

FINANCE.

Under the terms of the Act establishing a constitution in and for the Colony of Victoria, all taxes, imposts, rates, and duties, and all territorial, casual, and other revenues of the Crown, from whatever source arising within the Colony, are to form one consolidated revenue, to be appropriated by the Legislature for the public service of the Colony. The summary of these transactions for the financial year 1910-11 is as follows:—

REVENUE AND EXPENDITURE ACCOUNT OF VICTORIA, 1910-11.

	£
Revenue	9,204,503
Expenditure	9,194,157
	<hr/>
Surplus for the year	10,346
Revenue deficit at 30th June, 1910	314,975
	<hr/>
Revenue deficit at 30th June, 1911	304,629
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The Revenue and Expenditure Account is a statement of cash transactions, the revenue representing actual receipts less refunds, and the expenditure actual payments made during the year.

The revenue of the State continues to maintain the buoyancy which has characterized recent years, and as a consequence, in addition to meeting ordinary demands, it has been possible to devote

considerable sums out of ordinary revenue to paying off the liabilities of former years, and to forming sinking funds to meet outstanding loans. Such appropriations for the past eight years are shown in the succeeding statement.

REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES, ETC., ETC.,
1903-4 TO 1910-11.

Year ended 30th June.	ORDINARY REVENUE APPROPRIATED.				Total.
	In reduction of the accumulated revenue defi- ciency of former years.	To Land Sales by Auction Fund.	In redemption of loan raised in anticipation of revenue (Act No. 1451.)	Towards Redemption Funds to meet out- standing loans.*	
	£	£	£	£	£
1904 ...	175,000	33,020	25,000	81,277	314,297
1905 ...	172,000	29,693	25,000	122,835	349,528
1906 ...	550,000	41,114	25,000	139,671	755,785
1907 ...	666,391	38,346	25,000	163,864	893,601
1908 ...	452,234	39,163	25,000	163,296	679,693
1909 ...	7,507	45,216	25,000	145,716	223,439
1910 ...	18,012	43,319	25,000	165,527	251,858
1911 ...	10,346	41,643	25,000	166,864	243,853
Totals (8 years)	2,051,490	311,514	200,000	1,149,050	3,712,054

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

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

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1911. On 1st July, 1910, the total revenue deficiency was £314,975 os. 11d., and in the course of the year it was reduced by £10,346 4s. 3d., leaving

State
revenue
and expendi-
ture.

the accumulated revenue deficiency at the end of the financial year 1910-11 at £304,628 16s. 8d., the whole of which amount was covered by advances from the trust funds.

REVENUE AND EXPENDITURE, 1910-11.

Revenue.	Amount.		Expenditure.	Amount.	
	£	s. d.		£	s. d.
Excise and Inland Territorial ...	1,078,209	7 7	Consolidated Revenue deficiency, 30/6/10	314,975	0 11
Public Works ...	5,189,293	19 9	Special Appropriations	2,826,921	8 4
Ports and Harbors	120,160	15 1	Chief Secretary ...	832,650	15 4
Fees ...	354,994	6 3	Minister of Public Instruction	822,040	1 7
Fines ...	14,605	11 7	Attorney-General...	80,986	18 10
Mallee Land Account	61,969	14 11	Solicitor-General ...	59,912	14 8
Miscellaneous ...	477,380	7 7	Treasurer ...	272,385	6 7
Commonwealth balances received	1,617,671	14 7	Commissioner of Crown Lands	204,642	5 3
Consolidated Revenue deficiency, 30/6/11	304,628	16 8	Commissioner of Public Works	506,241	18 10
			Minister of Mines and Forests	250,188	11 3
			Minister of Water Supply	82,386	7 10
			Minister of Agriculture	152,052	7 0
			Minister of Health	30,319	15 7
			Minister of Railways	3,011,458	14 11
			Mallee Land Account	61,969	14 11
Total ...	9,509,132	1 10	Total ..	9,509,132	1 10

The accumulated revenue deficiency at 30th June, 1911, was, as shown in the above statement, £304,629. This deficiency had its beginning in the year 1890-91, when it amounted to £206,843, and in the course of the next five years it was added to year by year, until it reached its maximum amount of £2,711,436 on 30th June, 1896, since which date it has been steadily reduced year by year, with one or two exceptions, to its present amount.

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

STATE REVENUE AND EXPENDITURE: 1901-2 TO 1910-II.

Year ended 30th June.	Revenue.	Expenditure.
	£	£
1902	6,997,792	7,398,832
1903	6,954,619	6,759,960
1904	7,319,949	7,339,608
1905	7,515,742	7,343,742
1906	7,811,475	7,261,475
1907	8,345,534	7,679,143
1908	8,314,480	7,862,246
1909	8,247,684	8,240,177
1910	8,597,992	8,579,980
1911	9,204,503	9,194,157

NOTE.—The differences between the revenue and expenditure shown above and the revenue and expenditure given in the Treasurer's Finance Statement arise from the use of a different method of classification for statistical purposes. The particulars for 1910-II are as follows:—

	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ...	9,142,533	9,142,533
<i>Add—</i>		
Mallee Land Account—appropriated to Loan Redemption purposes ...	61,970	61,970
<i>Deduct—</i>		
Appropriation to reduction of deficit ...	...	10,346
Total	9,204,503	9,194,157

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

Heads of
State
revenue.

HEADS OF STATE REVENUE, 1906-7 TO 1910-11.

Heads of Revenue.	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
	£	£	£	£	£
Federal Government...	2,192,340	2,449,243	1,929,542	1,922,278	1,617,572
State Taxation—					
Probate and Succession Duties	401,631	304,830	418,419	358,173	433,104
Income Tax ...	355,148	317,354	304,464	338,585	395,998
Land Tax ...	92,438	89,496	85,559	114,357	210,640
Stamp Duties ...	222,671	222,923	220,693	233,016	257,199
Other ...	128,417	134,160	138,310	141,603	159,859
Public Works and Services—					
Railways ...	4,010,546	3,873,855	4,189,501	4,450,782	4,837,560
Water Supply ...	209,044	218,755	225,911	234,698	263,711
State Coal Mine ...	...	...	...	22,249	166,174
Other ...	5,294	5,020	5,362	4,716	5,145
Land—					
Sales ...	203,849	205,393	224,232	216,902	219,789
Rents and Penalties	121,458	126,235	137,807	138,791	136,081
Other Sources ...	402,698	367,216	367,885	421,842	451,671
Total ...	8,345,534	8,314,480	8,247,684	8,597,992	9,204,503
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population	6 14 1	6 12 0	6 9 10	6 13 3	7 0 10

The contribution to the State revenue by the Federal Government in 1910-11 is founded on the new basis of a fixed payment of 25s. per head of population in the State, whereas in preceding years the Federal Government paid over to the State at least three-fourths of the net revenue from Customs and Excise duties. The revenue of the Railway Department maintains the high standard of recent years, the receipts for 1910-11 exceeding those of any previous year. The increase in the revenue from land tax is due to the operation of the State *Land Tax Act* 1910, particulars of which will be found on page 134.

FEDERAL AND STATE FINANCE.

Federal and
State
Finance.

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

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

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

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

INCOME TAX.

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

thereof up to £2,000; and 8d. on all over £2,000. (b) Property—double these rates. This Amending Act also made companies taxable as persons, except mining companies, the shareholders of which include in their returns the dividends received. Special provision was 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 fixed by Act No. 1938, as follows:—Incomes from personal exertion were taxed 3d. for every £1 of the taxable amount up to £500; thence up to £1,000, 4d.; thence to £1,500, 5d.; over £1,500, 6d.; tax on income from property, double these rates. The minimum income taxable was £157, the exemption to resident and non-resident taxpayers except companies being £100 on incomes from £157 to £500. The tax on the income of life assurance companies was 8d.; that for other companies liable to tax, 7d. for every £1 of the taxable amount. Interest on Government stock, bonds, and debentures held by residents was exempted as in the case of non-residents, and the exemption of mining companies repealed. The taxable amount of the income of a mining company is the total amount of the dividends declared and debenture interest paid during the year. The exemption of the profits from trade of provident societies and other associations was also repealed. The rates and exemption for 1906 were the same as those for 1905; but for 1907, whilst the rates were the same as those for 1905 and 1906, the minimum income taxable was £201 with an exemption of £100 up to £500. The rates of tax in 1908, 1909, 1910, and 1911 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 the taxable income of life assurance companies, and 7d. on that of all other companies, but the exemption allowed was £150 on incomes, other than those of companies, between £201 (the minimum income taxable) and £500. In the years 1908, 1909, and 1910 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: 1907 TO 1911.

—	1907.	1908.	1909.	1910.	1911.
Number of Assessments:					
Personal exertion ...	30,855	32,578	32,268	35,659	32,125
Property ...	7,754	6,993	7,757	8,516	8,836
Total ...	38,609	39,571	40,025	44,175	40,961
Distinct taxpayers ...	34,429	35,464	35,902	39,532	36,377
Taxable Income—					
Personal exertion ...	£ 14,228,399	£ 14,012,508	£ 13,178,528	£ 15,333,062	£ 15,567,605
Property ...	3,010,499	2,869,537	2,952,756	3,184,689	3,420,470
Total ...	17,238,898	16,882,045	16,131,284	18,517,751	18,988,075
Tax Payable—					
Personal exertion ...	258,113	229,814	212,597	256,539	298,996
Property ...	94,139	75,374	77,670	83,840	109,255
Total ...	352,252	305,188	290,267	340,379	408,251
Per taxpayer ...	£ s. d. 10 4 7	£ s. d. 8 12 1	£ s. d. 8 1 8	£ s. d. 8 12 2	£ s. d. 11 4 5
Average Tax payable in the £ on Taxable Incomes derived from—					
Personal exertion...	d. 4·35	d. 3·94	d. 3·87	d. 4·01	d. 4·61
Property...	7·50	6·30	6·31	6·32	7·66

In a comparison of the particulars contained in this table, it must be remembered that, although the rates of tax have been the same throughout the five years, yet there have been considerable variations in the amount of the minimum taxable income and the amount of exemption allowed. Thus the exemption for 1906 was £100 on incomes between £157 and £500, for 1907, £100 on incomes between £200 and £500, and for 1908, 1909, and 1910 £150 on incomes between £201 and £500, with a rebate of 20 per cent. on assessments to all taxpayers except companies, while for 1911 it was as in the three preceding years, except that there was no rebate.

The individual taxpayers for 1911 show a decrease of 3,155 when compared with those for 1910, and this is accounted for by the diminution in the number of farmers and graziers assessed. This decrease in the number of farmers and graziers is due to the fact that

land-owners are now exempt from income tax on all income from live stock, wool, meat, milk, dairy produce, fruit, grain, fodder, and other crops arising or accruing to them from any land the unimproved value of which does not exceed £5,000. There was a reduction in the rate of tax on incomes similarly earned by land-owners from land with unimproved values ranging from £5,000 to £9,000, yet the amount of the total tax payable for 1911 exceeds that for 1910 by £67,872, the most conspicuous of the classes in extent of increase being the commercial, and the most prominent of the occupations, merchants and graziers.

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

INCOME TAX ASSESSMENTS, 1911—BASED ON INCOMES OF 1910.

Taxable Income.	Rate of Tax in £ on Incomes derived from		Number of Assessments.		Taxable Income from		Tax Payable on	
	Personal Exertion.	Property.	Personal Exertion.	Property.	Personal Exertion.	Property.	Personal Exertion.	Property.
Up to £500 ...	3	6	24,831	7,105	3,773,752	941,553	48,518	23,562
£501 to £1,000	4	8	4,638	1,141	3,170,863	786,638	44,626	21,540
£1,001 to £1,500	5	10	1,149	252	1,324,998	307,049	22,461	9,542
Over £1,500 ...	6	12	1,507	338	7,297,992	1,385,230	183,391	54,611
Total ...	...	...	32,125	8,836	15,567,605	3,420,470	293,996	109,255

It is here shown that the taxable income from personal exertion amounts to £15,567,605, and that from property to £3,420,470, after allowing for exemptions of £3,930,300. The total net incomes of those assessed in 1911 on incomes of the previous year amounted to £22,918,375, or an average of £630 for each taxpayer. The averages of the assessed incomes of the four previous years were:—1907, £576; 1908, £597; 1909, £563; and 1910, £580.

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, 1911.

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	6,591	18·12	18·71	30,542	7,329	37,871	9·28	5 14 10
2. Domestic ...	1,803	4·96	2·70	8,618	1,351	9,969	2·44	5 10 7
3. Commercial	11,329	31·14	14·33	75,930	11,217	87,147	21·35	7 13 10
4. Transport...	1,627	4·47	5·16	4,622	522	5,144	1·26	3 3 2
5. Industrial...	5,450	14·98	3·73	30,237	3,897	34,134	8·36	6 5 3
6. Primary producers ...	3,649	10·03	2·21	27,554	15,658	43,212	10·58	11 16 10
7. Indefinite...	4,756	13·08	47·25	4,454	55,868	60,322	14·78	12 13 8
8. Companies	1,172	3·22	...	117,039	13,413	130,452	31·95	111 6 1
Total ...	36,377	100·00	...	298,996	109,255	408,251	100·00	11 4 5

An examination of this table reveals the relative wealth of the various classes. Thus the commercial class, which forms 31 per cent. of the taxpayers, has the proportion of only 15 per cent. of the total bread-winners in the population, whilst primary producers, amongst whom are included those following agricultural, pastoral, and mining pursuits, make up 10 per cent. of the taxpayers, but 31 per cent. of the bread-winners; the next great class—the industrial—contributes 15 per cent. to the taxpayers, and forms 27 per cent. of the bread-winners; whilst the professional class, contributing 18 per cent. to the taxpayers, forms only 7 per cent. of the bread-winners. Of the definite classes, that contributing the highest percentage of taxpayers in proportion to its number in the population is the professional, with nearly 19 per cent.; the commercial comes next, with 14½ per cent.; then transport, with over 5 per cent.; and lastly primary producers, with 2 1-5th per cent. Of the amount paid as tax, companies yielded 32 per cent. of the total; whilst the indefinite class, forming 13 per cent. of the taxpayers, yielded 14½ per cent. of the tax. The commercial class, forming 31 per cent. of the taxpayers, gave 21½ per cent. of the tax; primary producers, forming 10 per cent. of the taxpayers, gave 10½ per cent. of the tax; the industrial class, forming 15 per cent. of the taxpayers, gave 8½ per cent. of the tax; and the professional class, forming 18 per cent. of the taxpayers, gave 9¼ 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, 1911.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
1 Professional.								
Civil Servants	1,161	...	64	1,225	£ 3,840	£ 330	£ 4,170	£ s. d. 3 8 1
Clergymen ...	580	...	21	601	1,325	61	1,386	2 6 1
Legal Practitioners ...	531	4	156	691	6,092	2,456	8,548	12 7 5
Medical Practitioners ...	476	1	189	666	7,335	1,780	9,115	13 13 8
Police ...	293	...	8	301	418	26	444	1 9 5
Teachers ...	1,034	...	29	1,063	2,403	103	2,506	2 7 1
Various ...	1,801	11	232	2,044	9,129	2,573	11,702	5 14 6
	5,876	16	699	6,591	30,542	7,329	37,871	5 14 10
2. Domestic.								
Hotelkeepers...	1,288	3	231	1,522	7,623	1,153	8,776	5 15 3
Various ...	252	2	27	281	995	198	1,193	4 4 10
	1,540	5	258	1,803	8,618	1,351	9,969	5 10 7
3. Commercial.								
Agents ...	682	7	169	858	5,806	1,147	6,953	8 2 0
Brokers ...	185	...	41	226	3,450	373	3,823	16 18 4
Butchers ...	434	...	79	513	2,511	432	2,943	5 14 8
Clerks ...	2,980	5	235	3,220	11,556	1,369	12,925	4 0 3
Drapers ...	398	...	71	469	5,556	375	6,031	12 17 2
Grocers ...	293	1	45	339	1,257	250	1,507	4 8 10
Merchants ...	1,203	5	365	1,573	25,863	3,956	29,819	18 19 1
Salesmen ...	2,080	...	164	2,244	9,509	870	10,379	4 12 6
Storekeepers...	482	...	113	595	3,067	401	3,558	5 18 6
Various ...	1,064	28	200	1,292	7,255	1,984	9,239	7 3 0
	9,801	46	1,482	11,329	75,930	11,217	87,147	7 13 10
4. Transport.								
Carriers ...	260	...	42	302	1,110	102	1,212	4 0 3
Engaged in Postal Service	192	...	6	198	367	16	383	1 18 7
Engaged in Railways ...	836	...	12	848	1,265	15	1,280	1 10 2
Engaged in Shipping ...	166	1	30	197	1,281	389	1,670	8 9 6
Foreign Shippers	82	...	...	82	599	...	599	7 6 1
	1,536	1	90	1,627	4,622	522	5,144	3 3 2

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS,
1911—continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
5. Industrial.					£	£	£	£ s. d.
Carpenters ...	470	6	111	587	3,208	491	3,699	6 6 0
Engine-drivers ...	5	...	...	5	6	...	6	1 3 1
Engineers ...	445	1	29	475	1,756	87	1,843	3 17 6
Managers ...	217	1	21	239	741	80	821	3 8 8
Manufacturers ...	668	4	234	906	11,950	1,322	13,272	14 13 0
Printers ...	550	...	30	580	2,828	938	3,766	6 9 10
Various ...	2,389	5	264	2,658	9,748	979	10,727	4 0 8
	4,744	17	689	5,450	30,237	3,897	34,134	6 5 3
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers ...	166	8	26	200	650	68	718	3 11 9
Farmers ...	1,155	178	494	1,827	8,967	3,081	12,048	6 11 10
Graziers ...	392	114	411	917	15,014	11,640	26,654	29 1 3
Various ...	249	25	50	324	1,164	622	1,786	5 10 3
	1,962	325	981	3,268	25,795	15,411	41,206	12 12 2
Engaged in Mining—								
Legal Managers ...	34	...	2	36	411	4	415	11 10 8
Miners ...	45	1	4	50	247	9	256	5 2 2
Mining Managers ...	128	...	9	137	344	35	379	2 15 3
Various ...	139	2	17	158	757	199	956	6 1 0
	346	3	32	381	1,759	247	2,006	5 5 3
	2,308	328	1,013	3,649	27,554	15,658	43,212	11 16 10
7. Indefinite.	637	3,766	353	4,756	4,454	55,838	60,322	12 13 8
8. Companies.								
Life Assurance ...	...	22	...	22	...	12,277	12,277	558 0 11
Mining ...	79	...	...	79	8,132	...	8,132	102 18 9
Other ...	1,020	51	...	1,071	108,907	1,136	110,043	102 14 11
	1,099	73	...	1,172	117,039	13,413	130,452	111 6 1
Total ...	27,541	4,252	4,584	36,377	298,996	109,255	408,251	11 4 5

Of the total taxpayers, 75.7 per cent. gained their incomes from personal exertion, 11.7 per cent. from property, and 12.6 per cent. from personal exertion combined with property, the proportion of taxpayers of definite occupations deriving incomes from personal exertion

ranging from 60 per cent. of primary producers engaged in agriculture to 94.4 per cent. of those engaged in transport; personal exertion combined with property was the source of income in a proportion ranging from 5.5 per cent. of those engaged in transport to 30 per cent. of primary producers engaged in agriculture. The indefinite class, comprising persons of independent means and of no occupation, and pensioners, has 13.4 per cent. gaining incomes from personal exertion, 79.2 per cent. from property, and 7.4 per cent. from personal exertion combined with property. Of companies 93.8 per cent. obtained their incomes from personal exertion, and 6.2 per cent. from property. Seventy-five and a quarter per cent. of the total tax was yielded by incomes obtained from personal exertion, the percentage being as low as 7.4 for indefinite occupations, and for the other classes ranging from 62.6 for primary producers engaged in agriculture to 89.7 in the case of companies, and 89.8 in the case of those engaged in transport.

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

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1911.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£501 and £1,000.	£1,001 and over.		£51 and £500.	£501 and £1,000.	£1,001 and over.	
1. Professional.								
Civil Servants ...	1,068	132	25	1,225	£ 1,994	£ 1,262	£ 914	£ 4,170
Clergymen ...	563	34	4	601	904	309	182	1,386
Legal Practitioners ...	388	175	128	691	873	1,812	5,863	8,548
Medical Practitioners	260	265	141	666	672	2,734	5,709	9,115
Police ...	294	6	1	301	3,9	49	16	444
Teachers ...	985	62	16	1,063	1,506	544	450	2,506
Various ...	1,573	360	111	2,044	3,138	3,556	5,000	11,702
	5,131	1,034	426	6,591	9,466	10,257	18,148	37,871
2. Domestic.								
Hotelkeepers ...	1,050	372	100	1,522	2,206	3,605	2,965	8,776
Various ...	230	39	12	281	415	392	386	1,193
	1,280	411	112	1,803	2,621	3,997	3,351	9,969
3. Commercial.								
Agents ...	586	180	92	858	1,236	1,780	3,937	6,953
Brokers ...	116	61	49	226	265	60	2,958	3,823
Butchers ...	386	101	26	513	807	908	1,228	2,943
Clerks ...	2,730	340	150	3,220	4,755	3,349	4,821	2,925
Drapers ...	320	82	67	469	625	806	4,599	6,031
Grocers ...	274	50	15	3,9	498	474	535	1,507
Merchants ...	848	350	375	1,573	1,652	3,526	24,641	29,819
Salesmen ...	1,897	244	103	2,244	3,321	2,396	4,662	10,379
Storekeepers ...	425	129	41	595	921	1,302	1,303	3,528
Various ...	952	235	105	1,292	1,899	2,370	4,970	9,239
	8,534	1,772	1,023	11,329	15,982	17,511	53,654	87,147

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS,
1911—continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£501 and £1,000.	£1,001 and over.		£51 and £500.	£501 and £1,000.	£1,001 and over.	
4. Transport.					£	£	£	£
Carriers	241	46	15	302	431	437	344	1,212
Engaged in Postal Service	187	11	...	198	287	96	...	383
Engaged in Railways	825	20	3	848	1,041	168	71	1,280
Engaged in Shipping	127	50	20	197	218	519	933	1,670
Foreign Shippers ...	70	8	4	82	324	126	149	599
	1,450	135	42	1,627	2,301	1,346	1,497	5,144
5. Industrial.								
Carpenters	438	97	52	587	875	964	1,860	3,699
Engine-drivers	5	...	...	5	6	...	...	6
Engineers	411	40	24	475	699	373	771	1,843
Managers	198	33	8	239	339	297	185	821
Manufacturers	507	209	190	906	1,110	2,136	10,026	13,272
Printers	503	42	35	580	792	406	2,568	3,766
Various	2,278	271	109	2,658	3,819	2,642	4,266	10,727
	4,340	692	418	5,450	7,640	6,818	19,676	34,134
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers	170	21	9	200	319	182	217	718
Farmers	1,163	466	198	1,827	2,739	4,336	4,973	12,048
Graziers	405	225	287	917	1,153	2,614	22,887	26,654
Various	245	61	18	324	531	650	605	1,786
	1,983	773	512	3,268	4,742	7,782	28,682	41,206
Engaged in Mining—								
Legal Managers	27	5	4	36	62	49	304	415
Miners	39	7	4	50	59	61	136	256
Mining Managers	125	11	1	137	211	105	63	379
Various	123	21	14	158	230	216	510	956
	314	44	23	381	562	431	1,013	2,006
	2,297	817	535	3,649	5,304	8,213	29,695	43,212
7. Indefinite.	3,434	896	426	4,756	12,497	15,744	32,081	60,322
8. Companies.								
Life Assurance	6	3	13	22	56	75	12,146	12,277
Mining	18	8	53	79	140	179	7,813	8,132
Other	491	159	421	1,071	2,341	3,344	104,357	110,043
	515	170	487	1,172	2,538	3,598	124,316	130,452
Total	26,981	5,927	3,469	36,377	58,319	67,481	282,418	468,251

Of the number of taxable incomes assessed, 74.2 per cent. were under £500, 16.3 per cent. between £501 and £1,000, and 9.5 per cent. over £1,000; but the tax levied on these incomes formed 14.3, 16.5, and 69.2 per cent. respectively of the total. Of the definite occupations, that contributing the largest amount of tax was the commercial class, in which 1,573 merchants were responsible for £29,819, of which £24,641 came from 375 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 85 per cent. of their number had taxable incomes under £500, their tax amounted to only three-sevenths of that of the merchants, although there was more than twice the number of them. Next to that from the commercial class the largest amount of tax came from the primary producers, the principal of whom were graziers and farmers. The graziers' contribution amounted to £26,654 from 917 persons, of whom 287 had incomes exceeding £1,000 each during 1910, and were taxed to the extent of £22,887.

LAND TAX.

Land tax.

The State Land Tax Act of 1910 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might be expected to require, and assuming that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act at a rate declared for each year by Act of Parliament. The rate of tax for 1911 was one halfpenny on every pound sterling of the unimproved value of all land having an unimproved value exceeding £250, and the same rate is payable for 1912. No tax is chargeable when the unimproved value does not exceed £250. Where the assessed unimproved value exceeds the amount of exemption (£250) the exemption diminishes at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds, £500. The new land tax is a complete departure from the principles of the former land tax, under which only the lands of estates over 640 acres in extent were taxed, and such lands were valued on a purely pastoral basis, according to their sheep-carrying capacity, irrespective of whatever value might have attached to them for dairying or agricultural purposes.

The net revenue from the State land tax received at the Treasury during the year ended 30th June, 1911, was £210,640, but no particulars regarding assessments were available at the date on which this section of the *Year-Book* was sent to press.

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

FEDERAL LAND TAX.

The Federal Land Tax is a graduated progressive tax levied on the unimproved values of all lands within the Commonwealth save those which are exempt from taxation under the Act. The Act provides that the tax shall be levied in and for the financial year beginning on the 1st day of July, 1910, and each financial year thereafter. The tax when the owner is not an absentee, after allowing for an exemption of £5,000, is 1d. on the first £1 sterling of taxable value, and increases at a uniform rate, so that the tax is equal to an average rate of 1½d. in the £1 on an estate having a taxable value of £15,001, 2d. in the £1 on an estate having a taxable value of £30,001, 2½d. in the £1 on an estate having a taxable value of £45,001, 3d. in the £1 on an estate having a taxable value of £60,001, and 3½d. in the £1 on an estate having a taxable value of £75,001. For every £1 sterling of taxable value in excess of £75,000 the rate of tax is 6d. in the £1.

Commonwealth Land Tax Act 1910.

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

The following particulars of land tax assessment for Victoria for the financial year 1910-11 have been furnished by the Federal Commissioner of Land Tax. The estates assessed numbered 4,990, of which 4,218 belonged to resident, and 772 to absentee taxpayers. The unimproved value of these estates as returned by the taxpayers was £58,388,930, and as ascertained by the Department, £50,539,109. The exemption of £5,000 allowed to resident taxpayers and other statutory deductions amounted to £20,425,929, leaving a taxable balance of £30,113,180, on which the tax payable amounted to £361,427, the tax on town properties being £139,808, and that on country properties £221,619.

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 £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, 1906-7 TO 1910-11.

	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
	£	£	£	£	£
Gross Receipts ...	4,022,231	3,883,742	4,189,065	4,455,748	4,909,062
Working Expenses ...	2,259,814	2,347,254	2,418,514	2,721,405	3,001,492
Pensions, Gratuities, &c.	110,881	103,064	105,415	106,330	107,831
Net Receipts ...	1,651,536	1,433,424	1,665,136	1,628,013	1,799,739
Interest on Cost of Construction	1,483,284	1,483,807	1,430,093	1,472,916	1,516,764
Deficit (-) Surplus (+)	+168,252	-50,383	+235,043	+155,097	+282,975

Compared with the preceding year the gross receipts for 1910-11 have increased to the extent of £453,314, and working expenses, pensions, &c., to the extent of £281,588; whilst the surplus for 1910-11 after allowing for interest on cost of construction exceeds that for 1909-10 by £127,878.

RAILWAY ACCIDENT AND FIRE INSURANCE FUND.

The establishment of a permanent fund to be kept at the Treasury, and called the Railway Accident and Fire Insurance Fund, was effected by provisions in the *Railways Act 1907*. These provisions require the Railway Commissioners to pay into such fund the sum of 10s. for every £100 sterling of the revenue of the Victorian Railways until the fund amounts to £100,000, at which amount it is to be maintained. During the year ended 30th June, 1911, the receipts of the fund comprised £24,545 on account of the above provisions, and a special payment of £66,905, which is included in the ordinary railway working expenses of the year; whilst the payments made from the fund were £139,114 for compensation, damages, costs, &c., to persons other than employes injured; £7,021 as compensation on account of injuries to or death of employes; and £18,406 as compensation for goods or parcels lost, and for damages caused by fire.

AMOUNTS PAID IN DAMAGES, CLAIMS, ETC., AND PERSONS KILLED OR INJURED ON VICTORIAN RAILWAYS: 1901-2 TO 1910-II.

Year ended 30th June.	Amount Paid on Account of Compensation, Damages, Claims, Costs, &c.	Passengers.				Employés whilst in the execution of their duty.				Employés proceeding to or from duty; Persons at Crossings; Trespassers, and Others.		Total.	
		Due to Causes beyond their own Control.		Due wholly or partly to their own Action or Negligence.		Due to Causes beyond their own Control.		Due wholly or partly to their own Action or Negligence.		Killed.	Injured.	Killed.	Injured.
		Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.				
	£												
1902*	22,076	...	194	2	163	...	19	6	230	26	28	34	634
1903	8,593	...	11	1	133	...	21	9	261	27	28	37	454
1904	2,269	...	34	2	190	...	43	5	245	20	29	27	541
1905	2,544	...	8	4	165	...	35	5	214	16	24	25	446
1906†	24,060	...	162	5	139	...	43	8	262	35	24	48	630
1907	7,810	...	14	6	165	...	32	8	252	32	35	46	498
1908‡	9,509	45	434	2	203	...	29	6	263	26	41	79	970
1909	128,154‡	...	9	5	155	...	12	10	232	30	43	45	451
1910	8,528	...	11	2	101	...	7	6	205	13	29	21	353
1911||	146,135	10	526	8	99	...	31	5	148	26	25	49	829
Yearly Average	35,968	5.5	140.3	3.7	151.3	...	27.2	6.8	231.2	25.1	30.6	41.1	580.6

* Including Jolimont Accident.

† Including Belgrave Accident.

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

|| Including Richmond Accident.

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

With regard to payments referred to in the table, it must be pointed out that for the seven years ended 30th June, 1908, they only cover cases of passengers where the accidents causing death or injury were "due to causes beyond their own control"; but that for the remaining three years they include compensation paid on account of injuries sustained by employes whilst on duty, such payments being £2,685 in 1908-9, £4,669 in 1909-10, and £7,021 in 1910-11.

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

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

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

STATE EXPENDITURE.

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

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE: 1906-7 TO 1910-11.

Heads of Expenditure.	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
<i>General Government.</i>	£	£	£	£	£
Governor ...	6,822	7,055	9,644	10,372	9,158
Parliament and Ministry	80,270	73,611	77,470	83,354	79,944
Civil Establishment ...	190,640	205,610	219,539	215,413	234,787
Pensions and Gratuities	347,534	325,283	345,346	345,489	349,777

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE:
1906-7 TO 1910-11—continued.

Heads of Expenditure	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
<i>Law, Order, and Protection.</i>	£	£	£	£	£
Judicial and Legal ...	154,815	157,219	155,051	160,507	181,497
Police ...	283,226	291,464	292,161	304,294	320,663
Penal Establishments and Gaols ...	51,598	51,299	50,733	52,008	50,397
<i>Education, &c.</i>					
State Schools, &c. ...	628,996	689,142	799,391	835,504	876,204
Technical Schools ...	21,044	26,839	24,827	29,463	37,693
University ...	21,000	28,408	29,582	33,484	38,357
Libraries, &c. ...	26,964	32,679	35,749	56,314	55,794
Art and Science ...	9,734	13,558	10,531	9,124	9,828
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts ...	16,657	33,850	36,277	34,613	32,469
Public Health ...	22,628	23,232	29,504	29,738	37,799
Charitable Institutions, &c. ...	350,400	400,290	391,833	412,017	454,455
<i>Crown Lands, &c.</i>					
Crown Lands ...	82,209	93,954	104,205	138,357	127,220
Agriculture and Stock	142,125	135,702	125,914	153,453	171,258
Mining ...	59,721	57,290	79,524	144,075	247,882
<i>Public Works.</i>					
Railways ...	2,159,577	2,294,749	2,353,844	2,788,646	3,031,431
Water Supply ...	70,778	72,819	80,646	82,545	87,801
Harbors, Rivers, and Lights ...	60,623	67,990	70,331	79,240	90,343
Roads and Bridges ...	40,987	72,194	19,172	30,382	18,248
Municipal Endowment, &c. ...	76,711	105,056	157,289	159,792	132,845
Surplus Revenue appropriated to "Revenue Services"	198,252	...	146,823	...	...
Land Sales by Auction Fund ...	38,346	39,163	45,216	43,319	41,643
Works and Buildings, n.e.i. ...	83,572	87,073	85,359	71,072	110,255
Interest and Expenses of Public Debt ...	1,934,542	1,922,061	1,873,609	1,964,021	2,027,232
Interest on Advances from Savings Banks	76,268	63,154	48,221	32,771	24,373
Redemption Funds, &c.	179,681	170,657	170,716	190,827	191,864
<i>Other Expenditure.</i>					
Mint Subsidy ...	20,000	20,000	20,000	20,000	20,000
Fire Brigades ...	17,187	19,788	21,712	22,100	23,170
Old-age Pensions ...	187,795	233,573	270,827	4,364	1,305
Miscellaneous ...	38,441	47,434	59,131	43,622	78,375
Total ...	7,679,143	7,862,246	8,240,177	8,579,980	9,194,157
Per Head of Population ...	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	6 3 5	6 4 9	6 9 8	6 13 0	7 0 8

Compared with the previous year the ordinary expenditure of the State for 1910-11 shows an increase of £614,177. The heads of expenditure showing the largest increases are—Railways, £242,785; Mining, £103,807; Interest and Expenses of Public Debt, £63,211; Charitable Institutions, &c., £42,438; and State Schools—education and buildings—£40,700. The most important decrease is that in the item endowment and grants to municipalities, £26,947.

PENSIONS AND GRATUITIES.

Pensions and gratuities to Government servants.

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

During the year 1910-11, 3,136 pensions, amounting to £311,880, were paid to ex-public servants not including police, viz., 2,914 under special appropriations, amounting to £300,896; and 222 from annual votes, amounting to £10,984. Forty-one compensations and gratuities were also paid, the amount being £7,197; and £30,700 was paid as a subsidy to the Police Superannuation Fund. The following statement contains full particulars, showing the various Acts under which these payments have been made:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC., PAID: 1910-11.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
General Public Service—		£		£		£
Under Civil Service Act	444	79,936	17	1,071	646	105,699
„ Public Service Act	175	20,995				
„ Other Acts ...	10	3,697				
„ Discipline Act ...	18	1,516				
„ Lunacy Act ...	51	4,422	...	...	18	1,516
Education Department ...	997	91,853	23	1,154	1,020	93,007
Railways ...	1,216	94,727	173	8,493	1,389	103,220
Miscellaneous—						
Under Constitution Act	2	3,000	...	...	2	3,000
„ County Courts Act	1	750	...	...	1	750
Police ...	...	...	9	266	9	266
Total Pensions and Superannuation Allowances	2,914	300,896	222	10,984	3,136	311,880
Compensations and Gratuities	13	2,089	28	5,108	41	7,197
Subsidy to Police Superannuation Fund	...	2,000	...	28,700	...	30,700
Total Amount Paid ...	...	304,985	...	44,792	...	349,777

In 1910-11 the payments out of the Police Superannuation Fund were as follows:—335 pensions, amounting to £43,211, and 26 gratuities, amounting to £9,430. The Police Superannuation Fund is maintained by an annual subsidy of £2,000 from the consolidated revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by a deduction, not exceeding 2½ per cent., from the pay of the members of the force entitled to pensions; by transfers from the Licensing Fund under the provisions of Act No. 2068; and should the foregoing sources prove insufficient, by a further grant in aid from the consolidated revenue. The annual subsidy and the grant from the consolidated revenue amounted to £30,700 in 1910-11.

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

In the year 1910-11, 35 pensions amounting to £2,909, and £144 sick allowances, were paid out of the Port Phillip Pilot Sick and Superannuation Fund, towards which, however, the Government does not contribute, the fund being maintained by deductions from pilots' earnings and the annual income from investments belonging to the fund.

The expenditure by the State on account of old-age pensions amounted to £1,395 in 1910-11, which amount was paid under the Victorian Old-age Pensions Acts to pensioners who were not eligible for pensions under the Commonwealth Invalid and Old-age Pensions Act. This ineligibility was removed, except in four cases, by the invalid pensions section of the Commonwealth Act, which, by proclamation, came into force on 15th December, 1910. At 30th June, 1911, there were only two pensioners to whom pensions were being paid under the State Acts and who were not eligible for pensions under the Commonwealth Act. Full particulars regarding old-age and invalid pensions are given in part "Social Condition" of this work.

Pensions to members and relatives of members of the South African war contingents amounted to £756 in 1910-11.

EXPENDITURE ON PUBLIC INSTRUCTION.

During the year 1910-11 the State expended on public instruction generally the sum of £1,052,418. This amount excludes the interest payable on loan moneys expended on buildings, but includes the expenditure in connexion with pensions and gratuities, although these 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 1906-7 to 1910-11, according to the Report of the Education Department, is as follows:—

EXPENDITURE ON PUBLIC INSTRUCTION: 1906-7 TO 1910-11.

Expenditure on—	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
	£	£	£	£	£
<i>Instruction</i>	546,611	556,369	585,291	637,797	669,678
<i>Training of Teachers</i> —					
Training College	5,584	6,135	6,628	7,244	7,412
Continuation Schools... ..	5,322	8,573	11,421	15,775	22,037
Miscellaneous ... ..	...	...	322	1,293	2,836
<i>Administration</i>	39,471	40,109	41,217	42,258	44,114
<i>Buildings</i> —					
Expended by the Public Works Department from Annual Votes	59,411	96,427	136,455	100,349	99,072
Expended by Boards of Advice... ..	3,795	4,311	3,999	4,490	3,840
Rents	3,556	3,901	4,345	3,955	3,995
Continuation and Agricultural High Schools	1,654	2,344	14,268	9,281	8,777
Minor Buildings, Repairs, &c. ... ..	...	...	3,865	481	1,364
<i>Miscellaneous Items</i> —					
Melbourne University*	21,000	28,408	29,582	33,484	38,357
Technical Schools	22,322	26,839	27,039	32,216	41,030
Agricultural High Schools (ex- cept Buildings)	406	1,290	1,974	3,562	5,386
Free Kindergarten Union ... ..	...	...	...	...	1,000
Pensions, Compensation, and Gratuities	87,642	90,278	90,954	92,548	93,894
Exhibitions and Scholarships... ..	5,468	5,451	5,471	6,011	6,848
Supervision of Housing of Teachers	473	391	381	231	...
Classification of State-school Teachers—Salary of Classi- fier, &c	200	200	198	197	200
Inspector of Registered Teachers and Schools ... ..	...	...	195	468	468
Awards and Costs, Refunds, &c.	802	618	11	...	110
Coronation Medals ... ..	...	...	...	...	2,000
Total	803,717	871,644	963,616	991,640	1,052,418

* Including buildings.

From the inception of the system of free instruction by the State on 1st January, 1873, up to 30th June, 1911, the expenditure on public instruction amounted to £27,703,846, of which £19,795,887 had been spent on primary instruction, £1,457,794 on administration, £268,677 on the training of teachers, £3,032,830 on miscellaneous items, principally pensions, technical schools, and the Melbourne University, and £3,148,658 on buildings, of which £1,159,811 was paid out of loan moneys and £1,988,847 out of consolidated revenue. For particulars of the progress of State instruction since its inception, see Part "Social Condition" of this work.

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

EXPENDITURE ON PRIMARY INSTRUCTION: 1906-7 TO 1910-11.

Items.	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
	£	£	£	£	£
<i>Instruction—</i>					
Salaries, &c., of Teachers ...	500,034	507,019	535,703	582,560	618,551
Instruction in Drawing, &c. ...	337	486	...	...	...
Travelling Expenses of Teachers	1,907	2,936	2,780	3,254	3,140
Conveyance of Children to School	2,498	2,974	3,031	3,000	3,000
Printing, Stores, Cadets, Cookery, and Manual Training Expenses	8,983	9,639	10,441	15,130	12,396
Maintenance of Schools—Clean- ing, Stationery, Fuel, &c.	32,520	32,889	32,916	33,184	32,082
Night Schools—Salaries, &c. ...	332	426	420	669	509
Total Instruction ...	546,611	556,369	585,291	637,797	669,678
<i>Training of Teachers—</i>					
Training College—					
Salaries ...	1,458	1,643	2,084	2,222	2,299
Maintenance ...	120	120	120	120	120
Stores, Stationery, &c. ...	383	356	381	665	577
Students' Board and Allow- ances	3,623	4,016	4,043	4,237	4,416
University Practising School	...	...	...	656	1,807
Allowances to Trainees ...	...	...	...	303	279

Expenditure
on primary
instruction.

EXPENDITURE ON PRIMARY INSTRUCTION: 1906-7 TO 1910-11—
continued.

Items.	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
	£	£	£	£	£
<i>Training of Teachers—continued.</i>					
<i>Continuation Schools—</i>					
Salaries	4,786	7,118	10,125	13,682	18,084
Maintenance	178	325	362	467	653
Stores, Stationery, &c. .. .	235	765	671	996	1,152
Cookery and Manual Training Expenses	123	365	263	287	374
Allowance to Manual Arts' Students	...	...	...	343	1,774
Instruction in Drawing .. .	...	...	322	334	750
Total Training	10,906	14,708	18,371	24,312	32,285
<i>Administration—</i>					
Salaries, &c., of Office and Inspectorial Staffs	30,509	31,792	32,381	33,331	34,877
Salaries, &c., of Truant Officers	4,314	4,146	3,915	3,869	3,832
Stores and Incidental Expenses	1,859	1,729	2,058	1,930	2,304
Postage and Telegrams .. .	2,747	2,435	2,496	3,097	3,100
Boards of Advice Elections .. .	42	7	367	31	1
Total Administration	39,471	40,109	41,217	42,258	44,114
<i>Buildings—</i>					
Expended by Public Works Department	59,411	96,427	136,455	100,349	99,072
Expended by Boards of Advice	3,795	4,311	3,999	4,490	3,840
Rents	3,556	3,901	4,345	3,955	3,995
Continuation and Agricultural High Schools	1,654	2,344	14,268	9,281	8,777
Miscellaneous .. .. .	...	...	3,865	481	1,364
Total Buildings	68,416	106,983	162,932	118,556	117,048
<i>Miscellaneous—</i>					
Pensions, Compensation, and Gratuities	87,642	90,278	90,954	92,548	93,894
Supervision of Housing of Teachers	473	391	381	231	...
Classification of Teachers .. .	200	200	198	197	200
Awards, &c.	802	618	11	...	110
Coronation Medals .. .. .	...	...	...	...	2,000
Total Expenditure	754,521	809,656	899,355	915,899	959,329

Of the increase in expenditure on public instruction in 1910-11, as compared with the preceding year (£60,778), primary instruction is responsible for £43,430, the most notable variations occurring in the items teachers' salaries and training of teachers, which show increases of £35,991 and £7,973 respectively.

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

**COST OF PRIMARY INSTRUCTION IN VICTORIA:
1900-1 TO 1910-11.**

Year.	Cost to the State.		Scholars in Average Attendance.	Cost per Head of Scholars in Average Attendance.	
	Including Buildings.	Excluding Buildings.		Including Buildings.	Excluding Buildings.
	£	£		£ s. d.	£ s. d.
1900-01 ...	699,418	663,378	147,818	4 14 8	4 9 9
1901-2 ...	767,352	685,406	150,939	5 1 8	4 10 10
1902-3 ...	713,445	674,076	150,268	4 14 11	4 9 8
1903-4 ...	696,627	677,125	145,500	4 15 8	4 13 1
1904-5 ...	702,632	670,591	143,362	4 18 0	4 13 7
1905-6 ...	710,550	671,367	142,216	4 19 11	4 14 5
1906-7 ...	754,521	686,105	147,270	5 2 6	4 13 2
1907-8 ...	809,656	702,673	143,551	5 12 10	4 17 11
1908-9 ...	899,355	736,423	146,106	6 3 1	5 0 10
1909-10 ...	915,899	797,343	145,968	6 5 6	5 9 3
1910-11 ...	959,329	842,281	146,464	6 11 0	5 15 0

This table reveals the steady upward tendency in the cost of instruction per head of scholars, the columns in which buildings are excluded being the better for comparative purposes, as the expenditure on buildings has been very heavy in recent years, averaging 14s. 11d. per head of scholars in 1907-8, 22s. 3d. in 1908-9, 16s. 3d. in 1909-10, and 16s. in 1910-11; whereas in 1903-4 it averaged only 2s. 7d. per head of scholars.

TRUST FUNDS.

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

TRUST FUNDS: 1907 TO 1911.

Accounts.	Credit Balance on 30th June.				
	1907.	1908.	1909.	1910.	1911.
	£	£	£	£	£
Deposits in Savings Banks	2,050,059	1,340,559	963,052	845,040	740,040
Deposits in Savings Banks Security Account	2,287,707	1,847,032	2,269,532	3,376,962	3,309,962

TRUST FUNDS: 1907 TO 1911—continued.

Accounts.	Credit Balance on 30th June.				
	1907.	1908.	1909.	1910.	1911.
	£	£	£	£	£
Victorian Loans Redemption Fund	216,397	236,294	236,072	279,748	289,418
Victorian Government Consolidated Inscribed Stock Redemption Fund	275,776	364,174	450,338	541,548	634,459
Railway Stores Suspense Account	279,666	144,307	119,503	146,815	153,746
Railway Accident and Fire Insurance Fund	49,602	45,109	65	79,452	6,141
Railway Rolling-stock Replacement Fund	37,378	38,323	13,467	126,579	132,968
Licensing Act 1906 Compensation Fund	48,244	58,500	42,894	45,129	40,386
Metropolitan Fire Brigades Board	44,945	48,823	53,043	55,227	55,740
Port Phillip Pilot Sick and Superannuation Fund	55,746	56,905	58,119	58,212	58,155
Unused Roads and Water Frontages Fund	24,633	31,369	45,075	49,564	55,155
Municipal Sinking Funds	647,950	663,431	666,492	680,408	711,950
Assurance Fund (Land Titles)	222,440	231,530	240,918	250,275	183,046
Intestate Estates ...	97,774	91,751	93,098	80,895	73,952
Lunatic Patients' Estates	35,779	42,883	41,406	41,859	41,684
Trustee and Assurance Companies	104,950	109,950	114,950	119,950	126,390
Closer Settlement Fund	12,469	17,192	34,475	19,408	79,638
Geelong Harbor Trust	7,925	...	...	...	37,000
Other Funds ...	515,484	454,161	459,120	479,107	625,718
Total ...	7,014,924	5,822,293	5,901,619	7,276,178	7,355,548
How Invested:—					
In State Debentures and Stock	2,531,656	,640,747	2,454,562	2,466,520	2,599,128
In Bank Deposit Receipts, Cash, and Advances to Revenue, &c.	4,483,268	3,181,546	3,447,057	4,809,658	4,756,420

The accumulated revenue deficiency on 30th June, 1911, £304,629, and the debit balance of £14,988 in the Land Sales by Auction Fund, have been met from the last item in the above return.

In 1898 an Act, entitled "Municipalities' Loans Extension Act," was passed to relieve any municipality, which desired relief, from further contributions to its loan sinking fund. The amount already to the credit of the sinking fund of any municipality which takes advantage of the Act is allowed to accumulate with interest, and at the maturity of the loan the Government will, by the sale of inscribed stock, pay the difference between the amount at credit of the fund and the amount of the loan to be redeemed, the municipality repaying to the Government, in half-yearly instalments, the amount so paid. The amount of stock inscribed under the Municipalities' Loans Extension Act, which was not sold on 30th June, 1911, was £1,069,646. The amount of money to the credit of the municipal sinking funds has not materially altered during recent years; on 30th June, 1911, it was £711,950.

COMMONWEALTH REVENUE AND EXPENDITURE.

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

Commonwealth
finance.

COMMONWEALTH REVENUE AND EXPENDITURE IN THE STATE OF VICTORIA: 1906-7 TO 1910-11.

Heads of Revenue and Expenditure.	1906-7.	1907-8.	1908-9.	1909-10.	1910-11. (Estimated.)
REVENUE.					
Customs Duties ...	£ 2,129,548	£ 2,507,704	£ 2,204,638	£ 2,366,701	£ 3,191,787
Excise Duties ...	589,883	704,434	657,330	682,310	831,976
Post, Telegraph, &c. ...	797,973	834,367	856,632	937,820	977,032
Land Tax ...	...	...	...	...	250,742
Miscellaneous ...	20,198	17,231	31,561	67,930	113,463
Total ...	3,537,602	4,063,736	3,750,161	4,054,761	5,365,000
EXPENDITURE.					
Trade and Customs ...	64,485	69,939	75,127	70,582	72,030
Postmaster-General ...	724,728	840,653	904,578	965,484	1,073,993
Defence ...	318,865	406,548	325,764	457,526	} 2,441,405
New Expenditure ...	228,511	368,783	455,784	581,094	
Miscellaneous ...	...	105	1,473	5,162	
Paid over to the State ...	2,192,340	2,449,243	1,929,542	1,922,278	1,617,572
Total ...	3,528,929	4,135,271	3,692,268	4,002,126	5,205,000

As the Federal Treasurer has abandoned the practice of recording the Commonwealth revenue and expenditure according to the State in which it was earned or incurred, it has been necessary to estimate the Commonwealth revenue and expenditure in Victoria for 1910-11. The figures relating to Customs and Excise duties are by comparison with earlier years somewhat high, as they represent for the first time the total amounts collected within the State, less drawbacks and refunds, whereas in the earlier years the duties collected on goods which were subsequently transferred to another State were debited to the exporting and credited to the importing State.

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

Common-
wealth and
State
finance.

The total Government revenue and expenditure within the State of Victoria is shown by combining State and Commonwealth receipts and expenditure. The figures relating to the principal items are given in the following table, those for 1910-11 being subject to the qualification mentioned in the preceding paragraph.

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE
COMBINED: 1906-7 TO 1910-11.

Heads of Revenue and Expenditure.	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
REVENUE.					
	£	£	£	£	£
Customs and Excise ...	2,719,431	3,212,138	2,861,968	3,049,011	4,023,763
Post, Telegraph, &c. ...	797,973	844,367	856,632	937,820	977,032
Railways ...	4,010,546	3,873,855	4,189,501	4,450,782	4,887,560
State Taxation ...	1,200,529	1,068,763	1,167,444	1,185,734	1,456,800
Other sources ...	962,317	939,850	992,758	1,107,128	1,666,776
Total Revenue ...	9,690,796	9,928,973	10,068,303	10,730,475	12,951,931
EXPENDITURE.					
Customs and Excise ...	64,485	69,939	75,127	70,582	72,030
Post, Telegraph, &c. ...	724,728	840,653	904,578	965,484	1,073,993
Railways ...	2,159,577	2,294,749	2,353,844	2,788,646	3,031,431
Public Instruction* ...	671,040	744,389	853,800	898,451	952,254
Public Debt—					
Interest and Expenses	1,934,542	1,922,061	1,873,609	1,964,021	2,027,232
Redemption ...	179,681	170,657	170,716	190,527	191,864
Other Expenditure ...	3,281,679	3,505,826	3,771,229	3,782,117	5,432,781
Total Expenditure	9,015,732	9,548,274	10,002,903	10,659,828	12,781,585

* Primary and Technical Schools, and University.

In 1900-1901, when the State Tariff was in force, the Customs and Excise revenue was £2,558,290, and under the Commonwealth Tariff this was not exceeded until 1906-7, when an increase of £161,141 was shown. The revenue from this source in 1900-1901 was exceeded by £653,848 in 1907-8, by £303,678 in 1908-9, and by £490,721 in 1909-10.* The figures for 1910-11 are somewhat overstated for reasons mentioned in the preceding page. These show when compared with 1900-1 an increase of £1,465,473, but it is probable that the real increase is somewhat less—say, about £1,000,000.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

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

Commonwealth, State, and local finance.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE:
1907 TO 1911.

	Financial Year ended in—				
	1907.	1908.	1909.	1910.	1911.
<i>Revenue.</i>					
Government—					
Federal ..	£ 3,537,602	£ 4,063,736	£ 3,750,161	£ 4,054,761	£ 5,365,000
State ..	6,081,617	5,797,099	6,252,932	6,610,842	7,522,061
Municipal ..	1,387,127	1,452,621	1,496,215	1,582,291	1,661,287
Harbor Trusts ..	227,750	237,294	231,038	320,713	327,707
Melbourne and Metropolitan Board of Works ..	499,074	512,106	522,183	543,768	565,287
Fire Brigades Boards ..	21,763	27,049	26,331	28,251	29,687
Total ..	11,754,933	12,089,905	12,278,860	13,140,626	15,471,029
<i>Ordinary Expenditure.</i>					
Government—					
Federal ..	3,528,929	4,135,271	3,692,268	4,002,126	5,205,000
State ..	5,415,226	5,344,865	6,245,425	6,592,830	7,511,715
Municipal ..	1,417,169	1,505,188	1,503,159	1,598,293	1,713,325
Harbor Trusts* ..	231,432	238,048	290,264	263,518	312,099
Melbourne and Metropolitan Board of Works ..	499,079	506,583	499,903	508,861	525,164
Fire Brigades Boards ..	23,340	26,234	26,941	26,378	30,762
Total ..	11,115,175	11,756,189	12,257,960	12,992,006	15,298,065
<i>Loan Expenditure.</i>					
Government (State)	595,658	783,538	1,098,360	1,209,505	2,657,271
Municipal ..	141,587	157,255	153,985	155,607	190,574
Melbourne and Metropolitan Board of Works ..	531,655	368,066	593,930	387,877	413,404
Fire Brigades Boards ..	2,623	244	3,203	155	72
Total ..	1,271,523	1,309,103	1,849,478	1,753,144	3,261,321
Expenditure—Grand Total ..	12,386,698	13,065,292	14,107,438	14,745,150	18,559,386

* Including expenditure from loans.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE,
1907 TO 1911—*continued.*

	Financial Year ended in—				
	1907.	1908.	1909.	1910.	1911.
Per Head of Population—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Revenue ..	9 9 0	9 11 11	9 13 3	10 3 8	11 16 8
Ordinary Expenditure ..	8 18 8	9 6 7	9 12 11	10 1 4	11 14 0
Loan Expenditure	1 0 5	1 0 9	1 9 1	1 7 2	2 9 11

The total revenues of the Federal and State Governments, the municipalities, and other corporations, amounted to nearly fifteen and a half millions sterling in the financial year 1911, exceeding the revenues of the previous year by £2,330,403, or 18 per cent. The ordinary expenditure in 1911 exceeded that of 1910 by £2,306,059, or 18 per cent., whilst the expenditure of loan moneys in 1911 exceeded that in 1910 by £1,508,177, or 86 per cent. The increase in the revenue represents £1 13s., that in the ordinary expenditure £1 12s. 8d., and that in the expenditure of loan moneys £1 2s. 9d. *per capita.*

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, 1911, 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, 1911.	
	£	s. d.
Cash received	97,063,027	19 3
Discount and expenses after deducting pre- miums received	1,915,509	17 11
Securities issued	98,978,537	17 2
Securities redeemed	41,745,774	0 0
Loans outstanding	57,232,763	17 2*

* There are, in addition to this amount, the overdue debentures for £1,000 and an advance of £749,999 19s. 9d. by the South Australian Government, which are referred to further on.

It will be seen that upon the transactions to date for cash, amounting to £97,063,028, securities representing £98,978,538 were issued, which is equivalent to the State receiving £98 1s. 4d. 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 £70,418,376 after conversion operations. The amount paid off by means of new loans was £31,045,307, and by means of payment

derived from revenue, &c., £1,587,198; while £368,743 was transferred to the Melbourne register, leaving a balance due in London on 30th June, 1911, of £37,417,128, consisting of debentures amounting to £243,300, and inscribed stock £37,173,828. The following statement gives particulars respecting the various loans which have been raised in London since 1859, together with the average prices obtained after deducting flotation expenses as well as accrued interest, and the rates of interest to which such prices are equivalent:—

LOANS FLOATED IN LONDON, 1859 TO 1911.

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 (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	"	28	1,837,506	6	104 17 10 ¹ / ₂	103 14 10 ¹ / ₂	5 14 1
"	1884	"	812,500				
1861	1885	24	1,000,000	6	103 1 6 ¹ / ₄	101 18 6 ¹ / ₄	5 17 0
1862	"	23	1,600,000	6	102 19 7	101 16 7	5 17 2
1866	1891	25	850,000	6	100 8 11 ³ / ₄	99 5 11 ³ / ₄	6 1 1
1869	1894	"	588,600	5	98 4 2 ¹ / ₂	97 1 2 ¹ / ₂	5 4 3
1870	"	24	1,518,400	5	100 17 6 ¹ / ₂	99 14 6 ¹ / ₂	5 0 8
1874	1899	25	1,509,000	4	90 2 7	88 19 7	4 15 5
1876	1901	"	{ 590,000	4	94 16 10 ³ / ₄	93 18 11 ³ / ₄	4 8 1
1878	1904	26	{ 2,500,000				
1878	"	26	457,000	4	..	..	..
1879	"	25	3,000,000	4 ¹ / ₂	97 17 5 ¹ / ₂	96 19 2 ¹ / ₂	4 14 0
1880	"	24	2,000,000	4 ¹ / ₂	103 3 8 ¹ / ₂	102 5 11	4 6 11
			Stock.				
1883	1907	"	4,000,000	4	98 16 8 ¹ / ₂	97 13 7 ¹ / ₂	4 3 0
"	1908	"	2,000,000	4	97 14 1 ¹ / ₂	96 10 11 ¹ / ₂	4 4 6
1884	1913	29	{ 2,636,600	4	98 5 7	97 2 8 ¹ / ₂	4 3 3
"	"	"	{ 1,363,400				
1885	1919	34	{ 3,180,620	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 / ₄	103 18 0 ³ / ₄	3 12 9
1889	1923	34	3,000,000	3 ¹ / ₂	102 14 10	101 11 11 ¹ / ₂	3 8 8
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	3,000,000	3 ¹ / ₂	91 13 7	90 10 8	4 1 5
1893	1911-26	17-32	2,107,000	4	94 7 5	93 4 8	4 11 7
1899	1929-49	30-50	1,600,000	3	94 7 1	93 4 2	3 7 3
1901	"	28-48	3,000,000	3	92 2 1	89 14 5	3 11 10
1902	"	27-47	1,000,000	3	95 16 6 ¹ / ₂	93 8 3 ³ / ₄	3 7 6
1903	"	26-46	3,148,176	3 ¹ / ₂	91 14 9 ¹ / ₄	89 8 0	4 3 8
1906	"	23-43	587,808				
1907	"	22-42	702,140	3 ¹ / ₂	100 0 0	98 19 1	3 11 5
1909	"	20-40	1,500,000	3 ¹ / ₂	97 3 11 ¹ / ₂	94 15 8 ¹ / ₂	3 17 7
1910	"	19-39	588,352	3 ¹ / ₂	99 2 6	97 10 0	3 13 8
			Treasury-bonds.				
1892	1893	1	1,000,000	4 ¹ / ₂	99 3 11	99 1 5	5 0 0
1898	1900	2	500,000	4 ¹ / ₂	100 0 0	100 0 0	3 15 0
1903	1906	3	2,254,800	4	99 10 8 ¹ / ₂	96 18 10	5 2 7
Total	..	..	69,852,276				
Paid off	..	..	32,066,405				
Transferred to Melbourne register	..	..	368,743				
Outstanding	..	..	37,417,128				

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

The nominal rate of interest has varied from 6 per cent. for earlier loans to 3 per cent. for those of later date, and the actual rate paid by the Government has varied from 6 per cent. in 1866 to $3\frac{3}{8}$ per cent. in 1899 and 1902. The first six loans raised were obtained at about $5\frac{3}{4}$ per cent., but money was secured in 1870 at 5 per cent. In 1883 it was obtained at about $4\frac{1}{8}$ per cent., in 1885 at $4\frac{1}{8}$, in 1888 at $3\frac{5}{8}$, and in 1889 at less than $3\frac{1}{2}$ per cent. In 1891 there was a reaction, when the money obtained cost $3\frac{3}{4}$ per cent., and the rate was further increased to over $4\frac{1}{2}$ in 1893, while 5 per cent. was paid on short-dated Treasury bonds obtained in 1892. Some later loans show a marked improvement, as in 1899 the actual rate of interest was less than $3\frac{3}{8}$ per cent., being the lowest rate realized on loans raised in London, while for loans floated in 1901 and 1907 the money was obtained at slightly over $3\frac{1}{2}$ per cent.; for one in 1902 the rate was $3\frac{3}{8}$ per cent., for one in 1909 it was $3\frac{7}{8}$ per cent., and in 1910 portion of a loan falling due was converted at $3\frac{3}{8}$ per cent. On the other hand, the interest on loans raised in 1903 was as high as $5\frac{1}{8}$ per cent. on short-dated Treasury bonds, and $4\frac{1}{8}$ per cent. on stock sold.

Loans
floated in
Melbourne.

Excluding Treasury bonds in aid of revenue and Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, of which £62,000 have since been paid off, the total amount of loans floated in Melbourne after conversion operations was £24,495,549. Of this amount £2,729,343 was redeemed by loans, and £2,369,313 by revenue, &c., leaving due a balance of £19,396,893 on 30th June, 1911, consisting of debentures, £8,516,882; inscribed stock, £4,346,151; and Treasury bonds, £6,533,860. In addition, inscribed stock for £368,743 has been transferred from London to the Melbourne register, so that of the debt outstanding the total amount payable in Melbourne is £19,765,636. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the last thirteen years the local debt has been increased by $16\frac{3}{4}$ 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, 1911:—

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1911.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1911.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Percent.		£	£	£	£
					<i>Debentures.</i>		
13 & 23	1854	6	1855-75	735,000	...	735,000	...
40	1855	6	1857-72	299,100	...	299,100	...
15	1856	6	1872-4	2,900	...	2,900	...
36	1857	6	1883-5-8	1,000,000	52,780	947,220	...
150	1862	6	1889	300,000	23,900	276,100	...
332	1868	5	1894	610,000	297,100	312,900	...
371	1870	5	...	100,000	100,000	...	...
1296	1893	4	1913-23	746,795	...	...	746,795
1440	1896	3	1912-22	63,000	...	...	63,000
1659	1900	3	1921-30	1,000,000	14,162	12,988	972,850
1753	1901	3	1923-32	475,200	3,948	89,052	382,200
1816	1903	3½	1907-8	93,869	...	93,869	...
1901	1904	3	1934-54	457,000	...	333,126	123,874
		3½	1926-42	336,300	...	20,300	316,000
		3¾	1925-40	60,000	...	...	60,000
		3½	1926-40	160,000	...	...	160,000
		3½	1927-32	72,100	...	...	72,100
1962	1904	3½	1928	77,000	...	...	77,000
		3½	1929	162,650	...	...	162,650
		3½	1930	182,000	...	...	182,000
		3½	1931	850,000	...	...	850,000
		3½	1931-46	15,400	...	...	15,400
		4	1936	300,000	...	...	300,000
1990	1905	3½	1926-41	285,880	...	...	285,880
			1926	100,000	...	...	100,000
			1927-42	500	...	...	500
			1927	52,000	...	...	52,000
			1926-41	9,000	...	...	9,000
2026	1906	3½	1927-42	380,000	...	...	380,000
			1928	400,000	...	...	400,000
			1930	500,000	...	...	500,000
			1931	61,648	...	...	61,648
2041	1906	3½	1928-43	3,600	...	...	3,600
			1929	16,000	...	...	16,000
			1930	100,000	...	...	100,000
2053	1906	3½	1928	75,500	...	...	75,500
			1929	40,000	...	...	40,000
2116	1907	3½	1928	345,000	...	...	345,000
			1929	154,000	...	...	154,000
			1910-20	250,000	...	25,000	225,000
2163	1909	3½	1919	130,650	...	...	130,650
			1929	4,850	...	...	4,850
			1929-44	400	...	...	400
2286	1911	3½	1921	448,985	...	...	448,985
			†	700,000	...	...	700,000

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1911—*continued.*

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1911.			
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.				
		Per cent.		£	£	£	£			
					<i>Inscribed Stock.</i>					
428	1872	4	1897	1,113,000	} 2,659,613	...	...	
439	1872	4	"	86,780						
741	1882	4	"	13,102						
963	1887	4	"	167,600						
1015	1889	4	"	130,000						
1341	1893	4	"	150,000						
1369	1895	4	"	249,131						
1468	1896	3	1917*	2,290,482						
1564	1898	3	"	500,000				} ...	411,254	2,926,189
1623	1899	3	"	500,000						
1552	1898	3	"	46,961						
1602	1898	3	"	211,135	...	24,947	186,188			
1749	1900	3	"	14,162	...	...	14,162	
1753	1901	3	"	3,948	...	...	3,948	
1962	1904	3½	"	326,406	...	...	326,406	
1990	1905	3½	"	113,735	...	...	113,735	
2026	1906	3½	"	280,135	...	...	280,135	
2041	1906	3½	"	29,714	...	...	29,714	
2053	1906	3½	"	46,026	...	...	46,026	
2116	1907	3½	"	1,000	...	...	1,000	
2161	1909	3	"	98,799	...	...	98,799	
2163	1909	3½	"	64,613	...	14,900	49,713			
2218	1910	3½	"	20,000	...	...	20,000	
2240	1910	3½	"	141,000	...	...	141,000	
2286	1911	3½	"	11,800	...	...	11,800	
2308	1911	4	1931†	97,336	...	...	97,336	
					<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	
			1921	252,000	...	...	252,000	
Overdue debentures ...				1,000	...	...	1,000	
Total, floated in Melbourne				27,648,052	3,151,503	5,098,656	19,397,893			
Transferred from London Register ...				...	...	...	368,743
Total, payable in Melbourne				...	...	...	19,766,636

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

† Date not fixed. ‡ Or at any time thereafter, at option of either party, upon twelve months' notice.

Of the total loans raised in Victoria (exclusive of Treasury bonds in aid of revenue and of Melbourne and Hobson's Bay Railway debentures) £2,337,000, *i.e.*, the total of those authorized prior to 1863, was at 6 per cent.; £710,000, or the total authorized from 1868 to 1870 was at 5 per cent.; and the balance (£24,600,052) was at rates varying from 3 to 4 per cent. Of the total Melbourne loans outstanding on 30th June, 1911, £1,211,131 is bearing interest at 4 per cent., £220,000 at 3½ per cent., £13,309,912 at 3½ per cent., and £5,024,593 at 3 per cent.

EXPENDITURE FROM LOANS.

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

LOAN EXPENDITURE: 1906-7 TO 1910-11.

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

Works.	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
	£	£	£	£	£
Railways	80,482	249,646	544,433	657,666	1,230,381
Water Supply	161,346	276,583	313,616	286,823	311,709
Closer Settlement and Small Holdings	339,497	254,833	189,473	198,946	956,900
Wire Netting .. .. .	..	..	45,850	10,734	43,648
State Coal Mine .. .. .	..	..	..	35,806	65,278
Construction of Roads, &c. ..	498	23	237	50	183
Other Public Works	13,835	2,453	4,751	19,380	49,172
Total	595,658	783,538	1,098,360	1,209,505	2,657,271
Per Head of Population	s. d. 9 7	s. d. 12 5	s. d. 17 3	s. d. 18 9	£ s. d. 2 0 8

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

Average amount of loan expenditure per annum for the—

	£
10 years ended 30th June, 1891	2,270,128
10 years ended 30th June, 1901	755,194
10 years ended 30th June, 1911	976,497

PURPOSES FOR WHICH LOANS WERE RAISED.

The amount of the loans raised to 30th June, 1911, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over and £750,000 temporarily advanced by the Government of South Australia, was £96,115,025; but a total of £38,181,261 (exclusive of conversion loans) having been repaid, viz., £3,956,511 out of the general revenue, and £34,224,750 out of the proceeds of redemption loans, the balance on 30th June, 1911, was reduced to £57,933,764. The purposes for which the amount outstanding was borrowed and the annual interest payable thereon are as follows:—

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1911.	Annual Interest Payable.
REVENUE-YIELDING WORKS.		
	£	£
Railways and Tramways	42,486,708	1,517,345
Waterworks—Melbourne	1,688,663	61,040
" Country	7,055,739	245,405
Harbors	190,000	6,650
Graving Dock	316,102	10,773
Agriculture and Advances to Farmers, &c. ...	90,564	2,732
Closer Settlement	2,869,270	101,543
Development of Mining	256,568	8,546
Total Revenue-yielding Works	54,953,614	1,954,034
OTHER WORKS OF A PERMANENT CHARACTER.		
Public Offices, Law Courts, and Parliament Houses	709,756	24,231
Defence Works	151,469	5,044
State Schools, Technical Schools, and University	1,219,903	39,783
Other	899,022	29,645
Total other Permanent Works	2,980,150	98,703
Net Borrowings	57,933,764	2,052,737

Out of the proceeds of these loans outstanding on 30th June, 1911, sums not yet expended amount in the aggregate to £144,009, of which £53,733 is for railways, £43,493 for country water supply, £39,816 for the State coal mine, and £6,967 for different other services. Of the amount of the loans outstanding, 95 per cent. has been allotted to revenue-yielding works, as detailed above.

DUE DATES OF LOANS.

The total amount of loans outstanding on 30th June, 1911, exclusive of an advance of £750,000 by the Government of South Australia, of debentures for £1,000 overdue since 1897, and of Treasury bonds in aid of revenue, was £57,182,764, and of this sum £8,760,182 was in the form of debentures; £37,173,828 of inscribed stock (London Register); £4,714,894 of inscribed stock

(Melbourne Register); and £6,533,860 of Treasury bonds. The following are the dates on which these loans are repayable, those repayable in Melbourne and London being indicated:—

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1911, AND DATES
WHEN REPAYABLE.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures.</i>		£	£	£
1296	1st April, 1913-23 ...	4	746,795	...	746,795
1440	" 1912-22 ...	3	63,000	...	63,000
1659	1st July, 1921-30 ...	3	972,850	...	972,850
1753	1st Jan., 1923-32 ...	3	382,200	...	382,200
1901	" 1934-54 ...	3	123,874	...	123,874
	24th May, 1926 ...	3½	3,000	...	3,000
	2nd April, 1926-29th Nov., 1940 ...	3½	28,900	...	28,900
	December, 1926-1941 ...	3½	29,500	...	29,500
	1st Feb., 1927-1942 ...	3½	104,660	...	104,660
	April, 1927 ...	3½	150,000	...	150,000
	29th Nov., 1925-40 ...	3½	60,000	...	60,000
	27th Feb., 1926, to 29th Nov., 1940 ...	3¾	160,000	...	160,000
	1st Nov., 1927-32 ...	3½	41,400	...	41,400
1962	2nd Dec., 1927-32 ...	3½	30,700	...	30,700
	1st July, 1928 ...	3½	77,000	...	77,000
	30th June, 1929 ...	3½	2,650	...	2,650
	1st Jan., 1929 ...	3½	60,000	...	60,000
	31st Dec., 1929 ...	3½	100,000	...	100,000
	1st Oct., 1930 ...	3½	100,000	...	100,000
	1st July, 1930 ...	3½	82,000	...	82,000
	1st March, 1931-46 ...	3½	15,400	...	15,400
	1st April, 1931 ...	3½	800,000	...	800,000
	30th June, 1931 ...	3½	50,000	...	50,000
	14th March, 1936 ...	4	300,000	...	300,000
	1st April, 1926-41 ...	3½	285,880	...	285,880
	18th Oct., 1926 ...	3½	100,000	...	100,000
1990	1st April, 1927-42 ...	3½	500	...	500
	1st October, 1927 ...	3½	46,000	...	46,000
	1st July, 1927 ...	3½	6,000	...	6,000
	1st Oct., 1926-41 ...	3½	9,000	...	9,000
	16th April, 1927-42 ...	3½	280,000	...	280,000
2026	1st July, 1927-42 ...	3½	100,000	...	100,000
	" 1928 ...	3½	400,000	...	400,000
	1st Oct., 1930 ...	3½	500,000	...	500,000
	1st Jan., 1931 ...	3½	61,648	...	61,648
2041	1st Jan., 1928-43 ...	3½	3,600	...	3,600
	" 1929 ...	3½	16,000	...	16,000
	1st Oct., 1930 ...	3½	100,000	...	100,000
2053	1st July, 1928 ...	3½	75,500	...	75,500
	1st Jan., 1929 ...	3½	40,000	...	40,000
2116	1st July, 1928 ...	3½	345,000	...	345,000
	1st Jan., 1929 ...	3½	154,000	...	154,000

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1911, AND DATES
WHEN REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.						
			In Melbourne.	In London.	Total.				
<i>Debentures—continued.</i>									
			£	£	£				
2163	1st Aug., 1911, to 1st Feb., 1920 ...	3½	225,000	...	225,000				
	1st April, 1919 ...	3½	130,650	...	130,650				
	30th June, 1929 ...	3½	4,850	...	4,850				
	1st April, 1929, to 1st Oct., 1944 ...	3½	400	...	400				
2286	1st April, 1921... ..	3½	448,985	...	448,985				
	Date not fixed	3½	700,000	...	700,000				
<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	14,200*	6,985,800	7,000,000				
1032	" 1923	3½	14,200*	6,985,800	7,000,000				
1196	1st Jan., 1921-26	3½	4,000*	4,996,000	5,000,000				
1217	" 1921-26	3½	4,000*	4,996,000	5,000,000				
1560	" 1929-49	3	253,383*	4,211,331	4,464,714				
1562	1st October 1929-49	3½	30,160*	4,790,997	4,821,157				
2167	1st Jan., 1929-49	3	...	1,000,000	1,000,000				
2167	1st Oct., 1929-49	3½	...	1,500,000	1,500,000				
<i>Inscribed Stock (Melbourne).</i>									
1468	29th Sept., 1917, or after	3	2,926,189	...	2,926,189				
1552									
1564									
1623									
1602									
1749									
1659						3	186,188	...	186,188
1753						3	14,162	...	14,162
1962						3	3,948	...	3,948
1990						3½	326,406	...	326,406
2026						3½	113,735	...	113,735
2041						3½	280,135	...	280,135
2053						3½	29,714	...	29,714
2116						3½	46,026	...	46,026
2116						3½	1,000	...	1,000

* Transferred from London to Melbourne register.

† Debentures convertible into inscribed stock at option of holder. The amount so converted to 30th June, 1911, was £3,756,700.

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1911, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Inscribed Stock (Melbourne)</i> —continued.		£	£	£
2161	29th Sept., 1917, or after	3	98,799	...	98,799
2163	" " "	3½	49,713	...	49,713
2218	" " "	3½	20,000	...	20,000
2240	" " "	3½	141,000	...	141,000
2286	" " "	3½	11,800	...	11,800
2308	31st May, 1931, or after	4	97,336	...	97,336
	<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
	... 1921	3½	252,000	...	252,000
	<i>Melbourne and Hobson's Bay Railway Debentures.</i>				
617	(Overdue since 1897) ...	...	1,000	...	1,000
	Total ... ..	...	19,766,636	37,417,128	57,183,764
	<i>Temporary Advance by Government of South Australia.</i>				
...	Date not fixed	3½	750,000	...	750,000
	<i>Treasury Bonds in aid of Revenue.</i>				
1451	1st Jan., 1912-13 ...	3½	50,000	...	50,000
	Total (including loans in aid of Revenue)...	...	20,566,636	37,417,128	57,983,764

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

DUE DATES OF VICTORIAN LOANS ON 30TH JUNE, 1911.
(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.	Loans at 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
1911	12,500	12,500	12,500
1912	50,000	50,000	50,000
1913	4,796,795	4,796,795	4,050,000
1914	25,000	25,000	25,000
1915	525,000	525,000	525,000
1916	2,792,000	2,792,000	2,792,000
1917	4,059,389	3,039,860	3,039,860
1918	25,000	25,000	25,000
1919	4,155,650	4,155,650	4,155,650
1920	6,012,500	6,012,500	6,012,500
1921	5,700,985	700,985	700,985
1922	63,000	63,000	63,000
1923	7,000,000	7,000,000	7,746,795
1925	60,000	60,000	...
1926	616,280	5,263,000	5,103,000
1927	759,200	202,000	202,000
1928	901,100	897,500	897,500
1929	6,699,057	377,500	377,500
1930	1,754,850	1,754,850	1,754,850
1931	1,024,384	1,008,984	911,648
1932	382,200	454,300	454,300
1936	300,000	300,000	300,000
1940 ... ..	...	28,900	248,900
1941 ... ..	...	324,380	324,380
1942 ... ..	...	485,100	485,100
1943 ... ..	...	3,600	3,600
1944 ... ..	...	400	400
1946 ... ..	...	15,400	15,400
1949	5,464,714	11,785,871	11,785,871
1954	123,874	123,874	123,874
Indefinite	3,229,286	4,248,815	4,346,151
Date not yet fixed ...	1,450,000	1,450,000	1,450,000
To end of 1925 ...	35,278,819	29,259,290	29,199,290
After 1925 ...	21,254,945	27,274,474	27,334,474
Date not yet fixed ...	1,450,000	1,450,000	1,450,000
Total	57,983,764	57,983,764	57,983,764

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

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND MELBOURNE, 30TH JUNE, 1900, AND 1906 TO 1911.
(Including Treasury Bonds in aid of Revenue.)

On 30th June.	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.	Melbourne.	London.	Melbourne.
	£	£	£	£
1900	44,655,579	4,669,306	1,735,307	152,046
1906	43,178,681	9,901,119	1,594,490	326,696
1907	39,629,869	13,475,120	1,450,950	450,952
1908	37,533,136	15,772,351	1,367,800	531,616
1909	38,592,431	16,074,766	1,404,875	543,219
1910	39,012,436	16,564,289	1,419,579	560,520
1911	37,417,128	20,566,636	1,353,208	701,154

An important point in relation to the London loans is that certain expenses occur each year in connexion with the payment of interest on them which are not common to local issues. In the last financial year the amount was £6,079, of which £5,861 was paid as commission and £218 for stamps, advertising, &c. ; the corresponding totals in the immediately preceding years were:—£25,402 in 1903-4, £15,297 in 1904-5, £12,272 in 1905-6, £11,845 in 1906-7, £11,980 in 1907-8, £6,895 in 1908-9 ; and £6,310 in 1909-10.

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

AMOUNT OF OUTSTANDING LOANS AT EACH RATE OF INTEREST, 1900 AND 1908 TO 1911.
(Including Treasury Bonds in aid of Revenue.)

Rates of Interest per cent	Nominal amount outstanding on 30th June—				
	1900.	1908.	1909.	1910.	1911.
	£	£	£	£	£
4½ ...	5,000,000	...	...	...	...
4 ...	27,060,795	17,153,795	17,153,795	17,153,795	15,144,131
3¾ ...	...	220,000	220,000	220,000	220,000
3½ ...	12,250,000	25,356,269	26,934,035	27,890,521	32,332,709
3¼ ...	300,000	125,000	100,000	75,000	50,000
3 ...	4,714,090	10,449,423	10,258,367	10,236,409	10,235,924
Overdue*	...	1,000	1,000	1,000	1,000
Total	49,324,885	53,305,487	54,667,197	55,576,725	57,983,764

* Not bearing interest.

The difference between the interest in 1900 and in 1910 represents a saving of £164,300 per annum on the debt of £57,983,764 at 30th June, 1911.

LOANS AUTHORIZED BUT NOT RAISED.

The loans authorized, but not raised, on 30th June, 1911, amounted to £5,439,831, which sum represents the unfloatcd balance of loans authorized since 1895. The following return gives the particulars of these loans:—

LOANS AUTHORIZED, BUT NOT RAISED, 30TH JUNE, 1911.

Under Loan Act No.—	Total.		
	Authorized.	Raised to 30th June, 1911.	Balance not raised.
	£	£	£
1440	100,000	63,000	37,000
1552	1,116,608	46,961	1,069,647
1753	500,000	475,200	24,800
1816	100,000	93,869	6,131
2041	1,250,000	149,314	1,100,686
2161	500,000	98,799	401,201
2163	500,000	450,513	49,487
2240	150,000	141,000	9,000
2286	2,000,000	1,160,785	839,215
2308	2,000,000	97,336	1,902,664
Total	8,216,608	2,776,777	5,439,831

The rate of interest on the amount to be raised is 3 per cent. on £1,532,648, 3½ per cent. on £2,004,519, and 4 per cent. on £1,902,664.

GROWTH OF FUNDED DEBT

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 3.54 per cent. in 1910-11. In relation to population, however, the amount per head

substantially increased from 1855 to 1900; after the latter year the increase was only slight until last year, when it was again more marked.

GROWTH OF FUNDED DEBT AND INTEREST, 1855 TO 1911.

End of Financial Year in—	Loans Outstanding.			Amount per head of population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest.
		Total.	Average rate per cent.		
1855	£ 480,000	£ 28,800	6·00	£ s. d. 1 6 4	£ s. d. 0 1 7
1860	5,118,100	306,405	5·99	9 10 4	0 11 5
1870	11,924,800	688,740	5·78	16 8 3	0 19 0
1880	20,056,600	1,004,436	5·01	23 11 9	1 3 7
1890	41,377,693	1,649,465	3·99	36 19 11	1 9 6
1900	48,774,885	1,867,604	3·83	40 17 4	1 11 3
1901	49,546,275	1,861,547	3·76	41 2 5	1 10 11
1902	50,408,957	1,887,877	3·74	41 10 4	1 11 1
1903	51,097,900	1,904,514	3·73	42 0 10	1 11 4
1904	51,519,962	1,876,011	3·64	42 6 11	1 10 10
1905	51,513,767	1,875,249	3·64	42 2 0	1 10 8
1906	52,904,800	1,915,499	3·62	42 15 9	1 11 0
1907	52,954,989	1,897,027	3·58	42 5 10	1 10 4
1908	53,180,487	1,895,354	3·56	42 0 6	1 10 0
1909	54,567,197	1,944,844	3·56	42 12 3	1 10 5
1910	55,501,725	1,977,662	3·56	42 14 6	1 10 5
1911	57,933,764	2,052,737	3·54	43 17 9	1 11 1

Including money borrowed for temporary purposes in aid of revenue (£50,000—Act 1451), the total amount of loans outstanding on 30th June, 1911, was £57,983,764, upon which the amount of interest and expenses (paid in 1910-11) was £2,001,956. In 1910-11 the net receipts from works constructed out of loan moneys and the interest received on advances to local bodies, &c., amounted

to £2,025,498, or £23,542 more than was required to meet interest and expenses during the year on loans outstanding. It should be remembered that nearly £3,000,000 of the amount of these loans, though expended on works of a permanent character, such as defences, State schools, public offices, &c., does not earn any revenue.

SINKING FUNDS.

On 30th June, 1911, the sinking funds in Australia were as follows:—

SINKING FUNDS IN AUSTRALIAN STATES, 30TH JUNE, 1911.

State.	Sinking Funds in Connexion with—	
	State Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria	1,017,866	920,016
New South Wales	504,921	250,995
Queensland .. .. .	.. .. .	.. .. .
South Australia	616,956	25,293
Western Australia	2,544,813†	248,870
Tasmania	414,601	127,702
Total	5,099,157	1,612,876

* Figures for 1910.

† 31st March, 1911.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1911:—

	Balance at Credit.
Mallee Land Account	£14,351
Closer Settlement Fund	79,638
Victorian Loans Redemption Fund	289,418
Victorian Government Consolidated Inscribed Stock Redemption Fund	634,459
Total	£1,017,866

By Act No. 1428 of 1896, the moneys accruing from licensing, leasing, or selling of land in the Mallee country, or Mallee border, are to be paid into the Treasury and placed to the credit of a separate account, to be called the "Mallee Land Account." The sums standing at credit of this account are available solely for the repurchase, redemption, or paying off of any Victorian stock or debentures. The amount in hand on 30th June, 1910, was £10,381, and during 1910-11 the receipts amounted to £61,970, and the expenditure to £58,000, so that the balance in this fund on 30th June, 1911, was £14,351.

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."

By Act No. 1561 of 1898, it was enacted that a "Victorian Government Consolidated Inscribed Stock Redemption Fund" should be kept in the Treasury, and should be applied to the purchase or repurchase, and ultimately to the redemption of consolidated stock—that is, stock on the London Register—and to the payment of expenses and costs of such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. During 1910-11 receipts amounted to £105,174, and expenditure, due to the repurchase of £12,500 three and a half per cent. stock, amounted to £12,263. Transactions in this fund to 30th June, 1911, were as follows:—

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK
REDEMPTION FUND, 30TH JUNE, 1911.

Transactions.	To 30th June, 1911.
RECEIPTS.	
Waterworks Trusts	£ 186,231
Mallee Land Account	342,000
Revenue	244,995
Interest on Investments	46,734
Miscellaneous	88,270
Total receipts	908,230
EXPENDITURE.	
Purchase of Stock	273,026
Commission, &c.	745
Total expenditure	273,771
Balance in the Fund	634,459
Amount of stock repurchased and cancelled	290,605

The miscellaneous receipts include £62,827, surplus after redemption of loans, Acts 531 and 608. Of the balance in the fund, £502,083 was invested in Victorian Government debentures and stock, and £132,376 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 Victorian Government stock and debentures payable at Melbourne, and for the payment of expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue, repayments on account of resumption of land in the Mallee district, and sundry loans made by the Government to municipalities, &c. During 1910-11 receipts amounted to £114,134, and £104,577 was expended on the purchase for cancellation of £105,775 stock and debentures, of which £65,875 bore interest at 3 per cent. and £39,900 at 3½ per cent. Transactions in this fund to 30th June, 1911, were as follows:—

THE VICTORIAN LOANS REDEMPTION FUND, 30TH JUNE, 1911.

Transactions.	To 30th June, 1911.
RECEIPTS.	
	£
From Revenue	723,745
Resumption of land in Mallee Districts and valuation of improvements	20,131
Payments by Municipalities	13,529
Geelong Municipal Waterworks Trust	265,000
Interest on Investments	26,748
Repayment of Loans—	
Bush fires relief	21,747
Floods relief	1,453
Seed advances	91,132
New pilot steamer	5,855
Yarrowee Channel	10,659
Wire Netting	51,539
Total receipts	1,231,538
EXPENDITURE.	
Purchase of stock and debentures	942,233
Balance in the fund	289,305
Amount of stock and debentures repurchased and cancelled	954,823

Of the balance in the fund, £244,320 was invested in Victorian Government debentures and stock, and £44,985 held in cash.

DEBTS IN AUSTRALIAN STATES AND NEW ZEALAND.

The following is a summary of the funded debts of the Australian States and New Zealand on 30th June, 1911, showing the amounts and the amounts per head of population, the total interest payable, the average rate per cent., and the rate *per capita*. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

Funded debts of Australian States and New Zealand.

FUNDED DEBTS OF AUSTRALIAN STATES AND NEW ZEALAND,
30TH JUNE, 1911.

State.	Funded Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	
Victoria ..	57,933,764	43 17 9	2,052,737	1 11 1	3.54
New South Wales ..	95,109,410	57 7 5	3,350,714	2 0 5	3.52
Queensland ..	41,868,827	68 9 10	1,545,337	2 10 7	3.69
South Australia ..	33,564,028	81 5 2	1,226,406	2 19 4	3.65
Western Australia ..	23,703,953	82 14 5	810,100	2 16 2	3.42
Tasmania ..	11,008,179	57 6 9	404,609	2 2 2	3.68
Total ..	263,188,161	58 14 3	9,389,903	2 1 11	3.57
New Zealand (31.3.11)	81,078,122	80 7 11	2,998,973	2 19 6	3.70

New Zealand, Queensland, Tasmania, 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 than those of the other States, but that a larger proportion of their loans was raised when the rates of interest were high.

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

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN
AUSTRALIAN STATES AND NEW ZEALAND, 1907 TO 1911.

	At end of Financial Year—				
	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria ..	42 5 10	42 0 6	42 12 3	42 14 6	43 17 9
New South Wales ..	54 3 10	54 13 3	55 4 8	55 6 7	57 7 5
Queensland ..	72 0 9	70 15 8	73 4 11	70 10 1	68 9 10
South Australia ..	75 10 5	72 6 0	71 8 6	73 18 11	81 5 2
Western Australia ..	72 14 9	76 3 0	79 15 4	82 8 4	82 4 5
Tasmania ..	54 18 0	55 14 11	54 18 0	57 12 10	57 6 9
New Zealand ..	70 3 5	70 12 8	73 3 8	75 15 7	80 7 11

State and
local debts.

The following is a statement of the total indebtedness of the Australian States in 1911:—

FUNDED AND UNFUNDED DEBTS OF AUSTRALIAN STATES, 1911.

State.	State Debts.		Municipal and Corporation Debts (exclusive of Loans from Government).	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria.. ..	57,933,764	369,617*	15,351,954	73,655,335	55 15 11
New South Wales	95,109,410	1,690,512	4,696,136	101,496,058	61 4 6
Queensland† ..	41,868,827	1,130,000	901,875	43,900,702	71 16 3
South Australia ..	33,564,028	660,625	195,465	34,420,118	83 6 7
Western Australia	23,703,963	..	783,712	24,487,665	84 18 9
Tasmania ..	11,008,179	98,078	586,383	11,692,640	60 18 1
Total ..	263,188,161	3,948,832	22,515,525	289,652,518	64 12 4

* Treasury Bonds have been issued for £50,000 of this amount, but it has been the practice to regard the sum represented by these bonds as part of the Unfunded Debt, as the money was borrowed for temporary purposes in aid of revenue, and is being paid off in yearly instalments.

† Excluding Government Savings Bank Stock and Debentures, £1,614,370.

The figures £289,652,518, include loans raised by the State Governments, municipal bodies, corporations, and trusts. The Victorian figures exclude the amount of the Tramways Trust loan, viz., £1,650,000, which is treated as a loan to a private company, for although the money has been borrowed by the Trust, which is composed of representatives of municipalities, on the security of municipal property, yet the interest is paid and a sinking fund provided by the Tramway Company, and the liability of the Trust thus becomes merely nominal.

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

The State debts are those for the year ended in 1911, the municipal and corporation debts are for the year ended in 1910, figures for 1911 for other States than Victoria not being available. The complete figures for Victoria for 1911 appear in the following statement:—

STATE AND LOCAL DEBTS, 1911

	£	£
State Debts (Funded)—		
London Register	37,417,128	
Melbourne Register	20,515,636	
State Debts (Unfunded)	369,617	
Overdue Debentures, late Melbourne and Hobson's Bay Railway—unpresented	1,000	
Total State Debts		58,303,381
Municipal	4,643,591	
Harbor Trusts	2,000,000	
Fire Brigades Board	130,000	
Melbourne and Metropolitan Board of Works	8,981,000	
Total Debts of Municipalities and Corporations		15,754,591
Total Debts		74,057,972

This sum (£74,057,972) is equal to a debt of £56 2s. per head of the population on 30th June, 1911.

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 4s. 11d.), which is less than two-thirds of that of Victoria. The next highest is the liability of the Cape of Good Hope (£20 10s. 2d.), then follows the liability of Belgium (£20 8s. 8d.), after which come the debts of the Transvaal (£19 5s. 6d.), Natal (£18 12s. 10d.), the United Kingdom (£16 5s.), Austria (£15 8s. 10d.), Germany (£15 6s. 2d.) and Italy (£15 1s.). After Italy there is shown a rapid diminution of indebtedness to £1 4s. 6d. 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, and other public 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.

Debts of
various
countries.

GOVERNMENT DEBTS PER HEAD OF POPULATION IN VARIOUS COUNTRIES.

Country.	Year.	Public Debt.	
		Total Amount.	Amount per Head of Population.
		£	£ s. d.
United Kingdom	1911	733,072,600	16 5 0
British India	1911	299,338,900	1 4 6
Canada	1911	97,626,900	13 15 8
Cape of Good Hope	1910	52,566,000	20 10 2
Natal	1910	22,220,900	18 12 10
Transvaal	1910	32,317,600	19 5 6
France	1910	1,071,851,000	27 4 11
Italy	1910	523,116,000	15 1 0
Austria	1909	447,712,000	15 8 10
Hungary	1909	252,829,000	12 4 7
German States	1910	746,693,000	11 10 1
German Empire (Imperial)	1910	246,831,000	3 16 1
Norway	1910	18,294,000	7 13 8
United States of America (Federal)	1910	215,031,000	2 6 9
United States of America (States, Territories, &c.)	1902	383,228,000	4 17 6
Russia	1909	955,765,000	5 18 11
Sweden	1910	29,857,000	5 8 2
Belgium	1910	153,584,300	20 8 8

COMMONWEALTH, STATE, AND LOCAL TAXATION.

Taxation.

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

COMMONWEALTH, STATE, AND LOCAL TAXATION, 1906-7 TO 1910-II.

Heads of Taxation.	Amount Received.				
	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
Federal—	£	£	£	£	£
Customs Duties... .. .	2,129,548	2,507,704	2,204,638	2,366,701	3,191,787
Excise Duties	589,883	704,434	657,330	682,510	831,976
Land Tax ... .. .	...	...	...	...	366,543
Total Federal Taxation	2,719,431	3,212,138	2,861,968	3,049,011	4,390,306
State—					
Wharfage Rates	53,099	55,389	56,683	57,616	69,511
Tonnage Dues	33,698	35,754	38,533	39,765	42,716
Licences	19,043	19,851	20,334	20,927	21,982
Probate & Succession Duties	401,631	304,830	418,418	358,173	433,104
Duties on Bank Notes	17,702	17,612	16,988	17,342	18,115
Stamp Duties	222,671	222,923	220,693	233,016	257,199
Land Tax	92,438	89,496	85,559	114,357	210,640
Income Tax	355,148	317,354	304,464	338,585	395,998
Race Clubs' percentage	4,875	5,554	5,772	5,953	7,535
Total State Taxation	1,200,305	1,068,763	1,167,444	1,185,734	1,456,800
Municipal Taxation	1,068,967	1,084,513	1,135,403	1,186,900	1,230,692
Harbor Trusts	199,944	212,320	202,634	250,240	263,437
Total Taxation	5,188,647	5,577,734	5,367,449	5,671,885	7,341,235

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, 1906-7 TO 1910-11.

Division.	Taxation per Head of Population in--				
	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Federal	2 3 9	2 11 0	2 5 0	2 7 3	3 7 2
State	0 19 3	0 17 0	0 18 5	0 18 5	1 2 3
Local	1 0 5	1 0 7	1 1 1	1 2 3	1 2 10
Total	4 3 5	4 8 7	4 4 6	4 7 11	5 12 3

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

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

	Amount of Taxation.	Rate per Head of Population.
	£	£ s. d.
Victoria	6,921,779	5 5 10
New South Wales	8,404,406	5 2 8
Queensland	2,612,395	4 7 3
South Australia	1,981,553	4 16 7
Western Australia	1,549,237	5 11 11
Tasmania	712,838	3 13 7
Total	22,182,208	5 0 3
United Kingdom	253,794,000	5 12 6

In these figures, which exclude wharfage rates and harbor dues, the Commonwealth and the State taxation have been taken for the year 1910-11, and the Local taxation for the year 1909-10, and it appears that the total taxation for Australia is £22,182,208, or an average of £5 os. 3d. per head per annum. The lowest rate, £3 13s. 7d. per head, prevails in Tasmania; Queensland and South Australia are next, the former with £4 7s. 3d., and the latter with £4 16s. 7d. per head; then follow New South Wales, Victoria and Western Australia, with £5 2s. 8d., £5 5s. 10d., and £5 11s. 11d. per head respectively. In the United Kingdom, the taxation is 12s. 3d. per head more than in Australia, and is higher than in any of the Australian States. No adjustments on account of Inter-State transfers of dutiable goods have been made in the Customs figures used in this table, and consequently the taxation given for a State such as Victoria, which has a considerable trade in imported goods with the other States, is an overstatement; whilst in the case of a State such as Tasmania, which receives large quantities of dutiable goods through Victoria, the taxation as shewn above is an understatement. No other figures are available, however, and although those given are correct for Australia as a whole, yet they should be regarded as being only fairly accurate for the individual States.

LICENCES.

Licences.

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1911, 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, 1911.

Description of Licence.	Number of Licences Granted.	Amount of Fees Collected.
<i>Excise.</i>		
Distilling—		£ s. d.
General Distillers	4	200 0 0
Wine Distillers	5	120 19 3
Vignerons	22	108 15 5
Test Stills	37	3 15 0
Brewers	31	775 0 0
Manufacturing Tobacco, Cigars, Cigarettes, and Snuff	32	1,032 12 10
Sugar refining (Cane)	1	200 0 0
„ (Beet)	1	3 0 0

LICENCES—NUMBER AND REVENUE, 1911—*continued.*

Description of Licence,	Number of Licences Granted.	Amount of Fees Collected,
<i>Licensing.</i>		
		£ s. d.
Victuallers*	4,403	76,930 0 0
Railway Refreshment Rooms	32	800 0 0
Australian Wine	294	1,470 0 0
Clubs	116	232 0 0
Packet (passenger boat)	15	300 0 0
Grocers (single bottle)	304	3,040 0 0
Wine and Spirit Merchants (two gallon)	405	10,012 1 7
Brewers	39	39 0 0
Vignerons	33	165 0 0
Billiard Tables	128	865 0 0
<i>Customs.</i>		
Carriage	970	240 12 6
Lighter and Boat	42	10 2 6
Custom House Agents	66	330 0 0
Bond	44	3,765 0 0
Agricultural Show	1	1 0 0
<i>Explosives.</i>		
Importation	164	448 10 0
Manufacture of Rack-a-rock	14	3 10 0
Manufacture of other Explosives	6	7 10 0
Magazine	276	182 0 0
Fireworks, Sale of	775	38 15 0
Other than Fireworks, Sale of	1,470	367 10 0
<i>Miscellaneous.</i>		
Auctioneers—General †	876	15,685 19 6
Gold-buyers and assayers	857	384 15 0

* Including temporary licences, which numbered 1,315, on which the fees collected amounted to £2,630.

† Including 229 temporary licences, on which the fees collected were £229.

In addition to the preceding there are other licences, particulars of which cannot be obtained for the calendar year 1911; the fees collected in respect of these during the financial year 1910-11 were as follows:—

Description of Licence.	Amount of Fees Collected.		
	£	s.	d.
Insurance	15,030	0	0
Sale of Tobacco, &c.	1,629	2	1
Pawnbrokers	1,120	0	0
Hawkers	1,303	0	0
Carriers	63	8	0
Stage Carriage	172	10	0
Marine Store	170	12	0
Forwarding Agents	100	0	0
Permits to Fish	3	0	0
Race Clubs	442	4	6