

FINANCE.

The revenue of the State maintains the buoyancy which has been characteristic of recent years, and as a consequence, in addition to meeting ordinary demands, it has been possible to devote considerable sums out of ordinary revenue to paying off the liabilities of former years, and to forming sinking funds to meet outstanding loans. Such appropriations for the past seven years are shown in the succeeding statement.

REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES, ETC., ETC.,
1903-4 TO 1909-10.

Year ended 30th June.	ORDINARY REVENUE APPROPRIATED.				Total.
	In reduction of the accumulated revenue de- ficiency of former years.	To Land Sales by Auction Fund.	In redemption of loan raised in anticipation of revenue (Act No. 1451.)	Towards Redemption Funds to meet out- standing loans.*	
	£	£	£	£	£
1904 ...	175,000	33,020	25,000	81,277	314,297
1905 ...	172,000	29,693	25,000	122,835	349,528
1906 ...	550,000	41,114	25,000	139,671	755,785
1907 ...	666,391	38,346	25,000	163,864	893,601
1908 ...	452,234	39,163	25,000	163,296	679,693
1909 ...	7,507	45,216	25,000	145,716	223,439
1910 ...	18,012	43,319	25,000	165,527	251,858
Totals (7 years)	2,041,144	269,871	175,000	982,186	3,468,201

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

In addition to the above appropriations there were in the financial years 1904, 1905, 1906, 1907, and 1909 large surpluses, which were applied specially to works or purposes of a public nature.

State
revenue
and expend-
iture.

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1910. On 1st July, 1909, the total revenue deficiency was £332,987 3s., and in the course of the year it was reduced by £18,012 2s. 1d., leaving the accumulated revenue deficiency at the end of the financial year 1909-10 at £314,975 0s. 11d., the whole of which amount was covered by advances from the trust funds.

REVENUE AND EXPENDITURE, 1909-10.

Revenue.	Amount.			Expenditure.	Amount.		
	£	s.	d.		£	s.	d.
Excise and Inland Territorial ...	847,844	1	10	Consolidated Revenue deficiency, 30/6/09	332,987	3	0
Public Works ...	4,589,953	4	1	Special Appropriations	2,815,302	4	6
Ports and Harbors	103,756	17	2	Chief Secretary ...	787,900	13	4
Fees	333,356	13	8	Minister of Public Instruction	770,845	6	2
Fines	13,201	4	6	Attorney-General...	81,706	14	2
Mallee Land Account	62,244	18	6	Solicitor-General ...	58,634	17	9
Miscellaneous ...	435,543	12	7	Treasurer ...	251,159	5	5
Commonwealth balances received	1,922,277	10	9	Commissioner of Crown Lands	142,844	9	5
Consolidated Revenue deficiency, 30/6/10	314,975	0	11	Commissioner of Public Works	467,997	15	5
				Minister of Mines and Forests	142,200	18	2
				Minister of Water Supply	78,745	6	5
				Minister of Agriculture	148,887	18	0
				Minister of Health	29,225	4	0
				Minister of Railways	2,742,284	7	5
				Mallee Land Account	62,244	18	6
Total ...	8,912,967	1	8	Total ...	8,912,967	1	8

The accumulated revenue deficiency at 30th June, 1910, was, as shown in the above statement, £314,975. This deficiency had its beginning in the year 1890-91, when it amounted to £206,843, and in the course of the next five years it was added to year by year, until it reached the maximum amount of £2,711,436 in 1895-6, since which time, excepting in one or two years, it has been steadily reduced year by year to its present amount.

The following is a return of the revenue and expenditure of Victoria for the ten years 1901-1910:—

STATE REVENUE AND EXPENDITURE: 1900-1 TO 1909-10.

Year ended 30th June.	Revenue.	Expenditure.
	£	£
1901	7,712,099	7,672,780
1902	6,997,792	7,398,832
1903	6,954,619	6,759,960
1904	7,319,949	7,339,608
1905	7,515,742	7,343,742
1906	7,811,475	7,261,475
1907	8,345,534	7,679,143
1908	8,314,480	7,862,246
1909	8,247,684	8,240,177
1910	8,597,992	8,579,980

NOTE.—The differences between the revenue and expenditure shown above and the revenue and expenditure given in the Treasurer's Finance Statement arise from the use of a different method of classification for statistical purposes. The particulars for 1909-10 are as follows:—

	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ...	8,535,747	8,535,747
<i>Add—</i>		
Mallee Land Account—appropriated to Loan Redemption purposes ...	62,245	62,245
<i>Deduct—</i>		
Appropriation to reduction of deficit ...	...	18,012
Total	8,597,992	8,579,980

If the total Commonwealth revenue and expenditure credited or debited to Victoria be taken into account in connexion with the above figures, the revenue for 1909-10 will amount to £10,730,475, and the expenditure to £10,659,828, an increase over 1900, the year before Federation, of £3,277,120 in the revenue, and £3,374,192 in the expenditure. The growth in revenue is due chiefly to the following increases:—Customs duties, £428,947; Excise duties, £352,933; Postal, Telegraphic, &c., £351,759; Probate duties, £231,695; Income Tax, £123,514; and Railways, £1,442,261; that in expenditure to Commonwealth "New" expenditure, £581,094; and to the following increases:—Postal, Telegraphic, &c., £443,566; Defences, £255,915; State School education and buildings, £250,442; Railways, £986,692; and Redemption of loans, £152,580.

Heads of
State
revenue.

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

HEADS OF STATE REVENUE, 1905-6 TO 1909-10.

Heads of Revenue.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
	£	£	£	£	£
Federal Government ...	2,097,119	2,192,340	2,449,243	1,929,542	1,922,278
State Taxation—					
Probate and Succession Duties	328,628	401,631	304,830	418,418	358,173
Income Tax ...	318,135	355,148	317,354	304,464	338,585
Land Tax ...	103,536	92,438	89,496	85,559	114,357
Stamp Duties ...	205,345	222,671	222,923	220,693	233,016
Other ...	120,136	128,417	134,160	138,310	141,603
Public Works and Services—					
Railways ...	3,779,153	4,010,546	3,873,855	4,189,501	4,450,782
Other ...	212,174	214,338	223,775	231,273	261,663
Land—					
Sales ...	211,981	203,849	205,393	224,232	216,902
Rents and Penalties	118,756	121,458	126,235	137,807	138,791
Other Sources ...	316,512	402,698	367,216	367,885	421,842
Total ...	7,811,475	8,345,534	8,314,480	8,247,684	8,597,992
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	6 8 2	6 14 10	6 12 2	6 9 7	6 12 6

The amount received by the State from the Federal Government is that collected by transferred departments, less the amount deducted by the Federal Government under Section 89 of the Commonwealth of Australia Constitution Act. For 1909-10 the Federal Government received £3,049,011 from Customs and Excise; £937,820 from Posts, Telegraphs, and Telephones; and £67,930 from other sources; and paid over to the State Government £1,922,278. Compared with 1908-9, these figures represent an increase of £304,600 in the Commonwealth Revenue in the State and a decrease of £7,264 in the surplus revenue paid to the State Treasurer.

The revenue of the Railway Department maintains the high standard of recent years, the receipts for 1909-10 having been in excess of those for any previous year.

FEDERAL AND STATE FINANCE.

The financial relations existing between the Commonwealth and the several States were, until the 31st December, 1910, such as were provided by Section 87 of the Commonwealth of Australia Constitution Act, viz., that during a period of ten years after the establishment of the Commonwealth and thereafter until Parliament should otherwise decide, a proportion not exceeding one-fourth of the net revenue of the Commonwealth from duties of Customs and Excise should be applied annually by the Commonwealth towards its expenditure, the balance of three-fourths to be paid to the States.

Federal and
State
Finance.

At a Conference held in August, 1909, an agreement was come to between the Prime Minister of the Commonwealth and the Premiers of the various States by which the several States were to receive from the Commonwealth each month payments on a *per capita* basis, Western Australia obtaining an extra allowance of £250,000, decreasing by £10,000 each year. It was proposed to incorporate this agreement in the Constitution, but on the matter being submitted to the electors in April, 1910, it was rejected.

It was, however, enacted by the *Commonwealth Surplus Revenue Act* 1910 that, on and after 31st December, 1910, Section 87 (Braddon clause) of the Constitution should cease to have effect so far as it affected the power of the Commonwealth to apply any portion of the net revenue of Customs and Excise towards its expenditure, and so far as it affected the payment of any balance by the Commonwealth to the several States, or the application of such balance towards the payment of interest on the debts of the several States which might be taken over by the Commonwealth; and further, that the Commonwealth should, during the period of ten years beginning 1st July, 1910, and thereafter until Parliament otherwise provided, pay to each State by monthly instalments, or apply to the payment of interest on debts of the State which might be taken over by the Commonwealth, an annual sum amounting to 25s. per head of the number of the people of the State.

By the same Act provision was also made that during the period of ten years beginning 1st July, 1910, and thereafter until Parliament otherwise provided, the Commonwealth should pay to the State of Western Australia by monthly instalments, an annual sum which in the first year was to be £250,000, and in each subsequent year was to be progressively diminished by the sum of £10,000; one-half of the amount of such payments to be debited to all the States (including Western Australia) in proportion to population. The sum so debited to a State may be deducted from the amount payable to such State in pursuance of the Act.

INCOME TAX.

Income tax.

An income tax was first imposed in Victoria in 1895, and although originally fixed for a period of three years, it has, with certain amendments and alterations, been retained and continued from year to year until the present time. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding calendar year, and are divided into two classes, viz. :—(1) those derived from personal exertion, and (2) those derived from property. The former consist of salaries, wages, stipends, fees, commissions, bonuses, pensions, superannuation or retiring allowances earned in or derived from Victoria, and all incomes arising or accruing from any profession, trade, or business carried on in Victoria; whilst the latter comprise incomes from all other sources. In computing the taxable income certain deductions are allowed from the gross income, the principal of which are outgoings and losses incurred in the production of the income, life assurance premiums not exceeding £50, and calls or contributions actually paid into any company in liquidation or mining company. By the original Act, incomes of certain public, local, religious, provident, &c., bodies or societies were exempt from taxation, also the official salary of the Governor, and the incomes of mutual life offices with head offices in Australia, and of any company, person, or firm taking out licences under the "Stamps Act," so far only as regards any fire, fidelity, guarantee, or marine assurance or insurance business of such company, person, or firm, also incomes of non-residents of Victoria from stock, debentures, or bonds of the Victorian Government or of any public or municipal trust or body. An exemption to the extent of £200 was allowed except in the case of absentees. The rate of tax is fixed annually by an "Income Tax Rate Act," and from 1895 to 1902 both inclusive was 4d. in the £1 on the first £1,200 of the taxable amount (allowing for £200 exemption), 6d. on the next £1,000, and 8d. on all over £2,200 on income from personal exertion, and double these rates on income from property. The rate of tax for 1903, based on the incomes of the previous year, was fixed by Act No. 1819, as follows:—(a) Personal Exertion—net incomes up to £125 exempt; from £126 to £500, 4d. (with £100 exemption to resident and non-resident taxpayers except companies); over £500, 4d. on first £500 (no exemption), 1d. extra on every £500 or portion

thereof up to £2,000; and 8d. on all over £2,000. (b) Property—double these rates. This Amending Act also made companies taxable as persons, except mining companies, the shareholders of which include in their returns the dividends received. Special provision was also made for the assessment and taxation of life assurance companies, which were taxed at a uniform rate of 1s. in the £1, on 30 per cent. of the premiums received. The rates for the year 1904, based on the incomes of 1903, were altered by Act No. 1863, which did not alter the exemption, but raised the minimum taxable from £126 to £151. The following were the rates under this Act:—Incomes from personal exertion—3d. for every £1 of the taxable amount up to £300; thence up to £800, 4d.; thence to £1,300, 5d.; thence to £1,800, 6d.; and over £1,800, 7d.; incomes from property, double these rates; life assurance companies, 1s. in the £1. The rates for the year 1905, based on the incomes of 1904, were again altered by Act No. 1938, as follows:—Incomes from personal exertion were taxed 3d. for every £1 of the taxable amount up to £500; thence up to £1,000, 4d.; thence to £1,500, 5d.; over £1,500, 6d.; tax on income from property, double these rates. The minimum income taxable was £157, the exemption to resident and non-resident taxpayers except companies being £100 on incomes from £157 to £500. The tax on the income of life assurance companies was 8d.; that for other companies liable to tax, 7d. for every £1 of the taxable amount. Interest on Government stock, bonds, and debentures held by residents was exempted as in the case of non-residents, and the exemption of mining companies repealed. The taxable amount of the income of a mining company is the total amount of the dividends declared and debenture interest paid during the year. The exemption of the profits from trade of provident societies and other associations was also repealed. The rates and exemption for 1906 were the same as those for 1905; but for 1907, whilst the rates were the same as those for 1905 and 1906, the minimum amount taxable was £200 with an exemption of £100 up to £500. The rates of tax in 1908, 1909, and 1910, were again respectively 3d., 4d., 5d., 6d., on personal income up to £500, £1,000, £1,500, and over £1,500, with double rates on income from property, 8d. on taxable income of life assurance companies, and 7d. on that of all other companies, but the exemption allowed was £150 on incomes between £201 and £500 (except those of companies). There was also allowed in these three years a rebate of 20 per cent. on assessments to all taxpayers, except companies.

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: 1906 TO 1910.

—	1906.	1907.	1908.	1909.	1910.
Number of Assessments:					
Personal exertion ...	41,017	30,855	32,578	32,268	34,960
Property ...	8,453	7,754	6,993	7,757	8,357
Total ...	49,470	38,609	39,571	40,025	43,317
Distinct taxpayers ...	45,595	34,429	35,464	35,902	38,808
Taxable Income—					
Personal exertion ...	£ 12,941,931	£ 14,228,399	£ 14,012,508	£ 13,178,528	£ 15,188,727
Property ...	2,951,391	3,010,499	2,869,537	2,952,756	3,157,639
Total ...	15,893,322	17,238,898	16,882,045	16,131,284	18,346,366
Tax Payable—					
Personal exertion ...	227,290	258,113	229,814	212,597	251,737
Property ...	91,373	94,139	75,374	77,670	82,840
Total ...	318,663	352,252	305,188	290,267	334,577
Per taxpayer ...	£ s. d. 6 19 9	£ s. d. 10 4 7	£ s. d. 8 12 1	£ s. d. 8 1 8	£ s. d. 8 12 5
Average Tax payable in the £ on Taxable Incomes derived from—					
Personal exertion...	d. 4·22	d. 4·35	d. 3·94	d. 3·87	d. 3·98
Property...	7·43	7·50	6·30	6·31	6·29

In a comparison of the particulars contained in this table, it must be remembered that, although the rates of tax have been the same throughout the five years, yet there have been considerable variations in the amount of the minimum taxable income and the amount of exemption allowed. Thus, for 1906 the exemption was £100 on incomes between £157 and £500, for 1907 the exemption was £100 on incomes between £200 and £500, and for 1908, 1909, and 1910 the exemption was £150 on incomes between £201 and £500, with a rebate of 20 per cent. on assessments to all taxpayers.

The individual taxpayers for 1910 show an increase of 2,906 when compared with those for 1909, and this is accounted for largely by the increase in the number of farmers assessed. The tax payable for 1910 exceeds that for 1909 by £44,310, the most conspicuous of the classes in extent of increase being companies, and the most prominent of the occupations, farmers and merchants.

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, 1910—BASED ON INCOMES OF 1909.

Taxable Income.	Rate of Tax in £ on Incomes derived from		Number of Assessments.		Taxable Income from		Tax Payable on	
	Personal Exertion.	Property.	Personal Exertion.	Property.	Personal Exertion.	Property.	Personal Exertion.	Property.
Up to £500 ...	3	6	27,667	6,721	4,210,425	868,627	43,770	17,450
£500 to £1,000	4	8	4,889	1,093	3,337,518	749,646	38,103	16,424
£1,000 to £1,500	5	10	1,139	245	1,377,913	295,934	19,269	7,452
Over £1,500 ...	6	12	1,265	298	6,262,871	1,243,432	150,595	41,514
Total ...	...	...	34,960	8,357	15,188,727	3,157,639	251,737	82,840

It is here shown that the taxable income from personal exertion amounts to £15,188,727, and that from property to £3,157,639, after allowing for exemptions of £4,310,850. The total net incomes of those assessed in 1910 on incomes of the previous year amounted to £22,657,216, or an average of £584 for each taxpayer. The averages of the assessed incomes of the four previous years were:—1906, £438; 1907, £576; 1908, £597; and 1909, £563.

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

Occupations of income taxpayers.

OCCUPATIONS OF INCOME TAXPAYERS SUMMARIZED, 1910.

Occupations in Classes.	Number of Taxpayers.			Amount of Tax.				
	Total.	Percentage of Taxpayers.	Percentage of each class in Population.	Personal Exertion.	Property.	Total.	Percentage of Total.	Average to each Taxpayer.
				£	£			
1. Professional	5,933	15.29	16.84	21,731	5,224	26,955	8.06	4 10 11
2. Domestic ...	1,576	4.06	2.38	5,332	933	6,265	1.87	3 19 6
3. Commercial	10,316	26.58	13.05	54,626	7,778	62,404	18.65	6 1 0
4. Transport ...	1,562	4.02	4.96	3,231	627	3,858	1.15	2 9 5
5. Industrial ...	4,808	12.39	3.29	21,968	2,800	24,768	7.40	5 3 0
6. Primary producers ...	8,890	22.91	5.38	35,404	9,246	44,650	13.35	5 0 5
7. Indefinite ...	4,618	11.90	45.88	2,689	43,517	46,206	13.81	10 0 1
8. Companies ..	1,105	2.85	...	106,756	12,715	119,471	35.71	108 2 4
Total ...	38,808	100.00	...	251,737	82,840	334,577	100.00	8 12 5

An examination of this table reveals the relative wealth of the various classes. Thus the commercial class, which forms $26\frac{1}{2}$ per cent. of the taxpayers, has the proportion of only 15 per cent. of the total bread-winners in the population, whilst primary producers, amongst whom are included those following agricultural, pastoral, and mining pursuits, make up 23 per cent. of the taxpayers, but 31 per cent. of the bread-winners; the next great class—the industrial—contributes $12\frac{1}{2}$ per cent. to the taxpayers, and forms 27 per cent. of the bread-winners; whilst the professional class, contributing $15\frac{1}{4}$ per cent. to the taxpayers, forms only 7 per cent. of the bread-winners. Of the definite classes, that contributing the highest percentage of taxpayers in proportion to its number in the population is the professional, with nearly 17 per cent.; the commercial comes next, with 13 per cent.; then primary producers with $5\frac{1}{2}$; and lastly the domestic class with $2\frac{1}{2}$ per cent. Of the amount paid as tax, companies yielded $35\frac{3}{4}$ per cent. of the total; whilst the indefinite class, forming 12 per cent. of the taxpayers, yielded $13\frac{3}{4}$ per cent. of the tax. The commercial class, forming $26\frac{1}{2}$ per cent. of the taxpayers, gave $18\frac{3}{4}$ per cent. of the tax; primary producers, forming 23 per cent. of the taxpayers, gave $13\frac{1}{2}$ per cent. of the tax; the industrial class, forming $12\frac{1}{2}$ per cent. of the taxpayers, gave $7\frac{1}{2}$ per cent. of the tax; and the professional class, forming $15\frac{1}{4}$ per cent. of the taxpayers, gave 8 per cent. of the tax.

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

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1910.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
1. Professional.					£	£	£	£ s. d.
Civil Servants	1,152	...	66	1,218	3,102	316	3,418	2 16 1
Clergymen ...	534	...	27	561	1,015	53	1,068	1 18 1
Legal Practitioners ...	537	2	162	701	4,649	1,528	6,177	8 16 2
Medical Practitioners ...	442	5	182	629	4,874	1,369	6,243	9 18 6
Police ...	164	...	4	168	223	6	229	1 7 3
Teachers ...	887	...	30	917	1,643	74	1,717	1 17 5
Various ...	1,531	1	207	1,739	6,225	1,878	8,103	4 13 2
	5,247	8	678	5,933	21,731	5,224	26,955	4 10 11
2. Domestic.								
Hotelkeepers...	1,105	3	208	1,316	4,647	807	5,454	4 2 10
Various ...	238	...	22	260	685	126	811	3 2 4
	1,343	3	230	1,576	5,332	933	6,265	3 19 6
3. Commercial.								
Agents ...	644	3	129	776	6,233	855	7,088	9 2 8
Brokers ...	183	...	37	220	2,143	317	2,460	11 3 8
Butchers ...	451	1	52	504	1,685	105	1,790	3 11 0
Clerks ...	2,728	2	229	2,959	8,446	864	9,310	3 2 11
Drapers ...	364	1	66	431	3,921	205	4,126	9 11 5
Grocers ...	280	1	39	320	893	100	1,053	3 5 10
Merchants ...	967	6	328	1,301	18,104	2,964	21,068	16 3 10
Salesmen ...	1,852	...	117	1,969	5,608	491	6,099	3 1 11
Storekeepers...	471	1	105	577	2,331	311	2,642	4 11 7
Various ...	1,055	7	197	1,259	5,262	1,506	6,768	5 7 6
	8,995	22	1,299	10,316	54,626	7,778	62,404	6 1 0
4. Transport.								
Carriers ...	240	...	36	276	807	71	878	3 3 7
Engaged in Postal Service	245	...	5	250	361	13	374	1 9 11
Engaged in Railways	789	...	11	800	1,063	9	1,072	1 6 9
Engaged in Shipping	163	2	35	200	924	534	1,458	7 5 5
Foreign Shippers	36	...	...	36	76	...	76	2 2 2
	1,473	2	87	1,562	3,231	627	3,858	2 9 5

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS,
1910—continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
5. Industrial.					£	£	£	£ s. d.
Carpenters ...	354	7	89	450	1,672	323	1,995	4 8 8
Engine-drivers ...	15	...	1	16	21	...	21	1 6 2
Engineers ...	314	2	31	347	1,043	65	1,108	3 3 10
Managers ...	227	...	39	266	751	241	992	3 14 7
Manufacturers ...	515	1	164	680	7,806	710	8,516	12 10 5
Printers ...	485	...	26	511	1,912	724	2,636	5 3 2
Various ...	2,296	8	234	2,538	8,763	737	9,500	3 14 10
	4,206	18	584	4,808	21,968	2,800	24,768	5 3 0
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers ...	458	1	45	504	988	299	1,287	2 11 1
Farmers ...	5,321	37	721	6,079	19,308	2,151	21,459	3 10 7
Graziers ...	885	49	416	1,350	12,391	6,118	18,509	13 14 2
Various ...	505	4	74	583	1,518	475	1,993	3 8 4
	7,169	91	1,256	8,516	34,205	9,043	43,248	5 1 7
Engaged in Mining—								
Legal Managers ...	28	...	...	28	117	...	117	4 3 7
Miners ...	38	...	2	40	101	5	106	2 12 10
Mining Managers ...	120	...	7	127	276	22	298	2 6 11
Various ...	163	1	15	179	705	176	881	4 18 5
	349	1	21	374	1,199	203	1,402	3 14 11
	7,518	92	1,280	8,890	35,404	9,246	44,650	5 0 5
7. Indefinite.	626	3,641	351	4,618	2,589	43,517	46,206	10 0 1
8. Companies.								
Life Assurance ...	...	21	...	21	...	11,992	11,992	571 1 4
Mining ...	88	...	...	88	9,643	...	9,643	109 11 5
Other ...	955	41	...	996	97,113	723	97,836	98 4 7
	1,043	62	...	1,105	106,756	12,715	119,471	108 2 4
Total ...	30,451	3,848	4,509	38,808	251,737	82,840	334,577	8 12 5

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

ranging from 84 per cent. of primary producers engaged in agriculture to 94½ per cent. of those engaged in transport; personal exertion combined with property was the source of income in a proportion ranging from 5½ per cent. of those engaged in transport to 14¾ per cent. of primary producers engaged in agriculture. The indefinite class, comprising persons of independent means, no occupation, and pensioners, has 13½ per cent. gaining incomes from personal exertion, 79 per cent. from property, and 7½ per cent. from personal exertion combined with property. Of companies 94½ per cent. obtained their incomes from personal exertion, and 5½ per cent. from property. Seventy-five and a quarter per cent. of the total tax was yielded by incomes obtained from personal exertion, the range in the various classes extending from 6 per cent. for indefinite occupations to 79 per cent. for primary producers engaged in agriculture, after which it further increased until it attained 89 per cent. in the case of companies.

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

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1910.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£500 and £1,000.	£1,000 and over.		£51 and £500.	£500 and £1,000.	£1,000 and over.	
1. Professional.					£	£	£	£
Civil Servants ...	1,056	138	24	1,218	1,576	1,071	771	3,418
Clergymen ...	521	34	6	561	669	238	161	1,068
Legal Practitioners ...	401	184	116	701	684	1,505	3,988	6,177
Medical Practitioners ...	275	240	114	629	545	2,010	3,688	6,243
Police ...	162	5	1	168	188	29	12	229
Teachers ...	854	51	12	917	1,096	386	235	1,717
Various ...	1,335	304	100	1,739	2,169	2,328	3,606	8,103
	4,604	956	373	5,933	6,927	7,567	12,461	26,955
2. Domestic.								
Hotelkeepers ...	955	296	65	1,316	1,653	2,241	1,560	5,454
Various ...	214	35	11	260	306	269	236	811
	1,169	331	76	1,576	1,959	2,510	1,796	6,265
3. Commercial.								
Agents ...	560	130	86	776	940	1,076	5,072	7,088
Brokers ...	122	52	46	220	222	421	1,817	2,460
Butchers ...	397	84	23	504	676	635	479	1,790
Clerks ...	2,471	361	127	2,959	3,460	2,871	2,979	9,310
Drapers ...	285	88	58	431	454	689	2,983	4,126
Grocers ...	275	29	16	320	415	244	394	1,053
Merchants ...	684	283	334	1,301	1,047	2,400	17,621	21,068
Salesmen ...	1,706	191	72	1,969	2,424	1,445	2,230	6,099
Storekeepers ...	409	122	46	577	688	919	1,035	2,642
Various ...	933	222	104	1,259	1,445	1,764	3,559	6,768
	7,842	1,562	912	10,316	11,771	12,464	38,169	62,404

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS,
1910—continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£500 and £1,000.	£1,000 and over.		£51 and £500.	£500 and £1,000.	£1,000 and over.	
4. Transport.								
Carriers	220	43	13	276	£ 300	£ 317	£ 261	£ 878
Engaged in Postal Service	239	11	...	250	293	81	...	374
Engaged in Railways	771	25	4	800	804	158	110	1,072
Engaged in Shipping	136	43	21	200	195	393	870	1,458
Foreign Shippers ...	33	2	1	36	54	10	12	76
	1,399	124	39	1,562	1,646	959	1,253	3,858
5. Industrial.								
Carpenters	348	73	29	450	558	611	826	1,995
Engine-drivers ...	15	1	...	16	13	8	...	21
Engineers	295	27	25	347	391	229	488	1,108
Managers	211	44	11	266	302	327	363	992
Manufacturers ...	385	153	142	680	696	1,224	6,596	8,516
Printers	443	38	30	511	530	308	1,798	2,636
Various	2,151	263	124	2,538	2,886	2,081	4,533	9,500
	3,848	599	361	4,808	5,376	4,788	14,604	24,768
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers ...	457	41	6	504	656	330	301	1,287
Farmers	4,693	1,136	250	6,079	7,541	8,498	5,440	21,459
Graziers	812	283	255	1,350	1,469	2,544	14,496	18,509
Various	487	73	23	583	749	583	661	1,993
	6,449	1,533	534	8,516	10,415	11,955	20,878	43,248
Engaged in Mining—								
Legal Managers ...	22	4	2	28	37	30	50	117
Miners	35	4	1	40	46	33	27	106
Mining Managers ...	113	12	2	127	151	96	51	298
Various	137	27	15	179	207	200	474	881
	307	47	20	374	441	359	602	1,402
	6,756	1,580	554	8,890	10,856	12,314	21,480	44,650
7. Indefinite.								
	3,312	898	408	4,618	9,498	12,592	24,116	46,206
8. Companies.								
Life Assurance ...	5	2	14	21	43	54	11,895	11,992
Mining	19	11	58	88	122	246	9,275	9,643
Other	505	125	366	996	2,400	2,566	92,870	97,836
	529	138	438	1,105	2,565	2,866	114,040	119,471
Total	29,459	6,188	3,161	38,808	50,598	56,060	227,919	334,577

Of the number of taxable incomes assessed, 76 per cent. were under £500, 16 per cent. between £500 and £1,000, and 8 per cent. over £1,000; but the tax levied on these incomes formed 15, 17, and 68 per cent. respectively of the total. Of the definite occupations, that contributing the largest amount of tax was the commercial class, in which 1,301 merchants were responsible for £21,068, of which £17,621 came from 334 persons, whose incomes for the previous year exceeded £1,000 each. Clerks, who comprised nearly one-third of this class, came next to merchants, but as 83 per cent. of their number had taxable incomes under £500, their tax amounted to only three-sevenths of that of the merchants, although in number they were two and a quarter times as great. Next to that from the commercial class the largest amount of tax came from the primary producers, the principal of whom were farmers and graziers. The farmers' contribution amounted to £22,746 from 6,583 persons, and that of the graziers to £18,509 from 1,350 persons, of whom 255 had incomes exceeding £1,000 each during 1909, and were taxed to the extent of £14,496.

LAND TAX.

The new State Land Tax Act of 1910 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might be expected to require, and assuming that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed at such rate as is declared for each year by Act of Parliament. The rate of tax for 1911, based on valuations at the 31st December, 1910, is one halfpenny on every pound sterling of the unimproved value of all land where the unimproved value exceeds £250. Where the assessed unimproved value of any land exceeds the amount of exemption (£250) the exemption shall diminish at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds, £500. The effect of the new Act on the existing Land Tax Act of 1890 was that no tax was payable under the old Act in respect of any land for any period after the year ending on the 27th August, 1910. The new land tax is a complete departure from the principles of the former land tax, under which only the lands of estates over 640 acres in extent were taxed, and such lands were valued on a

purely pastoral basis, according to their sheep-carrying capacity, irrespective of whatever value might have attached to them for dairying or agricultural purposes.

The following are particulars regarding the land tax under the old Act for the half-year ended August, 1910:—

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

Class.	Estates Assessed.			Exemptions.		Net Taxable Value.	Half-year's Tax Payable.
	Number.	Area.	Capital Value.	Number.	Value.		
		Acres.	£		£	£	£ s. d.
I. ...	186	285,034	1,140,136	172	430,000	710,136	4,438 7 0
II. ...	228	553,240	1,659,720	217	542,500	1,117,220	6,982 12 6
III. ...	629	2,000,443	4,000,886	574	1,435,000	2,565,886	16,036 15 9
IV. ...	571	4,377,667	4,377,667	506	1,265,000	3,112,667	19,454 3 5
Total	1,614	7,216,384	11,178,409	1,469	3,672,500	7,505,909	46,911 18 8

The tax collections for twelve months amounted to £103,536 in 1905-6, £92,438 in 1906-7, £89,496 in 1907-8, £85,559 in 1908-9, and £114,357 in 1909-10. In the following return a comparison is made of the number and size of the estates assessed for land tax in 1900, and in each of the last five years:—

LAND TAX: 1900, AND 1906 TO 1910.

Year.	Number of Exemptions.	Estates.			Net Taxable Value.	Average Area to each Assessment.
		Assessed.	Area.	Capital Value.		
			Acres.	£	£	Acres.
1900	907	1,146	7,424,542	11,775,026	9,507,526	6,479
1906	1,124	1,307	6,977,313	10,197,723	7,387,723	5,338
1907	1,142	1,305	6,783,872	9,909,708	7,004,708	5,198
1908	1,276	1,442	7,068,920	10,440,615	7,250,615	4,902
1909	1,428	1,586	7,227,630	11,103,665	7,533,665	4,557
1910	1,469	1,614	7,216,384	11,178,409	7,505,909	4,471

The capital value applied to estates for taxation purposes under the 1890 Act and arrived at on the pastoral basis previously mentioned, was considerably lower than the actual market value of the

land and improvements. An estimate of this value for the area assessed for tax in 1910 has been compiled by the Registrar of Land Tax, some particulars of which are given hereunder:—

LAND TAX: ACTUAL VALUE OF ESTATES WITH IMPROVEMENTS,
AS AT 1ST JUNE, 1910.

Class.	Actual Value with Improvements.		Percentage of Assessment to Actual Value.	Yearly Tax Payable.	Rate of Tax.	
	Total.	Average per Acre.			Per Cent. of Actual Value.	Per Acre.
	£	£ s. d.		£		d.
I. ...	4,702,342	16 9 11	24·25	8,877	·19	7·5
II. ...	5,743,517	10 7 7	28·90	13,965	·24	6·0
III. ...	11,464,215	5 14 7	34·60	32,074	·28	3·8
IV. ...	16,321,477	3 14 7	26·82	38,908	·24	2·1
Total	38,231,551	5 5 11	29·24	93,824	·24	3·1

The results show that the taxation in 1910 under the 1890 land tax was equal to 5s. per cent., and that the valuation for the purpose of taxation represented only 29 per cent. of the actual capital value of estates. The most noticeable discrepancy between the assessment and the actual value was in Class I.; but the greater difference in this, as compared with any other class, is explained by the fact that many of these first class estates are adapted for growing root crops, maize, and lucerne, also for fattening and dairying, and thus command a higher relative value, by comparison with their sheep carrying capacity, than is the case in the other three classes. The inclusion, in this class, of estates with a carrying capacity of more than two sheep per acre also largely contributes to the much higher average value shown.

In addition to the State land tax there is upon the lands of the State a Commonwealth land tax which was assented to on the 16th November, 1910.

FEDERAL LAND TAX.

The Federal Land Tax is a graduated progressive tax levied on the unimproved values of all lands within the Commonwealth save those which are exempt from taxation under the Act. The Act provides that the tax shall be levied in and for the financial year

Commonwealth Land Tax Act 1910.

beginning on the 1st day of July, 1910, and each financial year thereafter. The tax when the owner is not an absentee, after allowing for an exemption of £5,000, is 1d. on the first £1 sterling of taxable value, and increases at a uniform rate, so that the tax is equal to an average rate of 1½d. in the £1 on an estate having a taxable value of £15,001, 2d. in the £1 on an estate having a taxable value of £30,001, 2½d. in the £1 on an estate having a taxable value of £45,001, 3d. in the £1 on an estate having a taxable value of £60,001, and 3½d. in the £1 on an estate having a taxable value of £75,001. For every £1 sterling of taxable value in excess of £75,000 the rate of tax is 6d. in the £1.

When the owner is an absentee no exemption is allowed, and the tax is 1d. in the £1 on the first £5,000, and 2d. on the first £1 above £5,000, after which it increases at a uniform rate, so that the tax is equal to an average rate of 2½d. in the £1 on the excess over £5,000 for an estate having a taxable value of £20,001, 3d. in the £1 on the excess over £5,000 for an estate having a taxable value of £35,001, 3½d. in the £1 on the excess over £5,000 for an estate having a taxable value of £50,001, 4d. in the £1 on the excess over £5,000 for an estate having a taxable value of £65,001, and 4½d. in the £1 on the excess over £5,000 for an estate having a taxable value of £80,001. For every £1 sterling of taxable value in excess of £80,000 the rate of tax is 7d. in the £1. The definition of unimproved value is the capital sum which the fee-simple of the land might be expected to realize if offered for sale on such reasonable terms and conditions as a *bonâ fide* seller would require, assuming that the improvements (if any) thereon or appertaining thereto, and made or acquired by the owner or his predecessor in title had not been made.

RAILWAY REVENUE AND EXPENDITURE.

Financial
working
of the
Railways.

The following return shows the financial working of the Railways during the last five years, inclusive of the cost of pensions and gratuities. The figures have been taken from the Railway Report and they represent the actual business done each year, not the receipts and expenditure brought to account by the Treasury, within the year. Working expenses include expenditure on belated repairs, and expenditure on account of previous years, together amounting to £117,542 in 1905-6, £165,749 in 1906-7, and £47,058 in 1907-8; also £9,941 in 1906-7, and £3,311 in 1907-8, for replacement on electric street railway of rolling stock, car shed, &c., which were destroyed by fire.

RAILWAY BALANCES, 1905-6 TO 1909-10.

	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
	£	£	£	£	£
Gross Receipts ...	3,789,068	4,022,231	3,883,742	4,189,065	4,455,748
Working Expenses ...	2,117,706	2,259,814	2,347,254	2,418,514	2,721,405
Pensions, Gratuities, &c.	99,637	110,881	103,064	105,415	106,330
Net Receipts ...	1,571,725	1,651,536	1,433,424	1,665,136	1,628,013
Interest on Cost of Construction	1,472,397	1,483,284	1,483,807	1,430,093	1,472,916
Deficit (-) Surplus (+)	+99,328	+168,252	-50,383	+235,043	+155,097

Comparing 1909-10 with the first year appearing in the table, the gross receipts have increased by £666,680, and working expenses and pensions by £610,392—the net receipts being in excess of those for 1905-6 by £56,288, but less than those for 1908-9 by £37,123.

RAILWAY ACCIDENT FUND.

To meet claims for damages, costs, &c., a Railway Accident Fund was established by the *Railways Act* 1891, which was maintained by payments into the Fund of 10s. for every £100 received by the Commissioners for fares for the conveyance of passengers and for charges for conveyance of animals, goods, and parcels. By the *Railways Act* passed in 1907, this Fund with £50,000 in hand, was on 1st January, 1908, replaced by a Fund called the Railway Accident and Fire Insurance Fund; the money in hand was transferred, and into the new Fund the Railways Commissioners are to pay 10s. for every £100 of the revenue of the Victorian Railways until it reaches £100,000, at which amount it is to be maintained. During the year ended 30th June, 1910, the receipts of the fund comprised £22,279 on account of the above provisions, and a special contribution of £75,000; whilst the payments made from the fund were £3,860 for damages and costs, &c., to persons other than employes injured, and £14,187 for compensation to employes injured, for goods or parcels lost, and for damages caused by fire.

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

AMOUNTS PAID IN DAMAGES, CLAIMS, ETC., AND PERSONS KILLED OR INJURED ON VICTORIAN RAILWAYS: 1900-1 TO 1909-10.

Year ended 30th June.	Amount Paid out of Railway Accident Fund for Damages, Claims, Costs, &c.	Passengers.				Employés whilst in the execution of their duty.				Employés proceeding to or from duty; Persons at Cross- ings; Trespassers, and Others.		Total.	
		Due to Causes beyond their own Control.		Due wholly or partly to their own Action or Negligence.		Due to Causes beyond their own Control.		Due wholly or partly to their own Action or Negligence.		Killed.	Injured.	Killed.	Injured.
		Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.				
1901 ...	£ 2,674	...	6	1	124	3	13	8	194	33	34	45	371
1902* ...	22,076	...	194	2	163	...	19	6	230	26	28	34	634
1903 ...	8,593	...	11	1	133	...	21	9	261	27	28	37	454
1904 ...	2,269	...	34	2	190	...	43	5	245	20	29	27	541
1905 ...	2,544	...	8	4	165	...	35	5	214	16	24	25	446
1906† ...	24,060	...	162	5	139	...	43	8	262	35	24	48	630
1907 ...	7,810	...	14	6	165	...	32	8	252	32	35	46	498
1908‡ ...	9,509	45	434	2	203	...	29	6	263	26	41	79	970
1909 ...	125,469‡	...	9	5	155	...	12	10	232	30	43	45	451
1910 ...	3,860	...	11	2	101	...	7	6	205	13	29	21	353
Yearly Average ...	20,886	4·5	88·3	3·0	153·8	·3	25·4	7·1	235·8	25·8	31·5	40·7	534·8

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

With regard to the payments contained in the table, it must be pointed out that they only cover cases of passengers where the accidents causing death or injury were "due to causes beyond their own control." A serious accident occurred at Richmond railway station on 18th July, 1910, subsequent to the period covered by the above table.

It may be of some interest to examine the probability of accident to passengers, and accepting the last ten years' figures as a guide the average annual ratio of those killed or injured is compared with the latest available ten years' experience of different countries, in the return which follows:—

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

Country.	Average Annual Number of Passengers in 10 years.		Average per Ten Million Passengers carried.	
	Killed.	Injured.	Killed.	Injured.
Austria	11·9	291·8	·64	15·76
Belgium	13·5	428·2	·87	27·74
France	37·9	353·7	·88	8·19
Germany	97·3	471·7	·94	4·54
Norway	1·1	1·3	1·06	1·25
Victoria	7·5	242·1	1·14	36·82
New South Wales	4·3	67·8	1·17	18·50
Holland	4·3	19·3	1·18	5·32
Switzerland	11·4	81·0	1·49	10·61
Sweden	7·8	12·1	1·97	3·06
Japan	23·7	262·9	2·00	22·15
Hungary	17·1	83·8	2·10	10·29
United States	379·8	8,240·1	5·37	116·58
Spain	20·8	97·1	5·53	25·82
Canada	17·3	130·5	10·08	76·08
Russia	126·8	654·8	11·96	61·79

STATE EXPENDITURE.

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

Heads of State expenditure.

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE: 1905-6 TO 1909-10.

Heads of Expenditure.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
<i>General Government.</i>	£	£	£	£	£
Governor	7,400	6,822	7,055	9,644	10,372
Parliament and Ministry	71,435	80,270	73,611	77,438	83,213
Civil Establishment ...	179,571	190,640	205,610	219,539	215,413
Pensions and Gratuities	339,508	347,534	325,283	345,346	345,489

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE:
1905-6 TO 1909-10—continued.

Heads of Expenditure.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
<i>Law, Order, and Protection.</i>	£	£	£	£	£
Judicial and Legal ...	154,452	154,815	157,219	155,051	160,507
Police ...	276,062	283,226	291,464	292,161	304,294
Penal Establishments and Gaols ...	51,222	51,598	51,299	50,733	52,008
<i>Education, &c.</i>					
State Schools (primary)	630,500	628,996	689,142	799,391	835,504
Technical Schools ...	16,722	21,044	26,839	24,827	29,463
University ...	21,500	21,000	28,408	29,582	33,484
Libraries, &c. ...	24,173	26,964	32,679	35,749	56,314
Art and Science ...	9,310	9,734	13,558	10,531	9,124
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts ...	14,951	16,657	33,850	36,277	34,613
Public Health ...	20,318	22,628	23,282	29,504	29,738
Charitable Institutions, &c. ...	302,168	350,400	400,290	391,833	412,017
<i>Crown Lands, &c.</i>					
Crown Lands ...	82,657	82,209	93,954	104,205	138,357
Agriculture and Stock	141,823	142,125	135,702	125,914	153,453
Mining ...	56,178	59,721	57,290	79,524	150,407
<i>Public Works.</i>					
Railways ...	2,033,818	2,159,577	2,294,749	2,353,844	2,788,646
Water Supply ...	43,792	70,778	72,819	80,646	82,545
Harbors, Rivers, and Lights ...	57,952	60,623	67,990	70,331	79,240
Roads and Bridges ...	11,382	40,987	72,194	19,172	30,382
Municipal Endowment, &c. ...	50,636	76,711	105,056	157,289	159,792
Surplus Revenue appropriated to "Revenue Services"	175,571	198,252	...	146,823	...
Land Sales by Auction Fund ...	41,114	38,346	39,163	45,216	43,319
Works and Buildings, n.e.i. ...	31,984	83,572	87,073	85,359	64,740
Interest and Expenses of Public Debt ...	1,919,869	1,934,542	1,922,061	1,873,609	1,964,021
Interest on Advances from Savings Banks	91,995	76,268	63,154	48,221	32,771
Redemption Funds, &c.	125,566	179,681	170,657	170,716	190,527
<i>Other Expenditure.</i>					
Mint Subsidy ...	20,000	20,000	20,000	20,000	20,000
Fire Brigades ...	16,669	17,187	19,788	21,712	22,100
Old-age Pensions ...	189,094	187,795	233,573	270,827	4,364
Miscellaneous ...	52,083	38,441	47,434	59,163	43,763
Total ...	7,261,475	7,679,143	7,862,246	8,240,177	8,579,980
Per Head of Population ...	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	5 19 2	6 4 1	6 5 0	6 9 5	6 12 3

Compared with the previous year the ordinary expenditure of the State for 1909-10 shows an increase of £339,803. The heads of expenditure showing the largest increases are—Railways, £434,802 (including payments into Accident, Interest, and Rolling Stock Funds, £293,325); Interest and Expenses of Public Debt, £90,412; Mining, £70,883 (including State Coal Mine, £46,695); State Schools—education and buildings—£36,113; and Crown lands, £34,152. The most important decrease is that of old-age pensions, £266,463, the payment of which has been undertaken by the Commonwealth Government.

PENSIONS AND GRATUITIES.

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

During the year 1909-10, 3,139 pensions, amounting to £307,738, were paid to ex-public servants not including police, viz., 2,917 under special appropriations, amounting to £296,237; and 222 from annual votes, amounting to £11,501. Forty-five compensations and gratuities were also paid, the amount being £9,126; and £28,625 was paid as a subsidy to the Police Superannuation Fund. The following statement contains full particulars, showing the various Acts under which these payments have been made:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC.,
PAID: 1909-10.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
General Public Service—		£		£		£
Under Civil Service Act	454	79,086	14	1,022	644	103,975
„ Public Service Act	165	20,059				
„ Other Acts ...	11	3,808				
„ Discipline Act ...	18	1,510				
„ Lunacy Act ...	55	4,552	...	...	18	1,510
Education Department ...	985	91,219	25	1,238	1,010	92,457
Railways ...	1,225	91,816	174	8,973	1,399	100,789
Miscellaneous—						
Under Constitution Act	2	3,000	...	...	2	3,000
„ County Courts Act	2	1,187	...	...	2	1,187
Police ...	...	...	9	268	9	268
Total Pensions and Superannuation Allowances	2,917	296,237	222	11,501	3,139	307,738
Compensations and Gratuities	17	3,236	28	5,890	45	9,126
Subsidy to Police Superannuation Fund	...	2,000	...	26,625	...	28,625
Total Amount Paid ...	...	301,473	...	44,016	...	345,489

In 1909-10 the payments out of the Police Superannuation Fund were as follows:—341 pensions, amounting to £42,875, and 20 gratuities, amounting to £8,231. The Police Superannuation Fund is maintained by an annual subsidy of £2,000 from the consolidated revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by a deduction, not exceeding 2½ per cent., from the pay of the members of the force entitled to pensions; by transfers from the Licensing Fund under the provisions of Act No. 2068; and should the foregoing sources prove insufficient, by a further grant in aid from the consolidated revenue. The amount of such further grant from consolidated revenue in 1909-10 was £26,625.

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

In the year 1909-10, 31 pensions amounting to £2,583, and £143 sick allowances, were paid out of the Port Phillip Pilot Sick and Superannuation Fund, towards which, however, the Government does not contribute, the fund being maintained by deductions from pilots' earnings and the annual income from investments belonging to the fund.

Old-age
pensions,
&c.

Old-age pensions paid in 1909-10 amounted to only £4,364, which represents a decrease of £266,463, as compared with the amount paid in the previous year. This is accounted for by the responsibility in connexion with old-age pensions having been undertaken by the Commonwealth Government, which has made provision for payment thereof throughout Australia as from the 1st July, 1909. Full particulars regarding old-age pensions are given in part "Social Condition" of this work. Pensions to members and relatives of members of South African War Contingents amounted to £801 in 1909-10.

EXPENDITURE ON EDUCATION.

Expenditure
on educa-
tion.

The expenditure by the State during 1909-10 on education, exclusive of interest on loans expended on buildings, amounted to £991,640. Pensions, gratuities, &c., are included, but this expenditure may be considered as almost entirely belonging to the education of a past generation rather than as a portion of the cost of instruction of the children of the present day. The expenditure in detail

for the five years 1905-6 to 1909-10, according to the Report of the Education Department, is as follows:—

EXPENDITURE ON EDUCATION: 1905-6 TO 1909-10.

Expenditure on—	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
	£	£	£	£	£
Instruction	540,276	546,611	556,369	585,291	637,796
Training of Teachers—					
Training College	4,800	5,584	6,135	6,628	7,244
Continuation Schools... ..	3,500	5,322	8,573	11,421	15,775
Miscellaneous ... ..	...	...	...	322	1,293
Administration	37,693	39,471	40,109	41,217	42,258
Technical Schools	21,444	22,322	26,839	27,039	32,216
Melbourne University	21,500	21,000	28,408	29,582	33,484
Pensions, Compensation, and Gratuities	84,637	87,642	90,278	90,954	92,548
Exhibitions and Scholarships ...	4,778	5,468	5,451	5,471	6,011
Miscellaneous	460	1,882	2,499	2,759	4,459
Total (exclusive of Buildings)	719,088	735,302	764,661	800,684	873,084
Buildings—					
Expended by the Public Works Department from Annual Votes	32,087	59,411	96,427	136,455	100,349
Expended by Boards of Advice...	3,674	3,794	4,311	3,999	4,490
Rent	3,423	3,556	3,901	4,345	3,955
Continuation and Agricultural High Schools ... ..	...	1,654	2,344	14,268	9,281
Minor Buildings, Repairs, &c.	...	...	...	3,865	481
Total	758,272	803,717	871,644	963,616	991,640

From the inception of the system of education by the State on the 1st January, 1873, up to the 30th June, 1910, the expenditure on public instruction amounted to £26,651,427, of which £19,126,209 had been spent on instruction, £1,413,680 on administration, £236,391 on training, £2,843,547 on miscellaneous items, principally pensions, technical schools, and the Melbourne University, and £3,031,610 on buildings, of which £1,159,811 was paid out of loans, and £1,871,799 from revenue. For particulars of the progress of State instruction since its inception, see Part "Social Condition" of this work.

The foregoing statement deals with public instruction generally, and includes some items of expenditure on secondary and technical education; but the following statement relates to expenditure on primary State school education only—that is, the cost to the State of the "free, compulsory, and secular" system, the subjects of which are set out in the schedule of Act No. 1777, as follows:—Reading, writing, arithmetic, grammar, geography, history, drill, singing, drawing,

Expenditure
on primary
education.

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: 1905-6 TO 1909-10.

Items.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
	£	£	£	£	£
Instruction—					
Teachers' Salaries	493,414	500,034	507,019	535,703	582,560
Drawing, Cookery, Manual Training, &c.	2,126	337	486	...	...
Teachers' Travelling Expenses	2,125	1,907	2,936	2,780	3,254
Conveyance of Children to Schools	2,185	2,498	2,974	3,031	3,000
Printing, Stores, Cadets, Manual Training, and Cookery Expenses	7,855	8,983	9,639	10,441	15,130
Cleaning, Stationery, Fuel, &c.	32,128	32,520	32,889	32,916	33,184
Teaching Night Schools ...	443	332	426	420	668
Training Teachers	8,300	10,906	14,708	18,371	24,312
Total Instruction ...	548,576	557,517	571,077	603,662	662,108
Administration—					
Office and Inspectors... ..	29,855	30,510	31,792	32,381	33,331
Truant Officers	4,475	4,314	4,146	3,915	3,869
Stores, Cleaning, &c.* ...	3,363	4,647	4,171	4,921	5,058
Buildings	39,184	68,415	106,983	162,932	118,556
Retiring Allowances, Compensa- tion, and Gratuities	84,637	87,642	90,278	90,954	92,548
Miscellaneous	460	1,476	1,209	590	429
Total Expenditure ...	710,550	754,521	809,656	899,355	915,899

* Including Postage and Telegrams, £1,591 in 1905-6, £2,747 in 1906-7, £2,436 in 1907-8, £2,496 in 1908-9, and £3,087 in 1909-10.

Of the increase in expenditure on education in 1909-10, as compared with the preceding year (£28,024), primary education is responsible for £16,544, the most noticeable variations occurring in the items teachers' salaries, which show an increase of £46,857, and buildings, which show a decrease of £44,376.

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

COST OF PRIMARY INSTRUCTION IN VICTORIA:
1900-1 TO 1909-10.

Year.	Cost to the State.		Scholars in Average Attendance.	Cost per Head of Scholars in Average Attendance.	
	Including Buildings.	Excluding Buildings.		Including Buildings.	Excluding Buildings.
	£	£		£ s. d.	£ s. d.
1900-01	699,418	663,378	147,818	4 14 8	4 9 9
1901-2	767,352	685,406	150,939	5 1 8	4 10 10
1902-3	713,445	674,076	150,268	4 14 11	4 9 8
1903-4	696,627	677,125	145,500	4 15 8	4 13 1
1904-5	702,632	670,591	143,362	4 18 0	4 13 7
1905-6	710,550	671,367	142,216	4 19 11	4 14 5
1906-7	754,521	686,106	147,270	5 2 6	4 13 2
1907-8	809,656	702,673	143,551	5 12 10	4 17 11
1908-9	899,355	736,423	146,106	6 3 1	5 0 10
1909-10	915,899	797,343	145,968	6 5 6	5 9 3

This table reveals the steady upward tendency in the cost of instruction per head of scholars, the columns in which buildings are excluded being the better for comparative purposes, as the expenditure on buildings has been very heavy in recent years, averaging 14s. 11d. per head of scholars in 1907-8, 22s. 3d. in 1908-9, and 16s. 3d. in 1909-10; whereas in 1903-4 the expenditure on buildings averaged 2s. 7d. per head of scholars.

TRUST FUNDS.

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

TRUST FUNDS: 1906 TO 1910.

Accounts.	Credit Balance on 30th June.				
	1906.	1907.	1908.	1909.	1910
	£	£	£	£	£
Deposits in Savings Banks	2,617,310	2,050,059	1,340,559	963,052	845,040
Deposits in Savings Banks Security Account	2,451,549	2,287,707	1,847,032	2,269,532	3,376,962

TRUST FUNDS: 1906 TO 1910—*continued.*

Accounts.	Credit Balance on 30th June.				
	1906.	1907.	1908.	1909.	1910.
	£	£	£	£	£
Victorian Loans Redemption Fund	127,467	216,397	236,294	236,072	279,748
Victorian Government Consolidated Inscribed Stock Redemption Fund	188,453	275,776	364,174	450,338	541,548
Railway Stores Suspense Account	233,909	279,666	144,307	119,503	146,815
Railway Accident and Fire Insurance Fund	47,860	49,602	45,109	65	79,452
Railway Rolling-stock Replacement Fund	49,555	37,378	38,323	13,467	126,579
Licensing Act 1906 Compensation Fund	...	48,244	58,500	42,894	45,129
Metropolitan Fire Brigades Board	43,135	44,945	48,823	53,043	55,227
Port Phillip Pilot Sick and Superannuation Fund	54,426	55,746	56,905	58,119	58,212
Unused Roads and Water Frontages Fund	5,532	24,633	31,369	45,075	49,564
Municipal Sinking Funds	628,497	647,950	663,431	666,492	680,408
Assurance Fund (Land Titles)	213,790	222,440	231,530	240,918	250,275
Intestate Estates ...	106,677	97,774	91,751	93,098	80,895
Trustee and Assurance Companies	104,950	104,950	109,950	114,950	119,950
Other Funds ...	650,536	571,657	514,236	535,001	540,374
Total ...	7,523,646	7,014,924	5,822,293	5,901,619	7,276,178
How Invested:—					
In State Debentures and Stock	1,796,652	2,531,656	2,640,747	2,454,562	2,466,520
In Bank Deposit Receipts, Cash, and Advances to Revenue, &c.	5,726,994	4,483,268	3,181,546	3,447,057	4,809,658

The accumulated revenue deficiency on 30th June, 1910, £314,975, and the debit balance of £56,631 in the Land Sales by Auction Fund, are met from the last item in the above return.

In 1898 an Act, entitled "Municipalities' Loans Extension Act," was passed to relieve any municipality, which desired relief, from further contributions to its loan sinking fund. The amount already to the credit of the sinking fund of any municipality which takes advantage of the Act is allowed to accumulate with interest, and at the maturity of the loan the Government will, by the sale of inscribed stock, pay the difference between the amount at credit of the fund and the amount of the loan to be redeemed, the municipality repaying to the Government, in half-yearly instalments, the amount so paid. The amount at credit of the Municipalities' Loans Extension Act on 30th June, 1910, was £1,077,819. The amount of money to the credit of the municipal sinking funds has not materially altered during recent years; on 30th June, 1910, it was £680,408.

COMMONWEALTH REVENUE AND EXPENDITURE.

The amount of revenue collected in this State to the 30th June, 1910, by the Federal Government from the date of its inauguration was £32,615,924. Of this amount £12,607,972 was used to meet the Victorian portion of Commonwealth expenditure, and £19,814,868 was paid over to the State Government. A sum of £20,000 is retained as "till-money," principally in the offices of the Post and Telegraph Department in the State, and the amount due to the State Government on the 30th June, 1910, was, therefore, £173,084.

Commonwealth finance.

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

COMMONWEALTH REVENUE AND EXPENDITURE CREDITED OR DEBITED TO THE STATE OF VICTORIA: 1905-6 TO 1909-10.

Heads of Revenue and Expenditure.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
REVENUE.					
Customs Duties ...	£ 1,950,713	£ 2,129,548	£ 2,507,704	£ 2,204,638	£ 2,366,701
Excise Duties ...	586,357	589,883	704,434	657,330	682,310
Post, Telegraph, &c. ...	735,563	797,973	834,367	856,632	937,820
Miscellaneous ...	12,251	20,198	17,231	31,561	67,930
Total ...	3,284,884	3,537,602	4,063,736	3,750,161	4,054,761
EXPENDITURE.					
Trade and Customs ...	67,076	64,485	69,939	75,127	70,582
Postmaster-General ...	674,601	724,728	840,653	904,578	965,484
Defence ...	303,673	318,865	406,548	325,764	457,526
New Expenditure ...	153,032	228,511	368,783	455,784	581,094
Miscellaneous ...	...	...	105	1,473	5,162
Paid over to the State ...	2,097,119	2,192,340	2,449,243	1,929,542	1,922,278
Total ...	3,295,501	3,528,929	4,135,271	3,692,268	4,002,126

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

Common-
wealth and
State
finance.

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

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE
COMBINED: 1905-6 TO 1909-10.

Heads of Revenue and Expenditure.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
REVENUE.					
	£	£	£	£	£
Customs and Excise ...	2,537,070	2,719,431	3,212,138	2,861,968	3,049,011
Post, Telegraph, &c. ...	735,563	797,973	834,367	856,632	937,820
Railways ...	3,779,153	4,010,546	3,873,855	4,189,501	4,450,782
State Taxation ...	1,075,935	1,200,529	1,068,763	1,167,444	1,185,734
Other sources ...	871,519	962,317	939,850	992,758	1,107,128
Total Revenue ...	8,999,240	9,690,796	9,928,973	10,068,503	10,730,475
EXPENDITURE.					
Customs and Excise ...	67,076	64,485	69,939	75,127	70,582
Post, Telegraph, &c. ...	674,601	724,728	840,653	904,578	965,484
Railways ...	2,033,818	2,159,577	2,294,749	2,353,844	2,788,646
Public Instruction* ...	668,722	671,040	744,389	853,800	898,451
Public Debt—					
Interest and Expenses	1,919,869	1,934,542	1,922,061	1,873,609	1,964,021
Redemption ...	125,566	179,681	170,657	170,716	190,527
Other Expenditure ...	2,970,205	3,281,679	3,505,826	3,771,229	3,782,117
Total Expenditure	8,459,857	9,015,732	9,548,274	10,002,903	10,659,828

* Primary and Technical Schools, and University.

In 1900-1901, when the State Tariff was in force, the Customs and Excise revenue was £2,558,290, and under the Commonwealth Tariff this was not exceeded until 1906-7, when an increase of £161,141 was shown. The revenue from this source in 1900-1901 was exceeded by £653,848 in 1907-8, by £303,678 in 1908-9, and by £490,721 in 1909-10.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

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

Common-
wealth,
State, and
local
finance.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
1906 TO 1910.

	Financial Year ended in—				
	1906.	1907.	1908.	1909.	1910.
<i>Revenue.</i>					
Government—	£	£	£	£	£
Federal ..	3,284,884	3,537,602	4,063,736	3,750,161	4,054,761
State ..	5,642,899	6,081,617	5,797,099	6,252,932	6,610,842
Municipal ..	1,293,202	1,387,127	1,452,621	1,496,215	1,582,291
Harbor Trusts ..	219,487	227,750	237,294	231,038	320,713
Melbourne and Metropolitan Board of Works ..	418,849	476,949	493,767	503,992	530,532
Fire Brigades Boards	20,610	21,763	27,049	26,331	28,251
Total ..	10,879,931	11,732,808	12,071,566	12,200,669	13,127,390
<i>Ordinary Expenditure.</i>					
Government—					
Federal ..	3,295,501	3,528,929	4,135,271	3,692,268	4,002,126
State ..	5,092,899	5,415,256	5,344,865	6,245,425	6,532,830
Municipal ..	1,282,559	1,417,169	1,505,188	1,503,159	1,598,293
Harbor Trusts* ..	203,816	231,432	238,048	290,264	263,518
Melbourne and Metropolitan Board of Works ..	443,740	476,954	488,244	481,712	495,625
Fire Brigades Boards	22,867	23,340	26,234	26,941	26,378
Total ..	10,341,382	11,093,050	11,737,850	12,239,769	12,978,770.
<i>Loan Expenditure.</i>					
Government (State)	932,966	595,658	783,538	1,098,360	1,209,505
Municipal ..	84,081	141,587	157,255	153,985	155,607
Melbourne and Metropolitan Board of Works ..	404,907	437,330	278,007	505,412	325,201
Fire Brigades Boards	3,250	2,623	244	3,203	155
Total ..	1,425,204	1,177,198	1,219,044	1,760,960	1,690,468
<i>Expenditure—Grand Total</i> ..	11,766,586	12,270,248	12,956,894	14,000,729	14,669,238

* Including expenditure from loans.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE,
1906 TO 1910—continued.

	Financial Year ended in—				
	1906.	1907.	1908.	1909.	1910.
Per Head of Population—					
Revenue ..	£ s. d. 8 18 5	£ s. d. 9 9 4	£ s. d. 9 11 11	£ s. d. 9 12 7	£ s. d. 10 2 4
Ordinary Expenditure ..	8 8 10	8 18 4	9 6 7	9 12 3	10 0 1
Loan Expenditure	1 3 5	0 19 0	0 19 5	1 7 8	1 6 1

The total revenue of the Federal and State Governments, the municipalities and other corporations, was 7 per cent. more in 1910 than in the previous year, and amounted to more than thirteen millions sterling. The ordinary expenditure showed an increase in the twelve months of £739,001. The loan expenditure was less by £70,492 than in 1909. The revenue per head in 1909 was £9 12s. 7d., and in 1910, £10 2s. 4d. The ordinary expenditure per head was £9 12s. 3d. and £10 os. 1d.; and the loan expenditure £1 7s. 8d. and £1 6s. 1d. in those years respectively.

PUBLIC DEBT.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue to 30th June, 1910, with the exception of Melbourne and Hobson's Bay Railway debentures taken over, which are not treated in the Treasury accounts as a loan raised by the State:—

CASH RECEIPTS AND LOANS RAISED AND REDEEMED TO 30TH JUNE, 1910.		£	s.	d.
Cash received ... ..	...	93,204,188	16	3
Discount and expenses after deducting premiums received ... ..	...	1,867,035	4	0
Securities issued ... ..	...	95,071,224	0	3
Securities redeemed ... ..	...	39,495,499	0	11
Loans outstanding ... ..	...	55,575,724	19	4*

* There is in addition to this amount the overdue debentures for £1,000 referred to further on, which together make the total loans outstanding at 30th June, 1910.

It will be seen that upon the transactions to date for cash, amounting to £93,204,189, securities representing £95,071,224 were issued, which is equivalent to the State receiving £98 os. 9d. in cash for every £100 Bond given.

Excluding London debentures for £388,100 taken over with the Melbourne and Hobson's Bay Railway and since paid off, the total amount of loans raised in London at varying rates of interest was £69,880,024 after conversion operations. The amount paid off by means of new loans was £28,938,307, and by means of payment

derived from revenue, &c., £1,574,698; while £354,583 was transferred to the Melbourne register, leaving a balance due in London on 30th June, 1910, of £39,012,436, consisting of debentures amounting to £246,400, and inscribed stock, £38,766,036. The following statement gives particulars respecting the various loans which have been raised in London since 1859, together with the average prices obtained after deducting flotation expenses as well as accrued interest, and the rates of interest to which such prices are equivalent:—

LOANS FLOATED IN LONDON, 1859 TO 1910.

When Raised.	Debentures or Stock.				Average Price Obtained per £100 Debenture Stock or Bond.		Actual Rate of Interest per £100 net.
	Currency.		Amount Sold.	Rate of Interest.	Ex Accrued Interest.	Ex Interest and Expenses. (Net proceeds.)	
	When Due.	No. of Years.					
			£	Per cent.	£ s. d.	£ s. d.	£ s. d.
1859	1883	24	<i>Debentures.</i> 1,000,000	6	105 1 11 ³ / ₄	103 18 11 ³ / ₄	5 14 0
"	"	"	750,000	6	107 17 7 ¹ / ₂	106 14 7 ¹ / ₂	5 9 10
1860	"	23	1,817,506	} 6	104 17 10 ¹ / ₂	103 14 10 ¹ / ₂	5 14 1
"	1884	"	812,500		103 1 6 ¹ / ₂	101 18 6 ¹ / ₂	5 17 0
1861	1885	24	1,000,000	6	102 19 7	101 16 7	5 17 2
1862	"	23	1,600,000	6	100 8 11 ³ / ₄	99 5 11 ³ / ₄	6 1 1
1866	1891	25	850,000	5	98 4 2 ¹ / ₂	97 1 2 ¹ / ₂	5 4 3
1869	1894	"	588,600	5	100 17 6 ¹ / ₂	99 14 6 ¹ / ₂	5 0 5
1870	"	24	1,518,400	5	90 2 7	88 19 7	4 15 5
1874	1899	25	1,800,000	4	94 16 10 ³ / ₄	93 18 11 ³ / ₄	4 8 1
1876	1901	"	{ 500,000 2,500,000	} 4	97 17 5 ¹ / ₂	96 19 2 ¹ / ₂	4 14 0
1878	1904	26	487,000		103 3 8 ¹ / ₂	102 5 11	4 6 11
1879	"	25	3,000,000	4 ¹ / ₂			
1880	"	24	2,000,000	4 ¹ / ₂			
			<i>Stock.</i>				
1883	1907	"	4,000,000	4	98 16 8 ¹ / ₂	97 13 7 ¹ / ₂	4 3 0
"	1908	"	2,000,000	4	97 14 1 ¹ / ₂	96 10 11 ³ / ₄	4 4 6
1884	1913	29	{ 2,636,600 1,363,400	} 4	98 5 7	97 2 8 ¹ / ₂	4 3 3
1885	1919	34	{ 3,180,620 819,380		4	98 18 6 ¹ / ₂	97 15 9 ¹ / ₂	4 2 5
1886	1920	"	1,500,000	4	105 12 3 ¹ / ₄	104 9 0	3 15 5
1887	"	33	3,000,000	4	102 5 6 ¹ / ₂	101 2 9	3 18 9
1888	"	32	1,500,000	4	108 1 1 ¹ / ₂	106 18 0 ¹ / ₂	3 12 9
1889	1923	34	3,000,000	3 ¹ / ₂	102 14 10	101 11 11 ³ / ₄	3 8 5
1890	"	33	4,000,000	8 ¹ / ₂	100 2 4	98 19 6	3 11 1
1891	1921-6	30-5	{ 850,000 2,150,000	} 3 ¹ / ₂	96 3 7	95 0 10	3 15 6
1892	"	29-34	2,000,000		3 ¹ / ₂	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	"	28-48	3,000,000	3	92 2 1	89 14 5	3 11 10
1902	"	27-47	1,000,000	3	95 16 6 ¹ / ₂	93 8 3 ³ / ₄	3 7 6
1903	"	26-46	3,148,176	} 3 ¹ / ₂	{ 91 14 9 ¹ / ₂ 100 0 0	89 8 0	4 3 8
1906	"	23-43	587,808		97 3 11 ¹ / ₂	98 19 1	94 15 8 ¹ / ₂	3 11 5
1907	"	22-42	702,140	} 3 ¹ / ₂			3 17 7
1909	"	20-40	1,500,000				
			<i>Treasury-bonds.</i>				
1892	1893	1	1,000,000	4 ¹ / ₂	99 3 11	99 1 5	5 0 0
1898	1900	2	500,000	3 ¹ / ₂	100 0 0	100 0 0	3 15 0
1903	1906	3	2,254,800	4	99 10 8 ¹ / ₂	96 18 10	5 2 7
Total	..	..	69,313,924				
Paid off	..	..	29,946,905				
Transferred to Melbourne register	..	..	354,583				
Outstanding	..	..	39,012,436				

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

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

Loans
floated in
Melbourne.

Excluding Treasury bonds in aid of revenue and Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, and of which £62,000 have since been paid off, the total amount of loans floated in Melbourne after conversion operations was £21,126,587. Of this amount £2,729,343 was redeemed by loans, and £2,263,538 by revenue, &c., leaving due a balance of £16,133,706 on 30th June, 1910, consisting of debentures, £5,770,849; inscribed stock, £4,080,997; and Treasury bonds, £6,281,860. In addition, inscribed stock for £354,583 has been transferred from London to the Melbourne register, so that of the debt outstanding the total amount payable in Melbourne is £16,488,289. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the last twelve years the local debt has been increased by $13\frac{1}{2}$ millions sterling. This increase has been brought about principally by the replacing of London loans as they fell due by local issues and by the raising of local loans to acquire estates for Closer Settlement purposes. The following is a statement

of these loans, showing the amounts originally raised, the amounts converted or paid off, and the amounts outstanding on 30th June, 1910:—

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1910.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1910.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Debentures.</i>							
13 & 23	1854	6	1855-75	735,000		735,000	...
40	1855	6	1857-72	299,100	...	299,100	...
15	1856	6	1872-4	2,900	...	2,900	...
36	1857	6	1883-5-8	1,000,000	52,780	947,220	...
150	1862	6	1889	300,000	23,900	276,100	...
332	1868	5	1894	610,000	297,100	312,900	...
371	1870	5	...	100,000	100,000	...	...
1296	1893	4	1913-23	746,795	...	...	746,795
1440	1896	3	1912-22	63,000	...	...	63,000
1659	1900	3	1921-30	1,000,000	14,162	12,988	972,850
1753	1901	3	1923-32	475,200	3,948	84,052	387,200
1816	1903	3½	1907-8	93,869	...	93,869	...
1901	1904	3	1934-54	457,000	...	333,126	123,874
		3½	1926-42	336,300	...	20,300	316,000
		3½	1925-40	60,000	...	...	60,000
		3½	1926-40	160,000	...	...	160,000
1962	1904	3½	1927-32	72,100	...	...	72,100
		3½	1928	77,000	...	...	77,000
		3½	1929	62,650	...	...	62,650
		3½	1930	182,000	...	...	182,000
		4	1936	300,000	...	...	300,000
		3½	1926-41	285,880	...	...	285,880
1990	1905	3½	1926	100,000	...	...	100,000
		3½	1927-42	500	...	...	500
		3½	1927	52,000	...	...	52,000
2026	1906	3½	1926-42	289,000	...	...	289,000
		3½	1927-42	100,000	...	...	100,000
		3½	1928	400,000	...	...	400,000
2041	1906	3½	1928-43	3,600	...	...	3,600
		3½	1929	16,000	...	...	16,000
2053	1906	3½	1928	75,500	...	...	75,500
		3½	1929	40,000	...	...	40,000
2116	1907	3½	1928	345,000	...	...	345,000
		3½	1929	154,000	...	...	154,000
		3½	1910-20	250,000	...	...	250,000
2163	1909	3½	1919	130,650	...	...	130,650
		3½	1929	4,850	...	...	4,850
		3½	1944	400	...	...	400
<i>Inscribed Stock.</i>							
428	1872	4	1897	1,113,000			
439	1872	4	"	86,780			
741	1882	4	"	13,102			
963	1887	4	"	167,600	2,659,613	...	...
1015	1889	4	"	130,000			
1341	1893	4	"	750,000			
1369	1895	4	"	150,000			
		4	"	249,131			

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1910.—*continued.*

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1910.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Inscribed Stock— continued.</i>							
1468	1896	3	1917*	2,290,482	}	350,379	2,978,892
1564	1898	3	"	500,000			
1623	1899	3	"	500,000			
1552	1898	3	"	38,789			
1602 } 1749 }	1898	3	"	211,135	...	24,947	186,188
1659	1900	3	"	14,162	...	...	14,162
1753	1901	3	"	3,948	...	...	3,948
1962	1904	3½	"	326,406	...	...	326,406
1990	1905	3½	"	113,735	...	...	113,735
2026	1906	3½	"	256,000	...	...	256,000
2041	1906	3½	"	29,714	...	...	29,714
2053	1906	3½	"	46,026	...	...	46,026
2116	1907	3½	"	1,000	...	...	1,000
2161	1909	3	"	41,581	...	...	41,581
2163	1909	3½	"	31,345	...	...	31,345
2218	1910	3½	"	16,000	...	...	16,000
2240	1910	3½	"	36,000	...	...	36,000
<i>Treasury Bonds.</i>							
1574	1898	3½	1901	500,000	...	500,000	...
1800	1902	3½	1907	1,000,000	...	1,000,000	...
			1915	500,000	...	...	500,000
1982	1905	3½	1916	2,767,000	...	...	2,767,000
			1917	3,014,860	...	...	3,014,860
Overdue debentures				1,000	...	...	1,000
Total, floated in Melbourne				24,279,090	3,151,503	4,992,881	16,134,706
Transferred from London Register ... ..				...	...	...	354,583
Total, payable in Melbourne				...	...	...	16,489,289

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

Of the total loans raised in Victoria (exclusive of Treasury bonds in aid of revenue and of Melbourne and Hobson's Bay Railway debentures) £2,337,000, *i.e.*, the total of those authorized prior to 1863, was at 6 per cent.; £710,000, or the total authorized from 1868 to 1870 was at 5 per cent.; and the balance (£21,231,090) was at rates varying from 3 to 4 per cent. Of the total Melbourne loans outstanding on 30th June, 1910, £1,113,795 is bearing interest at 4 per cent., £220,000 at 3½ per cent., £10,129,416 at 3½ per cent., and £5,025,078 at 3 per cent.

EXPENDITURE FROM LOANS.

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

LOAN EXPENDITURE: 1905-6 TO 1909-10.
(Including Loan in aid of Revenue, Act 1451.)

Works.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
	£	£	£	£	£
Railways	77,968	80,482	249,646	544,433	657,666
Water Supply	81,634	161,346	276,583	313,616	286,823
Agriculture	47	..	..	..	..
Closer Settlement and Small Holdings	754,983	339,497	254,833	189,473	198,946
Wire Netting .. .. .	..	..	..	45,850	10,734
State Coal Mine .. .. .	..	..	..	..	35,906
Construction of Roads, &c. ..	1,919	498	23	237	50
Other Public Works	16,415	13,835	2,453	4,751	19,380
Total	932,966	595,658	783,538	1,098,360	1,209,505
Per Head of Population	s. d. 15 4	s. d. 9 7	s. d. 12 5	s. d. 17 3	s. d. 18 8

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

Average amount of loan expenditure per annum for the—

10 years ended 30th June, 1891	...	£ 2,270,128
10 years ended 30th June, 1901	...	755,194
9 years ended 30th June, 1910	...	789,744

PURPOSES FOR WHICH LOANS WERE RAISED.

The aggregate amount of the loans raised to 30th June, 1910, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over, was £91,457,711; but a total of £35,955,986 (exclusive of conversion loans) having been repaid, viz., £3,838,236 out of the general revenue, and £32,117,750 out of the proceeds of redemption loans, the balance on 30th June, 1910, was reduced to £55,501,725.

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

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1910.	Annual Interest Payable.
	£	£
REVENUE-YIELDING WORKS.		
Railways and Tramways	41,326,889	1,486,989
Waterworks—Melbourne	1,688,663	61,039
" Country	6,843,851	238,069
Harbors	190,000	6,650
Graving Dock	316,102	10,773
Agriculture and Advances to Farmers, &c.	90,564	2,732
Closer Settlement	1,903,870	67,755
Development of Mining	153,131	4,918
Total Revenue-yielding Works	52,513,070	1,878,925
OTHER WORKS OF A PERMANENT CHARACTER.		
Public Offices, Law Courts, and Parliament Houses	714,834	24,408
Defence Works	151,469	5,044
State Schools, Technical Schools, and University	1,219,903	39,783
Other	902,449	29,502
Total other Permanent Works	2,988,655	98,737
Net Borrowings	55,501,725	1,977,662

Out of the proceeds of these loans outstanding on 30th June, 1910, sums not yet expended amount in the aggregate to £299,441, of which £159,594 is for railways, £137,281 for country water supply, and £2,566 for different other services. Of the amount of total loans outstanding, more than 94 per cent. has been allotted to revenue-yielding works, as detailed above.

DUE DATES OF LOANS.

The total amount of loans outstanding on 30th June, 1910, exclusive of debentures for £1,000 overdue since 1897, and of Treasury bonds in aid of revenue, was £55,500,725, and of this sum £6,017,249 was in the form of debentures; £38,766,036 of inscribed stock (London Register); £4,435,580 of inscribed stock (Melbourne Register); and £6,281,860 of Treasury bonds. The following are the dates on which these loans are repayable, those repayable in Melbourne and London being indicated—

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1910, AND DATES
WHEN REPAYABLE.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures.</i>		£	£	£
1296	1st April, 1913-23 ...	4	746,795	...	746,795
1440	" 1912-22 ...	3	63,000	...	63,000
1659	1st July, 1921-30 ...	3	972,850	...	972,850
1753	1st Jan., 1923-32 ...	3	387,200	...	387,200
1901	" 1934-54 ...	3	123,874	...	123,874
	24th May, 1926 ...	3½	3,000	...	3,000
	2nd April, 1926-29th Nov., 1940 ...	3½	28,900	...	28,900
	December, 1926-1941 ...	3½	29,500	...	29,500
	1st Feb., 1927-1942 ...	3½	104,600	...	104,600
	April, 1927 ...	3½	150,000	...	150,000
	29th Nov., 1925-40 ...	3¾	60,000	...	60,000
1962	27th Feb., 1926, to 29th Nov., 1940 ...	3¾	160,000	...	160,000
	1st Nov., 1927-32 ...	3½	41,400	...	41,400
	2nd Dec., 1927-32 ...	3½	30,700	...	30,700
	1st July, 1928 ...	3½	77,000	...	77,000
	30th June, 1929 ...	3½	2,650	...	2,650
	1st Jan., 1929 ...	3½	60,000	...	60,000
	" 1930 ...	3½	100,000	...	100,000
	1st July, 1930 ...	3½	82,000	...	82,000
	14th March, 1936 ...	4	300,000	...	300,000
	1st April, 1926-41 ...	3½	285,880	...	285,880
	18th Oct., 1926 ...	3½	100,000	...	100,000
1990	1st April, 1927-42 ...	3½	500	...	500
	1st October, 1927 ...	3½	46,000	...	46,000
	1st July, 1927 ...	3½	6,000	...	6,000
	1st Oct., 1926, to 16th April, 1942 ...	3½	289,000	...	289,000
2026	1st July, 1927-42 ...	3½	100,000	...	100,000
	" 1928 ...	3½	400,000	...	400,000
2041	1st Jan., 1928-43 ...	3½	3,600	...	3,600
	" 1929 ...	3½	16,000	...	16,000
2053	1st July, 1928 ...	3½	75,500	...	75,500
	1st Jan., 1929 ...	3½	40,000	...	40,000
2116	1st July, 1928 ...	3½	345,000	...	345,000
	1st Jan., 1929 ...	3½	154,000	...	154,000
	1st Aug., 1910, to 1st Feb., 1920 ...	3½	250,000	...	250,000
2163	1st April, 1919 ...	3½	130,650	...	130,650
	30th June, 1929 ...	3½	4,850	...	4,850
	1st Oct., 1944 ...	3½	400	...	400
	<i>Inscribed Stock (London).</i>				
760	1st Oct., 1913 ...	4	9,000*	3,991,000	4,000,000†
805	" 1919 ...	4	28,000*	3,972,000	4,000,000
845	" 1920 ...	4	30,000*	5,970,000	6,000,000
989	" 1923 ...	3½	11,200*	6,988,800	7,000,000
1032					

* Transferred from London to Melbourne register.

† Debentures convertible into inscribed stock at option of holder. The amount so converted to 30th June, 1910, was £3,753,600.

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1910, AND DATES
WHEN REPAYABLE—*continued.*

Un der Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
<i>Inscribed Stock (London)—</i> continued.					
			£	£	£
1196 } 1217 } 1287 }	1st Jan., 1921-26 ...	3½	...	5,000,000	5,000,000
	" 1911-26 ...	4	...	2,107,000	2,107,000
1560	" 1929-49 ...	3	253,383*	4,211,331	4,464,714
1562	" 1929-49 ...	3½	23,000*	4,272,305	4,295,305
2167	1st Oct., 1929-49 ...	3	...	1,000,000	1,000,000
		3½	...	1,500,000	1,500,000
<i>Inscribed Stock (Melbourne).</i>					
1468 } 1552 } 1564 } 1623 } 1602 } 1749 }	29th Sept., 1917, or after	3	2,978,892	...	2,978,892
1659	" " "	3	186,188	...	186,188
1753	" " "	3	14,162	...	14,162
1962	" " "	3	3,948	...	3,948
1990	" " "	3½	326,406	...	326,406
2026	" " "	3½	113,735	...	113,735
2041	" " "	3½	256,000	...	256,000
2053	" " "	3½	29,714	...	29,714
2116	" " "	3½	46,026	...	46,026
2161	" " "	3½	1,000	...	1,000
2163	" " "	3	41,581	...	41,581
2218	" " "	3½	31,345	...	31,345
2240	" " "	3½	16,000	...	16,000
	" " "	3½	36,000	...	36,000
<i>Treasury Bonds.</i>					
1982 {	1st July, 1915 ...	3½	500,000	...	500,000
	" 1916 ...	3½	2,767,000	...	2,767,000
	" 1917 ..	3½	3,014,860	...	3,014,860
<i>Melbourne and Hobson's Bay Railway Debentures.</i>					
617	(Overdue since 1897) ...	...	1,000	...	1,000
	Total ...	...	16,489,289	39,012,436	55,501,725
<i>Treasury Bonds in aid of Revenue.</i>					
1451	1st Jan., 1911-13 ...	3¼	75,000	...	75,000
	Total (including loans in aid of Revenue)...	...	16,564,289	39,012,436	55,576,725

* Transferred from London to Melbourne register.

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

DUE DATES OF VICTORIAN LOANS ON 30TH JUNE, 1910.
(Including Treasury Bonds in aid of Revenue.)

When Payable.	Amount Payable, assuming that—		
	3 per cent. Loans are redeemed at latest, and all others at earliest date of option.	3½ per cent. and under are redeemed at latest, and all others at earliest date of option.	All loans are redeemed at latest date of option.
	£	£	£
Overdue and Unclaimed	1,000	1,000	1,000
1910	12,500	12,500	12,500
1911	2,157,000	2,157,000	50,000
1912	50,000	50,000	50,000
1913	4,796,795	4,796,795	4,050,000
1914	25,000	25,000	25,000
1915	525,000	525,000	525,000
1916	2,792,000	2,792,000	2,792,000
1917	3,896,086	3,039,860	3,039,860
1918	25,000	25,000	25,000
1919	4,155,650	4,155,650	4,155,650
1920	6,012,500	6,012,500	6,012,500
1921	5,000,000	...	...
1922	63,000	63,000	63,000
1923	7,000,000	7,000,000	7,746,795
1925	60,000	60,000	...
1926	896,280	5,263,000	7,210,000
1927	479,200	202,000	202,000
1928	901,100	897,500	897,500
1929	6,072,805	277,500	277,500
1930	1,154,850	1,154,850	1,154,850
1932	387,200	459,300	459,300
1936	300,000	300,000	300,000
1940 ... ..	...	28,900	248,900
1941 ... ..	...	315,380	315,380
1942 ... ..	...	494,100	494,100
1943 ... ..	...	3,600	3,600
1944	400	400	400
1949	5,464,714	11,260,019	11,260,019
1954	123,874	123,874	123,874
Indefinite	3,224,771	4,080,997	4,080,997
To end of 1925	36,571,531	30,715,305	28,548,305
After 1925... ..	19,005,194	24,861,420	27,028,420
Total	55,576,725	55,576,725	55,576,725

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

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND MELBOURNE, 30TH JUNE, 1900, AND 1906 TO 1910.
(Including Treasury Bonds in aid of Revenue.)

On 30th June.	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.	Melbourne.	London.	Melbourne.
	£	£	£	£
1900	44,655,579	4,669,306	1,735,307	152,046
1906	43,178,681	9,901,119	1,594,490	326,696
1907	39,629,869	13,475,120	1,450,950	450,952
1908	37,534,136	15,772,351	1,367,800	531,616
1909	38,592,431	16,074,766	1,404,875	543,219
1910	39,012,436	16,564,289	1,419,579	560,520

An important point in relation to the London loans is that certain expenses occur each year in connexion with them which are not common to local loans. In the last financial year the amount was £6,310, of which £5,866 was paid as commission and £444 for stamps, advertising, &c.; the corresponding totals in recent previous years were:—£17,203 in 1902-3, £25,402 in 1903-4, £15,297 in 1904-5, £12,272 in 1905-6, £11,845 in 1906-7, £11,980 in 1907-8; and £6,895 in 1908-9.

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

AMOUNT OF OUTSTANDING LOANS AT EACH RATE OF INTEREST, 1900, 1908, 1909, AND 1910.

(Including Treasury Bonds in aid of Revenue.)

Rates of Interest per cent.	Nominal amount outstanding on 30th June—			
	1900.	1908.	1909.	1910.
	£	£	£	£
4½	5,000,000	...	...	...
4	27,060,795	17,153,795	17,153,795	17,153,795
3¾	...	220,000	220,000	220,000
3½	12,250,000	25,356,269	26,914,035	27,890,521
3¼	300,000	125,000	100,000	75,000
3	4,714,090	10,449,423	10,258,367	10,236,409
Overdue (not bearing interest)	...	1,000	1,000	1,000
Total	49,324,885	53,305,487	54,667,197	55,576,725

The difference between the interest in 1900 and in 1910 represents a saving of nearly £146,500 per annum on the debt of £55,576,725 at 30th June, 1910.

LOANS AUTHORIZED BUT NOT RAISED.

The loans authorized, but not raised, on 30th June, 1910, amounted to £3,005,610, which sum now represents the unfloated balance of loans authorized since 1895. The following return gives the particulars of these loans:—

LOANS AUTHORIZED, BUT NOT RAISED, 30TH JUNE, 1910.

Under Loan Act No.—	Total.		
	Authorized.	Raised to 30th June, 1910.	Balance not raised.
	£	£	£
1440	100,000	63,000	37,000
1552	1,116,608	38,789	1,077,819
1753	500,000	475,200	24,800
1816	100,000	93,869	6,131
2041	1,250,000	49,314	1,200,686
2161	500,000	41,581	458,419
2163	500,000	417,245	82,755
2218	20,000	16,000	4,000
2240	150,000	36,000	114,000
Total	4,236,608	1,230,998	3,005,610

The rate of interest on the amount to be raised is 3 per cent. on £1,598,038, and 3½ per cent. on £1,407,572.

GROWTH OF FUNDED DEBT.

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

each of the last three years. In relation to population, however, the amount per head substantially increased from 1855 to 1900, but since the latter year the increase has been only slight.

GROWTH OF FUNDED DEBT AND INTEREST, 1855 TO 1910.

End of Financial Year in—	Loans Outstanding.			Amount per head of population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest.
		Total.	Average rate per cent.		
	£	£		£ s. d.	£ s. d.
1855	480,000	28,800	6·00	1 6 4	0 1 7
1860	5,118,100	306,405	5·99	9 10 4	0 11 5
1870	11,924,800	688,740	5·78	16 8 3	0 19 0
1880	20,056,600	1,004,436	5·01	23 11 9	1 3 7
1890	41,377,693	1,649,465	3·99	36 19 11	1 9 6
1900	48,774,885	1,867,604	3·83	40 17 4	1 11 3
1901	49,546,275	1,861,547	3·76	41 3 0	1 11 0
1902	50,408,957	1,887,877	3·74	41 15 5	1 11 4
1903	51,097,900	1,904,514	3·73	42 5 11	1 11 6
1904	51,519,962	1,876,011	3·64	42 13 4	1 11 1
1905	51,513,767	1,875,249	3·64	42 9 8	1 10 11
1906	52,904,800	1,915,499	3·62	43 2 3	1 11 3
1907	52,954,989	1,897,027	3·58	42 9 7	1 10 5
1908	53,180,487	1,895,354	3·56	42 1 1	1 10 0
1909	54,567,197	1,944,844	3·56	42 10 8	1 10 4
1910	55,501,725	1,977,662	3·56	42 9 3	1 10 3

Including money borrowed for temporary purposes in aid of revenue (£75,000—Act 1451), the total amount of loans outstanding on 30th June, 1910, was £55,576,725, upon which the amount of interest and expenses (paid in 1909-10) was £1,964,021. In 1909-10 the net receipts from works constructed out of loan moneys and the interest received on advances to local bodies, &c., amounted to £1,789,812, which was equal to the full interest and expenses

on £50,647,085, or over 91 per cent. of the total debt. There was also at 30th June, 1910, £851,085 at the credit of redemption funds, so that the net burden of the Public Debt at the close of the financial year was only £4,078,555. It should be remembered that nearly £3,000,000, though expended on works of a permanent character, such as defences, State schools, public offices, &c., does not earn any revenue.

SINKING FUNDS.

On 30th June, 1910, the sinking funds in Australia were as follows:—

Sinking
Funds of
Australian
States.

SINKING FUNDS IN AUSTRALIAN STATES, 30TH JUNE, 1910.

State.	Sinking Funds in Connexion with—	
	State Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria	851,085	874,962
New South Wales	331,308	256,946
Queensland .. .. .	..	..
South Australia	650,100	22,342
Western Australia	2,569,707	156,486
Tasmania	374,806	115,436
Total	4,777,006	1,426,172

* Figures for 1909.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1910:—

	Balance at Credit.
Mallee Land Account	£10,381
Closer Settlement Fund	19,408
Victorian Loans Redemption Fund	279,748
Victorian Government Consolidated Inscribed Stock Redemption Fund	541,548
Total	£851,085

By Act No. 1428 of 1896, the moneys accruing from licensing, leasing, or selling of land in the Mallee country, or Mallee border, are to be paid into the Treasury and placed to the credit of a separate account, to be called the "Mallee Land Account." The sums standing at credit of this account are available solely for the repurchase, redemption, or paying off of any Victorian stock or debentures. The amount in hand on 30th June, 1909, was £6,136, and during 1909-10 the receipts amounted to £62,245, and the expenditure to £58,000, so that the balance in this fund on 30th June, 1910, was £10,381.

Mallee Land
Account.

Closer Settlement Fund.

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

Consolidated Inscribed Stock Redemption Fund.

By Act No. 1561 of 1898, it was enacted that a "Victorian Government Consolidated Inscribed Stock Redemption Fund" should be kept in the Treasury, and should be applied to the purchase or repurchase, and ultimately to the redemption of consolidated stock—that is, stock on the London Register—and to the payment of expenses and costs of such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. During 1909-10 receipts amounted to £102,577, and expenditure, due to the repurchase of £11,500 three and a half per cent. stock, amounted to £11,367. Transactions in this fund to 30th June, 1910, were as follows:—

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK
REDEMPTION FUND, 30TH JUNE, 1910.

Transactions.	To 30th June, 1910.
RECEIPTS.	
	£
Waterworks Trusts	177,069
Mallee Land Account	284,000
Revenue	223,114
Interest on Investments	32,485
Miscellaneous	86 388
Total receipts	803,056
EXPENDITURE.	
Purchase of Stock	260,781
Commission, &c.	727
Total expenditure	261,508
Balance in the Fund	541,548
Amount of stock repurchased and cancelled	278,105

The miscellaneous receipts include £62,827, surplus after redemption of loans, Acts 531 and 608. Of the balance in the fund, £414,300 was invested in Victorian Government debentures and stock, and £127,248 held in cash.

By Act No. 1565 of 1898, it was enacted that a "Victorian Loans Redemption Fund" should be kept in the Treasury, and should be available for the purchase, repurchase, or redemption of any Victorian Government 3 per cent. stock and debentures payable at Melbourne, and for the payment of expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue, repayments on account of resumption of land in the Mallee district, and sundry loans made by the Government to municipalities, &c. During 1909-10 receipts amounted to £119,624, and £75,948 was expended on the purchase for cancellation of £55,836 three per cent. stock, and £25,500 three per cent. debentures. Transactions in this fund to 30th June, 1910, were as follows:—

THE VICTORIAN LOANS REDEMPTION FUND, 30TH JUNE, 1910.

Transactions.	To 30th June, 1910.
RECEIPTS.	
	£
From Revenue	640,732
Resumption of land in Mallee Districts and valuation of improvements	18,111
Payments by Municipalities	11,167
Geelong Municipal Waterworks Trust	265,000
Interest on Investments	18,554
Repayment of Loans—	
Bush fires relief	21,629
Floods relief	1,439
Seed advances	90,818
New pilot steamer	5,227
Yarrowee Channel	10,294
Wire Netting	34,433
Total receipts	1,117,404
EXPENDITURE.	
Purchase of stock and debentures	837,656
Balance in the fund	279,748
Amount of stock and debentures repurchased and cancelled	849,048

Of the balance in the fund, £231,622 was invested in Victorian Government debentures and stock, and £48,126 held in cash.

DEBTS IN AUSTRALIAN STATES AND NEW ZEALAND.

Funded
debts of
Australian
States and
New Zealand.

The following is a summary of the funded debts of the Australian States and New Zealand on 30th June, 1910, the amounts per head of population, and the total interest payable, the average rate per cent. and the rate *per capita*. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

FUNDED DEBTS OF AUSTRALIAN STATES AND NEW ZEALAND,
30TH JUNE, 1910.

State.	Funded Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	
Victoria ..	55,501,725	42 9 3	1,977,662	1 10 3	3.56
New South Wales ..	91,865,758	55 6 7	3,229,664	1 18 11	3.52
Queensland ..	41,568,827	70 10 1	1,534,837	2 12 1	3.69
South Australia ..	30,871,570	73 18 11	1,126,703	2 14 0	3.65
Western Australia ..	23,287,453	82 8 4	803,301	2 16 10	3.45
Tasmania ..	10,570,453	57 12 10	386,234	2 2 1	3.65
Total ..	253,665,786	57 2 6	9,058,406	2 0 10	3.57
New Zealand (31.3.10)	74,890,645	75 15 7	2,781,840	2 16 4	3.71

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

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

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN
AUSTRALIAN STATES AND NEW ZEALAND, 1906 TO 1910.

	At end of Financial Year—				
	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria ..	43 2 3	42 9 7	42 1 1	42 10 8	42 9 3
New South Wales ..	55 10 10	54 3 10	54 13 3	55 4 8	55 6 7
Queensland ..	73 6 7	72 0 9	70 15 8	73 4 11	70 10 1
South Australia ..	75 12 10	75 10 5	72 6 0	71 8 6	73 18 11
Western Australia ..	69 10 0	72 14 9	76 3 0	79 15 4	82 8 4
Tasmania ..	53 1 0	54 18 0	55 14 11	54 18 0	57 12 10
New Zealand ..	69 19 1	70 3 5	70 12 8	73 3 8	75 15 7

The following is a statement of the total indebtedness of the Australian States in 1910:—

State and local debts.

FUNDED AND UNFUNDED DEBTS OF AUSTRALIAN STATES, 1910.

State.	State Debts.		Municipal and Corporation Debts (exclusive of Loans from Government).	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria.. ..	55,501,725	446,606*	14,671,814	70,620,145	54 0 7
New South Wales	91,865,758	659,337	4,124,593	96,649,688	58 4 2
Queensland† ..	41,568,827	1,130,000	919,941	43,618,768	73 19 8
South Australia ..	30,871,570	516,300	128,463	31,516,333	75 9 9
Western Australia	23,287,453	102,692	1,326,062	24,716,207	87 9 6
Tasmania ..	10,570,453	51,271	609,563	11,231,287	61 4 11
Total ..	253,665,786	2,906,206	21,780,436	278,352,428	62 13 8

* Treasury Bonds have been issued for £75,000 of this amount, but it has been the practice to regard the sum represented by these bonds as part of the Unfunded Debt, as the money was borrowed for temporary purposes in aid of revenue, and is being paid off in yearly instalments.

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

The figures £278,352,428, include loans raised by the State Governments, municipal bodies, corporations, and trusts. The Victorian figures exclude the amount of the Tramways Trust loan, viz., £1,650,000, which is treated as a loan to a private company, for although the money has been borrowed by the Trust, which is composed of representatives of municipalities, on the security of municipal property, yet the interest is paid and a sinking fund provided by the Tramway Company, and the liability of the Trust thus becomes merely nominal.

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

The State debts are those for the year ended in 1910, the municipal and corporation debts are for the year ended in 1909, figures for 1910 for other States than Victoria not being available. The complete figures for Victoria in 1910, appear in the following statement:—

STATE AND LOCAL DEBTS, 1910.

State Debts (Funded)—	£	£
London Register	39,012,436	
Melbourne Register	16,488,289	
State Debts (Unfunded)	446,606	
Overdue Debentures, late Melbourne and Hobson's Bay Railway—unpresented	1,000	
Total State Debts .. .. .	..	55,948,331
Municipal	4,570,954	
Harbor Trusts	1,950,000	
Fire Brigades Board	130,000	
Melbourne and Metropolitan Board of Works	8,701,000	
Total Debts of Municipalities and Corporations .. .. .	..	15,351,954
Total Debts .. .. .	..	71,300,285

This sum (£71,300,285) is equal to a debt of £54 11s. per head of the population on 30th June, 1910.

DEBTS OF VARIOUS COUNTRIES.

Debts of
various
countries.

In order that a comparison may be instituted between the States of Australia and other countries of the world in regard to indebtedness, the following table is furnished. The highest debt per head of population here disclosed is that of France (£27 5s. 1d.), which is less than two-thirds of that of Victoria. The next highest is the united liability of the Transvaal and Orange River Colonies (£22 1s.), then follows the liability of the Cape of Good Hope (£21 1s. 7d.), then the debts of Belgium (£20 os. 2d.), Natal (£17 8s. 11d.), the United Kingdom (£16 15s. 4d.), and Italy (£15 5s. 1d.). After Italy there is shown a rapid diminution of indebtedness to £1 5s. per head in British India. It must be remembered, however, that the large indebtedness of the Australian States is the result of expenditure on railways, roads, irrigation and water supply works, harbors, public and other works, required for the speedy development of an entirely new country, whilst in the older countries of the world much of this class of work is left to private enterprise.

GOVERNMENT DEBTS PER HEAD OF POPULATION IN VARIOUS COUNTRIES.

Country.	Year.	Public Debt.			
		Total Amount.	Amount per Head of Population.		
			£	£	s. d.
United Kingdom	1910	762,463,600	16	15 4	
British India	1910	290,156,300	1	5 0	
Canada	1910	96,747,400	13	9 4	
Cape of Good Hope	1909	52,857,900	21	1 7	
Natal	1909	21,420,900	17	8 11	
Transvaal and Orange River	1909	39,400,000	22	1 0	
France	1909	1,070,437,700	27	5 1	
Italy	1909	522,837,000	15	5 1	
Austria	1908	415,583,000	14	14 1	
Hungary	1908	231,382,000	11	1 5	
German States	1909	717,966,600	11	4 9	
German Empire (Imperial)	1909	215,171,000	3	7 4	
Norway	1909	18,294,000	7	14 10	
United States of America (Federal)	1909	210,389,700	2	7 6	
United States of America (States, Territories, &c.)	1902	383,228,000	4	17 6	
Russia	1908	934,249,000	5	18 11	
Sweden	1909	29,246,100	5	6 10	
Belgium	1909	149,101,400	20	0 2	

COMMONWEALTH, STATE, AND LOCAL TAXATION.

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

COMMONWEALTH, STATE, AND LOCAL TAXATION, 1905-6 TO 1909-10.

Heads of Taxation.	Amount Received.				
	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
Federal—	£	£	£	£	£
Customs Duties... .. .	1,950,713	2,129,548	2,507,704	2,204,638	2,366,701
Excise Duties	586,357	589,883	704,434	657,330	682,510
Total Federal Taxation	2,537,070	2,719,431	3,212,138	2,861,968	3,049,011
State—					
Wharfage Rates	52,771	53,099	55,389	56,683	57,616
Tonnage Dues	32,200	33,698	35,754	38,533	39,765
Licences	17,813	19,043	19,851	20,334	20,927
Probate & Succession Duties	328,628	401,631	304,830	418,418	358,173
Duties on Bank Notes	17,352	17,702	17,612	16,988	17,342
Stamp Duties	205,345	222,671	222,923	220,693	233,016
Land Tax	103,536	92,438	89,496	85,559	114,357
Income Tax	318,135	355,148	317,354	304,464	338,585
Race Clubs' percentage ... .. .	...	4,875	5,554	5,772	5,953
Total State Taxation ...	1,075,780	1,200,305	1,068,763	1,167,444	1,185,734
Municipal Taxation	1,015,841	1,068,967	1,084,513	1,135,403	1,186,900
Harbor Trusts	197,434	199,944	212,320	202,634	250,240
Total Taxation	4,826,125	5,188,647	5,577,734	5,367,449	5,671,885

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

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

COMMONWEALTH, STATE, AND LOCAL TAXATION PER HEAD OF POPULATION, 1905-6 TO 1909-10.

Division.	Taxation per Head of Population in—				
	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Federal	2 1 8	2 3 11	2 11 1	2 4 11	2 7 0
State	0 17 8	0 19 5	0 17 0	0 18 4	0 18 3
Local	0 19 9	1 0 4	1 0 7	1 1 0	1 2 2
Total	3 19 1	4 3 8	4 8 8	4 4 3	4 7 5

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

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

	Total Amount of Taxation.	Rate per Head of Population.
	£	£ s. d.
Victoria	5,272,766	4 1 3
New South Wales	7,010,354	4 5 5
Queensland	2,641,243	4 11 4
South Australia	1,764,255	4 4 10
Western Australia	1,564,564	5 13 1
Tasmania	868,034	4 12 11
Total	19,121,216	4 7 0
United Kingdom	181,648,000	4 0 4

In these figures, which exclude wharfage rates and harbor dues, the Commonwealth and the State taxation have been taken for the year 1909-10, and the Local taxation for the year 1908-9, and it appears that the total taxation for Australia is £19,121,216, or an average of £4 7s. per head per annum. The lowest rate, £4 1s. 3d. per head, prevails in Victoria; South Australia and New South Wales are next, the former with £4 4s. 10d., and the latter with £4 5s. 5d.; then follow Queensland, Tasmania, and Western Australia, with £4 11s. 4d., £4 12s. 11d., and £5 13s. 1d. per head

respectively. In the United Kingdom, the taxation is 6s. 8d. per head below that in Australia, and is lower than in any of the Australian States.

LICENCES.

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1910, and the amount of fees, under each head, collected during the year. Municipal licences for slaughtering, dairies, noxious trades, the carriage of passengers and goods, &c., are not shown.

LICENCES—NUMBER AND REVENUE, 1910.

Description of Licence.	Number of Licences Granted.	Amount of Fees Collected.		
		£	s.	d.
<i>Excise.</i>				
Distilling—		£	s.	d.
General Distillers	4	200	0	0
Wine Distillers	5	125	0	0
Vignerons	22	110	0	0
Test Stills	40	5	8	3
Brewers	32	787	10	0
Manufacturing Tobacco, Cigars, Cigarettes, and Snuff	41	1,059	12	0
Sugar refining	1	5	0	0
<i>Licensing.</i>				
Victuallers*	4,476	77,628	0	0
Railway Refreshment Rooms	32	800	0	0
Australian Wine	287	1,435	0	0
Clubs	107	214	0	0
Packet (passenger boat)	15	300	0	0
Grocers (single bottle)	308	3,080	0	0
Wine and Spirit Merchants (two gallon)	417	10,328	0	0
Brewers	36	36	0	0
Vignerons	38	190	0	0
Billiard Tables	107	695	0	0
<i>Customs.</i>				
Carriage	985	243	15	0
Lighter and Boat	46	11	5	0
Custom House Agents	70	350	0	0
Bond	46	3,887	10	0
Agricultural Show	1	1	0	0
<i>Explosives.</i>				
Importation	200	559	10	0
Manufacture of Rack-a-rock	16	4	0	0
Manufacture of other Explosives	6	7	10	0
Magazine	277	190	0	0
Fireworks, Sale of	650	32	10	0
Other than Fireworks, Sale of	1,463	365	15	0
<i>Miscellaneous.</i>				
Auctioneers—General †	766	14,367	11	0
Gold-buyers and assayers	578	1,110	13	4

* Including temporary licences, which numbered 1,274, on which the fees collected amounted to £2,548.

† Including 171 temporary licences, on which the fees collected were £171.

In addition to the preceding there are other licences, particulars of which cannot be obtained for the calendar year 1910, but the fees collected during the financial year 1909-10 were as follows:—

Description of Licence.	Amount of Fees Collected.		
	£	s.	d.
Insurance	14,773	0	0
Sale of Tobacco, &c.	1,539	0	9
Pawnbrokers	1,070	0	0
Hawkers	1,323	11	8
Carriers	58	10	0
Stage Carriage	187	0	0
Marine Store	155	6	0
Forwarding Agents	100	0	0
Permits to Fish, &c.	3	17	6
Race Clubs	248	10	0
Oysters	3	15	0