

FINANCE.

STATE REVENUE AND EXPENDITURE.

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1905. On 1st July, 1904, the total revenue deficiency was £2,181,119 12s. 5d.; and in the course of the year this amount was reduced by £172,000, leaving the accumulated revenue deficiency at the end of the financial year 1904-5 £2,009,119 12s. 5d., the whole of this amount, as in previous years, being covered by advances from the trust funds, with the exception of £50,000, which has been raised by the issue of Treasury bonds.

State
revenue
and expend-
iture.

REVENUE AND EXPENDITURE, 1904-5.

Revenue.	Amount.			Expenditure.	Amount.		
	£	s.	d.		£	s.	d.
Excise and Inland	713,227	4	3	Consolidated Re-	2,181,119	12	5
Territorial ...	388,169	9	6	venue deficiency,			
Public Works ...	3,660,141	1	4	30/6/04			
Ports and Harbors	77,519	2	10	Special Appropria-	2,786,490	0	10
Fees ...	266,241	6	11	tions			
Fines ...	9,372	13	9	Chief Secretary ...	669,856	9	2
Mallee Land Ac-	24,872	16	0	Minister of Public	619,532	18	7
count				Instruction			
Miscellaneous ...	358,820	1	1	Attorney-General	75,475	9	4
Commonwealth	2,017,377	14	6	Solicitor-General ...	58,554	0	1
balances returned				Treasurer ...	266,751	9	5
Consolidated Re-	2,009,119	12	5	Commissioner of	90,872	4	6
venue deficiency.				Crown Lands and			
30/6/05				Survey			
				Commissioner of	168,010	9	4
				Public Works			
				Minister of Mines	44,591	15	2
				Minister of Water	34,606	8	7
				Supply			
				Minister of Agri-	92,569	5	8
				culture			
				Minister of Health	20,280	19	10
				Minister of Rail-	2,011,545	0	7
				ways			
				Mallee Land Ac-	24,872	16	0
				count			
				Surplus Revenue	379,732	3	1
				transferred to			
				Trust Fund for			
				Works			
Total ...	9,524,861	2	7	Total ..	9,524,861	2	7

The following is a return of the revenue and expenditure of Victoria for the six years 1900-1905.

STATE REVENUE AND EXPENDITURE : RETURN FOR SIX YEARS.

Year ended 30th June.	Revenue.	Expenditure.	Surplus.	Deficit
	£	£	£	£
1900	7,453,355	7,285,636	167,719	...
1901	7,712,099	7,672,780	39,319	...
1902	6,997,792	7,398,832	...	401,040
1903	6,954,619	6,759,960	194,659	...
1904	7,319,949	7,339,608	...	19,659
1905	7,515,742	7,343,742	172,000	...

NOTE.—The differences between the revenue and expenditure shown above and the revenue and expenditure given in the Treasurer's Finance Statement for 1904-5 are made up as follow :—

	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ...	7,509,657	6,982,925
<i>Add—</i>		
Mallee Land Account	24,873	24,873
Transfer to Victorian Loans Redemption Fund	4,929	4,929
Surplus Revenue transferred to Trust Fund	...	379,732
<i>Deduct—</i>		
Transfers from Loan proceeds	23,717	23,717
Redemption of Treasury Bonds in aid of Revenue, Act No. 1795	...	25,000
Total	7,515,742	7,343,742

By adding the total Commonwealth revenue and expenditure credited or debited to Victoria to the above figures, the revenue for 1905 would amount to £8,680,262, and the expenditure to £8,515,137, an increase over 1900, the year before Federation, of £1,226,907 in the revenue, and £1,229,501 in the expenditure. The increase in revenue is due chiefly to Excise duties, £252,403; Posts and Telegraphs, £97,419; Probate duties, £139,398; Income tax, £101,872; and Railways, £600,599; that in expenditure to the introduction of Old-age pensions, £200,465, and the transfer of surplus revenue to Trust fund for public works, £379,732; Posts and Telegraphs, £143,243; Defences, £89,966; Commonwealth "New" expenditure, £145,413; Railways, £202,647; and redemption of loans, £76,313.

There was, on the transactions of the year, a surplus of £551,732, viz., cash balance, £526,732, and Treasury bonds in aid of revenue redeemed, £25,000. Against this sum £379,732 was transferred to the trust fund, for the purposes of the public works specified in the

Surplus Revenue Act No. 1969, leaving a surplus for the year ended 30th June, 1905, as specified in the above table, of £172,000, £147,000 of which was set aside in reduction of the debt due to the Trust Funds.

The sources of revenue may be grouped under three headings—(1) taxation, (2) public works, and (3) other sources. Customs and Excise (under taxation), and Posts and Telegraphs (under public works) were transferred to the Federal Government in 1900-1, and an additional heading, "Federal Government," which comprises these sources, is therefore added. Land revenue, which averaged £378,000 yearly, is included under "other sources." The amounts received during the last five financial years were as follow:—

HEADS OF REVENUE: RETURN FOR FIVE YEARS.

Heads of Revenue.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
	£	£	£	£	£
Federal Government...	1,177,740	1,920,974	2,105,450	2,002,804	2,017,378
State Taxation—					
Customs and Excise	1,202,191	...	...	...	...
Other ...	762,438	818,274	950,183	1,012,119	979,029
Public Works and Services—					
Railways ...	3,302,202	3,362,030	3,033,596	3,400,243	3,609,120
Posts and Telegraphs	410,435	...	...	...	...
Others ...	195,871	203,393	181,172	199,072	190,306
Other Sources	661,222	693,121	684,218	705,711	719,909
Total ...	7,712,099	6,997,792	6,954,619	7,319,949	7,515,742
Per Head of Population	£ s. d. 6 8 10	£ s. d. 5 15 9	£ s. d. 5 15 5	£ s. d. 6 1 1	£ s. d. 6 4 2

In this table the figures for 1900-1 for Customs and Excise include only the amounts collected for the half-year ended 31st December, 1900, and for Posts and Telegraphs for the eight months ended 28th February, 1901. The amount returned to the State by the Federal Government — £1,177,740 for 1900-1, £1,920,974 for 1901-2, £2,105,450 for 1902-3, £2,002,804 for 1903-4, and £2,017,378 for 1904-5—is that collected from the transferred departments, less the amount deducted by the Federal Government under Section 89 of the "Commonwealth of Australia Constitution Act." For 1904-5 the Federal Government received £2,488,843 from Customs and Excise; £683,480 from Posts and Telegraphs; and £9,575 from other sources; and returned to the State Government £2,017,378.

The failure of the harvest was responsible for the serious decline of £328,434 in the railway revenue of 1902-3, and the excellent harvests of the next two seasons for the successive advances of £366,647 and £208,877 made in the revenues of 1903-4 and 1904-5.

The revenue of 1904-5 is the greatest in the history of the railways, that of 1903-4 coming next.

INCOME TAX.

Income tax.

An income tax was first imposed in Victoria in 1895, for a period of three years, expiring in 1898, but it has been from time to time extended ever since. The Act is administered by a Commissioner, who, together with his officers, are bound by oath to secrecy. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding calendar year, and are divided into two classes, viz. : — Incomes (1) from personal exertion, and (2) from property. The former consists of earnings, salaries, wages, allowances, pensions, &c., or stipends earned in or derived from Victoria, and all incomes arising or accruing from any profession, business, trade, or occupation carried on in Victoria; and the latter of all other income. This is the gross income, and the net income is ascertained by making certain deductions, the principal of which are losses and outgoings incurred in the production of the income, all taxes other than Income tax payable under any Act of the Victorian Parliament, life assurance premiums not exceeding £50, and calls or contributions actually paid into any reconstructed company whose shares are of no marketable value. By the original Act, incomes of certain public, local, religious, provident, &c., bodies or societies are exempt from taxation, also the official salary of the Governor, and the incomes of mutual life offices with head offices in Australia, fire, fidelity, &c., insurance companies taking out licences under the "Stamps Act," limited to income from that class of business; and income 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); 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 included in their returns the dividends received. Special provision was also made for the assessment and taxation of life, fire, fidelity, and guarantee assurance and insurance companies. Life assurance companies paid a uniform rate of 1s. in the £1. 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 are 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. Life assurance companies, 1s. in the £1. Incomes from property—Double these rates. The rates for the year 1905, based on the incomes of 1904, were again altered by Act No. 1938, as follow:—Incomes from personal exertion are 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. Taxes from income on property are double these rates. The minimum amount taxable is £157, the exemption being £100 on incomes from £157 to £500, no exemption being made for companies. The tax on the income of life assurance companies is 8d.; that for other companies liable to tax, 7d. for every £1 of the taxable amount. Interest on Government stock, bonds, and debentures held by residents was exempted as in the case of non-residents, and the exemption of mining companies repealed. The taxable amount of the income of a mining company is the total amount of the dividends declared during the year. The exemption of the profits from trade of provident societies and other associations is also repealed. The following is a statement of the assessments, taxpayers, taxable income, and tax payable from personal exertion and property during the last five years:—

INCOME TAX: RETURN FOR FIVE YEARS.

—	1901.	1902.	1903.	1904.	1905.
Number of Assessments:					
Personal exertion ..	21,511	22,901	61,635	43,361	40,153
Property ...	17,589	17,577	12,757	8,916	8,189
Total ...	39,100	40,478	74,392	52,277	48,342
Distinct taxpayers ...	37,803	39,215	67,812	48,266	44,661
Taxable Income—	£	£	£	£	£
Personal exertion ...	6,150,300	6,261,800	10,006,700	11,724,100	13,003,309
Property ...	2,348,000	2,325,000	3,930,400	3,118,534	2,869,056
Total ...	8,498,300	8,586,800	13,937,100	14,842,634	15,872,365
Tax Payable—	£	£	£	£	£
Personal exertion ...	125,824	123,609	211,870	199,718	229,522
Property ...	95,091	91,494	194,850	112,930	89,222
Total ...	220,915	215,103	406,720	312,648	318,744
Per taxpayer ...	£ s. d. 5 16 11	£ s. d. 5 9 8	£ s. d. 6 0 0	£ s. d. 6 9 11	£ s. d. 7 2 9
Average Tax payable in the £ on Taxable Incomes derived from—	d.	d.	d.	d.	d.
Personal exertion ...	4·91	4·74	5·08	4·09	4·24
Property ...	9·72	9·45	11·90	8·69	7·46

The effects of the Acts passed each year were that during the five years under review the number of assessments was increased

from 39,100 in 1901 to 48,342 in 1905, the latter figures including 914 assessments of companies. Of the total increase, 18,642 were from personal exertion; but there was a decrease of 9,400 from property. From 1898 to 1902, under the authority of the Income Tax Act in operation during that period, there were between 6,000 and 7,000 non-resident persons assessed in small amounts in respect of dividends paid to them. The reduction in the number of assessments on incomes from property from the latter date is due to the fact that such income was not taxable after that time. The taxpayers increased by 6,858; the number in 1905 being 44,661. The taxable income from personal exertion increased from £6,150,300 in 1901 to £13,003,309 in 1905; and that from property, in the years given, from £2,348,000 to £2,869,056. The total increase in the taxable income was £7,374,065. The exemptions allowed amounted to £6,173,800 in 1901, and to £3,793,600 in 1905. The amount of tax payable increased from £125,824 in 1901 to £229,522 in 1905 on incomes from personal exertion; but decreased from £95,091 to £89,222 in the case of incomes from property—a net increase of £97,829.

Notwithstanding the fact that by adopting a lower taxable income a large number of smaller taxpayers were included in the figures for 1903, 1904, and 1905 by the alteration of rates and exemptions and by the taxation of companies as individuals, the average amount per taxpayer in each of those years shows an increase over previous years, and in 1905 the amount reached £7 2s. 9d.

The average tax payable in the pound was increased in 1903, both on taxable incomes derived from personal exertion (to 5d.) and from property (to nearly 1s.). The highest previous rates were—under 5d. and 9½d., and in 1905 they were 4½d. and 7½d. respectively. The following return shows particulars of rates of taxation, assessments, taxable incomes, and taxes payable in the respective groups for which different rates of taxation are charged:—

INCOME TAX ASSESSMENTS, 1905.—BASED ON INCOMES OF 1904.

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.
	d.	d.			£	£	£	£
Up to £500 ...	3	6	35,229	6,815	5,171,184	920,139	65,487	23,074
£500 to £1,000 ...	4	8	3,223	879	2,200,507	598,626	30,962	16,349
£1,000 to £1,500 ...	5	10	766	211	926,933	254,115	15,437	7,936
Over £1,500 ...	6	12	935	284	4,704,685	1,096,176	117,636	41,863
Total ...	...	...	40,153	8,189	13,003,309	2,869,056	229,522	89,222

It is here shown that the taxable income from personal exertion amounts to £13,003,309, and that from property to £2,869,056, after allowing for exemptions of £3,793,600. The total net incomes of those who paid income tax, during 1904-5, amounted to over nineteen and a half millions sterling, or an average of £440 for each taxpayer, an increase of £45 on the previous year.

In the succeeding tables the occupations of income taxpayers are tabulated for the first time, the summary table immediately following showing the percentage of each class paying the tax, and the proportion contributed thereto.

Occupations
of Income
Taxpayers.

OCCUPATIONS OF INCOME TAXPAYERS SUMMARIZED, 1905.

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 Tax.	Average to each Tax- payer.
				£	£	£		£ s. d.
1. Professional	7,363	16.49	20.90	25,278	3,381	28,659	8.99	3 17 10
2. Domestic ...	1,446	3.24	2.16	4,173	684	4,857	1.52	3 7 2
3. Commercial	11,200	25.08	14.17	52,305	6,666	58,971	18.50	5 5 3
4. Transport ...	1,590	3.56	5.04	3,468	216	3,684	1.16	2 6 4
5. Industrial ...	7,817	17.50	5.34	26,076	2,599	28,675	9.00	3 13 4
6. Primary pro- ducers ...	8,961	20.06	5.43	41,957	8,500	50,457	15.83	5 12 7
7. Indefinite ...	5,375	12.03	53.40	8,083	53,477	61,560	19.31	11 9 0
8. Companies ..	909	2.04	...	68,182	13,699	81,881	25.69	90 1 6
Total ...	44,661	100.00	...	229,522	89,222	318,744	100.00	7 2 8

An examination of this table reveals the relative wealth of the various classes. Thus the commercial class, which forms 25 per cent. of the taxpayers, is only 15 per cent. of the total bread-winners in the population, whilst primary producers, which include those following agricultural, pastoral, and mining pursuits, make up 20 per cent. of the taxpayers, but 31 per cent. of the bread-winners. The next great class—the industrial—contributes $17\frac{1}{2}$ per cent. to the taxpayers, and forms 27 per cent. of the bread-winners; whilst the professional class, contributing $16\frac{1}{2}$ 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 21 per cent.; the commercial coming next, with a little over 14 per cent.; and primary producers barely $5\frac{1}{2}$ per cent. Of the amount paid as tax, companies yielded nearly 26 per cent. of the total; whilst the indefinite class, forming 12 per cent. of the taxpayers, yielded 19 per cent. of the tax. The commercial class, forming 25 per cent. of the taxpayers, gave $18\frac{1}{2}$ per cent. of the tax; primary producers, forming 20 per cent. of the taxpayers, gave 16 per cent. of the tax; the industrial and professional classes, forming $17\frac{1}{2}$ and $16\frac{1}{2}$ per cent. respectively of the taxpayers, each gave 9 per cent. of the tax.

In the succeeding table the source of the incomes of taxpayers for all the principal occupations is dealt with under the heads of personal exertion and property.

SOURCES OF INCOMES OF TAXPAYERS UNDER DIFFERENT
OCCUPATIONS, 1905.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
1. Professional.					£	£	£	£ s. d.
Civil Servants	1,142	...	58	1,200	3,351	242	3,593	2 19 10
Clergymen ...	722	1	31	754	1,678	60	1,738	2 6 1
Legal Profession	443	4	117	564	4,899	1,542	6,441	11 8 4
Medical Practitioners ...	453	10	132	595	5,047	647	5,694	9 11 4
Police ...	840	...	6	846	993	7	1,000	1 3 7
Teachers ...	1,305	...	23	1,328	2,429	31	2,460	1 17 0
Various ...	1,896	18	162	2,076	6,881	852	7,733	3 14 5
	6,801	33	529	7,363	25,278	3,381	28,659	3 17 10
2. Domestic.								
Hotelkeepers...	1,005	5	130	1,140	3,583	531	4,114	3 12 2
Various ...	273	2	31	306	590	153	743	2 8 6
	1,278	7	161	1,446	4,173	684	4,857	3 7 2
3. Commercial.								
Agents ...	610	5	90	705	3,737	527	4,264	6 0 11
Butchers ...	378	1	32	411	1,196	208	1,404	3 8 4
Clerks ...	3,511	1	148	3,660	8,878	460	9,338	2 11 0
Drapers ...	451	1	45	497	3,163	145	3,308	6 13 1
Grocers ...	348	4	51	403	1,042	317	1,359	3 7 5
Merchants ...	900	9	207	1,116	14,547	2,807	17,354	15 11 0
Salesmen ...	1,698	2	73	1,773	5,749	389	6,138	3 9 2
Storekeepers ...	536	4	88	628	2,239	358	2,597	4 2 8
Various ...	1,718	25	264	2,007	11,754	1,455	13,209	6 11 7
	10,150	52	998	11,200	52,305	6,666	58,971	5 5 3
4. Transport.								
Carriers ...	273	1	21	295	717	29	746	2 10 6
Engaged in Postal Service	311	...	3	314	503	4	507	1 12 3
Engaged in Railways ...	780	...	5	785	1,194	7	1,201	1 10 6
Engaged in Shipping ...	171	1	24	196	1,054	176	1,230	6 5 6
	1,535	2	53	1,590	3,468	216	3,684	2 6 4

SOURCES OF INCOMES OF TAXPAYERS UNDER DIFFERENT
OCCUPATIONS, 1905—*continued.*

Occupations.	Number of Taxpayers.				Amount of Tax.			
	Personal Exertion.	Property.	Personal Exertion and Property combined.	Total.	Personal Exertion.	Property.	Total.	Average to each Taxpayer.
<i>5. Industrial.</i>					£	£	£	£ s. d.
Carpenters ...	485	11	79	575	1,478	305	1,783	3 2 0
Engine-drivers ...	501	1	6	508	594	7	601	1 3 7
Engineers ...	714	3	27	744	1,750	78	1,828	2 9 1
Managers ...	838	2	61	901	3,274	494	3,768	4 3 7
Manufacturers ...	524	6	95	625	5,425	642	6,067	9 14 1
Printers ...	583	...	20	603	3,158	78	3,236	5 7 3
Various ...	3,581	15	265	3,861	10,397	995	11,392	2 19 0
	7,226	38	553	7,817	26,076	2,599	28,675	3 13 4
<i>6. Primary Producers.</i>								
Engaged in Agriculture, &c.—								
Dairy Farmers	793	2	31	826	1,595	143	1,738	2 2 0
Farmers ...	4,911	72	421	5,404	17,579	1,585	19,164	3 10 11
Graziers ...	1,208	81	413	1,702	20,057	6,031	26,088	15 6 6
Various ...	462	14	64	540	1,373	425	1,798	3 6 7
	7,374	169	929	8,472	40,604	8,184	48,788	5 15 2
Engaged in Mining—								
Legal Managers	30	...	...	30	90	...	90	3 0 0
Miners ...	148	...	5	153	443	10	453	2 19 2
Mining Managers ...	187	...	7	194	425	25	450	2 6 4
Various ...	102	3	7	112	395	281	676	6 0 8
	467	3	19	489	1,353	316	1,669	3 8 3
	7,841	172	948	8,961	41,957	8,500	50,457	5 12 7
<i>7. Indefinite.</i>	953	3,988	434	5,375	8,083	53,477	61,560	11 9 0
<i>8. Companies.</i>								
Life Assurance	20	...	...	20	10,922	...	10,922	501 2 3
Mining ...	87	...	...	87	17,959	...	17,959	206 8 6
Other ...	581	216	5	802	40,201	13,699	53,900	67 4 1
	688	216	5	909	68,182	13,699	81,881	90 1 6
Total ...	36,472	4,508	3,681	44,661	229,522	89,222	318,744	7 2 8

Of the total taxpayers, 82 per cent. gained their incomes from personal exertion, 10 per cent. from property, and 8 per cent. from

personal exertion combined with property, the proportion of tax-payers of definite occupations deriving incomes from personal exertion ranging from 87 per cent. with primary producers to 97 per cent. of those engaged in transport; personal exertion combined with property ranging from 3 per cent. of those engaged in transport to 11 per cent. of primary producers and those engaged in boarding, lodging, &c. (domestic). The indefinite class, comprising persons of independent means, no occupation, and pensioners, has 18 per cent. gaining incomes from personal exertion, 74 per cent. from property, and 8 per cent. from personal exertion combined with property. Of companies, 76 per cent. made their incomes from personal exertion, and 24 per cent. from property. Seventy-two per cent. of the total tax was yielded by incomes made from personal exertion, the range amongst the various classes being from 13 per cent. indefinite occupations to 83 per cent., companies and primary producers, and 94 per cent. by those engaged in transport.

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

**TAXABLE INCOMES OF TAXPAYERS UNDER DIFFERENT
OCCUPATIONS, 1905.**

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£57 and £500.	£500 and £1,000.	£1,000 and over.		£57 and £500.	£500 and £1,000.	£1,000 and over.	
<i>1. Professional.</i>					£	£	£	£
Civil Servants ...	1,087	94	19	1,200	1,992	877	724	3,593
Clergymen ...	720	29	5	754	1,345	258	135	1,738
Legal Profession ...	341	127	96	564	898	1,316	4,227	6,441
Medical Practitioners ...	298	214	83	595	861	2,150	2,683	5,694
Police ...	840	6	...	846	951	49	...	1,000
Teachers ...	1,292	31	5	1,328	2,082	259	119	2,460
Various ...	1,817	199	60	2,076	3,644	1,887	2,202	7,733
	6,395	700	268	7,363	11,773	6,796	10,090	28,659
<i>2. Domestic.</i>								
Hotelkeepers ...	994	118	28	1,140	2,064	1,106	944	4,114
Various ...	288	13	5	306	458	166	119	743
	1,282	131	33	1,446	2,522	1,272	1,063	4,857
<i>3. Commercial.</i>								
Agents ...	551	92	62	705	1,202	901	2,161	4,264
Butchers ...	374	28	9	411	692	283	429	1,404
Clerks ...	3,421	188	51	3,660	5,989	1,785	1,564	9,338
Drapers ...	405	50	42	497	809	481	2,018	3,308
Grocers ...	368	20	15	403	668	231	460	1,359
Merchants ...	734	194	188	1,116	1,572	1,967	13,815	17,354
Salesmen ...	1,669	60	44	1,773	3,007	567	2,564	6,138
Storekeepers ...	524	81	23	628	1,155	804	638	2,597
Various ...	1,595	252	160	2,007	3,318	2,599	7,292	13,209
	9,641	965	594	11,200	18,412	9,618	30,941	58,971

**TAXABLE INCOMES OF TAXPAYERS UNDER DIFFERENT OCCUPATIONS,
1905—continued.**

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£57 and £500.	£500 and £1,000.	£1,000 and over.		£57 and £500.	£500 and £1,000.	£1,000 and over.	
4. Transport.					£	£	£	£
Carriers	272	17	6	295	470	174	102	746
Engaged in Postal Service	309	4	1	314	453	38	16	507
Engaged in Railways	776	4	5	785	998	46	157	1,201
Engaged in Shipping	147	30	19	196	246	345	639	1,230
	1,504	55	31	1,590	2,167	603	914	3,684
5. Industrial.								
Carpenters	530	30	15	575	933	284	566	1,783
Engine-drivers	508	...	...	508	601	...	...	601
Engineers	700	33	11	744	1,057	328	443	1,828
Managers	753	115	33	901	1,566	1,168	1,034	3,768
Manufacturers	446	110	69	625	944	1,122	4,001	6,067
Printers	563	26	14	603	908	243	2,085	3,236
Various	3,555	210	96	3,861	5,618	1,999	3,775	11,392
	7,055	524	238	7,817	11,627	5,144	11,904	28,675
6. Primary Producers.								
Engaged in Agriculture, &c.—								
Dairy Farmers	796	28	2	826	1,382	275	81	1,738
Farmers	4,626	649	129	5,404	9,876	5,989	3,298	19,163
Graziers	1,146	281	275	1,702	2,783	3,054	20,251	26,088
Various	484	42	14	540	923	440	436	1,799
	7,052	1,000	420	8,472	14,964	9,758	24,066	48,788
Engaged in Mining—								
Legal Managers	27	3	...	30	65	25	...	90
Miners	144	6	3	153	217	61	175	453
Mining Managers	184	10	...	194	354	96	...	450
Various	87	16	9	112	164	152	360	676
	442	35	12	489	800	334	535	1,669
	7,494	1,035	432	8,961	15,764	10,092	24,601	50,457
7. Indefinite.	4,235	722	418	5,375	15,380	12,409	33,771	61,560
8. Companies.								
Life Assurance	2	2	16	20	11	45	9,966	10,022
Mining	22	13	52	87	160	276	17,523	17,959
Other	446	110	246	802	1,796	2,288	49,816	53,900
	470	125	314	909	1,967	2,609	77,305	81,881
Total	38,076	4,257	2,328	44,661	79,612	48,543	190,589	318,744

Of the taxable incomes assessed, 86 per cent. were under £500, 9 per cent. between £500 and £1,000, and 5 per cent. over £1,000; but the tax levied on these incomes formed 25, 15, and 60 per cent. respectively of the total. Of the definite occupations the largest amount of tax was contributed by the commercial class, in which 1,116 merchants were responsible for £17,354. Of this £13,815 was from 188 persons, whose incomes for the previous year exceeded £1,000. Clerks, who comprised nearly one-third of this class, came next to merchants, but as 93 per cent. of their number had taxable incomes under £500, the amount of their tax was little more than half that of less than one-third the number of merchants. Next to the commercial class the largest amount of tax came from the primary producers, the principal of which were graziers, whose contribution amounted to £26,088 from 1,702 persons. Of these, 275 incomes exceeded £1,000 each during 1904, and were taxed to the extent of £20,251. Of the primary producers assessed, farmers represented three-fifths of the number, but contributed only little more than one-third of the tax.

LAND TAX.

Land tax.

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

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

The following are particulars regarding the land tax for the half-year ended February, 1906:—

LAND TAX: RETURN FOR THE HALF-YEAR ENDED 27TH FEBRUARY, 1906.

Class.	Estates Assessed.			Exemptions.		Net Taxable Value.	Half-year's Tax Payable.
	Number.	Area.	Capital Value.	Number.	Value.		
		Acres.	£		£	£	£
I. ...	108	204,474	817,896	96	240,000	577,896	3,612
II. ...	189	518,658	1,555,974	174	435,000	1,120,974	7,006
III. ...	445	1,667,114	3,334,228	395	987,500	2,346,728	14,667
IV. ...	520	4,648,886	4,648,886	416	1,040,000	3,608,886	22,555
Total...	1,262	7,039,132	10,356,984	1,081	2,702,500	7,654,484	47,840

There are thus 1,262 landed estates assessed in Victoria, containing land to the extent of 7,039,132 acres, valued at £10,356,984, or an average of 5,577 acres to each estate; from which a tax of £47,840 has been levied for the half-year ended 27th February, 1906. The collections in 1899-1900 were £108,222; in 1900-1, £97,948; in 1901-2, £97,862; in 1902-3, £92,867; in 1903-4, £106,445; and in 1904-5, £97,840. In the following return a comparison is made of the number and size of the estates assessed for land tax in 1900 and in 1905:—

LAND TAX: RETURN FOR 1900 AND 1905.

Year.	Number of Exemptions.	Estates.			Net Taxable Value.	Average Area to each Assessment.
		Assessed.	Area.	Capital Value.		
			Acres.	£	£	Acres.
1900	907	1,146	7,424,542	11,775,026	9,507,526	6,479
1905	1,081	1,262	7,039,132	10,356,984	7,654,484	5,577

The total area of the State being 56,245,760 acres, there is thus slightly more than an eighth of the whole subjected to taxation. The area of land alienated and in process of alienation is 25,797,312 acres, of which the taxable land is only three-elevenths.

RAILWAY REVENUE AND EXPENDITURE.

After deducting the net earnings of the Department of Railways from the amount of interest on loans, and the expenses of paying the interest, a correct idea of its financial condition is obtained. This has been done in the table which follows, and from the figures supplied by the Railway Department representing the actual receipts and expenditure of the railways, and not those brought to account in the revenue statement, and referred to in a previous table, the actual loss to the State in each of the last five years is shown; the loss in 1903-4 being less than in any of the years under review. Working expenses include expenditure on belated repairs, and on account of previous years, together amounting to £21,500 in 1900-1 and 1901-2, £102,630 in 1902-3, £119,556 in 1903-4, and £248,485 in 1904-5.

Loss on
working
of railways

RAILWAY DEFICIT: RETURN FOR FIVE YEARS.

—	1900-1.	1901-2.	1902-3.	1903-4	1904-5.
	£	£	£	£	£
Gross Receipts ...	3,337,797	3,367,843	3,046,858	3,438,141	3,582,266
Working Expenses ...	1,984,796	2,072,374	1,938,580	1,921,867	2,119,623
Pensions, Gratuities, &c.	90,443	93,744	93,507	100,536	102,656
Net Receipts ..	1,262,558	1,201,725	1,014,771	1,415,738	1,359,987
Interest on Cost of Construction	1,464,809	1,492,695	1,473,532	1,515,755	1,461,994
Deficit ...	202,251	290,970	458,761	100,017	102,007

As compared with the four preceding years, 1904-5, shows an increase in both receipts and working expenses, but a decrease under the heading Interest on Construction. The amount paid in pensions is slightly more than in the preceding year. During the years under review an increase is shown in the revenue of 1904-5, compared with that of 1900-1, amounting to £244,469, and in the expenditure to £147,040 for working expenses and pensions; but there is a decrease of £2,815 for interest, and the deficit in 1904-5 is £100,244 less than that of 1900-1.

RAILWAY ACCIDENT FUND.

A Railway Accident Fund was established by the Railways Act 1891, which is maintained by a payment into the Fund of 10s. for every £100 received by the Commissioners for fares for the conveyance of passengers and for charges for conveyance of animals, goods, and parcels. At the close of 1904-5 this Fund had a credit balance of £53,307, and the payments made in the year for damages, costs, &c., amounted to £2,543 15s. 4d.

STATE EXPENDITURE.

The following table shows for the years 1900-1 to 1904-5 the principal heads of State expenditure:—

PRINCIPAL HEADS OF STATE EXPENDITURE: RETURN FOR FIVE YEARS.

Heads of Expenditure.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
	£	£	£	£	£
General Administration	247,210	249,426	227,621	233,634	210,512
Retiring Allowances, Gratuities, &c.	310,301	319,280	337,226	341,297	343,694
Defences ...	161,342	...	...	...	...
Law, Order, and Protection	500,795	501,762	483,097	482,158	478,058
Education:—					
State ...	621,774	656,761	631,129	621,314	624,677
Secondary and Technical	33,682	33,976	29,895	30,028	37,617
Science, Medical, &c.	61,053	63,084	52,398	51,742	54,859
Charitable Institutions	293,184	313,735	300,821	292,914	294,483
Agriculture ...	150,222	169,351	110,867	150,380	157,307
Mining ...	67,953	59,502	53,961	45,975	56,355
Crown Lands ...	78,978	83,096	79,014	73,906	72,633
Public Works and Services:—					
Railways ...	1,982,421	2,052,264	1,849,989	1,896,359	2,004,601
Posts and Telegraphs	329,272	...	...	1,198*	...
Others ...	322,370	330,555	213,011	666,555	602,099

* Arrears of salary to letter carriers.

Heads of
State
expendi-
ture.

PRINCIPAL HEADS OF STATE EXPENDITURE : RETURN FOR FIVE YEARS—*continued*.

Heads of Expenditure.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
	£	£	£	£	£
Public Debt :—					
Interest and expenses	1,900,139	1,941,449	1,907,656	1,948,376	1,884,208
Redemption ...	47,702	94,414	68,155	95,060	114,260
Interest, Savings' Banks	83,915	84,939	83,247	88,216	93,687
Old Age Pensions ...	129,338	292,432	215,973	205,183	200,465
Other Expenditure ...	351,129	152,806	115,900	115,313	114,227
	2,878,550	2,996,333	2,810,955	3,338,413	3,214,812
Total { Special Ap- propriations					
Annual Votes	4,794,230	4,402,499	3,949,005	4,001,195	4,128,930
Grand Total	7,672,780	7,398,832	6,759,960	7,339,608	7,343,742
Per Head of Popula- tion	£ s. d. 6 8 2	£ s. d. 6 2 5	£ s. d. 5 12 2	£ s. d. 6 1 5	£ s. d. 6 1 4

As compared with the previous year, the figures for 1904-5 show a decrease of expenditure to the amount of £123,601 under special appropriations, but an increase of £127,735 under annual votes. The principal items making up the decrease under special appropriations are surplus revenue transferred for public works, £63,600; interest on public debt, £63,654; and electoral expenses and expenses of members of Legislative Assembly, £19,900. On the other hand, the expenditure on redemption of loans increased by £19,200, and the University endowment by £11,000. Under annual votes, the chief increases are railway working expenses £108,242, mining £10,964, and agriculture £6,070; whilst the expenditure on harbors and lights is reduced by £8,618.

The causes of the reduction under old-age pension payments since 1901-2 were that under Act No. 1751 the maximum payments were reduced from 10s. to 8s. per week, and provision was made for enforcing contributions from relatives.

PENSIONS AND GRATUITIES.

During the year 1904-5 2,802 pensions were paid under special appropriations, amounting to £273,314; from annual votes, 202 amounting to £10,888. The total number of pensions was 3,004, and the amount £284,202. Eighty-four compensations and gratuities were also paid, the amount being £15,492; and £44,000 was

Pensions
and
gratuities.

paid as a subsidy to the Police Superannuation Fund. The following statement contains full particulars, showing various Acts under which these payments have been made:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, &c.,
PAID, 1904-5.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
		£		£		£
General Public Service—						
Under Civil Service Act	462	78,736	13	867	668	104,024
„ Public Service Act	182	19,668				
„ Other Acts ...	11	4,753				
„ Discipline Act ...	16	1,132				
„ Lunacy Act ...	57	3,838	...	...	16	1,132
Education Department ...	891	79,602	32	1,912	57	3,838
Railways ...	1,178	81,273	32	1,912	923	81,514
			149	7,879	1,327	89,152
Miscellaneous—						
Under Constitution Act	1	1,500	...	...	1	1,500
„ County Courts Act	4	2,812	...	...	4	2,812
Police ...	...	...	8	230	8	230
Total Pensions and Superannuation Allowances	2,802	273,314	202	10,888	3,004	284,202
Compensations and Gratuities	23	3,213	61	12,279	84	15,492
Subsidy to Police Superannuation Fund	...	2,000	...	42,000	...	44,000
Total Amount Paid ...	...	278,527	...	65,167	...	343,694

The total amount of pensions paid in 1904-5—£284,202—was an advance of £2,700 on that of the previous year. In the Education Department the increase was £3,012, and in the Railway Department £5,806. In other departments there was a reduction of £6,118.

In 1904-5 the payments out of the Police Superannuation Fund were as follow:—355 pensions, amounting to £43,432, and 18 gratuities, amounting to £7,904. 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; and by a deduction, not exceeding 2½ per cent., from the pay of the members of the force, and a further grant in aid from the consolidated revenue. The further grant in 1904-5 was £42,000.

In the year 1904-5 28 pensions, amounting to £1,127, and £79 sick allowances, were paid out of the Port Phillip Pilot Sick and Superannuation Fund, toward which, however, the Government does

not contribute, the fund being maintained by deductions from pilots' earnings and the annual income from investments belonging to the fund.

EXPENDITURE ON EDUCATION.

The expenditure during 1904-5 on State education amounted to £724,170, portion of which however (£17,117) was for technical schools. Pensions, gratuities, &c., are also included, but this expenditure may be considered as almost entirely belonging to the education of a past generation rather than as a portion of the cost of instruction of the children of the present day. The expenditure in detail for the five years 1900-1 to 1904-5, extracted from the report of the Education Department, is as follows:—

Expenditure
on educa-
tion.

EXPENDITURE ON EDUCATION: RETURN FOR FIVE YEARS.

Expenditure on—	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
	£	£	£	£	£
Instruction	546,009	565,931	552,838	556,595	546,168
Training College	4,516	4,701	4,555	4,177	4,226
Continuation School ... ..	...	...	...	...	1,155
Administration	39,865	41,977	39,148	37,621	36,628
Technical Schools	26,225	22,958	16,430	16,278	17,117
Melbourne University	5,750	6,000	4,500	4,500	...
Pensions, Compensation, and Gratuities	75,166	76,352	77,535	78,732	82,414
Miscellaneous	22	338	4,622	4,269	4,421
Total (exclusive of Buildings)	697,553	718,257	699,628	702,172	692,129
Buildings—					
Expended by the Public Works Department:—					
From Loans	4,758	35,197	10,734	384	...
„ Annual Votes	24,144	39,231	20,886	12,167	24,946
Expended by Boards of Advice...	3,293	3,398	3,901	3,383	3,710
Rents	3,845	4,119	3,848	3,568	3,385
Total	733,593	800,202	738,997	721,674	724,170

The expenditure in 1901-2 was the highest for years past, but in 1902-3 there was a decrease to the extent of £61,205, and in 1903-4 a further decline of £17,323; while in 1904-5 the small increase of £2,496 is shown. The increases in 1904-5, as compared with 1903-4, are under — Training, £1,204; Technical Schools, £839; Pensions, &c., £3,682; Buildings, £12,539; and Miscellaneous, £152. Decreases were in Instruction, £10,427; Administration, £993; and Melbourne University, £4,500. Since the inception of the system of free, compulsory, and secular education in 1872, up to the 30th June, 1905, the expenditure on public instruction has amounted to £21,877,421, of which £16,259,865 has been spent on instruction, £1,212,932 on administration, £159,795 on training, £1,781,898 on miscellaneous items, principally pensions,

technical schools, and the Melbourne University (excluding the annual endowment of £9,000 to that institution under Act 16 Vict., No. 34, since raised to £20,000 under Act No. 1926), £2,462,931 on buildings, of which £1,129,610 was paid out of loans, and £1,333,321 from revenue. For particulars of the progress of State instruction since its inception, see Part Social Condition of this work.

Expenditure
on primary
education.

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

EXPENDITURE ON PRIMARY EDUCATION: RETURN FOR FIVE YEARS.

Items.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
Instruction—	£	£	£	£	£
Teachers' Salaries ...	496,336	511,846	499,559	502,562	494,546
Singing, Drawing, Drill, Gymnas- tics, Kindergarten, Cookery, and Manual Training	2,497	4,681	5,955	5,334	4,841
Teachers' Travelling Expenses	1,803	2,060	2,540	2,562	2,519
Conveyance of Children to Schools	2,063	2,386	2,536	2,129	2,191
Books, Stores, Cadets, Kinder- garten, Manual Training, and Cookery Expenses	9,479	9,140	10,034	10,559	8,345
Cleaning, Stationery, Fuel, &c.	31,039	31,459	31,532	32,781	33,206
Teaching Night Schools ...	615	804	682	668	520
Training Teachers ...	4,516	4,701	4,555	4,177	4,226
Total Instruction ...	548,348	567,077	557,393	560,772	550,394
Administration—					
Office and Inspectors ...	31,257	31,235	29,156	28,830	29,187
Truant Officers ...	6,793	7,569	6,046	5,046	4,941
Stores, Cleaning, &c. *	1,814	3,173	3,946	3,745	2,500
Buildings ...	36,040	81,946	39,369	19,502	32,041
Retiring Allowances, Compensa- tion, and Gratuities	75,166	76,352	77,535	78,732	82,414
Total Expenditure ...	699,418	767,352	713,445	696,627	701,477

* Including Postage and Telegrams, £2,186 in 1902-3, £2,615 in 1903-4, and £1,376 in 1904-5.

Out of the total decrease (£76,032) which has taken place in the expenditure on Education since 1901-2, £65,875 has been effected on items comprising primary instruction. This has occurred principally in the items Teachers' Salaries and Buildings. Slight in-

creases are shown in the expenditure on Singing, &c., Teachers' Travelling expenses, Cleaning, &c., and Pensions.

The following return shows the cost per head of primary instruction:—

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

Year.	Cost to the State.		Scholars in Average Attendance.	Per Head of Scholars in Average Attendance.	
	Including Buildings.	Excluding Buildings.		Including Buildings.	Excluding Buildings.
	£	£		£ s. d.	£ s. d.
1899-00 ...	673,174	628,489	145,868	4 12 4	4 6 2
1900-01 ...	699,418	663,378	147,818	4 14 8	4 9 9
1901-2 ...	767,352	685,406	150,939	5 1 8	4 10 10
1902-3 ...	713,445	674,076	150,268	4 14 11	4 9 8
1903-4 ...	696,627	677,125	145,500	4 15 8	4 13 1
1904-5 ...	701,477	669,436	143,362	4 17 10	4 13 5

SUBSIDIES, GRANTS, AND ENDOWMENTS.

The following is a statement of all grants and endowments, and expenditure in aid of various services, institutions, and societies, from 1900-1 to 1904-5:—

	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
	£	£	£	£	£
Grants to Agriculture, &c. ...	123,358	142,418	82,978	124,255	129,088
„ Mining ...	24,900	15,992	11,866	15,950	25,250
Subsidy to Municipalities ...	100,000	100,000	50,000	50,000	50,000
<i>Educational Grants, &c.—</i>					
Melbourne University ...	15,250	15,000	13,500	13,500	20,000
College of Pharmacy ...	500	500	250	250	500
Technological Schools — Maintenance, &c.	17,932	18,476	16,145	16,278	17,117
Public Libraries, &c. (including Melbourne Public Library)	26,660	27,065	20,828	18,611	21,383
Royal and other Scientific Societies	100	175	50	50	150
Victorian Artists' Society ...	150	100	...	...	...
Art Galleries, Ballarat, Bendigo, &c.	500	500	250	...	300
Zoological and Acclimatisation Society, &c.	3,500	3,500	3,000	3,000	3,500
Parks and Gardens (including Melbourne Botanical Gardens)	14,867	15,175	12,295	11,321	11,096
Charitable Institutions ...	115,979	114,459	98,384	99,358	105,538
Other Charitable Allowances ...	220	220	214	220	589
Cemeteries ...	117	155	80	140	156

SUBSIDIES, GRANTS, AND ENDOWMENTS—*continued.*

	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
	£	£	£	£	£
<i>Miscellaneous Grants and Subsidies—</i>					
Exhibitions	500	1,000	...	...	100
Exhibition Trustees, Expenses of ...	1,250	1,250	300	300	300
Fire Brigades	15,941	16,215	16,262	16,283	16,301
Mint Subsidy	20,000	20,000	20,000	20,000	20,000
Village Settlements and Labour Colonies	3,987	2,993	3,519	2,085	1,068
Carriage of Water—to reimburse Railway Department for	5,036	11,026	2,919	...	...
Relief on account of Bush Fires, Cyclones, Drought, &c.	1,250	3,295	495	...	...
Relief of the Unemployed ...	906	1,161	907	736	669
Savings Banks Commissioners—Extra Working Expenses	11,178	12,685	13,663	15,046	14,956
Assistance to Municipalities for Drainage Works, &c.	10,508	8,287	2,816	2,111	604
Assistance to Municipalities for Roads and Bridges	21,540	28,035	6,054	19,929	13,154
Aborigines—Maintenance ...	4,705	4,633	4,810	4,407	4,153
International Astrophotographic Catalogue	200	200	200	200	200
Total	541,034	564,515	381,785	434,030	456,172

The total amount of these grants and subsidies for 1904-5 exceeds the total for 1903-4 by £22,142, the items showing the greatest increases being agriculture £4,833, mining £9,300, Melbourne University £6,500, public libraries £2,772, and charitable institutions £6,180. Special grants to municipalities for roads, bridges, drainage works, &c., have been reduced by £8,282.

Trust funds,
1901 to 1905.

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

TRUST FUNDS: RETURN FOR FIVE YEARS.

Accounts.	Credit Balance on 30th June.				
	1901.	1902.	1903.	1904.	1905.
	£	£	£	£	£
Deposits in Savings Banks	3,675,418	3,603,187	3,595,418	3,495,418	3,445,418
Deposits in Savings Banks Security Account	2,453,452	2,500,327	1,543,952	1,625,812	2,036,262
Municipal Investments Account	1,116,380	1,115,380	1,113,799	1,112,799	1,108,338
Municipal Sinking Funds	626,368	652,951	634,141	633,464	627,914

TRUST FUNDS : RETURN FOR FIVE YEARS—*continued.*

Accounts.	Credit Balance on 30th June.				
	1901.	1902.	1903.	1904.	1905.
	£	£	£	£	£
Assurance Fund ...	169,076	176,683	184,685	194,773	204,301
Intestate Estates ...	89,482	89,288	88,698	100,511	103,557
Country Tramways* ...	137,872	137,872	137,872	137,872	94,164
Trustee and Assurance Companies ...	104,795	104,795	104,795	104,795	104,795
Police Superannuation Fund	15,327	1,665	3,253	5,579	7,312
Other Funds ...	945,731	1,437,001	1,018,959	1,341,376	1,523,491
Total ...	9,333,901	9,819,149	8,422,572	8,752,399	9,255,552
How Invested :—					
Invested in Debentures, &c.	2,673,002	2,689,430	2,709,343	2,647,263	2,694,808
Securities and Cash held by Trust Fund Trustees	6,528,803	6,625,491	5,670,605	5,650,626	6,012,816
Balance ...	132,096	504,228	42,624	454,510	547,928

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

The revenue deficiency on 30th June, 1905, £2,009,119, is exclusive of a debit balance of £267,489 in the Land Sales by Auction Fund, and is, with the exception of £50,000 met out of Treasury bonds, accounted for in the securities held by the Trust Fund Trustees.

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

The amount of money to the credit of the municipal sinking funds has not materially altered during recent years. On 30th June, 1905, it was £627,914.

COMMONWEALTH REVENUE AND EXPENDITURE.

The amount of revenue collected in this State by the Federal Government since its inauguration is £13,924,781. Of this amount £4,678,868 was used to meet the Victorian portion of Commonwealth expenditure, and £9,224,346 was returned to the State Government. A balance of £6,433 was overpaid to the State, as £28,000 is retained as "till-money," principally in the offices of the Post and Telegraph Department in the State.

Common-
wealth
finance.

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

COMMONWEALTH REVENUE AND EXPENDITURE CREDITED OR DEBITED
TO THE STATE OF VICTORIA: RETURN FOR 4½ YEARS.

—	1901, to 30th June.	1901-2.	1902-3.	1903-4.	1904-5.
REVENUE.	£	£	£	£	£
Customs Duties ...	1,123,106	1,976,245	2,096,318	2,040,128	1,907,063
Excise Duties ...	232,993	400,280	402,696	403,377	581,780
Posts and Telegraphs ...	177,931	591,470	622,700	650,583	683,480
Miscellaneous ...	2,780	8,505	5,407	8,364	9,575
Total ...	1,536,810	2,976,500	3,127,121	3,102,452	3,181,898
EXPENDITURE.					
Customs and Excise...	32,645	63,812	64,770	66,731	69,244
Posts and Telegraphs ...	181,177	588,888	597,008	631,313	665,161
Defences ...	77,148	316,876	258,852	258,471	291,577
New Expenditure ...	41,056	87,194	98,200	143,332	145,413
Paid over to the State	1,177,740	1,920,974	2,105,450	2,002,804	2,017,378
Total ...	1,509,766	2,977,744	3,124,280	3,102,651	3,188,773

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

Common-
wealth and
State
finance.

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

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

Heads of Revenue and Expenditure.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
	REVENUE.				
	£	£	£	£	£
Customs and Excise ...	2,558,290	2,376,525	2,499,014	2,443,505	2,488,843
Posts and Telegraphs ...	588,366	591,470	622,700	650,583	683,480
Railways ...	3,302,202	3,362,030	3,033,596	3,400,243	3,609,120
State Taxation ...	762,438	818,274	950,183	1,012,119	979,029
Other sources ...	859,873	905,019	870,797	913,147	919,790
Total Revenue ...	8,071,169	8,053,318	7,976,290	8,419,597	8,680,262
	EXPENDITURE.				
Customs and Excise ...	67,255	63,812	64,770	66,731	69,244
Posts and Telegraphs ...	510,449	588,888	597,008	631,313	665,161
Railways ...	1,982,421	2,052,264	1,849,989	1,896,359	2,004,601
Public Instruction ...	655,456	690,737	661,024	651,342	662,294
Public Debt—					
Interest and Expenses	1,900,139	1,941,449	1,907,656	1,948,376	1,884,208
Redemption ...	47,702	94,414	68,155	95,060	83,656
Other Expenditure ...	2,841,384	3,024,038	2,630,188	3,150,274	3,145,973
Total Expenditure	8,004,806	8,455,602	7,778,790	8,439,455	8,515,137

In 1901-2 the Customs and Excise revenue was less by £181,765 than during the preceding year, when the State Tariff was in force, but exceeded that for the year 1899-00 by £109,394. In 1902-3, 1903-4 and 1904-5, this source of revenue showed an increase of £122,489, £66,980 and £112,318 respectively, over that of 1901-2. If the revenue and expenditure be compared, it is satisfactory to note that since the transfer of departments to the Commonwealth the combined figures, which in 1901-2 show an excess of expenditure amounting to £402,284, in 1904-5 show an excess of £165,125 in revenue.

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 paid by one body to another have been deducted:—

Common-
wealth,
State, and
local
finance.

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

	Financial Year ended in—				
	1901.	1902.	1903.	1904.	1905.
<i>Revenue.</i>	£	£	£	£	£
Government—					
Federal ..	1,536,810	2,976,500	3,127,121	3,102,452	3,181,898
State ..	6,425,269	4,987,757	4,767,168	5,234,887	5,426,800
Municipal ..	1,105,262	1,201,230	1,180,453	1,229,609	1,254,649
Melbourne Harbor Trust ..	151,383	155,513	177,233	176,898	189,983
Melbourne and Metropolitan Board of Works ..	292,793	315,054	362,450	355,650	390,441
Fire Brigades Boards	19,529	20,278	21,639	19,797	20,557
Total ..	9,531,046	9,656,332	9,636,064	10,119,293	10,464,328
<i>Ordinary Expenditure.</i>					
Government—					
Federal ..	1,509,766	2,977,744	3,124,280	3,102,651	3,188,773
State ..	6,385,950	5,388,797	4,572,509	5,254,546	5,254,800
Municipal ..	1,151,282	1,196,422	1,099,620	1,209,967	1,253,171
Melbourne Harbor Trust ..	158,007	162,603	150,174	144,897	145,986
Melbourne and Metropolitan Board of Works ..	366,936	373,571	398,879	409,039	416,410
Fire Brigades Boards	19,429	17,887	20,455	19,607	21,041
Total ..	9,591,370	10,117,024	9,365,917	10,140,707	10,280,181

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
RETURN FOR FIVE YEARS—*continued.*

	Financial Year ended in—				
	1901.	1902.	1903.	1904.	1905.
	£	£	£	£	£
<i>Loan Expenditure.</i>					
Government ..	932,265	884,275	729,403	425,810	194,482
Municipal ..	254,098	135,251	132,044	84,339	84,845
Melbourne and Metropolitan Board of Works ..	616,676	346,884	358,387	1,053,526	386,511
Fire Brigades Boards ..	..	..	..	..	405
Total ..	1,803,039	1,366,410	1,219,834	1,563,675	666,243
<i>Expenditure—Grand Total</i> ..	11,394,409	11,483,434	10,585,751	11,704,382	10,946,424
Per Head of Population—					
Revenue ..	£ s. d. 7 19 3	£ s. d. 7 19 9	£ s. d. 7 19 10	£ s. d. 8 7 5	£ s. d. 8 12 11
Ordinary Expenditure ..	8 0 3	8 7 5	7 15 5	8 7 9	8 9 11
Loan Expenditure ..	1 10 1	1 2 7	1 0 3	1 5 10	0 11 0

The total revenue of the Federal and State Governments, the municipalities and other corporations, is 3.4 per cent. more than in the previous year, and amounts to nearly ten and a half millions. The ordinary expenditure shows an increase in the twelve months of £139,474, and this has occurred mainly in the Federal and the Municipal expenditure. The loan expenditure was less by £897,432. The revenue per head in 1904 was £8 7s. 5d., and in 1905, £8 12s. 11d. The ordinary expenditure was £8 7s. 9d and £8 9s. 11d.; and the loan expenditure was £1 5s. 10d. and 11s. in those years respectively.

LOANS FLOATED IN LONDON.

Loans.

The total amount of loans raised in London at varying rates of interest was £67,478,176, after conversion operations. The amount paid off by means of new loans was £21,978,500, and by means of payment derived from revenue, &c., £789,447, leaving a balance due on 30th June, 1905, of £44,710,229, consisting of debentures amounting to £1,086,200, inscribed stock, £41,545,629, and Treasury Bonds, £2,078,400. The following statement gives particulars respecting the various loans which were raised in London since 1859, together with the average prices obtained after deducting flotation

expenses as well as accrued interest, and the rates of interest to which such prices are equivalent:—

LOANS FLOATED IN LONDON, 1859 TO 1905.

When Raised.	Debentures or Stock.				Average Price Obtained per £100 Debenture or Bond.		Actual Rate of Interest per £100 Net.
	Currency.		Amount Sold.	Rate of Interest.	Ex Accrued Interest.	Ex Interest and Expenses. (Net proceeds.)	
	When Due.	No. of Years.					
			£	Per cent.	£ s. d.	£ s. d.	£ s. d.
1859	1883	24	1,000,000	6	105 1 11 ³ / ₄	103 18 11 ³ / ₄	5 14 0
"	"	"	750,000	6	107 17 7 ¹ / ₄	106 14 7 ¹ / ₄	5 9 10
1860	"	23	1,837,500	6	104 17 10 ¹ / ₂	103 14 10 ¹ / ₂	5 14 1
"	1884	"	812,500		103 14 10 ¹ / ₂	5 14 1	
1861	1885	24	1,000,000	6	103 1 6 ¹ / ₂	101 18 6 ¹ / ₂	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	"	688,600	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 5
1874	1899	25	1,500,000	4	90 2 7	88 19 7	4 15 5
1876	1901	"	{ 500,000 2,500,000	4	94 16 10 ³ / ₄	93 18 11 ³ / ₄	4 8 1
1878	1904	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 ¹ / ₂	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 1,363,400	4	98 5 7	97 2 8 ¹ / ₂	4 3 3
1885	1919	34	{ 3,180,620 819,380		98 18 6 ¹ / ₂	97 15 9 ¹ / ₂	4 2 5
1886	1920	"	1,500,000	4	105 12 3 ¹ / ₄	104 9 0	3 15 5
1887	"	33	3,000,000	4	102 5 6 ¹ / ₂	101 2 9	3 18 9
1888	"	32	1,500,000	4	108 1 11 ¹ / ₄	106 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 5
1890	"	33	4,000,000	3 ¹ / ₂	100 2 4	98 19 6	3 11 1
1891	1921-6	30-5	{ 850,000 2,150,000	3 ¹ / ₂	96 3 7	95 0 10	3 15 6
1892	"	29-34	2,000,000		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	1,600,000	3	95 16 6 ¹ / ₂	93 8 3 ¹ / ₂	3 7 6
1903	"	26-46	3,148,176	3 ¹ / ₂	91 14 9 ³ / ₄	89 8 0	4 3 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	8 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	..	..	66,523,976				
Paid off	..	..	21,813,747				
Outstanding	..	..	44,710,229				

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

The nominal rate of interest has varied from 6 per cent. for earlier loans to 3 per cent. for those of later date, and the actual rate

obtained by investors varied from 6 per cent. in 1866 to $3\frac{3}{8}$ per cent. in 1899 and 1902. The first six loans raised were obtained at about $5\frac{3}{4}$ per cent., but the credit of the State would appear to have gradually improved after 1866, and money was obtained four years later at 5 per cent. In 1883 it was obtained at 4 $\frac{1}{5}$ th 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 still 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., this being the lowest rate of those loans which were raised in London, while for the two later loans, one of which was floated in 1901, the money was obtained at slightly over $3\frac{1}{2}$ per cent., and the other in 1902, at $3\frac{3}{8}$ per cent., but the interest on loans raised in 1903 was as high as $5\frac{1}{8}$ per cent. on short-dated Treasury bonds, and $4\frac{1}{2}$ on stock sold.

LOANS FLOATED IN MELBOURNE.

The total amount of loans floated in Melbourne after conversion operations was £10,222,164. Of this amount, £1,791,343 was redeemed by loans, and £1,627,283 by revenue, &c., leaving due a balance of £6,803,538 on 30th June, 1905, consisting of debentures, £2,647,764; inscribed stock, £3,155,774; and Treasury bonds, £1,000,000; but included is a sum of £1,000 overdue for debentures of the late Melbourne and Hobson's Bay Railway Company not yet presented for payment. The outstanding balance of loans floated in Melbourne amounted to £3,451,088 on 30th June, 1898, but during the last seven years the local debt has been increased by over $3\frac{1}{2}$ millions sterling. 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, 1905:—

LOANS FLOATED IN MELBOURNE.

Authorization.		Loans as originally raised.			Amounts.		Loans Outstanding on 30th June, 1905.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted Into Stock or Debentures.	Paid off.	
		Percent.		£	£	£	£
<i>Debentures.</i>							
13 & 23.	1854	...	1855-75	735,000	...	735,000	...
49	1855	6	1857-72	299,100	...	299,100	...
15	1856	6	1872-4	2,900	...	2,900	...
36	1857	6	1883-5-8	1,000,000	52,780	947,220	...
150	1862	6	1889	300,000	23,900	276,100	...
332	1868	5	1894	610,000	297,100	312,900	...
371	1870	5	...	100,000	100,000	...	...
1296	1893	4	1913-23	746,795	...	...	746,795
1440	1896	3	1912	63,000	...	...	63,000
1659	1900	3	1921-30	1,000,000	...	...	1,000,000
1753	1901	3	1923-32	371,100	...	40,000	331,100
1816	1903	$3\frac{1}{2}$	1904	93,869	...	45,000	48,869
1901	1903	3	1934-54	457,000	...	...	457,000

LOANS FLOATED IN MELBOURNE—*continued.*

Authorization.		Loans as originally raised.			Amounts.		Loans Outstanding on 30th June, 1905.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	
<i>Inscribed Stock.</i>							
428	1872	4	1897	1,113,000	2,659,613.	...	...
439	1872	4	"	86,780			
741	1882	4	"	13,102			
963	1887	4	"	167,600			
1015	1889	4	"	130,000			
1341	1893	4	"	750,000			
1369	1895	4	"	150,000			
1468	1896	4	"	249,131			
1468	1896	3	1917	2,290,482			
1564	1898	3	"	500,000			
1623	1899	3	"	344,293			
1552	1898	3	"	8,270	...	8,270	...
1602	1898	3	"	211,135	...	24,947	186,188
1749							
<i>Treasury Bonds.</i>							
1574	1898	3½	1901	500,000	...	500,000	...
1800	1902	3½	1907	1,000,000	...	...	1,000,000
<i>Melbourne and Hobson's Bay Railway Debentures.</i>							
617	1878	...	1880-97	63,000	...	62,000	1,000
Total				13,355,557	3,133,393	3,418,626	6,803,538

Of the total loans raised in Victoria (exclusive of Melbourne and Hobson's Bay Railway debentures) £2,337,000, *i.e.*, the total of those loans which were authorized prior to 1863, was at 6 per cent.; £710,000, or those authorized from 1868 to 1870, at 5 per cent.; £3,406,408, or those authorized from 1872 to 1895, at 4 per cent.; and £5,245,280, authorized since 1895, and £93,869 in 1903, at 3 and 3½ per cent. respectively. During 1898 and 1902 short-dated Treasury bonds for £500,000 and £1,000,000 respectively were authorized at 3½ per cent. Of the total Melbourne loans outstanding on 30th June, 1905, £746,795 is bearing interest at 4 per cent., £1,048,869 at 3½ per cent., £5,006,874 at 3 per cent., and the balance, £1,000, is overdue and does not bear interest.

EXPENDITURE FROM LOANS.

In addition to the ordinary expenditure from revenue, certain sums are annually disbursed for various purposes from amounts raised

by means of loans. The following table shows the details of such expenditure in each of the last five years:—

LOAN EXPENDITURE: RETURN FOR FIVE YEARS.

Works.	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
	£	£	£	£	£
Railways	490,857	467,937	354,916	236,944	44,696
Water Supply	138,233	88,902	115,405	118,392	95,696
Defences	4,080	11,889	..	..	..
Schools—					
Primary	4,618	34,332	12,039	558	101
Technical	99	..	..	..	..
Wineries, &c.	15,480	17,895	6,352	376	..
Closer Settlement, Purchase of Estates	85,040	55,462	1,189	3,666	754
Bush Fires—Advances to Far- mers	2,366	332	..	..	..
Loans to Farmers—Purchase of Seed and Fodder .. ..	..	..	82,059	11,067	..
Mining Development	25,932	32,443	23,895	7,466	552
Assistance to Municipalities—					
For Roads, &c.	36,439	45,714	44,552	17,267	14,945
For Drainage Works	5,827	23,504	8,951	249	..
Drainage of Swamps	6,046	31,392	18,354	4,504	3,152
Levees, &c., Goulburn and Murray Rivers	11,340	13,569	26,775	6,339	4,506
River Yarra Improvements	5,245	8,338	2,999	3,706	1,650
Accommodation for Federal Parliament	22,542	17,132	226	..	..
Other Public Works	78,121	35,434	31,691	15,276	28,430
Total	932,265	884,275	729,403	425,810	194,482
Per Head of Population	s. d. 15 7	s. d. 14 8	s. d. 12 1	s. d. 7 0	s. d. 3 3

The loan expenditure of the State has for years past 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, 1895 ...	... £1,904,549
5 years ended 30th June, 1900 ...	... 490,790
5 years ended 30th June, 1905 ...	... 633,247

PURPOSES FOR WHICH LOANS WERE RAISED.

The aggregate amount of the loans raised to 30th June, 1905, exclusive of temporary Treasury bonds in aid of revenue, was £77,700,340; but a total of £26,186,573 (exclusive of conversion loans) having been repaid, viz., £2,416,730 out of the general re-

venue, and £23,769,843 out of the proceeds of redemption loans, the balance on 30th June, 1905, was reduced to £51,513,767. The purposes for which the amount outstanding was borrowed and the annual interest payable thereon are as follow:—

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1905.	Annual Interest Payable.
REVENUE-YIELDING WORKS.		
	£	£
Railways	39,427,408	1,454,414
Tramways, Country	61,032	2,301
Water Supply and Irrigation—Melbourne	1,848,663	67,439
" " Country	5,935,591	207,896
Harbors and Docks	280,696	11,202
Graving Dock	351,764	11,847
Agriculture—Advances to Beet Sugar Company	63,000	1,890
" Wineries, &c.	56,071	1,698
Purchase of Land for Closer Settlement	186,188	5,586
Development of Mining	128,299	3,993
Total Revenue Yielding Works... ..	48,338,712	1,768,266
OTHER WORKS OF A PERMANENT CHARACTER.		
Public Offices, Law Courts, and Parliament Houses	786,977	27,998
Defence Works	148,599	4,958
State School Buildings	1,244,157	41,922
Other	995,322	32,105
Total other Permanent Works	3,175,055	106,983
Net Borrowings	51,513,767	1,875,249

The loans outstanding on the 30th June, 1905, include sums not yet expended, amounting in the aggregate to £150,372, of which £114,129 is for railways, and £29,002 for country water supply, and £7,241 for different other services. Of the total loans outstanding, 94 per cent. has been expended on revenue-yielding works, as detailed above.

LOANS REDEEMABLE.

The total debt on 30th June, 1905, exclusive of debentures for £1,000 overdue since 1897, and of Treasury bonds in aid of revenue, was £51,512,767, and of this sum £2,646,764 was in the form of debentures; £42,631,829 of inscribed stock (London Register); £3,155,774 of stock (Melbourne Register); and £3,078,400 in the form of Treasury bonds. The following are the dates on which

these loans are repayable, those repayable in Melbourne and London being indicated:—

TOTAL DEBT, 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 Jan., 1921-30 ...	3	1,000,000	...	1,000,000
1753	" 1923-32 ...	3	331,100	...	331,100
1816	1st July, 1907-8 ...	3½	48,869	...	48,869
1901	1st Jan., 1934-54 ...	3	457,000	...	457,000
	<i>Inscribed Stock (London).</i>				
717	1st July, 1907 ...	4	...	4,000,000	4,000,000*
739	1st April, 1908 ...	4	...	2,000,000	2,000,000*
760	1st Oct., 1913 ...	4	...	4,000,000	4,000,000*
805	" 1919 ...	4	...	4,000,000	4,000,000
845	" 1920 ...	4	...	6,000,000	6,000,000
989 }	" 1923 ...	3½	...	7,000,000	7,000,000
1032 }					
1196 }	1st Jan., 1921-26 ...	3½	...	5,000,000	5,000,000
1217 }					
1287	" 1911-26 ...	4	...	2,107,000	2,107,000
1560	" 1929-49 ...	3	...	4,464,713	4,464,713
1562	" 1929-49 ...	3½	...	3,060,116	3,060,116
		3	...	1,000,000	1,000,000
	<i>Stock (Melbourne).</i>				
1468 }	29th Sept., 1917 ...	3	2,969,586	...	2,969,586
1564 }					
1623 }					
1602 }	" " ...	3	186,188	...	186,188
1749 }					
	<i>Treasury Bonds.</i>				
1800	1st October, 1907 ...	3½	1,000,000	...	1,000,000
1847	1st July, 1906 ...	4	...	2,078,400	2,078,400
	<i>Melbourne and Hobson's Bay Railway Debentures.</i>				
617	(Overdue since 1897) ...	...	1,000	...	1,000
	Total ...	...	6,803,538	44,710,229	51,513,767
	<i>Treasury Bonds in aid of Revenue.</i>				
1451	1st Jan., 1906-13 ...	3¼	200,000	...	200,000
1795	" 1906-7 ...	3½	50,000	...	50,000
	Total (including loans in aid of Revenue)...	...	7,053,538	44,710,229	51,763,767

* Debentures convertible into inscribed stock at option of holder. The amount so converted to 30th June, 1905, was £8,913,800.

The last of the 6 per cent. loans was paid on 1st January, 1891, and the last of the 5 per cents. on the 1st January, 1897.

With reference to the £2,078,400 of 4 per cent. Treasury bonds, due in London on 1st July, 1906, holders had the option up to 31st December, 1905, of converting the bonds into 3½ per cent. consolidated inscribed stock, receiving £104 of stock for each £100 bond. At 31st December holders of bonds amounting to £1,513,200 had not exercised their option, and in order to meet these bonds a local loan, at the same rate of interest, was floated, with the following good results:—

London Bonds	...	...	...	...	£1,513,200
Added liability, at rate mentioned above	...				60,528
London loan liability, had option been exercised					1,573,728
Melbourne loan liability, as result of local loan					1,548,620
Saving on Loan Liability	...	...	...	...	25,108

There were Melbourne expenses of flotation amounting to £26,326, which were paid for out of revenue; but as a set-off against that, it must be remembered that, as in the future interest will be paid in Melbourne instead of London, on this proportion of the Act 608 Conversion, the State will have the use of the yearly interest money for about 100 days, and will save exchange on interest remittances. Altogether, Victoria's first local loan to redeem a London loan was most successful.

LOANS AUTHORIZED BUT NOT RAISED.

The loans authorized, but not raised, on the 30th June, 1905, amounted to £1,936,076, which sum now represents the unfloated balance of loans authorized in 1896, 1898, 1899, 1901, 1903, and 1904. The following return gives the particulars of these loans:—

LOANS AUTHORIZED BUT NOT RAISED, 30TH JUNE, 1905.

Purposes.	Under Loan Act—					
	59 Vict. No. 1440	62 Vict. No. 1552.	4 Ed. VII. No. 1962.	63 Vict. No. 1623.	1 Ed. VII. No. 1753.	3 Ed. VII. No. 1816
	£	£	£	£	£	£
Railways ...	...	...	...	206,363	350,609	...
Irrigation Works, &c. ...	...	...	...	100,000	100,000	...
Beet Sugar Industry	100,000	...	...	...	...	...
Closer Settlement ...	...	...	500,000	...	...	...
Loans to Farmers for Purchase of Seed	...	...	...	...	...	100,000
Redemption of Municipal Debentures	...	1,116,608	...	...	...	...
Miscellaneous ...	...	...	...	193,637	49,391	...
Total ...	100,000	1,116,608	500,000	500,000	500,000	100,000
Amount raised to 30th June, 1905	63,000	8,270	...	344,293	371,100	93,869
Balance not floated...	37,000	1,108,338	500,000	155,707	128,900	6,131
	Total, £1,936,076					

This sum of £1,936,076 authorized but not yet borrowed has been allotted by Parliament to the following purposes:—

Redemption of municipal debentures	...	£1,108,338
Closer settlement	... ..	500,000
Railways, water supply, public works, &c.	...	327,738
		<hr/> £1,936,076 <hr/>

The rate of interest on the amount to be raised is 3 per cent. on £1,429,945, and $3\frac{1}{2}$ per cent. on £506,131.

Growth of
Funded
Debt in
Victoria.

The following return shows the growth of the public 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 3.64 in 1904 and 1905. In relation to population, however, the amount per head has substantially increased from 1855 to 1900, but since the latter year there has been no very great alteration.

GROWTH OF PUBLIC DEBT AND INTEREST IN VICTORIA, 1855 TO 1905.

End of Financial Year in—	Loans Outstanding.			Amount per head of population.	
	Amount.	Annual Interest Payable.		Debt.	Annual Interest.
		Total.	Average rate per cent.		
	£	£		£ s. d.	£ s. d.
1855	480,000	28,800	6.00	1 6 4	0 1 7
1860	5,118,100	306,405	5.99	9 10 4	0 11 5
1870	11,924,800	688,740	5.78	16 8 3	0 19 0
1880	20,056,600	1,004,436	5.01	23 11 9	1 3 7
1890	41,377,693	1,649,465	3.99	36 19 11	1 9 6
1900	48,774,885	1,867,604	3.83	40 17 4	1 11 3
1901	49,546,275	1,861,547	3.76	41 3 0	1 11 0
1902	50,408,957	1,887,877	3.74	41 15 5	1 11 4
1903	51,097,900	1,904,514	3.73	42 5 11	1 11 6
1904	51,519,962	1,876,011	3.64	42 13 4	1 11 1
1905	51,513,767	1,875,249	3.64	42 9 8	1 10 11

Including money borrowed for temporary purposes (£250,000—Acts 1451 and 1795) in aid of revenue, the total debt on the 30th June, 1905, is £51,763,767, upon which the amount of interest and expenses (paid in 1904-5) was £1,884,208, or an average of 3.64 per cent. on the total debt. The amount of interest and expenses paid was fully earned by £45,765,547, the amount of such interest and expenses being £1,665,872. This leaves £5,998,220, all the interest and expenses upon which, £218,336, has to be met by charge upon the general revenue. In addition, a sum of £2,226,609 has been advanced from the trust funds, upon which the interest is £67,476, or 3.03 per cent. The total interest which has to be met

from general revenue is thus £285,812, equal to 3.48 per cent., or 4s. 9d. per head of population on a debt of £8,224,829, and this amount represents the real burden on 30th June, 1905.

Over £3,000,000 of the latter amount has been spent on public works of a permanent character, including defences, State schools, public offices, &c. With regard to the amount advanced from the trust funds, it is being reduced year by year from revenue, and the reduction in 1904-5 was £176,693.

SINKING FUNDS.

On 30th June, 1905, the sinking funds in Australia were as follow:—

Sinking funds of Australia.

SINKING FUNDS IN AUSTRALIAN STATES, 30TH JUNE, 1905.

State.	Sinking Funds in Connexion with—	
	State Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria	315,554	685,341
New South Wales	439,034	164,739
Queensland .. .. .	..	..
South Australia	133,149	..
Western Australia	1,073,844	59,953
Tasmania	214,171	102,133
Australia	2,175,752	1,012,166

* Figures for 1904, except Western Australia, 1902, and Tasmania, 1903.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1905:—

	Balance at Credit.
Mallee Land Account	£49,317
Closer Settlement Fund	3,357
Victorian Loans Redemption Fund	100,189
Victorian Government Consolidated Inscribed Stock Redemption Fund	149,074
Municipalities Contribution—Prince's Bridge	13,617
Total	£315,554

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 to this account are available solely for the repurchase, redemption, or paying off of any Victorian stock or debentures.

Mallee Land Account.

By Act No. 1749 of 1901, it was provided that all moneys received by the Board of Land and Works, from lessees or purchasers of farm allotments, or purchasers of any land acquired by the Board, pursuant

Closer Settlements Fund.

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 the payment of interest thereon. Under the *Closer Settlement Act* of 1904, this fund was transferred to the Board appointed to administer that Act.

By Act No. 1561 of 1898, it was enacted that a Victorian Government Consolidated Inscribed Stock Redemption Fund should be kept in the Treasury, and should be applied in purchasing or repurchasing, and ultimately in redeeming, consolidated stock—that is, stock on the London Register—and in paying expenses and costs of such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. Transactions in this fund to the 30th June, 1905, are as follow:—

**THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK
REDEMPTION FUND, 30TH JUNE, 1905.**

Transactions.						To 30th June, 1905.
RECEIPTS.						£
From	Waterworks Trusts	...	...	...	...	139,096
"	Mallee Land Account	...	...	...	...	84,000
"	Revenue	...	...	...	...	69,604
"	Miscellaneous	...	...	...	...	63,778
Total receipts						356,478
EXPENDITURE.						
Purchase of stock	...	...	...	...	...	206,795
Commission, &c.	...	...	...	...	...	609
Total expenditure						207,404
Balance in the Fund						149,074
Amount of Stock repurchased and cancelled						223,347

The miscellaneous receipts are made up of £109 from sale of land, Coliban Works; £62,827, surplus after redemption of loans, Acts 531 and 608; £517, dividends on investment; and £325 from sale of slotting machine.

By Act No. 1565 of 1898, it was enacted that a Victorian Loans Redemption Fund should be kept in the Treasury, and should be available for the purchase, repurchase, or redemption of any Victorian Government 3 per cent. stock and debentures payable at Melbourne, and in paying the expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue, repayments on account of resumption of land in the Mallee district, and sundry

Consolidated Inscribed Stock Redemption Fund.

Loans Redemption Fund.

loans made by the Government to municipalities, &c. Transactions in this fund to 30th June, 1905, are as follow:—

THE VICTORIAN LOANS REDEMPTION FUND, 30TH JUNE, 1905.

Transactions.					To 30th June, 1905.
RECEIPTS.					£
From Revenue	...	...	...	...	262,358
Resumption of land in Mallee Districts	...	...	...	...	3,988
Valuation of improvements	...	...	...	...	307
Payments by Municipalities	...	...	...	...	958
Repayment of Loans—					
Bush fires relief	...	...	...	...	16,737
Floods relief	...	...	...	...	939
Seed advances	...	...	...	...	64,476
New pilot steamer	...	...	...	...	2,389
Yarrowee Channel	...	...	...	...	1,296
Total receipts	...	...	...	...	353,448
EXPENDITURE.					
Purchase of stock	...	...	...	...	253,259
Balance in the fund	...	...	...	...	100,189
Amount of stock and debentures repurchased and cancelled					258,458

The following is a summary of the funded debts of the Australian States and New Zealand on the 30th June, 1905, their proportion to population, and the total and average interest payable. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

Funded
debts of
Australasia.

FUNDED DEBT OF AUSTRALASIA, 30TH JUNE, 1905.

State.	Funded Debt.		Interest Payable.	
	Amount.	Per Head of Population.	Amount.	Average Rate Per Cent.
	£	£ s. d.	£	
Victoria ..	51,513,767	42 9 8	1,875,249	3.64
New South Wales ..	80,594,372	54 13 4	2,885,005	3.58
Queensland (31.12.04) ..	39,069,227	74 17 10	1,447,351	3.70
South Australia ..	27,558,345	73 10 9	1,033,478	3.75
Western Australia ..	16,642,773	66 10 4	570,240	3.43
Tasmania ..	9,307,456	51 18 5	341,816	3.67
Total Australia ..	224,685,940	55 19 10	8,153,139	3.63
New Zealand (31.3.05) ..	59,912,000	69 5 3	2,244,295	3.75

South Australia and New Zealand pay the highest average rate of interest on their loans, the reason being, not that their securities are

considered of less value, but that a larger proportion of their loans was raised when the rates of interest were high.

In the following statement will be found the indebtedness per head of the various States of Australia and New Zealand during the last four years. In all the States except Western Australia and Tasmania, there has been an appreciable increase since 1901-2:—

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN AUSTRALASIA.

—	1901-2.	1902-3.	1903-4.	1904-5.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria	41 15 5	42 5 11	42 13 4	42 9 8
New South Wales	49 10 5	53 6 1	54 2 4	54 13 4
Queensland... ..	74 8 6	74 14 10	77 17 8	74 17 10
South Australia	72 14 3	73 5 11	74 3 9	73 10 9
Western Australia	71 14 6	70 7 11	68 0 7	66 10 4
Tasmania	52 4 1	52 3 1	51 6 4	51 18 5
New Zealand	67 0 11	68 5 4	69 2 0	69 5 3

The following is a statement of the total indebtedness of the Australian States in 1905:—

FUNDED AND UNFUNDED DEBT OF AUSTRALIAN STATES, 1905.

State.	State Debts.		Municipal and Corporation Debts (exclusive of Loans from Government.)	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria.. ..	51,513,767	2,476,609*	13,182,377	67,172,753	55 8 0
New South Wales	80,594,372	3,068,060	2,941,939	86,604,371	58 14 10
Queensland	39,069,227	1,151,710	667,403	40,888,340	78 7 8
South Australia	27,558,345	1,517,276	112,496	29,188,117	77 17 9
Western Australia	16,642,773	46,521	447,300	17,136,594	68 9 9
Tasmania	9,307,456	216,947	697,133	10,221,536	57 0 5
Total	224,685,940	8,477,123	18,048,648	251,211,711	62 12 1

* Treasury Bonds have been issued for £250,000 of this amount, but it has been the practice to regard it as part of the Unfunded Debt, as the money was borrowed for temporary purposes in aid of revenue, and is being paid off in yearly instalments.

The figures, £251,211,711, include loans raised by the State Governments, municipal bodies, corporations, and trusts. The Victorian figures exclude the amount of the tramways trust loan, viz., £1,650,000, which is treated as a loan to a private company, for

although the money has been borrowed by the trust, which is composed of representatives of municipalities, on the security of municipal property, yet the interest is paid and a sinking fund provided by the tramway company, which renders the liability of the trust merely nominal; further, the property must be purchased by the municipalities when the trust's lease has expired.

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

The State debts are those for the year ended in 1905, the municipal and corporation debts are for the year ended in 1904, figures for 1905 for other States than Victoria not being available. The complete figures for Victoria on the 30th June, 1905, appear in the following statement:—

STATE AND LOCAL DEBTS, 30TH JUNE, 1905.

	£	£
State Debts (Funded)— ..		
London Register	44,710,229	
Melbourne Register	6,802,538	
State Debts (Unfunded)	2,476,609	
Overdue Debentures, late Melbourne and Hobson's Bay Railway—unpresented	1,000	
	<hr/>	
Total State Debts		53,990,376
Municipal	3,899,827	
Harbor Trust	2,000,000	
Fire Brigades Board	130,000	
Melbourne and Metropolitan Board of Works	7,541,000	
	<hr/>	
Total Debts of Municipalities and Corporations		13,570,827
	<hr/>	
Total Debts		67,561,203
	<hr/>	

This sum (£67,561,203) is equal to a debt of £55 16s. 5d. per head of the population on 30th June, 1905.

DEBTS IN VARIOUS COUNTRIES.

Debt 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 (£26 10s. 7d.), which is about three-fifths of that of Victoria. The next highest is the united liability of the Transvaal and Orange River Colonies (£20 2s.), the next Great Britain (£17 9s. 5d.), with Belgium close up (£17 4s. 10d.). From this amount there is a gradual diminution of indebtedness to about £1 per head in British India. It must be remembered, however, that the large indebtedness of the Australian States is the result of expenditure on railways, roads, irrigation and water supply works, harbors, public and other works, required for the speedy development of an entirely new country, whilst in the older countries of the world much of this class of work is left to private enterprise.

GOVERNMENT DEBTS PER HEAD OF POPULATION IN VARIOUS COUNTRIES.

Country.	Date.	Amount per Head.
		£ s. d.
United Kingdom	31st March, 1905 ..	17 9 5
British India	31st March, 1904 ..	0 19 9
Canada	30th June, 1904 ..	13 7 9
Cape of Good Hope	1904	16 6 10
Natal	30th June, 1904 ..	14 8 11
Transvaal and Orange River ..	1904	20 2 0
France	31st December, 1903..	26 10 7
Italy	30th June, 1904 ..	15 10 2
Austria	1902	14 3 7
Hungary	1903	11 0 11
German States	1903-4	10 5 6
German Empire (Imperial) ..	31st March, 1903 ..	2 10 2
Norway	31st March, 1904 ..	6 8 9
United States of America (Federal) ..	30th June, 1904 ..	5 13 10
Russia	1903	4 19 5
Sweden	1903	3 13 6
Belgium	1903	17 4 10

The figures in the next table show that within the Commonwealth nearly seventy-eight millions of money have to be redeemed within the next eleven years, and ninety millions in the succeeding ten years.

Due dates of
Australian
loans.

DUE DATES OF AUSTRALIAN LOANS ON 30TH JUNE, 1905.

When Repayable.	Amount.	When Repayable.	Amount.
	£		£
Overdue	10,250	1936 to 1940 ..	7,959,200
1905	1,019,111	1941 to 1945 ..	2,750,000
1906 to 1910 ..	33,947,763	1946 to 1950 ..	5,445,293
1911 to 1915 ..	42,976,099	1951	1,000,000
1916 to 1920 ..	45,046,169	Annual Drawings ..	192,600
1921 to 1925 ..	45,172,383	Interminable ..	532,890
1926 to 1930 ..	14,997,229		
1931 to 1935 ..	23,636,953		
		Total Funded Debt	224,685,940

VALUATION OF STATES' DEBTS.

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

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

Each debt of each State of the Commonwealth has thus been separately valued upon a $3\frac{1}{2}$ per cent. basis, as from the 1st January, 1905, but not including loans raised after 30th June, 1903. To this

extent the amounts shown in the next table are deficient as compared with those shown in preceding tables, but they afford an idea of the comparative values of the nominal debt and its value on a $3\frac{1}{2}$ per cent. basis. Full particulars are not available to effect the complete valuation. The results are set forth in the following table:—

VALUATION OF STATE FUNDED DEBTS.

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

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

COST OF PERIODIC CONVERSIONS.

The whole of this debt is practically in terminable stock—the average currency of these loans being probably about 35 years. The average rate of expenses in floating or converting the Victorian loans is about $1\frac{1}{4}$ per cent., which it is presumed does not differ essentially

from those of the other States. As these debts necessitate the renewal during this period of 35 years, it is obvious that at the end of the period the expenses involved in the conversions of the debts of the Commonwealth would be approximately £2,600,000. Assuming an equal distribution throughout the period, the annual expense is £74,000—a rather large amount for the comparatively small population of Australia. In any scheme for the transference and consolidation of the present State debts, it might be advisable to take into consideration the conversion of the present into interminable stock in order to avoid the expenses in connexion with the present system of periodic conversions.

COMMONWEALTH, STATE, AND MUNICIPAL TAXATION.

In the following table will be found a statement showing for the years 1900-1 to 1904-5 the amount of revenue collected under the various heads of taxation by the Commonwealth, the State, and the Municipal bodies:—

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

Heads of Taxation.	Amount Received.				
	1900-1.	1901-2.	1902-3.	1903-4.	1904-5.
Federal—					
Customs Duties... ..	£ 1,123,106	£ 1,976,245	£ 2,096,318	£ 2,040,128	£ 1,907,063
Excise Duties	232,993	400,280	402,696	403,377	581,780
Total Federal Taxation	1,356,099	2,376,525	2,499,014	2,443,505	2,488,843
State—					
Customs Duties... ..	1,027,805	...	...	...	...
Excise Duties	174,386	...	...	...	...
Wharfage Rates	37,592	41,760	43,976	45,216	50,213
Ports and Harbors	29,248	28,298	27,616	28,756	30,946
Business Licences	18,377	16,914	16,969	17,852	17,521
Probate & Succession Duties	155,902	217,796	161,636	308,531	265,876

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

Heads of Taxation.	Amount Received.				
	1900-1.	1901-2.	1902-3.	1903-4.	1904 5.
State— <i>continued.</i>	£	£	£	£	£
Duties on Bank Notes ...	19,057	19,041	18,434	18,440	16,444
Land Tax ...	97,948	97,862	92,867	106,445	97,840
Income Tax ...	220,314	220,629	415,048	311,147	316,943
Stamp Duty ...	184,000	175,974	173,637	175,732	183,246
Total State Taxation ...	1,964,629	818,274	950,183	1,012,119	979,029
Municipal Taxation ...	897,062	964,240	940,351	981,412	986,009
Melbourne Harbor Trust Taxation ...	136,178	140,258	164,611	162,105	167,727
Total Taxation ...	4,353,968	4,299,297	4,554,159	4,599,141	4,621,608

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

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

	Total Amount of Taxation.	Rate per Head of Population.
	£	£ s. d.
Victoria	4,616,911	3 16 3
New South Wales	4,750,302	3 5 2
Queensland	1,926,941	3 13 11
South Australia	1,288,430	3 9 2
Western Australia	1,498,560	6 3 8
Tasmania	638,869	3 10 11
Australia	14,720,013	3 13 11
United Kingdom	185,657,000	4 6 3

In these figures the Commonwealth and the State taxation have been taken for the year 1904-5, and the municipal taxation for the year 1902-3, and it appears that the total taxation for Australia is £14,720,013, or an average of £3 13s. 11d. per head per annum. The lowest rate, £3 5s. 2d. per head, obtains in New South Wales; South Australia is next with £3 9s. 2d.; then follow Tasmania,

Queensland, Victoria, and Western Australia, with £3 10s. 11d., £3 13s. 11d., £3 16s. 3d., and £6 3s. 8d. respectively. In Great Britain, the taxation is 12s. 4d. per head above the average of all Australia, and is higher than any of the Australian States except Western Australia.

LICENCES.

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1905, and the amount of annual and temporary 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, 1905.

Description of Licence.	Number of Licences Granted.			Amount of Fees Collected.		
	Annual.	Temporary.	Total.	Annual.	Temporary.	Total.
<i>Excise.</i>				£ s. d.	£ s. d.	£ s. d.
The Distilling of Spirits—						
General ..	5	..	5	220 19 3	..	220 19 3
Wine ..	6	..	6	150 0 0	..	150 0 0
Vignerons ..	42	..	42	210 0 0	..	210 0 0
Test Still ..	38	..	38	3 15 6	..	3 15 6
The Manufacture of Tobacco, Cigars, Cigarettes, and Snuff	55	..	55	954 4 0	..	954 4 0
The making of Beer	44	..	44	1,100 0 0	..	1,100 0 0
Sugar Refining ..	1	..	1	5 0 0	..	5 0 0
<i>Licensing.</i>						
Victuallers ..	3,562	953	4,515	79,286 0 0	1,906 0 0	81,192 0 0
Packet ..	14	..	14	280 0 0	..	280 0 0
Grocers ..	322	..	322	3,220 0 0	..	3,220 0 0
Colonial Wine	340	..	340	1,700 0 0	..	1,700 0 0
Railway Refreshment Rooms ..	32	..	32	800 0 0	..	800 0 0
Billiard Tables ..	96	..	96	480 0 0	..	480 0 0
Spirit Merchants, &c.	455	..	455	11,375 0 0	..	11,375 0 0
Brewers ..	36	..	36	900 0 0	..	900 0 0
Auctioneers—General	494	121	615	11,979 13 2	121 0 0	12,100 13 2
Gold-buyers	355	..	355	170 17 9	..	170 17 9
<i>Customs.</i>						
Carriage ..	777	49	826	194 5 0	6 2 6	200 7 6
Lighter ..	44	..	44	11 0 0	..	11 0 0
Boat ..	20	3	23	5 0 0	0 7 6	5 7 6
Custom House Agents	59	2	61	297 10 0	2 10 0	300 0 0
Bond ..	40	3	43	3,999 19 2	132 10 0	4,132 9 2

LICENCES—NUMBER AND REVENUE, 1905—*continued.*

Description of Licence.	Number of Licences Granted.			Amount of Fees Collected.					
	Annual.	Temporary.	Total.	Annual.		Temporary.		Total.	
				£	s. d.	£	s. d.	£	s. d.
<i>Explosives.</i>									
Importation ..	136	..	136	433	10 0	..	..	433	10 0
Manufacture of Rack- arock ..	30	..	30	7	10 0	..	..	7	10 0
Manufacture of other Explosives ..	7	..	7	8	10 0	..	..	8	10 0
Magazine ..	210	..	210	151	0 0	..	..	151	0 0
Fireworks, Sale of ..	692	..	692	34	12 0	..	..	34	12 0
Other than Fire- works, Sale of ..	1,335	..	1,335	333	15 0	..	..	333	15 0

NOTE.—In addition to the above there are other licences, particulars of which cannot be obtained for the calendar year 1905, but the fees collected during the financial year 1904-5 are as follow :—

Description of Licence.	Amount of Fees Collected		
	£	s.	d.
Insurance	12,141	0	0
Business (on the Gold-fields)	110	0	0
Sale of Tobacco, &c.	1,396	19	7
Servants' Registry Office	101	2	6
Pawnbrokers	980	0	0
Hawkers	1,505	10	0
Carriers	59	3	0
Stage Carriage	165	0	0
Marine Store	144	8	0
Forwarding Agents	160	0	0
Permits to Fish, &c.	11	15	0