rate of Inter- est.	Ex Accrued Interest.	Ex Interest and Expenses. (Net Proceeds.)			
	When Due.	No. of Years.				£ s. d.	£ s. d.		
			£ <i>Debentures.</i>	Per cent.	£ s. d.	£ s. d.	£ s. d.		
1859	1883	24	1,000,000	6	105 1 11½	103 18 11½	5 14 0		
"	"	"	750,000	6	107 17 7½	106 14 7½	5 9 10		
1860	"	23	1,837,500	6	104 17 10½	103 14 10½	5 14 1		
"	1884	"	812,500						
1861	1885	24	1,000,000	6	103 1 6½	101 18 6½	5 17 0		
1862	"	23	1,600,000	6	102 19 7	101 16 7	5 17 2		
1866	1891	25	850,000	6	100 8 11½	99 5 11½	6 1 1		
1869	1894	"	588,600	5	98 4 2½	97 1 2½	5 4 3		
1870	"	24	1,518,400	5	100 17 6½	99 14 6½	5 0 5		
1874	1899	25	1,500,000	4	90 2 7	88 19 7	4 15 5		
1876	1901	"	{ 500,000 2,500,000 }	4	94 16 10¾	93 18 11¾	4 8 1		
1878	1904	26	457,000	4	...	...	...
1879	"	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		

LOANS FLOATED IN LONDON, 1859 TO 1903—Continued.

When Raised.	Debentures or Stock.				Average Price Obtained per £100 Debentures on Bond.				Actual Rate of Interest per £100 Net.
	Currency.		Amount Sold.	Rate of Inter- est.	Ex Accrued Interest.	Ex Interest and Expenses. (Net Proceeds.)			
	When Due.	No. of Years.							
			£ Stock.	Per cent.	£ s. d.	£ s. d.	£ s. d.		
1883	1907	"	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	{ 2,636,600 } { 1,363,400 }	4	98 5 7	97 2 8¼	4 3 3		
1885	1919	34	{ 3,180,620 } { 819,380 }	4	98 18 6½	97 15 9¼	4 2 5		
1886	1920	"	1,500,000	4	105 12 3¼	104 9 0	3 15 5		
1887	"	33	3,000,000	4	102 5 6¾	101 2 9	3 18 9		
1888	"	32	1,500,000	4	108 1 1¼	106 18 0¾	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	30-5	{ 850,000 } { 2,150,000 }	3½	96 3 7	95 0 10	3 15 6		
1892	"	29-34	2,000,000	3½	91 13 7	90 10 8	4 1 5		
1893	1911-26	17-32	2,107,000	4	94 7 5	93 4 8	4 11 7		
1899	1929-49	30-50	1,600,000	3	94 7 1	93 4 2	3 7 3		
1901	1929-49	28-48	3,000,000	3	92 2 1	89 14 5	3 11 10		
1902	1929-49	27-47	1,000,000	3	95 16 6½	93 8 3¾	3 7 6		
			<i>Treasury Bonds.</i>						
1892	1893	1	1,000,000	4½	99 3 11	99 1 5	5 0 0		
1898	1901	1-3	500,000	3¾	100 0 0	100 0 0	3 15 0		
Total			61,121,000						
Paid off ...			16,028,529						
Outstanding			45,092,471						

The figures in the last column represent the rate of interest payable by the State for the actual amount of money which was realized after the deduction of all expenses which had been incurred in connection with the flotation. The column, Amount Sold, includes £957,000 for conversion loans.

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 obtained by investors varied from 6 per cent. in 1866 to 3 $\frac{3}{4}$ per cent. in 1899 and 1902. The first six loans raised were obtained at about 5 $\frac{1}{4}$ per cent., but the credit of the State would appear to have gradually improved after 1866, and money was obtained four years later at 5 per cent. In 1883 it was obtained at 4 1.5 per cent., in 1885 at 4 $\frac{1}{8}$, in 1888 at

$3\frac{3}{8}$, 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 still increased to over $4\frac{1}{2}$ in 1893, while 5 per cent. was paid on short-dated Treasury bonds obtained in 1892. Later loans show a marked improvement, as in 1899 the actual rate of interest was less than $3\frac{3}{8}$ per cent., this being the lowest rate of those loans which were raised in London, while for the two later loans, one of which was floated in 1901, the money was obtained at slightly over $3\frac{1}{2}$ per cent., and the other in 1902, at $3\frac{3}{8}$ per cent.

LOANS FLOATED IN MELBOURNE.

Melbourne
loans.

The total amount of loans floated in Melbourne after conversion operations was £9,190,465. Of this amount, £1,841,159 was redeemed by loans, and £1,343,877 by revenue, leaving due a balance of £6,004,429 on 30th June, 1903, consisting of debentures, £2,107,495; inscribed stock, £3,196,934; and Treasury bonds, £700,000. In addition, there is a sum of £1,000 overdue for debentures of the late Melbourne and Hobson's Bay Railway Company not yet presented for payment. The outstanding balance of loans floated in Melbourne amounted to £3,451,088 on 30th June, 1898, but during the last five years the local debt has been increased by over $2\frac{1}{2}$ millions sterling. The following is a statement of these loans, exclusive of Melbourne and Hobson's Bay Railway debentures, showing the amounts originally raised, the amounts converted or paid off, and the amounts outstanding on 30th June, 1903:—

LOANS RAISED IN MELBOURNE.

Authorization.		Loans as originally raised.			Amounts.		Loans Outstanding on 30th June, 1903.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Debentures.</i>							
13 & 23	1854	...	1855-75	735,000	...	735,000	...
40	1855	6	1857-72	299,100	...	299,100	...
15	1856	6	1872-4	2,900	...	2,900	...
36	1857	6	1883-5-8	1,000,000	52,780	947,220	...
150	1862	6	1889	300,000	23,900	276,100	...
332	1868	5	1894	610,000	297,100	312,900	...
371	1870	5		100,000	100,000	...	...
1296	1893	4	1913-23	746,795	...	...	746,795
1440	1896	3	1912	63,000	...	...	63,000
1659	1900	3	1921-30	1,000,000	...	...	1,000,000
1753	1901	3	1923-32	297,700	...	...	297,700

LOANS RAISED IN MELBOURNE—Continued.

Authorization.		Loans as originally raised.			Amounts.		Loans Outstanding on 30th June, 1903.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	
<i>Inscribed Stock.</i>							
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			
1369	1895	4	"	150,000	}	42,894	2,290,482
1468	1896	3	1917	249,131			
1552	1898	3	"	2,290,482			
1564	1898	3	"	2,809			
1602)	1898	3	"	500,000			
1749)	1898	3	"	206,285			
1623	1899	3	"	206,285	...	6,922	199,363
				247,174	...	...	247,174
<i>Treasury Bonds.</i>							
1574	1898	3½	1901	500,000	...	500,000	...
1800	1902	3½	1907	700,000	...	...	700,000
Total		...	...	12,260,858	3,133,393	3,123,036	6,004,429

NOTE.—Exclusive of £62,000, Melbourne and Hobson's Bay Railway debentures redeemed in Melbourne.

Of the total loans raised in Victoria, £2,337,000, i.e., the total of those loans which were floated prior to 1863, was obtained at 6 per cent.; £710,000, or those floated from 1868 to 1870, at 5 per cent.; £3,406,408, or those floated from 1872 to 1895, at 4 per cent.; and £4,607,450, floated since 1895, at 3 per cent. During 1898 and 1902 short-dated Treasury bonds, for £500,000 and £700,000 respectively were issued at 3½ per cent. Of the total Melbourne loans outstanding on 30th June, 1903, £746,795 is bearing interest at 4 per cent., £700,000 at 3½ per cent., and the balance, £4,557,634, at 3 per cent.

REPAYMENT OF LOANS.

The total debt on 30th June, 1903, exclusive of debentures for £1,000 overdue since 1897, was £51,096,900, and of this sum £8,691,495 was in the form of debentures; £38,508,471 of inscribed stock (London Register); £3,196,934 of funded stock (Melbourne Register); and £700,000 in the form of Treasury bonds. The following are the dates on which these loans are

Repayment
of debt.

repayable, those repayable in Melbourne and London being also indicated:—

TOTAL DEBT, INTEREST, AND DATE OF REPAYMENT.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
<i>Debentures.</i>					
608	1st Jan., 1904 ...	4½	£ ...	£ 5,000,000	£ 5,000,000
611	" " ...	4	...	457,000	457,000
1296	1st April, 1913-23 ...	4	746,795	...	746,795
1440	" " 1912-22 ...	3	63,000	...	63,000
1659	1st Jan., 1921 ...	3	1,000,000	...	1,000,000
1753	" " 1923-32 ...	3	297,700	...	297,700
<i>Inscribed Stock (London).</i>					
717	1st July, 1907 ...	4	...	4,000,000	4,000,000*
739	1st April, 1908 ...	4	...	2,000,000	2,000,000*
760	1st Oct., 1913 ...	4	...	4,000,000	4,000,000*
805	" " 1919 ...	4	...	4,000,000	4,000,000
845	" " 1920 ...	4	...	6,000,000	6,000,000
989)	" " 1923 ...	3½	...	7,000,000	7,000,000
1032 }					
1196)	1st Jan., 1921 to 1926 ...	3½	...	5,000,000	5,000,000
1217 }					
1287	" " 1911-1926 ...	4	...	2,107,000	2,107,000
1560	" " 1929-1949 ...	3	...	4,528,471	4,528,471
1562	" " 1929-1949 ...	3	...	1,000,000	1,000,000
<i>Funded Stock (Melbourne).</i>					
1468	} 29th Sept., 1917 ...	3	2,290,482	...	2,290,482
1552			2,809	...	2,809
1564			457,106	...	457,106
1602			199,363	...	199,363
1623			247,174	...	247,174
<i>Treasury Bonds.</i>					
1800	... ..	3½	700,000	...	700,000
Total			6,004,429	45,092,471	51,096,900

The last of the 6 per cent. loans was paid off on the 1st January, 1891, and the last of the 5 per cents. on the 1st January, 1897. The only loan bearing a higher rate of interest than 4 per cent. is one of 5 millions at 4½ per cent., and this became due and was redeemed on 1st January, 1904. The loans at the higher rates of interest which have already been redeemed, were replaced by others obtained at lower rates, and by this means a considerable saving in interest

* Debentures convertible into inscribed stock at option of holders. The amount so converted to 30th June, 1903, was £8,873,000.

has been effected. The last two loans which fell due were one for $1\frac{1}{2}$ millions in 1899, and the other for 3 millions in 1901. Both were 4 per cent. debentures, and they were redeemed by the proceeds of £4,600,000 stock raised in London at 3 per cent., the transaction effecting an annual saving of £42,000 in the amount of interest payable.

PURPOSES FOR WHICH LOANS WERE RAISED.

The aggregate amount of the loans raised to 30th June, 1903, exclusive of temporary Treasury bonds in aid of revenue, was £71,265,665; but a total of £20,167,765 (exclusive of £2,089,613 conversion loans) having been repaid, viz., £1,909,977 out of the general revenue, and £18,257,788 out of the proceeds of redemption loans, the balance on 30th June, 1903, was reduced to £51,097,900. The purpose for which the amount outstanding was borrowed and the annual interest payable thereon, are as follow:—

Purposes
for which
loans were
incurred.

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1903.	Annual Interest Payable.
	£	£
REVENUE-YIELDING WORKS.		
Railways	38,903,114	1,468,109
Tramways, Country... ..	200,000	7,750
Water Supply and Irrigation—Melbourne	2,082,337	77,741
Country	5,736,478	204,496
Harbors and Docks	275,554	11,022
Graving Dock	354,820	13,155
Agriculture—Advances to Beet Sugar Company	63,000	1,890
Agriculture—Wineries, &c.	58,216	1,760
Purchase of Land for Closer Settlement	199,363	5,981
Development of Mining	126,022	3,894
Total Revenue Yielding Works ...	47,998,904	1,795,798
OTHER WORKS OF A PERMANENT CHARACTER.		
Parliament Houses	246,453	10,305
Law Courts	364,715	13,516
Public Offices	165,583	6,098
Defence Works	151,467	5,044
State School Buildings	1,226,732	42,897
Other	944,046	30,856
Total other Permanent Works ...	3,098,996	108,716
Net Borrowings	51,097,900	1,904,514

The loans outstanding on the 30th June, 1903, include sums not yet expended, amounting in the aggregate to £263,331, of which £206,751 has been borrowed for railways, £18,402 for country water supply, and the balance (£38,178) for different other services. Of the total sum borrowed, 94 per cent. has been devoted to revenue-yielding works, namely, railways, water supply, and country trams, etc.

Including money borrowed for temporary purposes (£350,000) in aid of revenue, the total debt on the 30th June, 1903, is £51,447,900, upon which the amount of interest and expenses (paid in 1902-3) was £1,907,656, or an average of 3·71 per cent. on the total debt. The amount of interest and expenses paid was fully earned by £33,873,683, the amount of such interest and expenses being £1,256,015. This leaves £17,574,217, all the interest and expenses upon which, £651,641, has to be met by charge upon the general revenue. In addition, a sum of £2,391,663 has been advanced from the trust funds, upon which the interest is £50,225, or 2·10 per cent. The total interest which has to be met from general revenue is thus £701,866, equal to 3·51 per cent., or 11s. 7d. per head of population on a debt of £19,965,880, and this amount represents the real burden on 30th June, 1903. It is, however, worthy of notice that £3,098,996 of the indebtedness has been expended in the erection of Parliament House, public offices, and school buildings throughout the State, defence, and other works of a necessary and permanent character, and if these are not directly reproductive in character, yet they save the State in rent charges and otherwise. A sum of £2,741,663 has been expended on works in anticipation of revenue and to meet revenue, deficiencies, etc., and the balance of the real debt, £14,125,221, has been expended on railways, water conservation, country trams, development of the agricultural and mining resources of the State, the graving dock, and on other revenue-producing works, which do not at the present time earn sufficient to cover working expenses and interest on the money expended in their construction, and will not do so until the population of the State has materially increased.

In addition to the ordinary expenditure from revenue, certain sums are annually disbursed for various purposes from amounts raised by means of loans. The following table

shows the details of such expenditure in each of the last five years:—

Expenditure
from loans.

LOAN EXPENDITURE: RETURN FOR FIVE YEARS.

Works.	1898-9.	1899-1900.	1900-1.	1901-2.	1902-3.
	£	£	£	£	£
Railways ...	451,087	595,543	490,857	467,937	354,916
Water Supply ...	100,077	144,149	138,233	88,902	115,405
Defences ...	34,827	229	4,080	11,859	...
Schools—					
Primary ...	1,088	13,745	4,618	34,332	12,039
Technical ...	4,832	6,892	99	...	...
Beet Sugar Company	22,000	...	...	...	...
Wineries ...	5,094	12,063	15,480	17,895	6,352
Closer Settlement, Purchase of Estates	...	63,985	85,040	55,462	1,189
Bush Fires—Advances to Farmers	17,302	...	2,366	332	...
Mining Development...	...	41,294	25,932	32,443	23,895
Pilots — Advance for Steam Service	...	23,000	...	...	...
Sundry Public Works	75,786	104,989	165,560	175,083	215,607
Total ...	712,093	1,005,889	932,265	884,275	729,403
Per Head of Population	s. d. 12 0	s. d. 16 11	s. d. 15 7	s. d. 14 8	s. d. 12 1

It will be seen that during the last five years the loan expenditure averaged £852,785 yearly, whereas during the preceding six years the average was £362,921, and during the ten years ended 30th June, 1892, it was £2,300,000 yearly. During the last five years the loan expenditure of Victoria and New South Wales was as follows:—

	Total Last Five Years.	Annual Average.
Victoria ...	£4,263,925	£852,785
New South Wales ...	16,426,085	3,285,217

During each of the last two years the loan expenditure in New South Wales was nearly five millions.

LOANS AUTHORIZED BUT NOT RAISED.

The permanent loans authorized, but not raised, on the 30th June, 1903, amounted to £2,199,640, which sum now represents the unfloated balance of loans authorized in 1896, 1898, 1899, 1901, 1902, and 1903. The following is a return of the amounts authorized, showing the purposes for which the original loans were intended, and the amounts raised up to June, 1903:—

Loans
authorized
but not
raised.

LOANS AUTHORIZED BUT NOT RAISED, 30TH JUNE, 1903.

Purposes.	Under Loan Act—						
	59 Vict., No. 1440.	62 Vict., No. 1552.	62 Vict., No. 1602. & 1 Ed. VII., No. 1749.	63 Vict., No. 1623.	1 Ed. VII., No. 1753.	1 Ed. VII., No. 1800.	1 Ed. VII., No. 1816.
	£	£	£	£	£	£	£
Railways ...	...	...	...	206,357	350,609	541,958	100,000
Irrigation Works, &c.	...	...	...	100,000	100,000	257,989	
Beet Sugar Industry ...	100,000	...	...	...	...	...
Closer Settlement ...	...	...	400,000	...	...	...
Redemption of Municipal Debentures	...	1,116,608	...	...	...	...
Miscellaneous ...	...	...	...	193,643	49,391	200,053	...
Total ...	100,000	1,116,608	400,000	500,000	500,000	1,000,000	100,000
Amount raised to 30th June, 1903	63,000	2,809	206,285	247,174	297,700	700,000	...
Balance not Floated ...	37,000	1,113,799	193,715	252,826	202,300	300,000	100,000

In addition to the £51,097,900, the total amount of the outstanding funded loans of the State on the 30th June, 1903, these figures show that authority had been obtained from Parliament for a further borrowing to the extent of £2,199,640, and of this sum £134,973 is not apportioned to any service; £378,292 is for railway purposes, £305,801 for water supply, £193,715 for closer land settlement, £1,113,799 for the redemption of municipal debentures, and £73,060 for other works. The rate of interest on the amount to be raised is 3 per cent. on £1,799,640, and 3½ per cent. on £400,000.

SINKING FUNDS.

On 30th June, 1903, the sinking funds were as follow:—

SINKING FUNDS IN AUSTRALIAN STATES, 30TH JUNE, 1903.

Sinking funds.

State.	Sinking Funds in Connection with—	
	State Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria ...	313,295	698,194
New South Wales ...	775,208	295,415
Queensland ...	...	...
South Australia ...	117,338	...
Western Australia ...	655,069	59,953
Tasmania ...	242,127	89,410
Australia ...	2,103,037	1,142,972

* Figures for 1902.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1903:—

	Balance at Credit.
Mallee Land Account	£56,667
Farms Settlement Fund	5,317
Victorian Loans Redemption Fund	109,267
Victorian Government Consolidated Inscribed Stock Redemption Fund	130,452
Municipalities Contribution—Prince's Bridge	11,592
Total	£313,295

STATE DEBTS.

The following is a statement of the total indebtedness of the Australian States on 30th June, 1903:—

State indebtedness

FUNDED AND UNFUNDED DEBT OF AUSTRALIAN STATES,
30TH JUNE, 1903.

State.	State Debts.		Municipal and Corporation Debts (exclusive of Loans from Government).	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria. ...	51,097,900	2,741,663	11,783,699	65,623,262	54 6 5
New South Wales ...	75,465,361	5,556,604	2,882,140	83,904,105	59 5 3
Queensland ...	38,318,627	2,712,620	685,967	41,717,214	81 7 2
South Australia ...	26,754,420	1,088,950	106,310	27,949,680	76 11 5
Western Australia ...	15,627,298	...	413,050	16,040,348	72 5 2
Tasmania ...	9,228,963	212,856	537,086	9,978,905	56 7 10
Total ...	216,492,569	12,312,693	16,408,252	245,213,514	62 17 4

The figures, £245,213,514, include loans raised by the Australian Governments, municipal bodies, corporations, and trusts, but exclude moneys advanced by the Governments to these bodies. The figures for Victoria also exclude the amount of the tramways trust loan, viz., £1,650,000, which is treated as a loan to a private company, for although the money has been borrowed by the trust, which is composed of representatives of municipalities, on the security of municipal property, yet the interest is paid and a sinking fund provided by the tramway company, which renders the liability of the trust merely nominal; further, the property must be purchased by the municipalities when the trust's lease has expired.

The figures in the table show the full public indebtedness of the Commonwealth, including States, municipalities, and corporation debts, to the latest date at which comparison can be made. Victoria has the smallest amount per head, Tasmania the next, and Queensland the largest. There are of

course private debts to a considerable extent and private investments by British capitalists; but there is no reliable information as to the amount of this class of indebtedness.

The State debts are those at the end of 1903, the municipal and corporation debts are for the year ended 1902, figures for 1903 for other States than Victoria not being available. The complete figures for Victoria on the 30th June, 1903, appear in the following statement:—

STATE AND LOCAL DEBTS, 30TH JUNE, 1903.

	£	£
State Debts (Funded)—		
London Register	45,092,471	
Melbourne Register	6,004,429	
State Debts (Unfunded)	2,741,663	
Overdue Debenture, late Melbourne and Hobson's Bay		
Railway—unpresented	1,000	
Total State Debts		53,839,563
Municipal Debts	3,936,077	
Harbor Trust Debts	2,000,000	
Fire Brigades Board	130,000	
Melbourne and Metropolitan Board of Works	6,090,000	
Total Debts of Municipalities and Corporations		12,156,077
Total Debts		65,995,640

This sum (£65,995,640) is equal to a debt of £54 12s. 7d. per head of the population on 30th June, 1903.

Funded
debts of
Australian
States and
New
Zealand,
1903.

The following is a summary of the funded debts of the Australian States and New Zealand on the 30th June, 1903, their proportion to population, and the total and average interest payable. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

FUNDED DEBT OF AUSTRALIAN STATES AND NEW ZEALAND,
30TH JUNE, 1903.

State.	Funded Debt.		Interest Payable.	
	Amount.	Per Head of Population.	Amount.	Average Rate Per Cent.
	£	£ s. d.	£	
Victoria	51,097,900	42 5 11	1,904,514	3·73
New South Wales	75,465,361	53 6 1	2,679,622	3·55
Queensland	38,318,627	74 14 7	1,421,080	3·71
South Australia	26,754,420	73 5 11	1,004,177	3·75
Western Australia	15,627,298	70 7 11	528,608	3·38
Tasmania	9,228,963	52 3 1	338,230	3·66
Total Australia	216,492,569	55 10 1	7,876,231	3·64
New Zealand	55,899,019	68 5 4	2,075,063	3·71

South Australia and Victoria pay the highest average rate of interest on their loans, the reason being, not that their securities are considered of less value, but that a larger proportion of their loans was raised when the rates of interest were high.

VALUATION OF STATES' DEBTS.

In view of the possible transference of the States' debts to the Federal Government, it will be of interest to ascertain the present value of each State's indebtedness so far as funded stock is concerned. A mere statement of the various loans is not necessarily an indication of their actual value. Although a loan may be raised at above the market rate of interest and realize a premium, which when considered in conjunction with the term of the loan reduces the nominal rate to something approaching the current rate at par, the value of the loan at any time of its currency has a greater value than the nominal amount. To illustrate this: Suppose a loan of a million has a term of 20 years to run, upon which interest at the rate 4 per cent per annum is paid, and assuming, as is probably the case, the market rate of interest is $3\frac{1}{2}$ per cent. What is the value of the loan? Clearly, the present value of the principal (£1,000,000) due 20 years hence, together with the present value of an annuity of the amount of the interest (£40,000) for 20 years. The value of the former is £502,566, and that of the latter £568,496, and the total value of the loan £1,071,062. If the loan carry only 3 per cent. interest with the same currency, the value is £928,938.

Valuation of
States'
debts on
 $3\frac{1}{2}$ per cent.
basis.

Each debt of each State of the Commonwealth has thus been separately valued upon a $3\frac{1}{2}$ per cent. basis, and as from the 1st January, 1905—the presumption being that all debts due up to and inclusive of that date will be paid by the States indebted. To this extent the amounts shown in the next table are deficient as compared with those shown in preceding tables, but it affords an idea of the comparative values of the nominal debt and its present worth on a $3\frac{1}{2}$ per cent. basis. Full particulars are not available to effect the complete valuation. The results are set forth in the following table:—

VALUATION OF STATE FUNDED DEBTS.

State.	Funded Debt. Nominal Amount.	Value of—		Total.
		Principal.	Interest.	
	£	£	£	£
Victoria ...	51,036,378	29,283,964	21,587,140	50,871,104
New South Wales ...	68,992,960	38,834,208	30,003,602	68,837,810
Queensland ...	38,318,627	19,720,491	19,105,742	38,826,233
South Australia ...	25,831,980	14,229,962	11,799,340	26,029,302
Western Australia ...	14,910,810	7,125,862	7,310,679	14,436,541
Tasmania ...	9,036,129	4,725,981	4,463,771	9,189,752
Commonwealth ...	208,126,884	113,920,468	94,270,274	208,190,742

It will be seen that the actual value of the whole of the States' debts differs but slightly from the nominal amount. This is due to the fact that the mean rate of interest is nearly $3\frac{1}{2}$ per cent. It is also noticeable that the actual values of the Victorian, New South Wales, and Western Australian loans are less than the nominal values, whilst the actual values of the Queensland, South Australian, and Tasmanian loans are greater. In each of the first series of States the mean rate of interest payable upon the loans—after attaching due weight to the currencies of the loans—is less than $3\frac{1}{2}$ per cent., whilst in the latter it must be more. It is necessary to mention, however, that the above valuations have been made upon the assumption that interest is payable annually—not as is the case every six months.

Cost of
periodic
conver-
sions.

The whole of this debt is practically in terminable stock—the average currency of these loans being probably about 35 years. The average rate of expenses in floating or converting the Victorian loans is about $1\frac{1}{4}$ per cent., which it is presumed does not differ essentially from those of the other States. As these debts necessitate renewal during this period of 35 years, it is obvious that at the end of the period the expenses involved in the conversions of the debts of the Commonwealth would be approximately £2,600,000. Assuming an equal distribution throughout the period, the annual expense is £74,000—a rather large amount for the comparatively small population of Australia. In any scheme for the transference and consolidation of the present State debts, it might be advisable to take into consideration the conversion of the present into interminable stock in order to avoid the expenses in connection with the present system of periodic conversions.

FEDERAL, STATE, AND LOCAL REVENUE AND EXPENDITURE.

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

Federal,
State,
and local
revenue
and ex-
penditure.

FEDERAL, STATE, AND LOCAL REVENUE AND EXPENDITURE :
RETURN FOR FIVE YEARS.

—	1899.	1900.	1901.	1902.	1903.
<i>Revenue.</i>	£	£	£	£	£
Government—Federal	...	...	1,536,810	2,976,500	3,127,121
„ State...	7,277,395	7,344,495	6,425,269	4,987,757	4,767,168
Municipalities	1,027,926	1,036,497	1,105,262	1,201,230	1,180,453
Melbourne Harbour Trust	126,946	143,362	151,383	155,513	177,233
Melbourne and Metropolitan Board of Works	236,100	269,213	292,793	315,054	362,450
Fire Brigades Boards	16,818	18,516	19,529	20,278	21,639
Total ...	8,685,185	8,812,083	9,531,046	9,656,332	9,636,064
<i>Ordinary Expenditure.</i>					
Government—Federal	...	...	1,509,766	2,977,744	3,124,280
„ State...	6,995,157	7,176,776	6,385,950	5,388,797	4,572,509
Municipalities	976,679	1,067,038	1,151,282	1,196,422	1,099,620
Melbourne Harbour Trust	135,607	148,612	158,007	162,603	150,174
Melbourne and Metropolitan Board of Works	306,002	337,079	366,936	373,571	398,879
Fire Brigades Boards	18,253	20,124	19,429	17,887	20,455
Total ...	8,431,698	8,749,629	9,591,370	10,117,024	9,365,917
<i>Loan Expenditure.</i>					
Government	712,093	1,005,889	932,265	884,275	729,403
Municipal	58,289	61,600	254,098	135,251	132,044
Melbourne and Metropolitan Board of Works	453,356	308,785	616,676	346,884	358,387
Fire Brigades Boards	1,533	1,609	...	...	...
Total ...	1,225,271	1,377,883	1,803,039	1,366,410	1,219,834
<i>Expenditure—Grand Total.</i>	9,656,969	10,127,512	11,394,409	11,483,434	10,585,751
Per Head of Population—					
Revenue	£ s. d. 7 6 10	£ s. d. 7 8 2	£ s. d. 7 19 3	£ s. d. 7 19 9	£ s. d. 7 19 10
Ordinary Expenditure	7 2 6	7 7 1	8 0 3	8 7 5	7 15 5
Loan Expenditure	1 0 9	1 3 2	1 10 1	1 2 7	1 0 3

The total revenue of the Federal and State Governments, the Municipalities and Corporations, remains practically the same as in the previous year—a little over nine and a half millions. The ordinary expenditure, however, shows that a considerable reduction has been made in the twelve months, the amount being reduced by £751,107, and this has occurred entirely in the State expenditure. The loan expenditure decreased by £146,576. The revenue per head in 1902 was £7 19s. 9d., and in 1903, £7 19s. 10d. The ordinary expenditure was £8 7s. 5d. and £7 15s. 5d. in those years; and the loan expenditure was £1 2s. 7d. and £1 0s. 3d. respectively.

MUNICIPAL STATISTICS.

LOCAL FINANCE.

Municipal
ties

The following is a summary of the population, number of ratepayers, estimated number of dwellings (inhabited and uninhabited), total and annual value of rateable property, and annual revenue of cities, towns, boroughs, and shires in each of five years ended 1902-3:—

MUNICIPALITIES: RETURN FOR FIVE YEARS.

Year.	Estimated Population.	Number of Rate-payers.	Estimated Number of Dwellings.		Estimated Value of Rateable Property.		Total Revenue.
			Inhabited.	Un-inhabited.	Total.	Annual.	
Cities, Towns, and							
Boroughs—							
1898-9	595,485	157,363	132,696	5,990	£ 66,983,137	£ 4,605,199	£ 654,858
1899-00	605,944	153,285	133,825	4,543	67,113,900	4,670,200	657,775
1900-01	647,397	153,783	130,215	4,250	67,302,423	4,765,632	736,240
1901-2		157,320			77,289,493	5,223,232	809,325
1902-3	652,607	155,262	136,907	3,341	92,099,451	5,305,546	779,950
Shires—							
1898-9	567,615	159,487	117,212	4,406	101,473,386	5,523,909	533,905
1899-00	577,600	154,662	118,588	4,840	102,798,300	5,613,300	531,102
1900-01	551,523	159,128	111,162	7,376	106,839,331	5,771,865	544,994
1901-2		147,671			107,812,500	5,661,865	491,209
1902-3	557,285	150,724	115,429	3,567	111,803,468	5,880,386	499,112
Total—							
1898-9	1,163,100	316,850	249,908	10,396	168,456,523	10,134,108	1,193,763
1899-00	1,183,544	307,947	252,413	9,383	169,911,900	10,283,500	1,188,877
1900-01	1,198,920	312,911	241,377	11,626	174,141,754	10,537,497	1,281,234
1901-2		305,491			185,101,993	10,885,087	1,300,534
1902-3	1,209,892	305,986	252,336	6,908	203,902,919	11,184,932	1,279,062

Population
and dwell-
ings in
municipali-
ties, 1901.

The population of the municipalities on the 31st March, 1901, was 1,198,920, and as the total population of the State was 1,201,341, there were only 2,421 persons outside municipal jurisdiction when the census was taken. Of these 2,281 were living on board of ships and vessels, and there were only 140 persons in the State who were not accounted for in any municipality on that night. The number of houses was 253,003, of which 11,626 were uninhabited.

The number of ratepayers returned for 1902-3 is 305,986, and the total capital value of rateable property £203,902,919, which is equivalent to about 18 years' purchase on the annual value, £11,188,932.

Ratepayers
and
rateable
property
in muni-
cipalities.

The ordinary revenue and expenditure and the revenue and expenditure from loans of municipalities for the financial years ended 30th September, 1902 and 1903, were as follow:—

Municipal
revenue
and ex-
penditure

REVENUE AND EXPENDITURE OF MUNICIPALITIES, 1902 & 1903

Sources of Revenue.	1902.	1903.
Taxation—	£	£
Rates	784,810	765,910
Licences	121,317	106,948
Market and Weighbridge Dues	58,113	52,522
Government Endowment and Grants	99,304	98,609
Contributions for Streets, Footpaths, &c.	21,901	21,577
Sanitary Charges	48,332	44,718
Rents	56,494	58,081
Other Sources	110,263	130,697
Total	1,300,534	1,279,062
Heads of Expenditure.		
	£	£
Salaries, &c.	139,174	135,730
Sanitary Work, Street Cleansing, &c.	131,847	125,535
Lighting	97,414	68,665
Fire Brigades' Contributions	15,884	16,530
Public Works—		
Construction	195,487	131,508
Maintenance	340,791	330,897
Formation of Private Streets, &c.	22,197	19,307
Redemption of Loans	32,015	50,146
Interest on Loans	195,186	193,638
Charities	13,277	12,431
Other Expenditure	112,454	113,842
Total	1,295,726	1,198,229

As compared with 1902, the revenue of 1903 has diminished by £21,472. The items reduced are:—Rates, about £19,000; licences, £14,000; market and weighbridge dues, £6,000; Government endowments and grants, nearly £1,000; sanitary charges, £4,000. Rents have increased by about £2,000; and revenue from all other sources by nearly £20,000. The expenditure shows a reduction of £97,497. The items reduced are—Salaries, about £3,000; sanitary work and street cleaning, £6,000; lighting, £29,000; public works, construction, £64,000; maintenance, £10,000; formation of private streets, £3,000; interest on loans, £2,000; charities, £1,000. The increases in expenditure are—Contributions to fire brigades, about £1,000; redemption of loans, £18,000; and all other expenditure, about £1,000.

Proportion
of municipal
revenue
raised from
different
sources

Sixty per cent. of municipal revenue was derived from rates, 8 per cent. from licenses of all kinds, 4 per cent. from market and weighbridge dues, 8 per cent. from Government endowments and grants, 2 per cent. from contributions for streets, footpaths, &c., 3 per cent. from sanitary charges, 5 per cent. from rents, and 10 per cent. from all other sources.

Salaries.

In 1903 the salaries of the municipal officers amounted to £135,730, or 10 3-5ths per cent. of the entire revenue.

Local
charities.

A sum of £12,431, equivalent to about 1 per cent. of the revenue, was devoted to local charities—the greater part of this disbursement was in aid of hospitals, benevolent asylums and associations, and orphan asylums.

Assets and
liabilities
of municipi-
palities.

The assets of the municipalities are shown under three heads—(1) Municipal Fund, (2) Loan Fund, (3) Property; the liabilities under two heads—(1) Municipal Fund, (2) Loan Fund.

MUNICIPAL ASSETS AND LIABILITIES, 1902 AND 1903.

Assets.				1902.	1903.
Municipal Fund—				£	£
Uncollected Rates				141,482	130,203
Other Assets				153,490	166,753
Loan Funds—					
Sinking Funds—					
Amount at Credit				697,019	654,281
Arrears due... ..				1,175	2,033
Unexpended Balances				282,229	223,624
Due by other Municipalities				18,835	18,366
Property—					
Halls, Buildings, Markets, &c.				2,470,460	2,449,762
Waterworks				210,367	226,220
Gasworks				61,592	60,820
Total Assets				4,036,649	3,932,062
Liabilities.					
Municipal Fund—					
Arrears due to Sinking Funds				1,175	2,033
Overdue Interest				13,044	17,616
Bank Overdrafts				148,236	107,090
Temporary Government Advances				17,604	13,310
Other Liabilities... ..				147,888	126,671
Loan Funds—					
Loans Outstanding... ..				4,254,061	4,212,051
Due on Loan Contracts				33,455	30,092
Due to other Municipalities				18,835	18,366
Total Liabilities				4,634,298	4,527,229

The total assets of municipalities in 1903 amounted to £3,932,062, and the liabilities to £4,527,229, showing a deficiency of £595,167. The aggregate of the current liabilities (Municipal Fund) was £266,720, against which there were assets amounting to £296,956. The gross liability on account of loan expenditure for works completed and in progress was £4,260,509, which, after deducting sinking funds and unexpended balances, was reduced to £3,362,205. If credit were taken for the value of municipal properties (£2,736,802) in markets, halls, buildings, gasworks, waterworks, &c., the net burden on account of loan moneys would be £625,403. As compared with 1902, there has been a reduction in the value of the assets of £104,587; and of the liabilities of £107,069. The item, £697,019, amount to credit of sinking funds in 1902, has been somewhat inflated by the improper inclusion of certain payments made for redemption of Government loans. The amount for 1903 is, however, guaranteed to be accurate by the auditors of municipal accounts.

Municipal
assets and
liabilities
compared.

Under the "Local Government Act 1891," £450,000 was provided as an annual endowment for the municipalities. This was the first statutory provision made since 1879, when an endowment of £310,000, authorised under the "Local Government Act 1874," ceased to be payable. A subsidy, however, in lieu thereof, amounting to £310,000, was voted by Parliament annually, but this vote was gradually increased until £450,000 was reached in 1889-90 and 1890-91. This amount was reduced to £405,000 per annum from the 1st January, 1893; to £310,000 from 1st July, 1893; to £100,000 from 1st July, 1894, and to £50,000 from 1st July, 1902. The endowment is payable in equal moieties in March and September in each year. The following table shows the method of distribution for the year 1902-3:—

Endowment
of muni-
cipalities.

ENDOWMENTS TO MUNICIPALITIES, 1902-3.

Municipality.				Endowment.		
				£	s.	d.
Cities (11)	...	...	...	...	...	...
Towns (12)	...	...	...	...	...	...
Boroughs (37)	...	...	...	899	1	9
Shires (148)—						
1st Class	...	...	...	...	...	...
2nd "	...	...	...	18,502	5	4
3rd "	...	...	...	17,704	7	0
4th "	...	...	...	1,483	12	0
5th "	...	...	...	7,166	14	0
6th "	...	...	...	2,871	19	11
Transferred to Trust Fund for Salaries, &c., of Inspectors of Municipal Accounts				...	1,372	0 0
Total				£50,000	0	0

The amount of endowment paid is calculated on the amount of rates received during 1901, the following being the rates in the £1 received:—

			s.	d.
Boroughs	...	...	1	9 58
Shires—				
2nd Class	...	...	2	10 53
3rd „	...	...	3	4 29
4th „	...	...	4	9 55
5th „	...	...	5	8 35
6th „	...	...	6	7 14

Licence fees.

In addition, the municipalities received from the Government a sum of £92,245 8s. 1d., under Act No. 1111, Section 201, the equivalent for (1) fees for licences, not including new licences other than new licences issued in the place of licences which had lapsed since 1876; (2) fees for the registration of brewers and spirit merchants; (3) fines, penalties, and forfeitures incurred under "The Licensing Act 1876." The particulars of this payment are in the following return:—

LICENCE PAYMENTS, 1902-3.

			£	s.	d.
Paid to Cities (11) ...	...	...	36,894	5	5
„ Towns (12) ...	...	...	11,668	6	9
„ Boroughs (37) ...	...	...	14,738	8	0
„ Shires (148)—					
1st Class	...	...	555	0	0
2nd Class	...	...	15,476	15	10
3rd Class	...	...	9,498	18	9
4th Class	...	...	831	15	0
5th Class	...	...	1,839	18	10
6th Class	...	...	741	19	6
Total	...	...	92,245	8	1
By adding the Accounts Paid on Account of 1902	£1,214	0	6		
By deducting the Unpaid Accounts of 1903	354	5	0		
			859	15	6
Equivalent to Municipalities...			93,105	3	7

Licensing
Act Fund.

The following is a statement of the payments and receipts of the Licensing Act Fund for the year ended 30th June, 1903:—

LICENSING ACT FUND.

Payments.	£	s.	d.	Receipts.	£	s.	d.
Expenses of Officers under Licensing Act	7,675	8	1	Balance, 30th June, 1902	19,084	16	3
Cost of taking Poll of Electors	114	15	1	Licences, less Refunds	99,786	11	7
Equivalent to Municipalities (see previous table)	93,105	3	7	Fines, less Refunds	2,189	17	0
Compensation	5,653	7	6	Sale of Confiscated Liquor	26	1	3
Balance, 30th June, 1903	14,538	11	10				
Total	121,087	6	1	Total	121,087	6	1

The item, Compensation, £5,653 7s. 6d., represents the amount of money paid to the owners of licensed houses which were closed during the year under the provisions of the Licensing Act, as the result of a local option poll.

The number of properties rated and the annual assessments thereon in cities, towns and boroughs, and shires, in 1901-2, were as follow:—

Classification of properties rated, 1901-2.

NUMBER AND ASSESSMENT OF PROPERTIES RATED, 1901-2.

Rateable Values.	Number of Properties Rated.			Assessment of Properties.		
	In Cities, Towns, and Boroughs.	In Shires.	Total.	In Cities, Towns, and Boroughs.	In Shires.	Total.
				£	£	£
Under £25 ...	138,191	119,146	257,337	2,713,023	2,426,477	5,139,500
£25 to £50 ...	34,848	44,225	79,073			
£50 to £75 ...	8,002	10,681	18,683	693,482	1,096,013	1,789,495
£75 to £100 ...	3,094	6,612	9,706			
£100 to £200 ...	3,823	5,813	9,636	517,663	762,504	1,280,167
£200 to £300 ...	1,013	1,112	2,125			
£300 to £400 ...	435	406	841			
£400 to £500 ...	257	226	483			
£500 and upwards	627	707	1,334	1,299,114	1,376,811	2,675,925
Total ...	190,290	188,928	379,218			
				5,223,282	5,661,805	10,885,087

Of these properties, 89 per cent. were of an annual value of under £50, 68 per cent. being less than £25. The annual assessment on properties under £50 amounted to over five millions, or 47 per cent. of the total. Although there are a greater number of properties rated in cities, towns, and boroughs, than in shires, the latter are the more valuable, as evidenced by the fact that the assessment on rural properties amounted to £5,660,000, as against £5,220,000 in urban municipalities.

Value of properties compared.

Of the 60 cities, towns, and boroughs, 12 levied rates of 1s. in the £, 5 of 1s. 3d., 2 of 1s. 4d., 13 of 1s. 6d., 13 from 1s. 8d. to 1s. 10d., 11 of 2s., 2 of 2s. 3d., 1 of 2s. 4d., and 1 of 2s. 6d. Of the 148 shires, 1 levied a rate of 6d. in the £1, 1 of 9d., 102 levied rates of 1s., 1 of 1s. 1d., 16 of 1s. 3d., 5 of 1s. 4d., 14 of 1s. 6d., 3 of 1s. 7d. to 1s. 10d., 4 of 2s., and 1 of 2s. 3d. in the £. These figures give an average rating of 1s. 7d. in the £ in cities, towns, and boroughs, and 1s. 1½d. in shires. The rating in the urban districts is thus shown to be 5½d. in the £ more than in the rural districts.

Ratings in municipalities, 1903.

MUNICIPAL LOANS.

Municipal
indebted-
ness.

The total indebtedness of the municipalities at the end of their financial year was £4,212,051; £275,974 due to the Government, and £3,936,077 due to the public. The total indebtedness of the shires was £639,131; £131,827 due to the Government, and £507,304 other loans. The total indebtedness of the cities was £3,572,920, of which £144,147 was due to the Government, and £3,428,773 otherwise.

MUNICIPAL LOAN RECEIPTS AND EXPENDITURE, 1903.

	Cities, Towns, and Boroughs.	Shires.	Total.
	£	£	£
Receipts during the year ...	36,514	45,071	81,585
Balance unexpended from previous year ...	252,813	21,270	274,083
Expenditure during the year ...	83,535	48,509	132,044
Balance unexpended at the end of 1903 ...	205,792	17,832	223,624

Municipal
loan expen-
diture, 1899
to 1903.

The municipal expenditure of loan moneys during the year 1903 amounted to £132,044, of which £83,535 was spent by cities, towns, and boroughs, and £48,509 by shires. This almost equalled the total expended in the preceding year, but was only a little more than half of that spent in 1901.

MUNICIPAL LOAN RECEIPTS AND EXPENDITURE: RETURN FOR FIVE YEARS.

Year.	Balance on Hand from Previous Year.	Receipts.	Expenditure.
	£	£	£
1899 ...	242,551	42,361	58,289
1900 ...	226,623	93,098	61,600
1901 ...	258,121	375,683	254,098
1902 ...	379,706	29,628	135,251
1903 ...	274,083	81,585	132,044

Loans raised
by municip-
alities,
1903.

Of the total loan receipts for the year (£81,585), £685 was received from the Government—£485 of which was lent to the Shire of Borung and £200 to Kerang; the balance (£80,900) was raised from the public by the following districts. All the loans were floated in Melbourne, except as regards the Municipalities of Ballarat, Ballarat East, and Geelong, which were negotiated locally:—

LOANS RECEIPTS BY MUNICIPALITIES, 1903.

Loans from the Public—	Amount.
Cities, Towns, and Boroughs—	£
Ballarat ...	20,000
Ballarat East ...	8,000
Geelong ...	5,014
Northcote ...	3,200
Port Fairy ...	300
Total ...	36,514

LOANS RECEIPTS BY MUNICIPALITIES, 1903—*Continued.*

Loans from the Public—		Amount.
Shires—		£
Camberwell and Boroondara	...	30,000
Heidelberg	...	4,000
Moorabbin	...	4,014
Nunawading	...	5,100
Phillip Island and Woolamai	...	272
Towong	...	1,000
Total from the Public	...	44,386
Government Loans—		
Borong Shire	...	485
Kerang	...	200
Total Shires	...	45,071
Grand Total	...	81,585

At the end of the year 1902-3, the total amount of loan money in hand was £223,624—£205,792 to the credit of cities, towns, and boroughs, and £17,832 to the credit of shires. The following return shows the municipalities having such credits, and the amounts in each district:—

Loan
moneys to
the credit
of munic-
ipalities,
1903.

LOANS UNEXPENDED IN MUNICIPALITIES, 1903.

CITIES, TOWNS, AND BOROUGHS—		£
Ballarat	...	12,262
„ East	...	7,290
Brighton	...	1,667
Brunswick	...	3,579
Caulfield	...	599
Collingwood	...	532
Essendon	...	1,315
Fitzroy	...	3,107
Flemington and Kensington	...	1,100
Footscray	...	16,119
Geelong	...	82
Hamilton	...	7
Hawthorn	...	1,077
Kew	...	2,901
Malvern	...	1,722
Maryborough	...	723
Melbourne	...	112,989
Newtown and Chilwell	...	34
Northcote	...	1,405
North Melbourne	...	1,359
Oakleigh	...	498
Port Fairy	...	211
Port Melbourne	...	4,536
Prahran	...	5,667
Queenscliff	...	164
Rutherglen	...	33
South Melbourne	...	14,961
St. Kilda	...	7,728
Wangaratta	...	9
CITIES, TOWNS, AND BOROUGHS		£
<i>continued—</i>		
Warrnambool	...	1,057
Williamstown	...	1,059
Total Cities	...	205,792
SHIRES—		
Birchip	...	389
Camberwell and Boroondara	...	937
Coburg	...	890
Colac	...	178
Dandenong	...	53
Dimboola	...	290
Kerang	...	3,373
Mildura	...	102
Moorabbin	...	2,061
Mulgrave	...	75
Numurkah	...	1,405
Nunawading	...	4,101
Omeo	...	1,240
Phillip Island and Woolamai	...	1,057
Preston	...	640
Seymour	...	194
Towong	...	847
Total Shires	...	17,832
Grand Total	...	223,624

City of
Melbourne
revenue
and expen-
diture
under
various
heads.

Of the total revenue of the City of Melbourne in 1903, about 37 per cent. was derived from rates, more than 17 per cent. from the sale of electric light, about 16½ per cent. from the rental of city property—chiefly markets and shops, nearly 14 per cent. from market and weighbridge fees, 8 per cent. from licences, principally publicans, and 7½ per cent. from other sources. On public works maintenance, such as roads and bridges, markets, abattoirs, &c., about 28 per cent. of the total expenditure was incurred; interest on loans and expenses, 26 per cent.; the electric light service, 15 per cent.; repayment of loans and payments to sinking funds, 11 per cent.; street cleansing, 8 per cent.; salaries, allowances, and commissions, 6 per cent.; and miscellaneous expenditure, 6 per cent.

The following is a statement of the revenue and expenditure of the City of Melbourne for the year 1903:—

CITY OF MELBOURNE: REVENUE AND EXPENDITURE, 1903.

Rates—	Heads of Revenue.	£
General	68,249
Lighting	22,823
Licences—		
Publicans'—Equivalent for—From Licensing Act	14,455
Abattoirs—Slaughtering Fees...	2,909
Dairy	123
Noxious Trades	190
Drays and Hackney Carriages, £2,464 (less £302 paid to other Municipalities)	2,162
Lodging-houses	24
Places for Pastime	52
Fees under Dog Act	740
Market and Weighbridge Fees	34,263
Contributions for Forming Private Streets, &c.	286
Contributions for Flagging, Asphaltting Footpaths	1,031
Lighting—Sale of Electric Current and Rent of Meters, &c....	...	43,249
Fines—Police Court	1,363
Costs allowed at Police Court	44
Rents—		
Abattoirs	5,286
Markets and Shops	32,680
Boat Sites and Shops	82
Baths	96
Town Hall Premises and Rooms	3,414
Interest on Fixed Deposits	5,805
Miscellaneous—		
Reimbursements in Aid—		
Abattoirs—Sale of Fertilizer	5,236
Lighting—Gas Repayments	325
„ Sale of Gas-lamps, and Sundry Receipts	236
Cleansing Streets—Sale of Manure	1,369
„ Cesspools—Sale of Night-soil	73
„ Extra Cleansing	14
Public Conveniences	210
Other Receipts—		
Fees under Building Act	507
„ Weights and Measures Act	251
Sundries	512
Total	248,059

CITY OF MELBOURNE: REVENUE AND EXPENDITURE, 1903—

Continued.

Heads of Expenditure.				£
Salaries, &c.—				
Administrative Staff	...	...	...	9,941
Allowance to Mayor	...	...	...	1,500
Commissions—Rate Collectors	...	...	...	1,744
Hall Porter and Housekeeper	...	...	...	200
Valuation	...	...	...	200
Citizens' Lists—Collection of	...	...	...	223
Closet Cleansing and Sanitary Works	...	...	...	1,440
Street Cleansing, &c.	...	...	...	18,720
Lighting—Gas supplied, &c.	...	...	...	845
" Electric—Maintenance	...	...	...	34,639
Fire Brigades Board—Contribution	...	...	...	3,820
Public Works—Maintenance—				
Roads and Bridges	...	...	...	31,157
Markets	...	...	...	15,603
Weighbridges	...	...	...	1,020
Abattoirs—Slaughtering Account	...	...	...	8,662
" Labour, &c., producing Fertilizer	...	...	...	3,351
Town Hall and City Court Property	...	...	...	125
Baths	...	...	...	64
Parks and Planting Trees in Streets	...	...	...	3,741
Public Conveniences	...	...	...	275
Repayment of Loan	...	...	...	10,000
Interest on Loans from the Government	...	...	...	240
" Public	...	...	...	58,875
Payments towards Redemption of Government Loans	...	...	...	210
Sinking Funds—Loans from the Public	...	...	...	15,635
Expenses of paying Interest on Loans	...	...	...	535
Contributions to Charitable Institutions	...	...	...	1,023
Law Costs	...	...	...	238
Printing, Advertising, and Stationery	...	...	...	989
Miscellaneous—				
Rewards and Sundries	...	...	...	707
Inspection—Weights and Measures Act	...	...	...	550
" Under Health Act	...	...	...	1,133
" Under Dog Act	...	...	...	403
Insurance and Guarantee Premiums	...	...	...	772
Elections	...	...	...	154
Analyst and Sundries	...	...	...	288
Town Hall Organ—Organist's Fees, Tuning, &c.	...	...	...	181
Metropolitan Gas Act (Expenses)	...	...	...	797
Sundries	...	...	...	144
Total	...	...	...	230,144

Of each £100 of revenue received by the City of Ballarat in 1903, general rates amounted to £54; licences to £13; sanitary rates to £12; market and weighbridge dues to £12; rents to £3; and other receipts to £6. £38 per £100 of expenditure was on public works; £17 on interest on loans and payments to sinking funds; £13 on sanitary expenses; £8 on lighting; £7 on salaries and allowances; £3 on street cleansing; and £14 on all other items.

City of
Ballarat
revenue
and expen-
diture,
1903.

REVENUE AND EXPENDITURE OF THE CITY OF BALLARAT FOR THE YEAR ENDED 30TH SEPTEMBER, 1903.

Revenue.	Amount.	Expenditure.	Amount.
Special Grants—From Government	£215	Salaries ...	£1,628
General Rates ...	16,321	Allowance to Mayor ...	300
Licences—From Licensing Act	3,626	Sanitary Expenses ...	3,858
Fund		Street Cleaning ...	765
Other ...	324	Lighting ...	2,394
Market and Weighbridge Dues...	3,543	Fire Brigades' Board—Contribution	435
Dog Fees ...	273	Public Works { Construction	634
Pound Fees ...	105	{ Maintenance	10,220
Contributions for Formation of Private Streets, &c.	47	Payment towards Redemption of Government Loans	115
Closet Cleansing and Sanitary Rates and Fees	3,700	Payment to Sinking Funds on Loans from the Public	1,190
Rents ...	988	Interest—Government Loans	94
Other Sources ...	1,059	Loans from the Public	3,430
		Bank Overdraft ...	196
		Contributions to Charitable Institutions	330
		Other Expenditure ...	3,188
Total ...	30,201	Total ...	28,777

Revenue and expenditure of the Town of Ballarat East, 1903.

As much as 65 per cent. of the income of the Town of Ballarat East, in 1903, was derived from rates, 19 per cent. from licences, 12 per cent. from gasworks, and 4 per cent. from other sources. Twenty-eight per cent. of the expenditure was for public works construction and maintenance, 14 per cent. for street cleansing, 12 per cent. for interest on loans and payments to sinking funds, &c., 12 per cent. for salaries and allowances, 11 per cent. for sanitary expenses, 9 per cent. for lighting, and 14 per cent. for all other services.

REVENUE AND EXPENDITURE OF THE TOWN OF BALLARAT EAST FOR THE YEAR ENDED 30TH SEPTEMBER, 1903.

Revenue.	Amount.	Expenditure.	Amount.
Special Grants—From Government	£31	Salaries ...	£1,133
General Rates ...	7,911	Allowance to Mayor ...	225
Licences—From Licensing Act	2,161	Sanitary Expenses ...	1,282
Fund		Street Cleansing ...	1,640
Other ...	126	Lighting ...	1,045
Market and Weighbridge Dues...	96	Fire Brigades' Board—Contribution	217
Dog Fees ...	134	Public Works { Construction ...	1,059
Pound Fees ...	42	{ Maintenance ...	2,141
Contributions for Flagging, Asphalting Footpaths, &c.	7	Flagging, Asphalting Footpaths, &c.	423
Gas Works ...	1,445	Payment towards Redemption of Government Loans	115
Closet Cleansing and Sanitary Rates and Fees	5	Payment to Sinking Funds on Loans from the Public	552
Other Sources ...	185	Interest—Government Loans ...	94
		Loans from the Public	620
		Contributions to Charitable Institutions	240
		Other Expenditure ...	732
Total ...	12,143	Total ...	11,518

In the City of Bendigo, in 1903, the following were the proportions of total revenue obtained under the different headings:—General rates, 46 per cent.; licences, 17 per cent.; sanitary rates and fees, 17 per cent.; market and weighbridge dues, $7\frac{1}{2}$ per cent.; rents, 7 per cent., and other sources 5 per cent. The proportions of the total expenditure on various services were:—Public works construction and maintenance, 39 per cent.; sanitary expenses, 15 per cent.; interest on loans and payments to sinking funds, 11 per cent.; salaries and allowances, $7\frac{1}{4}$ per cent.; lighting, $7\frac{3}{4}$ per cent.; street cleansing, $5\frac{3}{4}$ per cent.; and miscellaneous expenditure, 13 per cent.

Revenue and expenditure of City of Bendigo, 1903.

REVENUE AND EXPENDITURE OF THE CITY OF BENDIGO FOR THE YEAR ENDED THE 30TH SEPTEMBER, 1903.

Revenue.	Amount.	Expenditure.	Amount.
	£		£
Special Grants—From Government	148	Salaries ...	2,060
General Rates ...	14,270	Allowance to Mayor ...	300
Licenses—From Licensing Act	5,052	Sanitary Expenses ...	4,648
Fund		Street Cleansing ...	1,735
Other ...	290	Lighting ...	2,354
Market and Weighbridge Dues	2,333	Fire Brigades Board—Contribution	551
Dog Fees ...	319	Public Works—Construction ...	1,364
Pound Fees ...	13	Maintenance ...	10,583
Contributions for Flagging,	89	Payments to Sinking Fund on	1,000
Asphalting, &c. ...		Loans from the Public	
Closet Cleansing and Sanitary	5,262	Interest on Loans from the Public	2,256
Rates and Fees ...		Bank Overdraft ...	159
Rents ...	2,208	Contributions to Charitable Institutions	397
Other Sources ...	959	Other Expenditure ...	3,089
Total ...	30,943	Total ...	30,496

About three-fifths of the revenue of the Town of Geelong, in 1903, was derived from rates, nearly one-fifth from licences, chiefly publicans', one-ninth from rents, and the balance from miscellaneous sources. Nearly one-half of the expenditure was devoted to the maintenance of public works, more than one-fifth to the payment of interest on loans and payments to sinking funds, &c., about one-ninth to salaries and allowances, and the remainder to lighting, formation of private streets, street cleansing, and other purposes.

Revenue and expenditure of the Town of Geelong, 1903.

**REVENUE AND EXPENDITURE OF THE TOWN OF GEELONG FOR
THE YEAR ENDED 31ST AUGUST, 1903.**

Revenue.	Amount. £	Expenditure.	Amount £
General Rates	8,102	Salaries	1,291
Lighting Rates	721	Allowance to Mayor	300
Government Subsidy for Parks and Gardens	280	Public Works—Maintenance ...	6,639
Licences—Publicans' & Grocers' ...	2,282	Street Cleansing, Closet and Sanitary Work	483
" Other	284	Lighting	980
Market and Weighbridge Rents and Dues	235	Interest on Loans	2,175
Rents	1,577	Repayment of Loans	500
Contributions for Private Streets, &c.	95	Payments to Sinking Funds ...	251
All other	281	Formation of Private Streets, &c.	596
		Fire Brigades' Board Contribution	189
		Contributions to Charitable Insti- tutions	78
		Other expenditure	397
Total Revenue	13,857	Total Expenditure	13,879

MELBOURNE HARBOR TRUST.

Melbourne
Harbor
Trust—
receipts
and expen-
diture.

The Melbourne Harbor Trust is a corporate body established in 1876 to regulate, manage, and improve the Port of Melbourne and portions of the Yarra and Saltwater Rivers adjacent, for which purpose certain lands and properties are vested in seventeen Commissioners, two of whom are elected by the Melbourne City Council, one each by the ratepayers of the municipalities of South Melbourne, Port Melbourne, Williamstown, and Footscray, three by the owners of ships registered at Melbourne, three by merchants and traders paying wharfage rates, and five are appointed by the Governor-in-Council. The following are particulars of the receipts and expenditure during each of the last five years:—

**MELBOURNE HARBOR TRUST.—ORDINARY RECEIPTS AND
EXPENDITURE: RETURN FOR FIVE YEARS.**

Net Receipts from—	1899.	1900.	1901.	1902.	1903.
	£	£	£	£	£
Wharfage Rates	110,393	127,785	136,178	140,258	164,611
Rents and Licence Fees	10,904	11,091	10,907	11,861	9,773
Other Receipts	5,649	4,486	4,298	3,394	2,849
Total	126,946	143,362	151,383	155,513	177,233
Net Expenditure on—					
Harbour Improvements and Main- tenance	19,668	24,608	28,006	32,062	27,714
Wharves, &c. — Construction and Maintenance	17,746	25,638	32,414	32,871	24,303
General Management, &c.	9,644	10,150	10,107	10,196	10,679
Interest on Loans and Expenses ...	88,549	88,216	87,480	87,474	87,478
Total	135,607	148,612	158,007	162,603	150,174

During the 26½ years since the Trust has been in existence, the net receipts have amounted to £3,628,743, and the expenditure to £5,588,142, or £1,959,399 in excess of the receipts, to meet which loans amounting to £2,000,000 have been raised. Of this expenditure of more than 5½ millions, £1,850,518 has been expended on harbour improvements and maintenance, including dredging, landing and depositing silt; £1,407,995 on wharves and approaches, construction and maintenance; and £533,349 on plant.

FIRE BRIGADES BOARDS.

There are two Fire Brigades Boards, viz.:—A Metropolitan Board having jurisdiction within a radius of 10 miles from the General Post Office; and a Country Board for other parts of the State. Each Board consists of nine members, 3 of whom are appointed by the Governor-in-Council, and in the case of the Metropolitan Board, 3 are elected by the municipalities and 3 by the fire offices; and in the case of the Country Board, 2 are elected by the municipalities, 2 by the fire offices, and 2 by the brigades. Particulars of receipts and expenditure during the five years ended 30th June, 1903, are as follow:—

Fire
Brigades
Boards—
receipts
and expen-
diture.

REVENUE AND EXPENDITURE OF FIRE BRIGADES BOARDS :
RETURN FOR FIVE YEARS

	1899.	1900.	1901.	1902.	1903.
<i>Ordinary Receipts.</i>	£	£	£	£	£
Contributions—Government, Municipal, and Insurance	42,607	46,852	48,494	49,280	49,002
Receipts for Services ...	682	815	1,344	2,062	727
Interest and Sundries ...	1,631	1,774	2,324	1,954	4,626
Total ...	44,920	49,441	52,162	53,296	54,355
<i>Ordinary Expenditure.</i>					
Salaries ...	18,585	19,494	22,000	22,865	23,112
Fire Expenses ...	2,992	3,013	2,917	3,027	2,873
Horses, Quarters, &c. ...	12,177	12,649	13,654	13,009	12,002
Plant—Purchase and Repairs ...	3,736	6,962	4,403	2,866	4,862
Interest ...	6,066	6,071	6,087	6,080	6,073
Sinking Fund ...	2,000	2,000	2,000	1,971	2,028
Miscellaneous ...	799	860	1,001	1,087	2,221
Total ...	46,355	51,049	52,062	50,905	53,171
<i>Loan Expenditure.</i>					
Sewerage Connections ...	1,533	1,609	...	...	...

MELBOURNE TRAMWAYS TRUST.

Tramways

By the "Melbourne Tramway and Omnibus Company's Act 1883" (47 Vict. No. 765), passed on the 12th October, 1883, the company was authorized to construct tramways in the streets of Melbourne and suburbs, unless the twelve municipalities interested, viz., the cities of Melbourne, Prahran, Richmond, Fitzroy, Collingwood, South Melbourne, Hawthorn, and St. Kilda; the towns of North Melbourne, Brunswick, and Port Melbourne; and the borough of Kew; who had the prior right, elected to do so. All the municipalities, however, decided to exercise the powers conferred upon them, and, the necessary notice to the company having been given, a Tramways Trust was formed, as provided by the Act. This body, which consists of seven delegates from the Melbourne City Council, and one from each of the other eleven municipalities, received full power to construct tramways, and to borrow money for that purpose, secured on the municipal properties and revenues and on the tramways themselves. The Trust was required by the above-mentioned Act, as modified by the amending Acts (51 Vict. No. 952 and 56 Vict. No. 1278), to complete the tramways by the 31st December, 1893, and to grant a 32 years' lease of the tramways to the company, dating from the 1st July, 1884 (when the liability for interest commenced), and expiring on the 1st July, 1916. The company, on its part, is required to find all the rolling-stock, to keep the tramways and adjoining road, a total width of 17 feet, in complete repair; to hand back the lines in good working condition to the Trust at the expiration of the lease, and to pay to the Trust the annual interest on the moneys borrowed; also to contribute annually a certain varying percentage on the sums borrowed, so as to form a sinking fund towards the ultimate extinction of the loans. The expenses of the Trust to the 31st December, 1893, were defrayed out of the loan; after that period by the company to an amount not exceeding £1,000 per annum, and the remainder by the municipalities; and the liability on account of loans is by Act 48 Vict. No. 788 made a joint and several charge on the properties and revenues of the several municipalities. The total amount the Trust is empowered to borrow is £1,650,000, which has been raised in London by means of debentures bearing interest at 4½ per cent. The premiums received amounted to £55,794, making a total of £1,705,794. The whole of this was expended by the 31st December, 1893, when all outlay from loan moneys ceased in accordance with Act No. 1278. The sinking fund on the

2nd January, 1904, amounted to £704,000. The following particulars have been kindly furnished by Mr. T. Hamilton, secretary to the Tramways Trust:—

The total length of tramways authorized and constructed amounts to 47 miles 4 furlongs, of which 43 miles 6 furlongs are worked by cables and stationary steam-engines, and the remaining 3 miles 6 furlongs by horses.

The cable lines form one of the largest systems of this description of tramway in the world, and the method of construction adopted combined all the best features and latest improvements of lines constructed both in America and Europe.

A uniform fare of 3d. is authorized to be charged on the tramway lines, except on the section between the Spencer-street and Prince's-bridge Railway Stations, and Flinders-street, on which the fare is 1d. But the company is required to run, upon all lines open for traffic, every morning between the hours of 6 and 7, and every evening between the hours of 5.30 and 6.30 (Sundays and public holidays excepted), two or more carriages for workmen at a fare of 1½d. per journey. All fares will be, by Act No. 765, section 26, subject to revision by Parliament after the lapse of ten years from the date of the first 20 miles of tramway being opened for traffic, viz., on the 31st December, 1897.

The lengths of the several lines and the dates on which they were opened for traffic were given in previous issues of this work.

TRAMWAYS COMPANIES.

Besides the lines of the Melbourne Tramway and Omnibus Company, there is a cable tramway, 2¼ miles in length, between Clifton Hill and Preston; a horse tramway, 7 miles in length, between Sandringham and Cheltenham (Beaumaris); and a horse tramway, 1½ mile in length, between Brunswick and Coburg. There are two other tramway lines, one at Ballarat, and one at Bendigo. Particulars of the receipts and expenditure of all these companies are not available. All the lines are the property of, and are worked by, limited liability companies.

Other tramways.