

FINANCE.

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

REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES, ETC., ETC.,
1903-4 to 1907-8.

Year ended 30th June.	ORDINARY REVENUE APPROPRIATED.			Total.
	In reduction of the accumulated revenue deficiency of former years.	In redemption of loan raised in anticipation of revenue (Act No. 1451.)	In formation of Redemption Funds to meet outstanding loans.*	
	£	£	£	£
1904	175,000	25,000	57,500	257,500
1905	172,000	25,000	97,962	294,962
1906	550,000	25,000	97,936	672,936
1907	666,391	25,000	117,571	808,962
1908	452,234	25,000	119,685	596,919
Totals (5 years)	2,015,625	125,000	490,654	2,631,279

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

State
revenue
and expen-
diture.

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1908. On 1st July, 1907, the total revenue deficiency, after deducting £99,140 6s. 4d., appropriated from the surplus revenue of 1906-7 by Act No. 2085, and paid over during 1907-8, was £792,727 16s. 6d., and in the course of the year it was reduced by £452,233 10s. 7d., leaving the accumulated revenue deficiency at the end of the financial year 1907-8 at £340,494 5s. 11d., the whole of which amount was covered by advances from the trust funds.

REVENUE AND EXPENDITURE, 1907-8.

Revenue.	Amount.		Expenditure.	Amount.	
	£	s. d.		£	s. d.
Excise and Inland Territorial ...	747,649	6 11	Consolidated Revenue deficiency, 30/6/07	792,727	16 6*
Public Works ...	3,963,252	3 2	Special Appropriations	2,931,489	10 5
Ports and Harbors	97,424	13 5	Chief Secretary ...	701,114	6 2
Fees ...	311,360	8 6	Minister of Public Instruction	665,891	15 0
Fines ...	13,241	2 1	Attorney-General	75,639	10 8
Mallee Land Account	43,611	5 4	Solicitor-General ...	60,264	2 8
Miscellaneous ...	405,258	16 10	Treasurer ...	262,887	16 3
Commonwealth balances returned	2,449,242	18 11	Commissioner of Crown Lands and Survey	119,404	1 8
Consolidated Revenue deficiency, 30/6/08	340,494	5 11	Commissioner of Public Works	435,110	4 6
			Minister of Mines and Forests	68,757	7 8
			Minister of Water Supply	70,417	18 10
			Minister of Agriculture	113,476	7 8
			Minister of Health	22,693	10 7
			Minister of Railways	2,291,488	18 7
			Mallee Land Account	43,611	5 4
Total ...	8,654,974	12 6	Total ..	8,654,974	12 6

* Exclusive of £99,140 6s. 4d. appropriated from the Surplus Revenue of 1906-7 to the reduction of the Consolidated Revenue Deficit and paid over during 1907-8.

The following is a return of the revenue and expenditure of Victoria for the nine years 1900-1908:—

STATE REVENUE AND EXPENDITURE: 1899-1900 TO 1907-8.

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

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. Those for 1907-8 are as follow:—

	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ...	8,288,508	7,848,357
<i>Add—</i>		
Mallee Land Account—appropriated to Loan Redemption purposes ...	43,611	43,611
<i>Deduct—</i>		
Transfers from Stock Act No. 1564, &c. Appropriation to Trust Funds Act ...	17,639 ...	17,639 12,033
Total	8,314,480	7,862,246

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 1908 would amount to £9,928,973, and the expenditure to £9,548,274, an increase over 1900, the year before federation, of £2,475,618 in the revenue, and £2,262,638 in the expenditure. The increase in revenue is due chiefly to the items Customs duties, £569,950; Excise duties, £375,057; Postal, Telegraphic, &c., £248,306; Probate duties, £178,352; Income tax, £102,283 and Railways, £865,334; that in expenditure to the introduction of Old-age pensions, £233,573; Postal, Telegraphic, &c., £318,735; Defences, £204,936; Commonwealth "New" expenditure, £368,784; State School education and buildings, £104,080; Railways, £492,795, and redemption of loans £132,710.

Heads of
State
revenue.

The sources of revenue may be grouped under three headings—(1) taxation, (2) public works, and (3) other sources. Customs and Excise (under taxation), and Posts and Telegraphs (under public works) were transferred to the Federal Government in 1900-1, and the net revenues from these departments are now included under the head of "Federal Government." Land revenue, which averaged £362,000 yearly, is included under "other sources." The amounts received during the last five financial years were as follow:—

HEADS OF REVENUE: 1903-4 TO 1907-8.

Heads of Revenue.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£	£	£	£	£
Federal Government...	2,002,804	2,017,378	2,097,119	2,192,340	2,449,243
State Taxation—					
Probate and Succession Duties	308,531	265,876	328,628	401,631	304,830
Income Tax ...	311,147	316,943	318,135	355,148	317,354
Other ...	392,203	396,026	429,017	443,526	446,579
Public Works and Services—					
Railways ...	3,400,243	3,609,120	3,779,153	4,010,546	3,873,855
Other ..	199,072	190,306	212,174	213,838	220,893
Other Sources ...	705,949	720,093	647,249	728,505	701,726
Total ...	7,319,949	7,515,742	7,811,475	8,345,534	8,314,480
Per Head of Population	£ s. d. 6 1 1	£ s. d. 6 4 2	£ s. d. 6 8 2	£ s. d. 6 14 10	£ s. d. 6 12 2

The amount returned to the State by 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 1907-8 the Federal Government received £3,212,138 from Customs and Excise; £834,367 from Posts, Telegraphs, and Telephones; and £17,231 from other sources; and paid over to the State Government £2,449,243. Compared with 1906-7 these figures represent an increase of £526,134 in the Commonwealth Revenue in the State and an increase of £256,903 in the surplus revenue paid to the State Treasurer.

The revenue of the Railway Department maintains the high standard of recent years, for although the revenue for 1907-8 is £136,691 below that of 1906-7, yet it exceeds the amounts of all other years.

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. :— Incomes (1) from personal exertion, and (2) 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, of fire, fidelity, &c., insurance companies taking out licences under the "Stamps Act," limited to income from that class of business, and 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 follow:—Incomes from personal exertion were taxed 3d. for every £1 of the taxable amount up to £500; thence up to £1,000, 4d.; thence to £1,500, 5d.; over £1,500, 6d. Tax on income from property double these rates. The minimum income taxable was £157, the exemption to resident and non-resident taxpayers except companies being £100 on incomes from £157 to £500. The tax on the income of life assurance companies was 8d.; that for other companies liable to tax, 7d. for every £1 of the taxable amount. Interest on Government stock, bonds, and debentures held by residents was exempted as in the case of non-residents, and the exemption of mining companies repealed. The taxable amount of the income of a mining company is the total amount of the dividends declared during the year. The exemption of the profits from trade of provident societies and other associations was also repealed. The rates and exemption for 1906 were the same as those for 1905; but for 1907, whilst the rates were the same as those for 1905 and 1906, the minimum amount taxable was £200 with an exemption of £100 up to £500. The rates of tax on incomes for the year 1907, were again respectively 3d., 4d., 5d., 6d., on personal income up to £500, £1,000, £1,500, and over £1,500, with double rates on income from property, 8d. on taxable income of life assurance companies, and 7d. on that of all other companies, but the exemption allowed was £150 on incomes between £201 and £500 (except those of companies). There was also allowed a rebate of 20 per cent. on assessments to all taxpayers, except companies. The 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: 1904 TO 1908.

—	1904.	1905.	1906.	1907.	1908.
Number of Assessments:					
Personal exertion ..	43,361	40,528	41,017	30,855	31,132
Property	8,916	8,237	8,453	7,754	7,487
Total	52,277	48,765	49,470	38,609	38,619
Distinct taxpayers ...	48,266	44,956	45,595	34,429	34,713
Taxable Income—					
Personal exertion ...	£ 11,724,100	£ 13,072,600	£ 12,941,931	£ 14,228,399	£ 13,882,072
Property	3,118,534	2,890,500	2,951,391	3,010,499	2,846,385
Total	14,842,634	15,963,100	15,893,322	17,238,898	16,728,457

INCOME TAX: 1904 TO 1908—continued.

	1904.	1905.	1906.	1907.	1908.
Tax Payable—	£	£	£	£	£
Personal exertion ...	199,718	230,737	227,290	258,113	226,131
Property ...	112,930	89,890	91,373	94,139	74,096
Total ...	312,648	320,627	318,663	352,252	300,227
Per taxpayer ...	£ s. d. 6 9 11	£ s. d. 7 2 8	£ s. d. 6 19 9	£ s. d. 10 4 7	£ s. d. 8 12 11
Average Tax payable in the £ on Taxable Incomes derived from—					
Personal exertion ...	d. 4·09	d. 4·24	d. 4·22	d. 4·35	d. 3·91
Property ...	8·69	7·46	7·43	7·50	6·25

With the exception of the years 1905 and 1906 the particulars contained in this table are not strictly comparable one year with another, owing chiefly to the variation in the minimum taxable income, nevertheless the assessments and taxpayers of 1908 may be compared with those of 1907, for although the exemption was increased and a 20 per cent. rebate allowed to all taxpayers, except companies, in 1908, yet the rate of tax and the minimum taxable income were the same for both years. The number of individual taxpayers, in 1908, shows a slight increase on the previous year, notwithstanding that the 1907 assessments include a large number of Commonwealth civil servants who were not assessed in 1908, owing to the decision of the High Court rendering it impracticable to collect tax on salaries earned prior to the 8th October, 1907, the date of the Commonwealth Salaries Act passed by the Commonwealth Parliament. What the higher exemption and the 20 per cent. rebate meant to the taxpayers of 1908 is shown in the next statement.

CONCESSIONS TO TAXPAYERS (EXCLUSIVE OF COMPANIES) 1908, IN COMPARISON WITH 1907.

	On Incomes up to £500.	On Incomes over £500.	Total.
Number of Taxpayers—			
Allowed rebate (20 per cent.) ...	25,903	7,842	33,745
Favoured by increased exemption	25,744	...	25,744
Tax reduced by—	£	£	£
Rebate ...	10,606	38,679	49,285
Increased exemption ...	20,000	...	20,000

The significance of the above statement is that had there been no rebate in 1908, 33,745 taxpayers would have had to pay £49,285 more tax, and that had the exemption remained as in the previous year, 25,744 of these would have had to pay a further sum of £20,000. The taxpayers set down in the column relating to incomes up to £500 refer to the same group of taxpayers, the difference in numbers between the two representing 159 foreign principals who were not allowed any exemption.

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, 1908—BASED ON INCOMES OF 1907.

Taxable Income.	Rate of Tax in £ on Incomes derived from		Number of Assessments.		Taxable Income from		Tax Payable on	
	Personal Exertion.	Property.	Personal Exertion.	Property.	Personal Exertion.	Property.	Personal Exertion.	Property.
Up to £500 ...	d. 3	d. 6	24,617	5,994	£ 3,681,096	£ 781,191	£ 38,053	£ 15,673
£500 to £1,000	4	8	4,243	966	2,887,528	663,386	33,121	14,573
£1,000 to £1,500	5	10	1,035	234	1,258,152	284,114	17,146	7,195
Over £1,500 ...	6	12	1,237	293	6,055,296	1,117,694	137,811	36,655
Total ...	...	...	31,132	7,487	13,882,072	2,846,385	226,131	74,096

It is here shown that the taxable income from personal exertion amounts to £13,882,072, and that from property to £2,846,385, after allowing for exemptions of £3,861,600. The total net incomes of those assessed in 1908 on incomes of the previous year amounted to over twenty and a half millions sterling, or an average of £593 for each taxpayer. The averages of the assessed incomes of the four previous years were:—1904, £394; 1905, £444; 1906, £438; and 1907, £576.

Occupations of income taxpayers.

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

OCCUPATIONS OF INCOME TAXPAYERS SUMMARIZED, 1908.

Occupations in Classes.	Number of Taxpayers.			Amount of Tax.				
	Total.	Percentage of Taxpayers.	Percentage of each class in Population.	Personal Exertion.	Property.	Total.	Percentage of Total.	Average to each Taxpayer.
				£	£	£		£ s. d.
1. Professional	4,927	14.19	13.99	18,783	3,165	21,948	7.31	4 9 1
2. Domestic ...	1,509	4.35	2.26	4,723	542	5,265	1.75	3 9 9
3. Commercial	9,409	27.11	11.90	49,325	6,560	55,885	18.62	5 18 9
4. Transport ...	1,041	3.00	3.30	2,479	310	2,789	.93	2 13 7
5. Industrial ...	4,767	13.73	3.26	21,344	2,559	23,903	7.96	5 0 3
6. Primary producers ...	7,842	22.59	4.75	34,505	7,897	42,402	14.12	5 8 1
7. Indefinite ...	4,250	12.24	42.22	4,522	40,427	44,949	14.97	10 11 6
8. Companies ..	968	2.79	...	90,450	12,636	103,086	34.34	106 9 10
Total ...	34,713	100.00	...	226,131	74,096	300,227	100.00	8 12 11

An examination of this table reveals the relative wealth of the various classes. Thus the commercial class, which forms over 27 per cent. of the taxpayers, has the proportion of only 15 per cent. of the total bread-winners in the population, whilst primary producers, which include those following agricultural, pastoral, and mining pursuits make up 22½ per cent. of the taxpayers, but 31 per cent. of the bread-winners; the next great class—the industrial—contributes nearly 14 per cent. to the taxpayers, and forms 27 per cent. of the bread-winners; whilst the professional class, contributing 14 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 14 per cent.; the commercial coming next, with 12 per cent.; then primary producers with 4¾; and last, the domestic class with 2¼ per cent. Of the amount paid as tax, companies yielded 34 per cent. of the total; whilst the indefinite class, forming 12 per cent. of the taxpayers, yielded 15 per cent. of the tax. The commercial class, forming 27 per cent. of the taxpayers, gave nearly 19 per cent. of the tax; primary producers, forming 22½ per cent. of the taxpayers, gave 14 per cent. of the tax; the industrial class, forming 14 per cent. of the taxpayers, gave 8 per cent. of the tax; and the professional class, forming 14 per cent. of the taxpayers, gave 7 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, 1908.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
<i>1. Professional.</i>					£	£	£	£ s. d.
Civil Servants	618	...	47	665	1,837	150	1,987	2 19 9
Clergymen ...	501	1	23	525	998	57	1,055	2 0 2
Legal Practitioners	486	5	134	625	4,533	1,412	5,945	9 10 2
Medical Practitioners	485	7	146	638	4,329	580	4,909	7 13 10
Police ...	166	...	5	171	217	9	226	1 6 5
Teachers ...	758	...	27	785	1,440	70	1,510	1 18 5
Various ...	1,351	8	159	1,518	5,429	887	6,316	4 3 2
	4,365	21	541	4,927	18,783	3,165	21,948	4 9 1
<i>2. Domestic.</i>								
Hotelkeepers...	1,137	3	143	1,283	4,078	468	4,546	3 10 10
Various ...	206	...	20	226	645	74	719	3 3 7
	1,343	3	163	1,509	4,723	542	5,265	3 9 9
<i>3. Commercial.</i>								
Agents ...	591	3	119	713	3,591	692	4,283	6 0 1
Brokers ...	147	1	26	174	1,684	237	1,921	11 0 9
Butchers ...	314	...	31	345	768	162	930	2 13 11
Clerks ...	2,622	5	194	2,821	7,827	791	8,618	3 1 1
Drapers ...	357	2	43	402	2,928	158	3,086	7 13 6
Grocers ...	279	1	38	318	785	156	941	2 19 1
Merchants ...	936	5	284	1,225	19,002	2,322	21,324	17 8 1
Salesmen ...	1,619	1	116	1,736	5,302	439	5,741	3 6 1
Storekeepers...	441	2	89	532	1,961	401	2,362	4 8 9
Various ...	931	20	192	1,143	5,477	1,202	6,679	5 16 10
	8,237	40	1,132	9,409	49,325	6,560	55,885	5 18 9
<i>4. Transport.</i>								
Carriers ...	200	1	26	227	624	58	682	3 0 1
Engaged in Postal Service	7	...	4	11	54	6	60	5 8 10
Engaged in Railways	591	...	8	599	816	5	821	1 7 5
Engaged in Shipping	129	2	31	162	863	241	1,104	6 16 3
Foreign Shippers	42	...	...	42	122	...	122	2 18 3
	969	3	69	1,041	2,479	310	2,789	2 13 7

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS,
1908—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.
<i>5. Industrial.</i>					£	£	£	£ s. d.
Carpenters ...	354	8	74	436	1,499	243	1,742	3 19 10
Engine-drivers ...	36	...	...	36	29	...	29	0 16 4
Engineers ...	363	3	32	398	1,279	69	1,348	3 7 9
Managers ...	525	1	34	560	1,522	413	1,935	3 9 1
Manufacturers ...	633	4	156	793	7,835	990	8,825	11 2 6
Printers ...	425	...	26	451	3,548	171	3,719	8 4 10
Various ...	1,924	5	164	2,093	5,632	673	6,305	3 0 2
	4,260	21	486	4,767	21,344	2,559	23,903	5 0 3
<i>6. Primary Producers.</i>								
Engaged in Agriculture, &c.—								
Dairy Farmers ...	547	5	41	593	1,177	100	1,277	2 3 0
Farmers ...	4,187	43	554	4,784	14,467	1,389	15,856	3 6 3
Graziers ...	1,064	73	459	1,596	16,214	5,761	21,975	13 15 4
Various ...	410	9	67	486	1,393	509	1,902	3 18 3
	6,208	130	1,121	7,459	33,251	7,759	41,010	5 9 11
Engaged in Mining—								
Legal Managers ...	29	...	...	29	124	...	124	4 5 9
Miners ...	54	...	8	62	380	6	386	6 4 6
Mining Managers ...	129	...	7	136	255	9	264	1 18 9
Various ...	145	2	9	156	495	123	618	3 19 2
	357	2	24	383	1,254	138	1,392	3 12 8
	6,565	132	1,145	7,842	34,505	7,897	42,402	5 8 1
<i>7. Indefinite.</i>	595	3,285	370	4,250	4,522	40,427	44,949	10 11 6
<i>8. Companies.</i>								
Life Assurance ...	...	23	...	23	...	11,622	11,622	505 6 0
Mining ...	73	22	...	95	11,599	334	11,933	125 12 3
Other ...	819	31	...	850	78,851	680	79,531	93 11 3
	892	76	...	968	90,450	12,636	103,086	106 9 10
Total ...	27,226	3,581	3,906	34,713	226,131	74,096	300,227	8 12 11

Of the total taxpayers, 79 per cent. gained their incomes from personal exertion, 10 per cent. from property, and 11 per cent. from personal exertion combined with property, the proportion of taxpayers of definite occupations deriving incomes from personal exertion

ranging from 84 per cent. of primary producers to 93 per cent. of those engaged in transport; personal exertion combined with property ranging from 6½ per cent. of those engaged in transport to 14½ per cent. of primary producers. The indefinite class, comprising persons of independent means, no occupation, and pensioners, has 14 per cent. gaining incomes from personal exertion, 77 per cent. from property, and 9 per cent. from personal exertion combined with property. Of companies 92 per cent. made their incomes from personal exertion, and 8 per cent. from property. Seventy-five per cent. of the total tax was yielded by incomes made from personal exertion, the range in the various classes jumping from 10 per cent. for indefinite occupations to 81 per cent., for primary producers, after which it gradually attains to 90 per cent. in the domestic class.

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

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1908.

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 ...	564	81	20	665	841	614	532	1,987
Clergymen ...	487	33	5	525	651	246	168	1,055
Legal Practitioners ...	358	159	108	625	651	1,322	3,972	5,945
Medical Practitioners	295	241	102	638	588	1,972	2,349	4,909
Police ...	164	7	...	171	179	47	...	226
Teachers ...	725	47	13	785	926	350	234	1,510
Various ...	1,213	228	77	1,518	1,897	1,770	2,649	6,316
	3,806	796	325	4,927	5,733	6,321	9,894	21,948
2. Domestic.								
Hotelkeepers ...	982	258	43	1,283	1,596	1,822	1,128	4,546
Various ...	195	18	13	226	283	136	300	719
	1,177	276	56	1,509	1,879	1,958	1,428	5,265
3. Commercial.								
Agents ...	500	144	69	713	805	1,162	2,316	4,283
Brokers ...	87	45	42	174	141	357	1,423	1,921
Butchers ...	299	40	6	345	408	294	228	930
Clerks ...	2,367	333	121	2,821	3,202	2,514	2,902	8,618
Drapers ...	293	59	50	402	465	460	2,161	3,086
Grocers ...	275	31	12	318	412	234	295	941
Merchants ...	633	270	322	1,225	947	2,193	18,184	21,324
Salesmen ...	1,489	164	83	1,736	2,124	1,253	2,364	5,741
Storekeepers ...	401	91	40	532	704	689	969	2,362
Various ...	830	202	111	1,143	1,318	1,714	3,647	6,679
	7,174	1,379	856	9,409	10,526	10,870	34,489	55,885

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS.
1908—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.	
<i>4. Transport.</i>					£	£	£	£
Carriers	188	29	10	227	260	217	205	682
Engaged in Postal Service	7	2	2	11	10	16	34	60
Engaged in Railways	579	16	4	599	608	99	114	821
Engaged in Shipping	96	48	18	162	125	387	592	1,104
Foreign Shippers ...	38	3	1	42	69	29	24	122
	908	98	35	1,041	1,072	748	969	2,789
<i>5. Industrial.</i>								
Carpenters	343	63	30	436	497	484	761	1,742
Engine-drivers	36	...	...	36	29	...	...	29
Engineers	334	52	12	398	449	443	456	1,348
Managers	458	78	24	560	680	592	663	1,935
Manufacturers	478	159	156	793	795	1,260	6,770	8,825
Printers	382	44	25	451	493	331	2,895	3,719
Various	1,808	201	84	2,093	2,291	1,602	2,412	6,305
	3,839	597	331	4,767	5,234	4,712	13,957	23,903
<i>6. Primary Producers.</i>								
Engaged in Agriculture, &c.—								
Dairy Farmers	532	54	7	593	735	407	135	1,277
Farmers	3,809	797	178	4,784	5,968	6,106	3,782	15,856
Graziers	934	346	316	1,596	1,710	2,945	17,320	21,975
Various	396	65	25	486	614	537	751	1,902
	5,671	1,262	526	7,459	9,027	9,995	21,988	41,010
Engaged in Mining—								
Legal Managers	24	3	2	29	39	25	60	124
Miners	45	8	9	62	50	60	276	386
Mining Managers	123	12	1	136	167	81	16	264
Various	120	28	8	156	168	223	227	618
	312	51	20	383	424	389	579	1,392
	5,983	1,313	546	7,842	9,451	10,384	22,567	42,402
<i>7. Indefinite.</i>	3,016	795	439	4,250	8,528	11,008	25,413	44,949
<i>8. Companies.</i>								
Life Assurance	3	4	16	23	11	80	11,531	11,622
Mining	27	18	50	95	145	383	11,405	11,933
Other	421	118	311	850	1,882	2,481	75,168	79,531
	451	140	377	968	2,038	2,944	98,104	103,086
Total	26,354	5,394	2,965	34,713	44,461	48,945	206,821	300,227

Of the number of taxable incomes assessed, 76 per cent. were under £500, 15½ per cent. between £500 and £1,000, and 8½ per cent. over £1,000; but the tax levied on these incomes formed 15, 16, and 69 per cent. respectively of the total. Of the definite occupations the largest amount of tax was contributed by the commercial class, in which 1,225 merchants were responsible for £21,324, of which £18,184 came from 322 persons, whose incomes for the previous year exceeded £1,000 each. Clerks, who comprised nearly one-third of this class, came next to merchants, but as 84 per cent. of their number had taxable incomes under £500, their tax amounted to less than half that of the merchants although they were more than double in number. Next to the commercial class the largest amount of tax came from the primary producers, the principal of whom were graziers, whose contribution amounted to £21,975 from 1,596 persons, of whom 316 had incomes exceeding £1,000 each during 1907, and were taxed to the extent of £17,320. Of the primary producers assessed, farmers represented two-thirds of the number, but contributed only little more than one-third of the tax.

LAND TAX.

Land tax.

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

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

The following are particulars regarding the land tax for the half-year ended February, 1909:—

LAND TAX: RETURN FOR THE HALF-YEAR ENDED
27TH FEBRUARY, 1909.

Class.	Estates Assessed.			Exemptions.		Net Taxable Value.	Half-year's Tax Payable.
	Number.	Area.	Capital Value.	Number.	Value.		
		Acres.	£		£	£	£ s. d.
I. ...	146	218,469	873,876	132	330,000	543,876	3,399 4 6
II. ...	182	502,333	1,506,999	170	425,000	1,081,999	6,762 9 11
III. ...	523	1,711,622	3,423,244	470	1,175,000	2,248,244	14,051 10 6
IV. ...	591	4,636,496	4,636,496	504	1,260,000	3,376,496	21,103 2 0
Total	1,442	7,068,920	10,440,615	1,276	3,190,000	7,250,615	45,316 6 11

There are thus 1,442 landed estates assessed in Victoria, containing land to the extent of 7,068,920 acres, valued at £10,440,615, or an average of 4,902 acres to each estate from which a tax of £45,316 has been levied for the half-year ended 27th February, 1909. The collections for the twelve months in 1901-2 were £97,862; in 1902-3, £92,867; in 1903-4, £106,445; in 1904-5, £97,840; in 1905-6, £103,536; in 1906-7, £92,438; and in 1907-8, £89,496. In the following return a comparison is made of the number and size of the estates assessed for land tax in 1900, 1905, 1906, 1907, and 1908:—

LAND TAX: 1900, AND 1905 TO 1908.

Year.	Number of Exemptions.	Estates.			Net Taxable Value.	Average Area to each Assessment.
		Assessed.	Area.	Capital Value.		
			Acres.	£	£	Acres.
1900	907	1,146	7,424,542	11,775,026	9,507,526	6,479
1905	1,081	1,262	7,039,132	10,356,984	7,654,484	5,577
1906	1,124	1,307	6,977,313	10,197,723	7,387,723	5,338
1907	1,142	1,305	6,783,872	9,909,708	7,004,708	5,198
1908	1,276	1,442	7,068,920	10,440,615	7,250,615	4,902

The total area of the State being 56,245,760 acres, there is thus slightly more than an eighth of the whole subjected to taxation. The area of land alienated and in process of alienation is 27,417,091

acres, of which the taxable land is little more than one-fourth. It will be noticed that the average area to each assessment is gradually falling.

The capital value applied to estates for taxation purposes, and arrived at on the pastoral basis previously explained, is considerably lower than the actual market value of the land and improvements. An estimate of this value for the area assessed for tax in 1908 has been compiled by the Registrar of Land Tax, some particulars of which are as follow :—

**LAND TAX : ACTUAL VALUE OF ESTATES WITH IMPROVEMENTS,
AS AT 1ST DECEMBER, 1908.**

Class.	Actual Value with Improvements.		Percentage of Assessment to Actual Value.	Yearly Tax Payable.	Rate of Tax.	
	Total.	Average per Acre.			Per Cent of Actual Value.	Per Acre.
I. ...	£ 3,847,050	£ s. d. 17 12 2	22·72	£ 6,798	·18	d. 7·5
II. ...	5,424,585	10 16 0	27·78	13,525	·25	6·5
III. ...	9,822,896	5 14 9	34·85	28,103	·29	3 9
IV. ...	16,695,002	3 12 0	27·77	42,206	·25	2·2
Total	35,789,533	5 1 3	29·17	90,632	·25	3·1

The results show, that the present Land Tax is equal to 5s. per cent., and that the valuation for the purpose of taxation represents less than 30 per cent. of the actual capital value of estates. The most noticeable discrepancy between the present assessment and the actual value is in Class I.; but the greater difference in this, as compared with any other class, is explained by the fact that many of these first class estates are adapted for growing root crops, maize, and lucerne, also for fattening and dairying, and thus command a higher relative value, by comparison with their sheep carrying capacity, than is the case in the other three classes. The inclusion, in this class, of estates with a carrying capacity of more than two sheep per acre also largely contributes to the much higher average value shown.

RAILWAY REVENUE AND EXPENDITURE.

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 £119,556 in 1903-4, £248,485 in 1904-5, £117,542 in 1905-6, £165,749 in 1906-7, and £47,058 in 1907-8; also £9,941 in 1906-7, and £3,311 in 1907-8, for replacement on electric street railway of rolling-stock, car-shed, &c., which were destroyed by fire.

RAILWAY BALANCES, 1903-4 TO 1907-8.

	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£	£	£	£	£
Gross Receipts ...	3,438,141	3,582,266	3,789,068	4,022,231	3,883,742
Working Expenses ...	1,921,867	2,119,623	2,117,706	2,259,814	2,347,254
Pensions, Gratuities, &c.	100,536	102,656	99,637	110,881	103,064
Net Receipts ...	1,415,738	1,359,987	1,571,725	1,651,536	1,433,424
Interest on Cost of Construction	1,515,755	1,461,994	1,472,397	1,483,284	1,483,807
Deficit (-) Surplus (+)	- 100,017	- 102,007	+ 99,328	+ 168,252	- 50,383

Comparing 1907-8 with the first year appearing in the table, the gross receipts have increased by £445,601 and working expenses and pensions by £427,915—the net receipts being £17,686 in excess of 1903-4, but £218,112 less than in 1906-7.

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. On 30th June, 1908, the Fund had a credit balance of £45,109, and the payments from both funds made during 1907-8 for damages, costs, &c., amounted to £9,509.

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 follow:—

AMOUNTS PAID IN DAMAGES, CLAIMS, ETC., AND PERSONS KILLED OR INJURED ON VICTORIAN RAILWAYS: 1898-9 TO 1907-8.

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 to their own Action or Negligence.		Due to Causes beyond their own Control.		Due to their own Action or Negligence.		Killed.	Injured.	Killed.	Injured.
		Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.				
1899 ...	£ 3,134	...	14	4	86	...	42	9	125	23	65	36	332
1900 ...	5,474	...	14	2	115	4	98	4	107	27	87	37	421
1901 ...	2,674	...	15	3	136	8	95	3	112	32	94	46	452
1902* ...	22,076	2	200	2	155	3	109	5	140	28	100	40	704
1903 ...	8,593	...	32	2	145	6	123	3	159	29	88	40	547
1904 ...	2,269	1	84	1	232	3	148	2	140	21	53	28	657
1905 ...	2,544	...	23	4	184	3	131	2	118	16	44	25	500
1906† ...	24,060	...	195	9	162	4	144	5	161	42	58	60	720
1907 ...	7,810	...	31	6	200	1	144	10	140	38	80	55	595
1908‡ ...	9,509	44	466	2	278	4	141	2	151	38	69	90	1,105
Yearly Average ...	8,814	4·7	107·4	3·5	169·3	3·6	117·5	4·5	135·3	29·4	73·8	45·7	603·3

* Including Jolimont Accident.

† Including Belgrave Accident.

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

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" (3rd and 4th columns of the table).

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

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

Country.	Average Annual Number of Passengers in 10 years.		Average per Ten Million Passengers carried.	
	Killed.	Injured.	Killed.	Injured.
Belgium	10·7	310·8	·75	21·94
Austria	12·4	243·9	·76	14·91
France	41·1	340·1	·97	8·06
Germany	90·3	416·8	·98	4·54
Norway	1·1	1·6	1·14	1·66
Holland	3·9	18·7	1·17	5·63
New South Wales	3·8	49·4	1·21	15·69
Victoria	8·2	276·7	1·40	47·20
Switzerland	9·9	69·2	1·47	10·28
Sweden	5·4	9·2	1·73	2·95
Hungary	12·7	52·0	1·78	7·30
Japan	19·9	227·1	1·84	20·99
United States	325·0	6,354·4	5·16	100·95
Spain	18·8	86·3	5·54	25·43
Russia	92·5	482·7	9·80	51·12
Canada	17·3	130·5	10·08	76·08

OTHER RAILWAY FUNDS.

Another Act passed in 1907, called the Railway Funds Act, established two permanent railway reserve funds—"The Railway Interest Reserve Fund," to be used only for the purpose of paying interest on railway loan funds to the extent to which the net railway revenue for the year may be insufficient for the purpose; and the "Railway Additions and Improvements Fund," for additions to and improvements on existing railways, and for equipment and rolling-stock. One-half of the surplus railway revenue for any

year, after deducting superannuation or retiring allowances, compensation, and gratuities, is to be placed to the credit of each fund until the former amounts to £300,000 and the latter to £200,000. All interest accruing from the funds is to be applied towards the payment of interest on the Railway Loan Funds.

STATE EXPENDITURE.

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

PRINCIPAL HEADS OF STATE EXPENDITURE, 1903-4 TO 1907-8.

Heads of Expenditure.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£	£	£	£	£
General Administration	233,634	210,512	211,314	227,183	226,206
Retiring Allowances, Gratuities, &c.	341,297	343,694	339,508	347,534	325,283
Law, Order, and Protection	482,158	478,058	481,953	488,829	493,195
Education:—					
State ...	621,314	624,677	630,500	628,996	689,142
Secondary and Technical	30,028	37,617	38,722	42,544	55,747
Science, Art, Health, &c.	52,102	55,604	59,330	62,762	74,282
Charitable Institutions	292,554	293,738	290,875	303,357	343,572
Agriculture ...	150,380	157,307	160,238	160,083	153,460
Mining ...	45,975	56,355	56,178	59,721	57,290
Crown Lands ...	73,906	72,633	77,245	78,298	92,612
Public Works and Services:—					
Railways ...	1,896,359	2,004,601	2,033,818	2,159,577	2,294,749
Posts and Telegraphs ...	1,198*	...	...	...	...
Other ...	666,798	602,388	433,730	631,009	542,463
Public Debt:—					
Interest and expenses	1,948,376	1,884,208	1,919,869	1,934,542	1,922,061
Redemption ...	95,060	114,260	125,566	179,681	170,657
Interest, Savings Banks	88,216	93,687	91,995	76,268	63,154
Old Age Pensions ...	205,183	200,465	189,094	187,795	233,573
Other Expenditure ...	115,070	113,938	121,540	113,964	124,800
Totals { Special Appropriations	3,338,413	3,214,812	3,049,310	3,160,922	2,992,739
{ Annual Votes	4,001,195	4,128,930	4,212,165	4,518,221	4,869,507
Grand Total ...	7,339,608	7,343,742	7,261,475	7,679,143	7,862,246
Per Head of Population	£ s. d. 6 1 5	£ s. d. 6 1 4	£ s. d. 5 19 2	£ s. d. 6 4 1	£ s. d. 6 5 0

* Arrears of salary to letter carriers.

Compared with the previous year the ordinary expenditure of the State for 1907-8 shows an increase of £183,103—annual votes being £351,286 more, but special appropriations £168,183 less than in 1906-7. The principal items making up the increase under annual votes are railway working expenses, £132,096; other public works

(including water supply), £88,011; State school education and buildings, £60,146; and charitable institutions, £40,215. The decrease under special appropriations is due to there having been no surplus revenue transferred for public works in 1907-8, whereas in 1906-7, £198,252 were so transferred, but this reduction is partly counteracted by an increase of £45,778 in Old-age pensions.

PENSIONS AND GRATUITIES.

During the year 1907-8, 2,979 pensions, amounting to £293,704, were paid to ex-public servants not including police, viz., 2,748 under special appropriations, amounting to £280,631; and 231 from annual votes, amounting to £13,073. Forty compensations and gratuities were also paid, the amount being £8,311; and £23,268 were paid as a subsidy to the Police Superannuation Fund. The following statement contains full particulars, showing various Acts under which these payments have been made:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC., PAID: 1907-8.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
General Public Service—						
Under Civil Service Act	420	73,459	18	1,168	600	96,943
" Public Service Act	150	17,474				
" Other Acts ...	12	4,842	...	...	14	1,080
" Discipline Act ...	14	1,080	...	...	61	4,913
" Lunacy Act ...	61	4,913	...	...	27	1,647
Education Department ...	962	87,794	27	1,647	989	89,441
Railways ...	1,125	86,569	177	9,994	1,302	96,563
Miscellaneous—						
Under Constitution Act	2	3,000	...	...	2	3,000
" County Courts Act	2	1,500	...	...	2	1,500
Police ...	...	...	9	264	9	264
Total Pensions and Superannuation Allowances	2,748	280,631	231	13,073	2,979	293,704
Compensations and Gratuities	14	1,707	26	6,604	40	8,311
Subsidy to Police Superannuation Fund	...	2,000	...	21,268	...	23,268
Total Amount Paid ...	...	284,338	...	40,945	...	325,283

The total amount of pensions paid in 1907-8—£293,704—was an advance of £3,470 on that of the previous year. In the Education Department the increase was £3,155, and in the Railway Department £1,893. Under other divisions there was a net decrease of £1,578.

In 1907-8 the payments out of the Police Superannuation Fund were as follow:—332 pensions, amounting to £41,812, and 32 gratuities, amounting to £12,881. The Police Superannuation Fund is maintained by an annual subsidy of £2,000 from the consolidated revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by a deduction, not exceeding 2½ per cent., from the pay of the members of the force; by transfers from the Licensing Fund under the provisions of Act No. 2068; and should the foregoing sources prove insufficient, by a further grant in aid from the consolidated revenue. The amount of further grant in 1907-8 was £21,268.

In the year 1907-8, 26 pensions amounting to £1,559, and £50 sick allowances, were paid out of the Port Phillip Pilot Sick and Superannuation Fund, toward which, however, the Government does not contribute, the fund being maintained by deductions from pilots' earnings and the annual income from investments belonging to the fund.

EXPENDITURE ON EDUCATION.

The expenditure by the State during 1907-8 on education, exclusive of interest on loans expended on buildings, amounted to £850,514. 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 1903-4 to 1907-8, according to the Report of the Education Department, is as follows:—

EXPENDITURE ON EDUCATION 1903-4 TO 1907-8.

Expenditure on—	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£	£	£	£	£
Instruction	556,595	546,168	540,277	546,611	556,369
Training College	4,177	4,227	4,800	5,584	6,135
Continuation School ... ..	...	1,155	3,499	5,322	8,573
Administration	37,621	36,628	37,693	39,471	40,109
Technical Schools	16,278	17,117	21,444	22,322	26,839
Melbourne University	4,500	...	...	...	7,278
Pensions, Compensation, and Gratuities	78,732	82,414	84,637	87,642	90,278
Exhibitions and Scholarships ...	4,239	4,421	4,778	5,468	5,451
Miscellaneous	30	...	460	1,882	2,499
Total (exclusive of Buildings)	702,172	692,130	697,588	714,302	743,531
Buildings—					
Expended by the Public Works Department:—					
From Loans	384	...	...	...	...
" Annual Votes	12,167	24,946	32,087	59,411	96,427
Expended by Boards of Advice...	3,383	3,710	3,674	3,794	4,311
Rent	3,568	3,385	3,423	3,556	3,901
Continuation and Agricultural High Schools ... ..	...	...	...	1,654	2,344
Total	721,674	724,171	736,772	782,717	850,514

NOTE.—The University endowment—£9,000 in 1903-4, £20,600 in 1904-5, £21,500 in 1905-6, and £21,000 in 1906-7 and in 1907-8—is not included in this table.

The expenditure of 1907-8 is the highest since that of 1891-2, which amounted to £855,797, and compared with 1906-7, shows an increase of £67,797, of which buildings and rents absorbed £38,568. Since the inception of the system of education by the State on the 1st January, 1873, up to the 30th June, 1908, the expenditure on public instruction amounts to £24,247,425, of which £17,903,122 has been spent on instruction, £1,330,205 on administration, £193,708 on training, £2,142,877 on miscellaneous items, principally pensions, technical schools, and the Melbourne University (excluding the annual endowment of £9,000 to that institution under Act 16 Vict., No. 34, since raised to £21,000 under Act No. 1926), £2,677,513 on buildings, of which £1,129,610 was paid out of loans and £1,547,903 from revenue. For particulars of the progress of State instruction since its inception, see Part Social Condition of this work.

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

Expenditure on primary education.

EXPENDITURE ON PRIMARY EDUCATION: 1903-4 TO 1907-8.

Items.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
Instruction—					
Teachers' Salaries	£ 502,562	£ 494,546	£ 493,415	£ 500,034	£ 507,019
Drawing, Cookery, Manual Training, &c.	5,334	4,841	2,126	337	486
Teachers' Travelling Expenses	2,562	2,519	2,125	1,907	2,936
Conveyance of Children to Schools	2,129	2,191	2,185	2,498	2,974
Printing, Stores, Cadets, Manual Training, and Cookery Expenses	10,559	8,345	7,855	8,983	9,639
Cleaning, Stationery, Fuel, &c.	32,781	33,206	32,128	32,520	32,889
Teaching Night Schools	668	520	443	332	426
Training Teachers	4,177	5,381	8,299	10,906	14,708
Total Instruction	560,772	551,549	548,576	557,517	571,077
Administration—					
Office and Inspectors... ..	28,830	29,187	29,855	30,510	31,792
Truant Officers	5,046	4,941	4,475	4,314	4,146
Stores, Cleaning, &c.*	3,745	2,500	3,363	4,647	4,171
Buildings	19,502	32,041	39,184	68,415	106,983
Retiring Allowances, Compensation, and Gratuities	78,732	82,414	84,637	87,642	90,278
Miscellaneous ... ..	...	...	460	1,476	1,209
Total Expenditure	696,627	702,632	710,550	754,521	809,656

* Including Postage and Telegrams, £2,615 in 1903-4, £1,376 in 1904-5, £1,591 in 1905-6, £2,747 in 1906-7, and £2,436 in 1907-8.

The increased expenditure in training teachers is accounted for by the establishment of Continuation Schools, and the decreased expenditure for instruction in drawing, cookery, manual training, &c., by the withdrawal from the item of infant school work. Comparing 1907-8 with 1906-7, primary education is responsible for £55,135 out of the total increase in expenditure on education (£67,797), referred to on page 135.

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

COST OF PRIMARY INSTRUCTION IN VICTORIA: 1899-1900 TO 1907-8.

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.
1899-00 ...	673,174	628,489	145,868	4 12 4	4 6 2
1900-01 ...	699,418	663,378	147,818	4 14 8	4 9 9
1901-2 ...	767,352	685,406	150,939	5 1 8	4 10 10
1902-3 ...	713,445	674,076	150,268	4 14 11	4 9 8
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

The cost of primary education per head of scholars has grown gradually—if the big increase of 1901-2 be excepted—during the nine years set forth in this table, with the result that the expenditure of 1907-8, including buildings, exceeds that of 1899-1900 by £1 os. 6d. per head, or by 11s. 9d. per head if buildings be excluded.

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: 1904 TO 1908.

Accounts.	Credit Balance on 30th June.				
	1904.	1905.	1906.	1907.	1908.
	£	£	£	£	£
Deposits in Savings Banks	3,495,418	3,445,418	2,617,310	2,050,059	1,340,559
Deposits in Savings Banks Security Account	1,625,812	2,036,262	2,451,549	2,287,707	1,847,032
Municipal Sinking Funds	633,464	627,914	628,497	647,950	663,431
Assurance Fund ...	194,773	204,301	213,790	222,440	231,530
Intestate Estates ...	100,511	103,557	106,677	97,774	91,751

TRUST FUNDS: 1904 TO 1908—continued.

Accounts.	Credit Balance on 30th June.				
	1904.	1905.	1906.	1907.	1908.
	£	£	£	£	£
Country Tramways* ...	137,872	94,164	46,732	26,600	6,879
Trustee and Assurance Companies ...	104,795	104,795	104,950	104,950	109,950
Police Superannuation Fund	5,579	7,312	7,718	5,876	2,700
Other Funds ...	821,061	1,010,804	1,346,423	1,571,568	1,528,461
Total ...	7,119,285	7,634,527	7,523,646	7,014,924	5,822,293
How Invested:—					
In State Debentures and Stock	1,534,464	1,586,470	1,796,652	2,531,656	2,640,747
In Bank Deposit Receipts, Cash, and Advances to Revenue, &c.	5,584,821	6,048,057	5,726,994	4,483,268	3,181,546

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

The revenue deficiency on 30th June, 1908, £340,494, and the debit balance of £147,866 in the Land Sales by Auction Fund are met from the last item in the above return.

In 1898 an Act was passed to relieve any municipality, which desired relief, from further contributions to its loan sinking fund. The amount already to the credit of the sinking fund of any municipality which took advantage of the Act is allowed to accumulate with interest, and at the maturity of the loan the Government will, by the sale of inscribed stock, pay the difference between the amount at credit of the fund and the amount of the loan to be redeemed, the municipality repaying to the Government, in half-yearly instalments, the amount so paid. Previous to 1905-6 it was the practice to include in the Trust Funds the amount of the unsold stock inscribed under this Act, but the figures given in the above table have been revised to bring them into accord with those of the last three years. The amount at credit of the Municipalities' Loans Extension Act on 30th June, 1908, was £1,085,948. The amount of money to the credit of the municipal sinking funds has not materially altered during recent years; on 30th June, 1908, it was £663,431.

COMMONWEALTH REVENUE AND EXPENDITURE.

The amount of revenue collected in this State to the 30th June, 1908, by the Federal Government since its inauguration is £24,811,003. Of this amount £8,899,867 were used to meet the Victorian portion of Commonwealth expenditure, and £15,963,048 were paid over to the State Government. A balance of £71,912 was overpaid to the State, as £20,000 are retained as "till-money," principally in the offices of the Post and Telegraph Department in the State. 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: 1903-4 TO 1907-8.

Heads of Revenue and Expenditure.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
REVENUE.					
Customs Duties ...	£ 2,040,128	£ 1,907,063	£ 1,950,713	£ 2,129,548	£ 2,507,704
Excise Duties ...	403,377	581,780	586,357	589,893	704,434
Post, Telegraph, &c. ...	650,583	683,480	735,563	797,973	834,367
Miscellaneous ...	8,364	9,575	12,251	20,198	17,231
Total ...	3,102,452	3,181,898	3,284,884	3,537,602	4,063,736
EXPENDITURE.					
Trade and Customs ...	66,731	69,244	67,076	64,485	69,939
Postmaster-General ...	631,313	665,161	674,601	724,728	840,653
Defence ...	258,471	291,577	303,673	318,865	406,548
New Expenditure ...	141,470	140,432	153,032	228,511	368,783
Miscellaneous ...	30	118	...	...	105
Adjustments—Inter-State	1,832	4,863	...	...	...
Paid over to the State	2,002,804	2,017,378	2,097,119	2,192,340	2,449,243
Total ...	3,102,651	3,188,773	3,295,501	3,528,929	4,135,271

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

Commonwealth and State finance.

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

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: 1903-4 TO 1907-8.

Heads of Revenue and Expenditure.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
REVENUE.					
	£	£	£	£	£
Customs and Excise ...	2,443,505	2,488,843	2,537,070	2,719,431	3,212,138
Post, Telegraph, &c. ...	650,583	683,480	735,563	797,973	834,367
Railways ...	3,400,243	3,609,120	3,779,153	4,010,546	3,873,855
State Taxation ...	1,012,119	979,029	1,075,935	1,200,529	1,068,763
Other sources ...	913,147	919,790	871,519	962,317	939,850
Total Revenue ...	8,419,597	8,680,262	8,999,240	9,690,796	9,928,973
EXPENDITURE.					
Customs and Excise ...	66,731	69,244	67,076	64,485	69,939
Post, Telegraph, &c. ...	631,313	665,161	674,601	724,728	840,653
Railways ...	1,896,359	2,004,601	2,033,818	2,159,577	2,294,749
Public Instruction* ...	651,342	662,294	669,222	671,540	744,889
Public Debt—					
Interest and Expenses	1,948,376	1,884,208	1,919,869	1,934,542	1,922,061
Redemption ...	95,060	114,260	125,566	179,681	170,657
Other Expenditure ...	3,150,274	3,115,369	2,969,705	3,281,179	3,505,326
Total Expenditure ...	8,439,455	8,515,137	8,459,857	9,015,732	9,548,274

* Primary and Technical Schools, University, &c.

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

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE. Commonwealth, State, and local finance.

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

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
1904 TO 1908.

	Financial Year ended in—				
	1904.	1905.	1906.	1907.	1908.
<i>Revenue.</i>					
Government—					
Federal ..	£ 3,102,452	£ 3,181,898	£ 3,284,884	£ 3,537,602	£ 4,063,736
State ..	5,234,887	5,426,800	5,642,899	6,081,617	5,797,099
Municipal ..	1,229,609	1,254,649	1,293,202	1,387,127	1,452,621
Harbor Trusts ..	176,898	189,983	219,322	227,536	236,916
Melbourne and Metropolitan Board of Works ..	355,650	390,441	418,849	476,949	493,767
Fire Brigades Boards	19,797	20,557	20,610	21,763	27,049
Total ..	10,119,293	10,464,328	10,879,766	11,732,594	12,071,188
<i>Ordinary Expenditure.</i>					
Government—					
Federal ..	3,102,651	3,188,773	3,295,501	3,528,929	4,135,271
State ..	5,254,546	5,254,800	5,092,899	5,415,226	5,344,865
Municipal ..	1,209,967	1,253,171	1,282,559	1,417,169	1,505,188
Harbor Trusts* ..	144,897	145,986	203,704	231,390	236,074
Melbourne and Metropolitan Board of Works ..	409,039	416,410	443,740	476,954	488,244
Fire Brigades Boards	19,607	21,041	22,867	23,340	26,234
Total ..	10,140,707	10,280,181	10,341,270	11,093,008	11,735,876
<i>Loan Expenditure.</i>					
Government (State)	447,244	373,191	932,966	595,658	783,538
Municipal ..	84,339	84,845	84,081	141,587	157,255
Melbourne and Metropolitan Board of Works ..	1,053,526	386,511	404,907	437,330	278,007
Fire Brigades Boards	..	405	3,250	2,623	244
Total ..	1,585,109	844,952	1,425,204	1,177,198	1,219,044
<i>Expenditure—Grand Total</i> ..	11,725,816	11,125,133	11,766,474	12,270,206	12,954,920

* Including expenditure from loans.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE,
1904 TO 1908—continued.

	Financial Year ended in—				
	1904.	1905.	1906.	1907.	1908.
Per Head of Population—					
Revenue ..	£ s. d. 8 7 5	£ s. d. 8 12 11	£ s. d. 8 18 5	£ s. d. 9 9 4	£ s. d. 9 11 11
Ordinary Expenditure ..	8 7 9	8 9 11	8 8 10	8 18 4	9 6 7
Loan Expenditure ..	1 6 3	0 14 0	1 3 5	0 19 0	0 19 5

The total revenue of the Federal and State Governments, the municipalities and other corporations, is nearly 3 per cent. more than in the previous year, and amounts to more than twelve millions sterling. The ordinary expenditure shows an increase in the twelve months of £642,868, which is the result of an increased expenditure in each division, excepting the State Government. The loan expenditure was more by £41,846 than in 1907. The revenue per head in 1907 was £9 9s. 4d., and in 1908, £9 11s. 11d. The ordinary expenditure was £8 18s. 4d. and £9 6s. 7d.; and the loan expenditure 19s. and 19s. 5d. in those years respectively.

PUBLIC DEBT.

Loans raised
and
redeemed.

The following statement shows the result of loan transactions, including Treasury Bonds in aid of revenue to 30th June, 1908, 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,
1908.

Cash received	£	s.	d.
Discount and expenses after deducting pre- miums received	90,613,327	0	0
Securities issued	1,791,798	4	6
Securities redeemed	92,405,125	4	6
Loans outstanding	39,100,638	6	0
	53,304,486	18	6*

* 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, 1908.

It will be seen that upon the transactions to date for cash, amounting to £90,613,327, securities representing £92,405,125 were issued, which is equal to the State receiving £98 1s. 3d. in cash for every £100 Bond given.

Loans
floated
in London]

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 £68,380,024, 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., £1,556,198; while £352,383 was transferred to the Melbourne register, leaving a balance due in London on 30th June, 1908, of £37,533,136, consisting of debentures amounting to £255,100, and inscribed stock, £37,278,036. The following statement gives particulars respecting the various loans which were raised in London since 1859, together with the average prices obtained after deducting flotation expenses as well as accrued interest, and the rates of interest to which such prices are equivalent:—

LOANS FLOATED IN LONDON, 1859 TO 1908.

When Raised.	Debentures or Stock.			Average Price Obtained per £100 Debenture Stock or Bond.		Actual Rate of Interest per £100 net.	
	Currency.		Amount Sold.	Rate of Interest.	Ex Accrued Interest.		Ex Interest and Expenses. (Net proceeds.)
	When Due.	No. of Years.					
			£	Per cent.	£ s. d.	£ s. d.	£ s. d.
1859	1883	24	1,000,000	6	105 1 11 ³ / ₄	103 18 11 ³ / ₄	5 14 0
"	"	"	750,000	6	107 17 7 ¹ / ₄	106 14 7 ¹ / ₄	5 9 10
1860	"	23	1,937,500	6	104 17 10 ¹ / ₂	103 14 10 ¹ / ₂	5 14 1
"	1884	"	812,500				
1861	1885	24	1,000,000	6	103 1 6 ¹ / ₄	101 18 6 ¹ / ₄	5 17 0
1862	"	32	1,600,000	6	102 19 7	101 16 7	5 17 2
1866	1891	25	850,000	6	100 8 11 ³ / ₄	99 5 11 ³ / ₄	6 1 1
1869	1894	"	588,600	5	98 4 2 ³ / ₄	97 1 2 ³ / ₄	5 4 3
1870	"	24	1,518,400	5	109 17 6 ¹ / ₂	99 14 6 ¹ / ₂	5 0 5
1874	1899	25	1,500,000	4	90 2 7	88 19 7	4 15 5
1876	1901	"	{ 500,000	4	94 16 10 ³ / ₄	93 18 11 ³ / ₄	4 8 1
1878	1904	26	{ 2,500,000				
1878	"	25	457,000	4 ¹ / ₂	"	"	"
1879	"	25	3,000,000	4 ¹ / ₂	97 17 5 ¹ / ₂	96 19 2 ¹ / ₂	4 14 0
1880	"	24	2,000,000	4 ¹ / ₂	103 3 8 ³ / ₄	102 5 11	4 6 11
			<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	4	98 5 7	97 2 8 ¹ / ₄	4 3 3
			{ 1,363,400				
1885	1919	34	{ 3,182,620	4	98 18 6 ¹ / ₂	97 15 9 ¹ / ₂	4 2 5
			{ 819,380				
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 / ₄	101 2 9	3 18 9
1888	"	32	1,500,000	4	108 1 1 ¹ / ₂	106 18 0 ³ / ₄	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	3 ¹ / ₂	100 2 4	98 19 6	3 11 1
1891	1921-6	30-5	{ 850,000	3 ¹ / ₂	96 3 7	95 0 10	3 15 6
			{ 2,150,000				
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 / ₄	93 8 3 ³ / ₄	3 7 6
1903	"	26-46	3,148,176	3 ¹ / ₂	{ 91 14 9 ¹ / ₄	89 8 0	4 3 8
1906	"	23-43	587,808				
1907	"	22 42	702,140		{ 100 0 0	98 19 1	3 11 3
			<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 ³ / ₄	96 18 10	5 2 7
Total			67,813,924				
Paid off			29,928,405				
Transferred to Melbourne register			52,383				
Outstanding			37,533,136				

The figures in the last column represent the rates of interest payable by the State for the actual amount of money which was realized after the deduction of all expenses which had been incurred in 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 obtained in 1870 at 5 per cent. In 1883 it was obtained at $4\frac{1}{5}$ per cent., in 1885 at $4\frac{1}{8}$, in 1888 at $3\frac{5}{8}$, and in 1889 at less than $3\frac{1}{2}$ per cent. In 1891 there was a reaction, when the money obtained cost $3\frac{3}{4}$ per cent., and the rate was further increased to over $4\frac{1}{2}$ in 1893, while 5 per cent. was paid on short-dated Treasury bonds obtained in 1892. Some later loans show a marked improvement, as in 1899 the actual rate of interest was less than $3\frac{3}{8}$ per cent., being the lowest rate realized on loans raised in London, while for later loans floated in 1901 and 1907 the money was obtained at slightly over $3\frac{1}{2}$ per cent., and for one floated in 1902, at $3\frac{3}{8}$ per cent., but the interest on loans raised in 1903 was as high as $5\frac{1}{8}$ per cent. on short-dated Treasury bonds, and $4\frac{1}{8}$ 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 £19,960,488. Of this amount, £2,729,343 was redeemed by loans, and £1,937,177 by revenue, &c., leaving due a balance of £15,293,968 on 30th June, 1908, consisting of debentures, £5,141,599; inscribed stock, £3,870,509; and Treasury bonds, £6,281,860. In addition, inscribed stock for £352,383 has been transferred from London to the Melbourne register, so that of the debt outstanding the total payable in Melbourne amounts to £15,646,351. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the last ten years the local debt has been increased by about $12\frac{2}{3}$ 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, 1908 :—

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1908.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1908.
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	63,000	...	...	63,000
1659	1900	3	1921-30	1,000,000	13,866	184	985,950
1753	1901	3	1923-32	455,800	3,948	41,552	410,300
1816	1903	3½	1907-8	93,869	...	93,869	...
1901	1904	3	1934-54	457,000	...	158,126	298,874
		3½	1926-42	336,300	...	20,200	316,100
		3¼	1925-40	60,000	...	...	60,000
1962	1904	3¼	1926-40	160,000	...	...	160,000
		3½	1927-32	72,100	...	...	72,100
		3½	1928	77,000	...	...	77,000
		4	1936	300,000	...	...	300,000
		3½	1926-41	285,880	...	...	285,880
1990	1905	3½	1926	100,000	...	...	100,000
		3½	1927-42	46,500	...	...	46,500
		3½	1927	6,000	...	...	6,000
		3½	1926-42	289,000	...	...	289,000
2026	1906	3½	1927-42	100,000	...	...	100,000
		3½	1928	400,000	...	...	400,000
2041	1906	3½	1928-43	3,600	...	...	3,600
2053	1906	3½	1928	75,500	...	...	75,500
2116	1907	3½	"	345,000	...	...	345,000
<i>Inscribed Stock.</i>							
428	1872	4	1897	1,113,000	} 2,659,613	...	...
439	1872	4	"	86,780			
			"	13,102			
741	1882	4	"	167,600			
963	1887	4	"	130,000			
1015	1889	4	"	750,000			
1341	1893	4	"	150,000			
1369	1895	4	"	249,131			
1468	1896	3	1917*	2,290,482			
1564	1898	3	"	500,000			
1623	1899	3	"	455,863	...	254,422	3,022,583
1552	1898	3	"	30,660	...	...	...
1602 } 1749 }	1898	3	"	211,135	...	24,947	186,188
1659	1900	3	"	13,866	...	...	13,866
1753	1901	3	"	3,948	...	...	3,948
1962	1904	3½	"	271,004	...	...	271,004
1990	1905	3½	"	113,735	...	...	113,735
2026	1906	3½	"	256,000	...	...	256,000
2041	1906	3½	"	3,185	...	...	3,185

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

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1908.—*continued.*

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1908.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Treasury Bonds.</i>							
1574	1898	3½	1901	500,000	...	500,000	...
1800	1902	3½	1907	1,000,000	...	1,000,000	...
			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				23,112,695	3,151,207	4,666,520	15,294,968
Transferred from London Register ... ..				...	...	...	352,383
Total, payable in Melbourne				...	...	...	15,647,351

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 those authorized from 1868 to 1870, at 5 per cent.; and the balance (£20,064,695) at rates varying from 3 to 4 per cent. Of the total Melbourne loans outstanding on 30th June, 1908, £1,113,795 are bearing interest at 4 per cent., £220,000 at 3¾ per cent., £9,075,164 at 3½ per cent., and £5,237,392 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: 1903-4 TO 1907-8.

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

Works.	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£	£	£	£	£
Railways	258,090	171,837	77,968	80,482	249,646
Water Supply	118,392	142,183	81,634	161,346	276,583
Schools and University	558	101	..	..	..
Agriculture	608	136	47	..	..
Closer Settlement, Purchase of Estates	3,666	754	754,983	339,497	254,833
Loans to Farmers—Purchase of Seed and Fodder	11,067	..	..	..	..
Mining Development	7,518	552	83	..	..
Assistance to Municipalities—					
For Roads, &c.	17,267	14,945	1,919	498	23
For Drainage Works	249	..	..	..	..
Other Public Works	29,829	42,683	16,332	13,835	2,453
Total	447,244	373,191	932,966	595,658	783,538
Per Head of Population	s. d. 7 5	s. d. 6 2	s. d. 15 4	s. d. 9 7	s. d. 12 5

The loan expenditure of the State has of recent years 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
7 years ended 30th June, 1908	685,690

PURPOSES FOR WHICH LOANS WERE RAISED.

The aggregate amount of the loans raised to 30th June, 1908, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over, was £88,791,612; but a total of £35,611,125 (exclusive of conversion loans) having been repaid, viz., £3,493,375 out of the general revenue, and £32,117,750 out of the proceeds of redemption loans, the balance on 30th June, 1908, was reduced to £53,180,487.

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

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1908.	Annual Interest Payable.
REVENUE-YIELDING WORKS.		
	£	£
Railways and Tramways	39,924,091	1,438,338
Waterworks—Melbourne	1,688,663	61,039
„ Country	6,238,428	216,263
Harbours	190,000	6,650
Graving Dock	331,646	11,239
Agriculture and Advances to Farmers, &c. ...	94,219	2,842
Purchase of Land for Closer Settlement ...	1,517,893	54,246
Development of Mining	121,194	3,780
Total Revenue-yielding Works	50,106,134	1,794,397
OTHER WORKS OF A PERMANENT CHARACTER.		
Public Offices, Law Courts, and Parliament Houses	732,976	24,949
Defence Works	151,469	5,044
State Schools, Technical Schools, and University	1,270,261	41,294
Other	919,647	29,670
Total other Permanent Works	3,074,353	100,957
Net Borrowings	53,180,487	1,895,354

Out of the proceeds of these loans outstanding on the 30th June, 1908, sums not yet expended amount in the aggregate to £16,445, of which £9,153 is for railways, £1,912 for country water supply, £2,619 for closer settlement, and £2,761 for different other services. Of the total loans outstanding, 94 per cent. has been expended on revenue-yielding works, as detailed above.

DUE DATES OF LOANS.

The total amount of loans outstanding on 30th June, 1908, exclusive of debentures for £1,000 overdue since 1897, and of Treasury bonds in aid of revenue, was £53,179,487, and of this sum £5,396,699 were in the form of debentures; £37,278,036 of

inscribed stock (London Register); £4,222,892 of inscribed stock (Melbourne Register); and £6,281,860 in the form 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, 1908, 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	935,950	...	985,950
1753	1st Jan., 1923-32 ...	3	410,300	...	410,300
1901	1st Jan., 1934-54 ...	3	298,874	...	298,874
	2nd April 1926, to 1st Feb., 1942 ...	3½	316,100	...	318,100
	29th Nov., 1925-40 ...	3½	60,000	...	60,000
	27th Feb., 1926, to 29th Nov., 1940 ...	3¾	160,000	...	160,000
1962	1st Nov., 1927-32 ...	3½	41,400	...	41,400
	2nd Dec., 1927-32 ...	3½	30,700	...	30,700
	1st July, 1928 ...	3½	77,000	...	77,000
	14th March, 1936 ...	4	300,000	...	300,000
	1st April, 1926-41 ...	3½	285,880	...	285,880
	18th Oct., 1926 ...	3½	100,000	...	100,000
1990	1st April, 1927-42 ...	3½	500	...	500
	1st October, 1927-42 ...	3½	46,000	...	46,000
	1st July, 1927 ...	3½	6,000	...	6,000
	1st Oct., 1926, to 16th April, 1942 ...	3½	289,000	...	289,000
2026	1st July, 1927-42 ...	3½	100,000	...	100,000
	1st July, 1928 ...	3½	400,000	...	400,000
2041	1st Jan., 1928-43 ...	3½	3,600	...	3,600
2053	1st July, 1928 ...	3½	75,500	...	75,500
2116	1st July, 1928 ...	3½	345,000	...	345,000
	<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	10,200*	6,989,800	7,000,000
1032					
1196	1st Jan., 1921-26 ...	3½	...	5,000,000	5,000,000
1217					
1287	" 1911-26 ...	4	...	2,107,000	2,107,000
1560	" 1929-49 ...	3	252,683*	4,212,031	4,464,714
1562	" 1929-49 ...	3½	22,500*	4,291,305	4,313,805
		3	...	1,000,000	1,000,000

* Transferred from London to Melbourne register.

† Debentures convertible into inscribed stock at option of holder. The amount so converted to 30th June, 1908, was £3,744,900

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1908, AND DATES
WHEN REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In Lon lon.	Total.
			£	£	£
<i>Inscribed Stock (Melbourne).</i>					
1468	29th Sept., 1917, or after	3	3,022,583	...	3,022,583
1564 1623 1602 1749					
1659	" "	3	186,188	...	186,188
1753	" "	3	13,866	...	13,866
1962	" "	3	3,948	...	3,948
1990	" "	3½	271,004	...	271,004
2026	" "	3½	113,735	...	113,735
2041	" "	3½	256,000	...	256,000
	" "	3½	3,185	...	3,185
<i>Treasury Bonds.</i>					
1982	1st July, 1915 ...	3½	500,000	...	500,000
	... 1916 ...	3½	2,767,000	...	2,767,000
	... 1917 ..	3½	3,014,860	...	3,014,860
<i>Melbourne and Hobson's Bay Railway Debentures.</i>					
617	(Overdue since 1897) ...	...	1,000	...	1,000
	Total ...	...	15,647,351	37,533,136	53,180,487
<i>Treasury Bonds in aid of Revenue.</i>					
1451	1st Jan., 1909-13 ..	3½	125,000	...	125,000
	Total (including loans in aid of Revenue) ..	...	15,772,351	37,533,136	53,305,487

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

DUE DATES OF VICTORIAN LOANS ON 30TH JUNE, 1908.
(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
1909	25,000	25,000	25,000
1910	25,000	25,000	25,000
1911	2,132,000	2,132,000	25,000
1912	25,000	25,000	25,000
1913	4,771,795	4,771,795	4,025,000
1915	500,000	500,000	500,000
1916	2,767,000	2,767,000	2,767,000
1917	3,658,784	3,014,860	3,014,860
1919	4,000,000	4,000,000	4,000,000
1920	6,000,000	6,000,000	6,000,000
1921	5,000,000	...	...
1922	63,000	63,000	63,000
1923	7,000,000	7,000,000	7,746,795
1925	60,000	60,000	...
1926	1,000,980	5,263,000	7,210,000
1927	374,600	156,000	156,000
1928	901,100	897,500	897,500
1929	4,313,805	...	...
1930	985,950	985,950	985,950
1932	410,300	482,400	482,400
1936	300,000	300,000	300,000
1940 ... ..	...	...	220,000
1941 ... ..	...	285,880	285,880
1942 ... ..	...	598,600	598,600
1943 ... ..	...	3,600	3,600
1943	5,464,714	9,778,519	9,778,519
1954	298,874	298,874	298,874
Indefinite	3,226,585	3,870,509	3,870,509
To end of 1925	36,028,579	30,384,655	28,217,655
After 1925... ..	17,276,908	22,920,832	25,087,832
Total	53,305,487	53,305,487	53,305,487

In connexion with the replacing of London loans as they fall due by local issues, and the practice 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, 1906, 1907, AND 1908.

(Including Treasury Bonds in aid of Revenue.)

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

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 £11,980, of which £10,503 was paid as commission and £1,477 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, and £11,845 in 1906-7.

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, 1906, 1907, AND 1908.

(Including Treasury Bonds in aid of Revenue.)

Rates of Interest per Cent	Nominal amount outstanding on 30th June—			
	1900.	1906.	1907.	1908.
	£	£	£	£
4½	5,000,000	...	...	...
4	27,060,795	23,153,795	19,153,795	17,153,795
3½ ... ..	...	220,000	220,000	220,000
3½	12,250,000	19,039,301	23,043,884	25,356,269
3¼	300,000	175,000	150,000	125,000
3	4,714,090	10,490,704	10,536,310	10,449,423
Overdue (not bearing interest) ...	...	1,000	1,000	1,000
Total ...	49,324,885	53,079,800	53,104,989	53,305,487

The difference between the interest in 1900 and in 1908 represents a saving of over £140,000 per annum on the debt of £53,305,487 at 30th June, 1908.

LOANS AUTHORIZED BUT NOT RAISED.

The loans authorized, but not raised, on the 30th June, 1908, amounted to £2,913,727, 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, 1908.

Under Loan Act No.—	Total.		
	Authorized.	Raised to 30th June, 1908.	Balance not raised.
	£	£	£
1440	100,000	63,000	37,000
1552	1,116,608	30,660	1,085,948
1623	500,000	455,863	44,137
1753	500,000	455,800	44,200
1816	100,000	93,869	6,131
1962	1,500,000	1,276,404	223,596
2041	1,250,000	6,785	1,243,215
2053	150,000	75,500	74,500
2116	500,000	345,000	155,000
Total	5,716,608	2,802,881	2,913,727

The rate of interest on the amount to be raised is 3 per cent. on £1,211,285, and 3½ per cent. on £1,702,442.

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 in 1908. In

Growth of
Funded
Debt

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

GROWTH OF FUNDED DEBT AND INTEREST, 1855 TO 1908.

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

Including money borrowed for temporary purposes (£125,000—Act 1451) in aid of revenue, the total amount of loans outstanding on the 30th June, 1908, was £53,305,487, upon which the amount of interest and expenses (paid in 1907-8) was £1,922,061, or an average of 3.61 per cent. on the total debt. The amount of interest and expenses was fully earned by £47,040,377 of the debt, the amount of such interest and expenses being £1,696,157. There was also at 30th June, 1908, £629,490 at the credit of redemption funds, so that the net burden of the public debt at the close of the financial year was £5,635,620. Over £3,000,000 of this amount

has been applied to public works of a permanent character, such as defences, State schools, public buildings, &c.

SINKING FUNDS.

On 30th June, 1908, the sinking funds in Australia were as follow:—

Sinking Funds of Australian States.

SINKING FUNDS IN AUSTRALIAN STATES, 30TH JUNE, 1908.

State.	Sinking Funds in Connexion with—	
	State Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria	629,490	924,230
New South Wales	223,001	166,603
Queensland .. .. .	..	29,370
South Australia	1,050,812	15,684
Western Australia	1,904,433	125,741
Tasmania	304,633	99,845
Total	4,112,369	1,361,473

* Figures for 1907, except in the case of Tasmania, where they are for 1906.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1908:—

	Balance at Credit.
Mallee Land Account	£11,830
Closer Settlement Fund	17,192
Victorian Loans Redemption Fund	236,294
Victorian Government Consolidated Inscribed Stock Redemption Fund	364,174
Total	£629,490

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

Mallee Land Account.

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

Closer Settlement Fund.

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 in purchasing or repurchasing, and ultimately in redeeming consolidated stock—that is, stock on the London Register—and in paying expenses and costs of such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. Transactions in this fund to the 30th June, 1908, were as follow:—

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK
REDEMPTION FUND, 30TH JUNE, 1908.

Transactions.					To 30th June, 1908.
RECEIPTS.					£
Waterworks Trusts	...	...	...	...	160,855
Mallee Land Account	...	...	...	...	168,000
Revenue	...	...	...	...	186,852
Interest on Investments	...	...	...	...	8,043
Miscellaneous	...	...	...	...	83,638
Total receipts	...	...	...	...	607,388
EXPENDITURE.					
Purchase of Stock	...	...	...	...	242,514
Commission, &c.	...	...	...	...	700
Total expenditure	...	...	...	...	243,214
Balance in the Fund	...	...	...	...	364,174
Amount of stock repurchased and cancelled	...	...	...	...	259,605

The miscellaneous receipts include £62,827, surplus after redemption of loans, Acts 531 and 608. Of the balance in the fund, £364,000 was invested in Victorian Government debentures, and £174 held in cash.

Loans Re-
demption
Fund.

By Act No. 1565 of 1898, it was enacted that a "Victorian Loans Redemption Fund" should be kept in the Treasury, and should be available for the purchase, repurchase, or redemption of any Victorian Government 3 per cent. stock and debentures payable at Melbourne, and in paying the 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. Transactions in this fund to 30th June, 1908, were as follow:—

THE VICTORIAN LOANS REDEMPTION FUND, 30TH JUNE, 1908.

Transactions.	To 30th June, 1908.
RECEIPTS.	
From Revenue	£ 480,302
Resumption of land in Mallee Districts and valuation of improvements	12,279
Payments by Municipalities	6,910
Geelong Municipal Waterworks Trust	126,543
Interest on Investments	3,829
Repayment of Loans—	
Bush fires relief	20,614
Floods relief	1,319
Seed advances	87,878
New pilot steamer	4,033
Yarrowee Channel	9,595
Total receipts	753,302
EXPENDITURE.	
Purchase of stock	517,008
Balance in the fund	236,294
Amount of stock and debentures repurchased and cancelled	522,791

Of the balance in the fund, £227,750 was invested in Victorian Government debentures and stock, and £8,544 held in cash.

DEBTS IN AUSTRALIAN STATES AND NEW ZEALAND.

The following is a summary of the funded debts of the Australian States and New Zealand on the 30th June, 1908, the amounts per head of population, and the total and average interest payable. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

Funded debts of Australian States and New Zealand.

FUNDED DEBTS OF AUSTRALIAN STATES AND NEW ZEALAND, 30TH JUNE, 1908.

State.	Funded Debt.		Interest Payable.	
	Amount.	Per Head of Population.	Amount.	Average Rate Per Cent.
	£	£ s. d.	£	
Victoria	53,180,487	42 1 1	1,895,354	3.56
New South Wales	86,421,310	54 13 3	3,059,556	3.54
Queensland	39,068,827	70 15 8	1,447,337	3.70
South Australia	28,794,858	72 6 0	1,065,091	3.70
Western Australia	20,493,618	76 3 0	704,860	3.44
Tasmania	10,053,122	55 14 11	368,698	3.67
Total	238,015,222	56 1 4	8,540,896	3.59
New Zealand (31.3.08)	66,453,897	70 12 8	2,478,429	3.73

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

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

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN
AUSTRALIAN STATES AND NEW ZEALAND, 1904 TO 1908.

	At end of Financial Year—														
	1903-4.			1904-5.			1905-6.			1906-7.			1907-8.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Victoria	42	13	4	42	9	8	43	2	3	42	9	7	42	1	1
New South Wales ..	54	2	4	54	13	4	55	10	10	54	3	10	54	13	3
Queensland	77	17	8	74	17	10	73	6	7	72	0	9	70	15	8
South Australia ..	74	3	9	73	10	9	75	12	10	75	10	5	72	6	0
Western Australia ..	68	0	7	66	10	4	69	10	0	72	14	9	76	3	0
Tasmania	51	6	4	51	18	5	53	1	0	54	18	0	55	14	11
New Zealand	69	2	0	69	5	3	69	19	1	70	3	5	70	12	8

The following is a statement of the total indebtedness of the Australian States in 1908:—

FUNDED AND UNFUNDED DEBTS OF AUSTRALIAN STATES, 1908.

State.	State Debts.		Municipal and Corporation Debts (exclusive of Loans from Government).	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria	53,180,487	613,360*	14,392,865	68,186,712	53 18 6
New South Wales ..	86,421,310	1,214,516	3,131,872	90,767,698	57 8 3
Queensland†	39,068,827	1,130,000	796,626	40,995,453	74 5 6
South Australia ..	28,794,858	1,191,000	124,017	30,109,875	75 12 1
Western Australia ..	20,493,618	211,094	693,394	21,398,106	79 10 2
Tasmania	10,056,122	94,111	572,051	10,722,284	59 8 9
Total	238,015,222	4,454,081	19,710,825	262,180,128	61 15 2

* Treasury Bonds have been issued for £125,000 of this amount, but it has been the practice to regard it 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 £262,180,128, 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, which renders the liability of the Trust merely nominal.

The figures in the table show the full public indebtedness of the Commonwealth, including State, municipal, and corporation debts, to the date at which comparison can be made. Victoria has the smallest amount per head, New South Wales the next, 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 1908, the municipal and corporation debts are for the year ended in 1907, except in the case of Tasmania, where they are for 1906, figures for 1908 for other States than Victoria not being available. The complete figures for Victoria in 1908, appear in the following statement:—

STATE AND LOCAL DEBTS, 1908.

	£	£
State Debts (Funded)—		
London Register	37,533,136	
Melbourne Register	15,646,351	
State Debts (Unfunded)	613,360	
Overdue Debentures, late Melbourne and Hobson's Bay Railway—unpresented	1,000	
	<hr/>	
Total State Debts		53,793,847
Municipal	4,209,230	
Harbor Trusts	2,100,000	
Fire Brigades Board	130,000	
Melbourne and Metropolitan Board of Works	8,251,000	
	<hr/>	
Total Debts of Municipalities and Corporations		14,690,230
		<hr/>
Total Debts		68,484,077
		<hr/>

This sum (£68,484,077) is equal to a debt of £54 3s. 2d. per head of the population on 30th June, 1908.

DEBTS OF VARIOUS COUNTRIES.

Debts of
various
countries.

In order that a comparison may be instituted between the States of Australia and other countries of the world in regard to indebtedness, the following table is furnished. The highest debt per head of population here disclosed is that of France (£27 13s. 11d.), which is about two-thirds of that of Victoria. The next highest is that of the Cape of Good Hope (£20 8s. 8d.), and then the united liability of the Transvaal and Orange River Colonies (£19 18s. 10d.), then follow Belgium (£18 15s. 2d.), Natal (£17 16s. 7d.), the United Kingdom (£17 2s. 4d.), and Italy (£16 10s. 2d.). After Italy there is shown a rapid diminution of indebtedness to £1 1s. 11d. 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	1908	762,326,000	17 2 4
British India	1907	253,885,000	1 1 11
Canada	1907	78,104,300	12 13 10
Cape of Good Hope	1907	51,235,300	£0 8 8
Natal	1907	20,761,000	17 16 7
Transvaal and Orange River	1907	35,000,000	19 18 10
France	1907.	1,087,484,000	27 13 11
Italy	1907	557,616,000	16 10 2
Austria	1906	400,400,000	14 8 10
Hungary	1906	225,690,000	11 0 6
German States	1907	639,947,000	10 6 1
German Empire (Imperial)	1907	193,044,000	3 2 2
Norway	1907	18,822,000	8 2 2
United States of America (Federal)	1907	180,540,000	2 2 0
United States of America (States, Territories, &c.)	1902	383,228,000	4 17 6
Russia	1906	910,476,000	6 4 9
Sweden	1907	25,798,000	4 15 11
Belgium	1906	133,1£0,000	18 15 2

COMMONWEALTH, STATE, AND LOCAL TAXATION.

In the following table will be found a statement showing for the last five financial years the amount of revenue collected under the various heads of taxation by the Commonwealth, the State, and the local bodies :—

COMMONWEALTH, STATE, AND LOCAL TAXATION, 1903-4 TO 1907-8.

Heads of Taxation.	Amount Received.				
	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
Federal—	£	£	£	£	£
Customs Duties... ..	2,040,128	1,907,065	1,950,713	2,129,548	2,507,704
Excise Duties	403,377	581,780	586,357	589,883	704,434
Total Federal Taxation	2,443,505	2,488,843	2,537,070	2,719,431	3,212,138
State—					
Wharfage Rates	45,216	50,213	52,771	53,099	55,389
Tonnage Dues	28,518	30,762	32,200	33,698	35,754
Licences	17,852	17,521	17,813	19,043	19,851
Probate & Succession Duties	308,531	265,876	328,628	401,631	304,830
Duties on Bank Notes ...	18,440	16,444	17,352	17,702	17,612
Land Tax	106,445	97,840	103,536	92,438	89,496
Income Tax	311,147	316,943	318,135	355,148	317,354
Stamp Duty	175,732	183,246	205,345	222,671	222,923
Race Clubs' percentage ...	...	...	...	4,875	5,554
Total State Taxation ...	1,011,881	978,845	1,075,780	1,200,305	1,068,763
Municipal Taxation	981,412	986,069	1,015,841	1,068,967	1,084,513
Harbor Trusts	162,105	167,727	197,434	199,944	212,320
Total Taxation	4,593,903	4,621,424	4,826,125	5,188,647	5,577,734

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, 1903-4 TO 1907-8.

Division.	Taxation per Head of Population in--				
	1903-4.	1904-5.	1905-6.	1906-7.	1907-8.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Federal	2 0 5	2 1 1	2 1 8	2 3 11	2 11 1
State	0 16 9	0 16 2	0 17 8	0 19 5	0 17 0
Local	0 18 11	0 19 1	0 19 9	1 0 4	1 0 7
Total	3 16 1	3 16 4	3 19 1	4 3 8	4 8 8

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	5,258,725	4 3 7
New South Wales	6,651,867	4 4 11
Queensland	2,438,015	4 9 3
South Australia	1,671,831	4 4 5
Western Australia	1,529,422	5 15 11
Tasmania	752,936	4 2 11
Total	18,302,876	4 6 11
United Kingdom	204,714,000	4 12 5

In these figures, which exclude wharfage rates and harbor dues, the Commonwealth and the State taxation have been taken for the year 1907-8, and the Local taxation for the year 1906-7, and it appears that the total taxation for Australia is £18,302,876, or an average of £4 6s. 11d. per head per annum. The lowest rate, £4 2s. 11d. per head, prevails in Tasmania; Victoria is next with £4 3s. 7d.; then follow South Australia, New South Wales, Queensland, and Western Australia, with £4 4s. 5d., £4 4s. 11d., £4 9s. 3d., and £5 15s. 11d. respectively. In the United Kingdom, the taxation is 5s. 6d. per head above that in Australia, and is higher than in any of the Australian States except Western Australia.

LICENCES.

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1908, 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, 1908.

Description of Licence.	Number of Licences Granted.	Amount of Fees Collected.
<i>Excise.</i>		
Distilling—		£ s. d.
Spirit Makers—General	4	200 0 0
Wine	5	108 6 8
Vignerons	33	162 10 4
Test Still	42	3 19 7
Manufacturing Tobacco, Cigars, Cigarettes, and Snuff	49	1,181 3 4
Brewers	36	884 19 6
Sugar refining	1	5 0 0
Starch manufacturing	3	15 0 0
<i>Licensing.</i>		
Victuallers*	4,738	81,382 18 6
Packet	14	280 0 0
Grocers	315	3,150 0 0
Australian Wine	295	1,475 0 0
Railway Refreshment Rooms	32	800 0 0
Billiard Tables	89	565 0 0
Spirit Merchants, &c.	425	10,574 10 7
Brewers	41	41 0 0
Club	90	180 0 0
Vignerons	38	190 0 0
<i>Customs.</i>		
Carriage	1,043	258 7 6
Lighter and Boat	52	13 0 0
Custom House Agents	67	327 10 0
Bond	55	4,629 5 0
<i>Explosives.</i>		
Importation	174	565 0 0
Manufacture of Rack-a-rock	16	4 0 0
Manufacture of other Explosives	8	9 10 0
Magazine	236	169 10 0
Fireworks, Sale of	756	37 16 0
Other than Fireworks, Sale of	1,425	356 5 0
<i>Miscellaneous.</i>		
Auctioneers—General †	734	13,592 12 1
Gold-buyers	67	72 2 11
Gold-assayers	38	73 12 2

* Including temporary licences, which numbered 1,263, on which the fees collected amounted to £2,536.

† Including 181 temporary licences, on which the fees collected were £181.

In addition to the above there are other licences, particulars of which cannot be obtained for the calendar year 1908, but the fees collected during the financial year 1907-8 are as follow :—

Description of Licence.	Amount of Fees Collected.		
	£	s.	d.
Insurance	13,569	0	0
Business (on the Gold-fields)	73	2	6
Sale of Tobacco, &c.	1,493	15	4
Servants' Registry Office	92	2	6
Pawnbrokers	1,010	0	0
Hawkers	1,423	0	0
Carriers	51	6	0
Stage Carriage	165	10	0
Marine Store	163	0	0
Forwarding Agents	180	0	0
Permits to Fish, &c.	10	5	0
Race Clubs	263	18	0