

FINANCE.**State
Finance.**

Under the Constitution Act the revenues of the State are payable into Consolidated Revenue, but certain of these revenues have been hypothecated by various Acts of Parliament for specified purposes, and are payable into special accounts or funds kept at the State Treasury. These special accounts or funds comprise the Mallee Land Account, the Assurance Fund, the Licensing Fund, the Licensing Act Compensation Fund, the Police Superannuation Fund, the Country Roads Board Fund, and the Developmental Railways Account. In addition to these funds, there are the Loan Fund into which all borrowed moneys are paid, and various Trust Funds.

Subsequent to the erection of Victoria into a self-governing Colony in 1851, it was divided for the purposes of local government into Districts which were evolved later into the present system of municipalities. The municipalities have power to levy rates and are assisted with grants by the State Government. Particulars regarding municipal finance are dealt with in another section of the *Year-Book*. Allied to the municipalities are the Boards and Trusts which control water supply, irrigation, and sewerage, and have rating powers in connexion therewith. There are also the Metropolitan Fire Brigades Board and the Country Fire Brigades Board, which are concerned with fire extinction in the metropolis and urban districts, and derive their revenues from the State Government, the Municipalities, and Insurance Companies; and the Melbourne and Geelong Harbor Trusts, which are intrusted with the management of those respective ports, and derive their revenues in the main from wharfage rates.

The Lands Purchase and Management Board manages closer settlement on behalf of the State. Lands are purchased with loan moneys, and the revenues received by the Board from lessees, &c., are payable into the Closer Settlement Fund, from which the working expenses of the Board are met, interest on loans provided, and loans redeemed.

Upon the federation of the Australian Colonies in 1901, the Customs and Excise, Post and Telegraph, and Defence Departments were transferred to the Commonwealth Government, as a set off against which the Commonwealth paid to the State at least three-fourths of the net Customs and Excise revenue until 31st December, 1910, and subsequently an annual amount equal to 25s. per head of the population (see page 142).

A summary of the transactions for the financial year 1914-15 in the Consolidated Revenue Fund and in the special funds referred to above gives the following result :—

REVENUE AND EXPENDITURE ACCOUNT OF VICTORIA,
1914-15.

	£
Revenue	10,529,017
Expenditure	11,706,968
Deficit for the year	1,177,951
Revenue deficit at 30th June, 1914	251,652
Revenue deficit at 30th June, 1915	1,429,603

The Revenue and Expenditure Account is a statement of cash transactions, the revenue representing actual receipts less refunds, and the expenditure actual payments made during the year.

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

—	Revenue.	Expenditure.
	£	£
Total according to Treasurer's Finance Statement ...	10,248,761	11,444,231
<i>Add—</i>		
Mallee Land Account—appropriated to		
Loan Redemption purposes	45,671	45,671
Country Roads Board Fund	54,785	54,785
Licensing Act Compensation Fund	63,624	63,624
Licensing Fund	107,752	107,752
Police Superannuation Fund	5,860	5,860
Assurance Fund	2,564	2,564
<i>Deduct—</i>		
Appropriation to reduction of deficit ... ..	...	17,519
Total	10,529,017	11,706,968

Compiled on the above basis, the revenue and expenditure of the State for the last ten years are shown in the next statement :—

STATE REVENUE AND EXPENDITURE: 1905-6 TO 1914-15.

Year ended 30th June.	Revenue.	Expenditure.	Year ended 30th June.	Revenue.	Expenditure.
	£	£		£	£
1906 ...	7,921,668	7,371,668	1911 ...	9,372,637	9,362,291
1907 ...	8,459,203	7,792,812	1912 ...	10,181,840	10,171,386
1908 ...	8,478,710	8,026,476	1913 ...	10,508,945	10,479,741
1909 ...	8,409,543	8,402,036	1914 ...	10,958,037	10,944,718
1910 ...	8,760,305	8,742,293	1915 ...	10,529,017	11,706,968

The expenditure shown in this statement comprises considerable sums appropriated to paying off the liabilities of former years, and to forming sinking funds to meet outstanding loans. Such appropriations are detailed in the succeeding table.

REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES,
ETC., 1905-6 TO 1914-15.

Year ended 30th June.	ORDINARY REVENUE APPROPRIATED.				Total.
	In reduction of the accumulated revenue de- ficiency of former years.	To Land Sales by Auction Fund.	In redemption of loan raised in anticipation of revenue (Act No. 1451.)	Towards Redemption Funds to meet out- standing loans.*	
	£	£	£	£	£
1906 ...	550,000	41,114	25,000	139,671	755,785
1907 ...	666,391	38,346	25,000	163,864	893,601
1908 ...	452,234	39,163	25,000	163,296	679,693
1909 ...	7,507	45,216	25,000	145,716	223,439
1910 ...	18,012	43,319	25,000	165,527	251,858
1911 ...	10,346	41,643	25,000	166,864	243,853
1912 ...	10,454	14,988	25,000	190,909	241,351
1913 ...	29,204	...	25,000	212,269	266,473
1914 ...	13,319	...	...	204,745	218,064
1915 ...	...	...	...	211,117	211,117
Totals (10 years)	1,757,467	263,789	200,000	1,763,978	3,985,234

* Full particulars of the Redemption Funds will be found further on in this "part."

In addition to the above appropriations there were in the financial years 1905-6, 1906-7, 1908-9, and 1911-12, large surpluses, which were applied specially to works or purposes of a public nature.

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1915. On 1st July, 1914, the total revenue deficiency was £251,651 11s. 11d., and in the course of the year it was increased by £1,177,950 18s., leaving the accumulated revenue deficiency

at the end of the financial year 1914-15 at £1,429,602 9s. 11d., which amount was met by Treasury bonds £900,000, by the Public Account pending the issue of bonds £295,470, and by advances from the trust funds £234,133.

REVENUE AND EXPENDITURE STATEMENT, 1914-15.

Revenue.	Amount.		Expenditure.	Amount.	
	£	s. d.		£	s. d.
Excise and Inland ...	1,367,448	0 10	Consolidated Revenue deficiency, 30/6/14	251,651	11 11
Territorial ...	234,510	12 7	Special Appropriations	3,213,312	11 8
Public Works ...	5,639,688	13 1	Chief Secretary ...	986,551	2 9
Ports and Harbors ...	109,073	1 3	Minister of Public Instruction	1,052,847	14 4
Fees ...	391,044	6 1	Attorney-General...	100,053	15 1
Fines ...	12,227	11 0	Solicitor General ...	76,493	19 3
Mallee Land Account	45,670	11 8	Treasurer	423,230	14 5
Country Roads Board Fund	54,784	14 5	Commissioner of Crown Lands	237,189	17 8
Licensing Act Compensation Fund	63,623	18 3	Commissioner of Public Works	498,666	14 3
Licensing Fund ...	107,752	8 8	Minister of Mines	67,997	6 1
Police Superannuation Fund	5,860	7 11	Minister of Forests	72,757	2 1
Assurance Fund ...	2,563	12 6	Minister of Water Supply	127,688	15 10
Miscellaneous ...	736,874	11 11	Minister of Agriculture	147,109	7 6
Federal Government	1,757,894	0 0	Minister of Health	48,713	12 2
Consolidated Revenue deficiency, 30/6/15	1,429,602	9 11	Minister of Railways	4,374,099	1 8
			Mallee Land Account	45,670	11 8
			Country Roads Board Fund	54,784	14 5
			Licensing Act Compensation Fund	63,623	18 3
			Licensing Fund ...	107,752	8 8
			Police Superannuation Fund	5,860	7 11
			Assurance Fund ...	2,563	12 6
Total ...	11,958,619	0 1	Total ..	11,958,619	0 1

The accumulated revenue deficiency at 30th June, 1915, was, as shown in the above statement, £1,429,603. This deficiency had its beginning in the year 1890-91, when it amounted to £206,843, and in the course of the next five years it was added to year by year, until it reached its greatest magnitude (£2,711,436) on 30th June, 1896, since which date it was steadily reduced year by year, with one or two

exceptions, to £251,652 on 30th June, 1914; but, during 1914-15, under conditions brought about by the war and a serious drought, it was increased to its present amount.

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

HEADS OF STATE REVENUE, 1910-11 TO 1914-15.

Heads of Revenue.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Federal Government...	1,617,572	1,667,657	1,691,833	1,733,280	1,757,894
State Taxation—					
Probate and Succession Duties	433,104	448,283	443,682	457,042	536,869
Income Tax ...	395,998	443,248	542,236	527,705	506,214
Land Tax ...	210,640	293,823	308,275	302,224	303,550
Stamp Duties ...	257,199	276,836	249,485	275,839	287,169
Licences ...	118,898	117,973	116,559	116,678	112,953
Other ...	25,650	17,103	12,449	13,848	15,286
Public Works and Services—					
Railways ...	4,887,560	5,237,466	5,250,599	5,568,039	5,170,020
Water Supply ...	263,711	255,081	304,679	324,143	284,979
Harbor Trusts, Wharfage, &c. ...	115,981	123,196	122,257	120,241	105,517
State Coal Mine ...	166,174	199,267	240,240	257,192	275,590
Interest on properties transferred to Commonwealth	...	138,941	105,701	87,068	82,803
Other ...	4,977	16,508	24,643	28,990	39,838
Land—					
Sales ...	219,789	211,952	238,290	164,124	139,122
Rents ...	129,547	144,267	144,841	142,738	144,466
Interest, &c. ...	79,363	125,807	138,696	168,173	172,064
Other Sources ...	446,474	464,432	574,480	670,713	594,683
Total ...	9,372,637	10,181,840	10,508,945	10,958,037	10,529,017
Per Head of Population	£ s. d. 7 3 4	£ s. d. 7 12 1	£ s. d. 7 12 3	£ s. d. 7 15 2	£ s. d. 7 7 2

The revenue for 1914-15 represents a decrease of £429,020, as compared with that for the previous year, and of this amount £398,019 is shown against Railways. The payments to the State by the Federal Government in the last five years are computed on the basis of a fixed payment of 25s. per head of population in the State, whereas in preceding years the Federal Government paid over to the State at least three-fourths of the net revenue from Customs and Excise duties. The reduction during the last two years in the revenue from sale of Crown lands is chiefly due to the fact that revenue from lands sold by auction is now payable into the Developmental Railways Account.

FEDERAL AND STATE FINANCE.

Federal
and State
Finance.

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

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

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

By the *Tasmanian Grant Act* 1912 the sum of £500,000 was granted out of the Consolidated Revenue of the Commonwealth for the purpose of financial assistance to the State of Tasmania, and an additional grant of £400,000 was made by the *Tasmanian Grant Act* 1913. As the result of these two grants, payments are to extend over a period of ten years, and, having commenced in 1912-13 with the amount of £95,000, there is an annual instalment of £90,000 for the succeeding eight years, and a final one of £85,000 in the year 1921-22.

INCOME TAX.

State
Income Tax.

An income tax was first imposed in Victoria in 1895, and, although originally fixed for a period of three years, it has, with certain amendments and alterations, been retained and continued from year to year until the present time. Incomes assessed for tax in any year are those earned, derived, or received in Victoria in the preceding calendar year, and are divided into two classes, viz. :— (1) those derived from personal exertion, and (2) those derived from property. The former consist of salaries, wages, stipends, fees, commissions, bonuses, pensions, superannuation or retiring allowances earned in or derived from Victoria, and all incomes arising or accruing from any profession, trade, or business carried on in Victoria; whilst the latter comprise incomes from all other sources. In computing the taxable income certain deductions are allowed from the gross income, the principal of which are outgoings and losses incurred in the production of the income, life assurance premiums not exceeding £50, and calls or contributions actually paid into any mining company or company in liquidation.

In the years shown in the succeeding tables incomes up to £200 were exempt from taxation except in the cases of companies and absentees, and those between £201 and £500 were allowed an exemption of £150 except in the cases of companies and absentees. The rates of tax in these years on incomes from personal exertion were 3d. on every £1 of the taxable amount up to £500; thence up to £1,000, 4d.; thence up to £1,500, 5d.; and over £1,500, 6d. in the £1. The rates on incomes from property were respectively double the rates on incomes from personal exertion. In the case of life insurance companies the tax was 8d. in the £1 on 30 per cent. of the premium income from ordinary business and on 15 per cent. of that from industrial business. In the case of mining companies the tax was 7d. in the £1 on the total amount of dividends declared and debenture interest paid. In the case of other companies liable to tax the rate was 7d. in the £1 on the net income. In the year 1910 there was allowed, in addition to the exemption, a rebate of 20 per cent. on assessments to all taxpayers except companies.

The tax remained unaltered for the year 1915, but, for the four subsequent years, while the exemptions and rates for incomes up to £500 was not altered, the rate on incomes over £500 from personal exertion has been increased to 4d. for every £1 of the taxable amount thereof up to £500, to 5d. for every £1 between £500 and £1,000, to 6d. for every £1 between £1,000 and £1,500, and to 7d. for every £1 over £1,500. The rates on income from property are respectively double those on incomes from personal exertion, and the rate for companies is 12d. for every £1 of the taxable amount.

In the following table are shown the rates of taxation, also the number of assessments, the amount of taxable incomes, and the tax payable in the respective groups for which different rates of taxation are charged :—

INCOME TAX ASSESSMENTS, 1915—BASED ON INCOMES OF 1914.

Taxable Income.	Rate of Tax in £1.				Number of Assessments.			
	Personal Exertion.	Property.	Companies.		Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.
			Insurance.	Other.				
	<i>d.</i>	<i>d.</i>	<i>d.</i>	<i>d.</i>				
Up to £500 ..	3	6	} 8	} 7	30,122	3,780	893	670
£501 to £1,000	4	8			2,855	1,015	2,814	238
£1,001 to £1,500	5	10			616	263	796	137
Over £1,500 ..	6	12			496	242	971	587
Total ..	..	..	..	..	34,089	5,300	5,474	1,632

Taxable Income.	Taxable Incomes.				Tax Payable.			
	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.	Personal Exertion.	Property.	Combined Personal Exertion and Property.	Companies.
	£	£	£	£	£	£	£	£
Up to £500 ..	4,228,414	614,087	186,248	119,363	52,855	15,358	3,299	3,449
£501 to £1,000	1,928,155	695,517	1,920,796	170,462	26,188	18,955	30,346	4,978
£1,001 to £1,500	740,444	320,742	968,914	168,795	11,549	10,077	16,879	4,928
Over £1,500	1,346,053	726,717	3,193,270	6,087,722	27,452	30,285	76,923	179,324
Total ..	8,243,066	2,357,063	6,269,228	6,546,342	118,044	74,675	127,447	192,679

On account of rebates of income tax allowed under section 11 of the *Land Tax Act* 1910, and section 4 of the *Income Tax Act* 1912, the tax payable does not coincide with the rates of tax when applied to the taxable incomes shown in the above statement.

In the succeeding statement particulars of the assessments, incomes and tax for the last five years are set forth:—

INCOME TAX: 1911 TO 1915.

—	1911.	1912.	1913.	1914.	1915.
Number of Assessments:					
Individuals ..	..	..	42,065	44,172	44,863
Companies ..	..	..	1,449	1,500	1,632
Total, Distinct Taxpayers ..	37,618	40,527	43,514	45,672	46,495
Taxable Incomes of previous year:					
Individuals ..	£ ..	£ ..	£ 17,221,140	£ 17,306,324	£ 16,869,357
Companies ..	..	..	5,711,829	6,064,835	6,546,342
Total ..	19,350,992	21,540,822	22,932,969	23,371,159	23,415,699
Tax payable:					
Individuals ..	..	..	326,506	327,293	320,166
Companies ..	..	..	166,595	178,522	192,679
Total ..	414,321	466,185	493,101	505,815	512,845
Per taxpayer ..	£ s. d. 11 0 3	£ s. d. 11 10 1	£ s. d. 11 6 8	£ s. d. 11 1 6	£ s. d. 11 0 7
Average tax payable in the £1 on taxable incomes by—					
Individuals ..	..	..	d. 4·55	d. 4·54	d. 4·55
Companies ..	..	..	7·00	7·06	7·06

In a comparison of the particulars contained in this table, it should be noted that the figures for 1914 have not been revised, as in former years, for later transactions on account of that year which were dealt with in the year following. In the instances where revised figures are available for 1914, it is known that the number of assessments has been increased by 1,198 and the amount of tax payable by £5,744.

In the appended tables the occupations of income taxpayers are given, the summary table immediately following showing the percentage of each class paying the tax, and the proportion of the whole amount contributed by each :—

OCCUPATIONS OF INCOME TAXPAYERS SUMMARIZED, 1915.

Occupations of Classes.	Number of Taxpayers.			Amount of Tax.				
	Total.	Percentage of Taxpayers.	Percentage of each class in Population.	Personal Exertion.	Property.	Total.	Percentage of Total.	Average to each Taxpayer.
				£	£	£		£ s. d.
1. Professional	8,894	19.13	20.30	38,151	9,355	47,506	9.26	5 6 10
2. Domestic ...	2,053	4.41	3.30	11,887	2,527	14,414	2.81	7 0 5
3. Commercial	14,301	30.76	15.61	80,259	16,388	96,647	18.85	6 15 2
4. Transport...	2,672	5.75	6.81	6,506	554	7,060	1.38	2 12 10
5. Industrial...	7,917	17.03	4.22	39,151	6,556	45,707	8.91	5 15 6
6. Primary producers ...	3,332	7.17	2.31	20,289	14,773	35,062	6.84	10 10 5
7. Indefinite...	5,694	12.24	70.71	2,728	71,042	73,770	14.38	12 19 1
8. Companies	1,632	3.51	...	192,679	...	192,679	37.57	118 1 3
Total	46,495	100.00	...	391,650	121,195	512,845	100.00	11 0 7

Owing to the exemption of a section of land-owners from the payment of income tax, which probably affects the number paying the tax in other classes, but certainly reduces the number of primary producers considerably, the indication given by the table of the relative wealth possessed by persons attached to the different occupational groups is not so reliable as formerly. The table shows, however, that the commercial class, which embraces 16 per cent. of the total bread-winners in the population, contributes nearly 31 per cent. of the taxpayers; that the professional class, which forms $7\frac{1}{2}$ per cent. of the bread-winners, contributes 19 per cent. of the taxpayers; that the industrial class, representing $32\frac{1}{2}$ per cent. of the bread-winners, yields only 17 per cent. of the taxpayers; and that primary producers, amongst whom are included those following agricultural, pastoral, and mining pursuits, and who represent 25 per cent. of the bread-winners,

yield only about 7 per cent. of the taxpayers. Of the definite classes, that contributing the highest percentage of taxpayers in proportion to its number in the population is the professional, with $20\frac{1}{3}$ per cent. ; then comes the commercial class, with over $15\frac{1}{2}$ per cent. ; and the transport class, with about $6\frac{3}{4}$ per cent. ; the smallest proportion is contributed by primary producers with $2\frac{1}{3}$ per cent. Of the amount paid as tax, companies yielded $37\frac{1}{2}$ per cent. of the total ; whilst the indefinite class, forming about $12\frac{1}{4}$ per cent. of the taxpayers, yielded $14\frac{1}{3}$ per cent. of the tax. The commercial class, forming $30\frac{3}{4}$ per cent. of the taxpayers, gave slightly more than $18\frac{3}{4}$ per cent. of the tax ; primary producers, forming about 7 per cent. of the taxpayers, gave nearly 7 per cent. of the tax ; the industrial class, forming 17 per cent. of the taxpayers, gave almost 9 per cent. of the tax ; and the professional class, forming 19 per cent. of the taxpayers, gave $9\frac{1}{4}$ per cent. of the tax.

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

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS
1915.

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	1,536	3	79	1,618	4,521	432	4,953	3 1 3
Clergymen ...	635	3	30	668	1,529	108	1,637	2 9 0
Legal Practitioners ...	611	9	210	830	7,301	2,552	9,853	11 17 5
Medical Practitioners ...	490	8	231	729	8,468	2,460	10,928	14 19 10
Police ...	460	...	14	474	659	20	679	1 8 8
Teachers ...	1,549	...	61	1,610	3,369	198	3,567	2 4 3
Various ...	2,602	27	336	2,965	12,304	3,585	15,889	5 7 2
	7,883	50	961	8,894	38,151	9,355	47,506	5 6 10

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1915—
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.
2. Domestic.								
Hotelkeepers...	1,272	16	326	1,614	£ 10,336	£ 2,263	£ 12,599	£ s. d. 7 16 1
Various ...	392	2	45	439	1,551	264	1,815	4 2 8
	1,664	18	371	2,053	11,887	2,527	14,414	7 0 5
3. Commercial.								
Agents ...	778	13	198	989	5,160	1,746	6,906	6 19 7
Brokers ...	151	...	43	194	2,502	307	2,809	14 9 7
Butchers ...	328	1	55	384	1,576	747	2,323	6 1 0
Clerks ...	4,587	8	333	4,928	16,943	1,819	18,762	3 16 2
Drapers ...	391	2	84	477	4,935	619	5,554	11 12 10
Grocers ...	402	2	63	467	1,836	396	2,232	4 15 7
Merchants ...	976	12	429	1,417	24,841	5,130	29,971	21 3 0
Salesmen ...	2,829	9	253	3,091	9,628	1,457	11,085	3 11 9
Storekeepers...	477	2	95	574	2,576	431	3,007	5 4 9
Various ...	1,419	33	328	1,780	10,262	3,736	13,998	7 17 3
	12,338	82	1,881	14,301	80,259	16,388	96,647	6 15 2
4. Transport.								
Carriers ...	327	6	56	389	1,593	239	1,832	4 14 2
Engaged in Postal Service	397	...	12	409	815	42	857	2 1 11
Engaged in Railways	1,492	1	30	1,523	2,524	56	2,580	1 13 11
Engaged in Shipping ...	319	1	31	351	1,574	217	1,791	5 2 1
	2,535	8	129	2,672	6,506	554	7,060	2 12 10
5. Industrial.								
Carpenters ...	559	15	179	753	4,399	999	5,398	7 3 4
Engine-drivers	110	...	3	113	139	2	141	1 4 11
Engineers ...	679	3	58	740	2,542	172	2,714	3 13 4
Managers ...	732	...	60	792	2,884	1,194	4,078	5 3 0
Manufacturers	698	5	257	960	14,015	2,367	16,382	17 1 4
Printers ...	702	2	37	741	2,895	167	3,062	4 2 8
Various ...	3,496	10	312	3,818	12,277	1,655	13,932	3 13 0
	6,976	35	906	7,917	39,151	6,556	45,707	5 15 6

SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS, 1915—
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.
6. Primary Producers.					£	£	£	£ s. d.
Engaged in Agriculture, &c.—								
Dairy Farmers	185	9	32	226	668	157	825	3 13 0
Farmers ...	977	132	368	1,477	6,875	3,792	10,667	7 4 5
Graziers ...	325	148	392	865	10,174	9,956	20,130	23 5 5
Various ...	357	28	60	445	1,367	624	1,991	4 9 6
	1,844	317	852	3,013	19,084	14,529	33,613	11 3 1
Engaged in Mining—								
Legal Managers	27	...	7	34	162	37	199	5 17 1
Miners ...	42	...	4	46	169	34	203	4 8 3
Mining Managers ...	97	...	7	104	315	15	330	3 3 6
Various ...	122	2	11	135	559	158	717	5 6 3
	288	2	29	319	1,205	244	1,449	4 10 10
	2,132	319	881	3,332	20,289	14,773	35,062	10 10 5
7. Indefinite.	561	4,788	345	5,694	2,728	71,042	73,770	12 19 1
8. Companies.								
Life Assurance	20	...	...	20	14,353	...	14,353	717 13 0
Mining ...	43	...	...	43	5,664	...	5,664	131 14 5
Other ...	1,569	...	...	1,569	172,662	...	172,662	110 0 11
	1,632	...	...	1,632	192,679	...	192,679	118 1 3
Total ...	35,721	5,300	5,474	46,495	391,650	121,195	512,845	11 0 7

Of the total taxpayers, nearly 77 per cent. gained their incomes from personal exertion, over 11 per cent. from property, and about 12 per cent. from personal exertion combined with property. The proportion of taxpayers of definite occupations deriving incomes from personal exertion ranged from 61 per cent. in the case of primary producers engaged in agriculture to 94 $\frac{3}{4}$ per cent. in the case of those engaged in transport. Personal exertion combined with property was the source of income in a proportion ranging from 4 $\frac{3}{4}$ per cent. of those

engaged in transport to 28½ per cent. of primary producers engaged in agriculture. The incomes of the indefinite class, which comprises persons of independent means and of no occupation and pensioners, are gained by nearly 10 per cent. of their number from personal exertion, by about 84 per cent. from property, and by 6 per cent. from personal exertion combined with property. Seventy-six per cent. of the total tax was yielded by incomes obtained from personal exertion, the percentage being as low as 3½ for indefinite occupations, and for the other classes ranging from 56½ for primary producers engaged in agriculture to 92 in the case of those engaged in transport.

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

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1915.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£501 and £1,000.	£1,001 and over.		£51 and £500.	£501 and £1,000.	£1,001 and over.	
1. Professional.								
Civil Servants ...	1,391	209	18	1,618	2,516	1,946	491	4,953
Clergymen ...	632	30	6	668	1,120	273	244	1,637
Legal Practitioners ...	442	227	161	830	954	2,349	6,550	9,853
Medical Practitioners ...	244	297	188	729	640	3,138	7,150	10,928
Police ...	461	13		474	570	109		679
Teachers ...	1,518	76	16	1,610	2,434	726	407	3,567
Various ...	2,329	484	152	2,965	4,547	4,722	6,620	15,889
	7,017	1,336	541	8,894	12,781	13,263	21,462	47,506
2. Domestic.								
Hotelkeepers ...	974	453	187	1,614	2,216	4,571	5,812	12,599
Various ...	350	69	20	439	626	687	502	1,815
	1,324	522	207	2,053	2,842	5,258	6,314	14,414
3. Commercial.								
Agents ...	727	178	84	989	1,552	1,876	3,478	6,906
Brokers ...	101	48	45	194	232	520	2,057	2,809
Butchers ...	317	54	13	384	618	539	1,166	2,323
Clerks ...	4,221	478	229	4,928	7,180	4,641	6,941	18,762
Drapers ...	354	63	60	477	692	647	4,215	5,554
Grocers ...	383	64	20	467	756	596	880	2,232
Merchants ...	661	355	401	1,417	1,406	3,736	24,829	29,971
Salesmen ...	2,677	316	98	3,091	4,759	3,042	3,284	11,085
Storekeepers ...	426	112	36	574	891	1,096	1,020	3,007
Various ...	1,303	312	165	1,780	2,669	3,148	8,181	13,998
	11,170	1,980	1,151	14,301	20,755	19,841	56,051	96,647

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS, 1915—
continued.

Occupations.	Number of Taxpayers.				Amount of Tax.			
	With taxable incomes between—			Total.	On taxable incomes between—			Total.
	£51 and £500.	£501 and £1,000.	£1,001 and over.		£51 and £500.	£501 and £1,000.	£1,001 and over.	
<i>4. Transport.</i>					£	£	£	£
Carriers ...	309	62	18	389	548	638	646	1,832
Engaged in Postal Service	387	18	4	409	584	159	114	857
Engaged in Railways	1,464	56	3	1,523	1,977	496	107	2,580
Engaged in Shipping	279	36	36	351	406	380	1,005	1,791
	2,439	172	61	2,672	3,515	1,673	1,872	7,060
<i>5. Industrial.</i>								
Carpenters ...	553	131	69	753	1,076	1,340	2,982	5,398
Engine-drivers ...	111	2	...	113	119	22	...	141
Engineers ...	644	62	34	740	978	594	1,142	2,714
Managers ...	661	102	29	792	1,302	948	1,828	4,078
Manufacturers ...	518	240	202	960	1,120	2,525	12,737	16,382
Printers ...	662	52	27	741	1,032	538	1,492	3,062
Various ...	3,355	348	115	3,818	5,399	3,405	5,128	13,932
	6,504	937	476	7,917	11,026	9,372	25,309	45,707
<i>6. Primary Producers.</i>								
Engaged in Agriculture, &c.—								
Dairy Farmers ...	191	30	5	226	387	289	149	825
Farmers ...	1,020	332	125	1,477	2,403	3,191	5,073	10,667
Graziers ...	392	209	264	865	1,133	2,528	16,469	20,130
Various ...	363	58	24	445	750	656	585	1,991
	1,966	629	418	3,013	4,673	6,664	22,276	33,613
Engaged in Mining—								
Legal Managers ...	21	10	3	34	44	85	70	199
Miners ...	41	2	3	46	84	19	100	203
Mining Managers ...	89	12	3	104	154	95	81	330
Various ...	111	15	9	135	184	180	353	717
	262	39	18	319	466	379	604	1,449
	2,228	668	436	3,332	5,139	7,043	22,880	35,062
<i>7. Indefinite.</i>	4,113	1,069	512	5,694	15,454	19,039	39,277	73,770
<i>8. Companies.</i>								
Life Assurance ...	4	2	14	20	26	55	14,272	14,353
Mining ...	6	11	26	43	48	223	5,393	5,664
Other ...	660	225	684	1,569	3,375	4,700	164,587	172,662
	670	238	724	1,632	3,449	4,978	184,252	192,679
Total ...	35,465	6,922	4,108	46,495	74,961	80,467	357,417	512,845

Of the number of taxable incomes assessed, 76 per cent. were under £500, 15 per cent. between £501 and £1,000, and 9 per cent. over £1,000; but the tax levied on these incomes formed 14·6, 15·7, and 69·7 per cent. respectively of the total. A perusal of the above table reveals that the occupational group which contributes the largest amount of tax is that of merchants, 1,417 of whom were taxed £29,971, and that of these 401 had taxable incomes of over £1,000, and were called upon to pay £24,829. The group paying the next largest amount of tax is that of graziers, 865 of whom were taxed £20,130. Of these, 264 had taxable incomes of over £1,000, and were called upon to pay £16,469.

The Federal Income Tax Assessment Act, which was first imposed on incomes earned in the financial year 1914-15, is one relating to the imposition, assessment, and collection of tax on incomes in the Commonwealth exceeding a gross amount of £156 in the case of residents and on any amount in excess of £1 in the case of absentees and companies.

Provision is made that, in addition to the deductions of expenses incurred in the earning of the income, there shall be a deduction in the case of persons (other than a company or an absentee) receiving income from personal exertion, of £156 in respect of incomes up to £500, and for incomes exceeding that amount, of £156, less £3 for every £10 by which the income exceeds £500. In respect of income derived from property, there is a deduction of £156 in respect of incomes up to that amount, but for every £5 by which the income exceeds £156 the exemption is reduced by £2.

In respect of incomes derived from a composite source, the deductions are first calculated as though the income were derived from each source separately, and one-half of the amount by which these deductions then exceed £156 is deducted from each exemption.

Agents for foreign principals are taxable on 5 per cent. of the gross sales made, whilst ships' charterers, whose principal place of business is outside Australia, are taxable at 5 per cent. of the freight paid for the carriage of goods, &c., from Australia.

Companies are taxable on the undistributed income. Where companies derive income from both in and out of Australia, the proportion earned only in Australia is taxed.

Persons on active service during the present war with the military or naval forces of the Commonwealth or any part of the King's Dominions, or of an ally of Great Britain, are exempt from tax so far as regards income derived from personal exertion prior to the commencement of this Act or during the present war.

The rate of tax for income derived from personal exertion is $3\frac{8}{100}$ d. where the taxable value is £1, the rate increasing uniformly by $\frac{8}{100}$ d. with each increase of £1 of the taxable income. For every £1 in excess of £7,600 the rate of tax is 5s.

On income derived from property up to £546 the rate is $3\frac{1}{81}$ d. where the income is £1, the rate increasing uniformly by $\frac{1}{81}$ d. for each increase of £1 in the taxable income. From £546 up to £6,500 the rates are arranged so as to provide for an average rate of tax of 10·5333d. at £1,000, 18·9333d. at £2,000, 25·8944d. at £3,000, 31·7833d. at £4,000, 36·5233d. at £5,000, 40·222d. at £6,000, and 41·7305d. at £6,500. For amounts in excess of £6,500 the rate of tax is 5s. per £1.

The rate of tax payable in respect of income from companies is 1s. 6d. in the £1.

Where the income is earned partly from personal exertion and partly from property the tax payable is at a rate that would have been applicable if the total income from both sources had been derived exclusively from each source.

LAND TAX.

State Land Tax. The State Land Tax Act of 1915 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might in ordinary circumstances be expected to require, and assuming that the improvements (if any) had not been made. The nature of the taxation is a duty upon land for every pound sterling of the unimproved value thereof, as assessed under the Act at a rate declared for each year by Act of Parliament. The rate of tax for 1911 and the succeeding years was one halfpenny on every pound sterling of the unimproved value of all land having an unimproved value exceeding £250, and the same rate has been imposed for 1916. No tax is chargeable when the unimproved value does not exceed £250. Where the assessed unimproved value exceeds the amount of exemption (£250) the exemption diminishes at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds

£500. The present land tax is a complete departure from the principles of the former one, under which only the lands of estates over 640 acres in extent and over £2,500 in value were taxed, and such lands were valued on a purely pastoral basis, varying from £1 to £4 per acre according to their sheep-carrying capacity, irrespective of whatever value might have attached to them for dairying or agricultural purposes.

The Assessment Roll at 31st December, of each of the last five years showed the following particulars:—

Assessment.	Taxpayers.			Net Assessment of Tax.
1911	77,471	...	...	£297,714
1912	78,493	...	...	£297,926
1913	79,533	...	...	£298,461
1914	80,643	...	...	£299,655
1915	80,896	...	...	£295,378

In addition to the State Land Tax there is upon the lands in the State a Commonwealth Land Tax, which was assented to on 17th November, 1910.

Commonwealth Land Tax Act 1910. The Federal Land Tax is a graduated progressive tax levied on the unimproved values of all lands within the Commonwealth save those which are exempt from taxation under the Act. When the owner was a resident of Australia, after allowing for an exemption of £5,000, the tax for the four years 1910-11, 1911-12, 1912-13, and 1913-14 was 1d. on the first £1 sterling of taxable value, and increased at a uniform rate, so that the tax was equal to an average rate of $1\frac{1}{2}$ d. in the £1 on an estate having a taxable value of £15,001, 2d. in the £1 on an estate having a taxable value of £30,001, $2\frac{1}{2}$ d. in the £1 on an estate having a taxable value of £45,001, 3d. in the £1 on an estate having a taxable value of £60,001, and $3\frac{1}{2}$ d. in the £1 on an estate having a taxable value of £75,001. For every £1 sterling of taxable value in excess of £75,000 the rate of tax was 6d. in the £1.

When the owner was an absentee no exemption was allowed, and the tax was 1d. in the £1 on the first £5,000, and 2d. on the first £1 above £5,000, after which it increased at a uniform rate, so that the tax

was equal to an average rate of $2\frac{1}{2}$ d. in the £1 on the excess over £5,000 for an estate having a taxable value of £20,001, 3d. in the £1 on the excess over £5,000 for an estate having a taxable value of £35,001, $3\frac{1}{2}$ d. in the £1 on the excess over £5,000 for an estate having a taxable value of £50,001, 4d. in the £1 on the excess over £5,000 for an estate having a taxable value of £65,001, and $4\frac{1}{2}$ d. in the £1 on the excess over £5,000 for an estate having a taxable value of £80,001. For every £1 sterling of taxable value in excess of £80,000 the rate of tax was 7d. in the £1.

For the financial year 1914-15 and subsequent years, when the owner is a resident of Australia, an exemption of £5,000 is allowed as formerly, but the rate of tax is fixed at $1\frac{1}{18\frac{1}{50}}$ d. on the first £1 sterling of taxable value, and increases uniformly with each £1 sterling of taxable value by $\frac{1}{18\frac{1}{50}}$ of a penny until the taxable value reaches £75,000. For every £1 of taxable value in excess of £75,000 the rate is 9d. When the owner is an absentee no exemption is allowed, and the tax is fixed at 1d. in the £1 on the first £5,000, and at $2\frac{1}{18\frac{1}{50}}$ d. in the first £1 above £5,000, and increases uniformly by $\frac{1}{18\frac{1}{50}}$ of a penny with each increase of £1 in the taxable value until such value reaches £80,000. For every £1 of taxable value in excess of £80,000 the rate is 10d.

The definition of unimproved value is the capital sum which the fee-simple of the land might be expected to realize if offered for sale on such reasonable terms and conditions as a *bonâ fide* seller would require, assuming that the improvements (if any) thereon or appertaining thereto, and made or acquired by the owner or his predecessor in title, had not been made.

The following particulars of land tax assessment for Victoria for the financial year 1914-15 have been furnished by the Federal Commissioner of Land Tax. The estates assessed numbered 5,093, of which 4,372 belonged to resident and 721 to absentee taxpayers. The unimproved value of these estates, as ascertained by the Department, was £49,509,923. The taxable value, after allowing for all statutory deductions from the unimproved value, was £34,350,309, on which the tax payable was £336,543. In addition there were 827 central office taxpayers who held an unimproved value of £8,643,821 representing their Victorian interests, on which the tax payable was £136,970.

RAILWAY REVENUE AND EXPENDITURE.

Victorian
Railways,
financial
results.

A summary of the results of the working of the Victorian Railways during the last five years is given in the annexed statement. The figures have been taken from the Railway Report and represent the actual business done each year, not the receipts and payments brought to account by the Treasury within the year. They include particulars of the St. Kilda-Brighton Electric Street Railway.

RAILWAY BALANCES: 1910-11 TO 1914-15.

—	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Gross Revenue ...	4,909,062	5,233,979	5,222,271	5,581,474	5,183,687
Working Expenses ...	3,001,492	3,323,767	3,492,765	3,773,493	4,134,878
Pensions, Gratuities, &c.	107,831	131,319	112,236	112,855	123,438
Net Receipts ...	1,799,739	1,778,893	1,617,270	1,695,126	925,371
Interest on Cost of Construction	1,516,764	1,513,102	1,595,020	1,677,369	1,767,807
Surplus ...	282,975	265,791	22,250	17,757	...
Deficit ...	...	...	...	...	842,436

The decrease in the surpluses of 1912-13 and 1913-14 as compared with preceding years is due to concessions in freight charges, to the improved train facilities provided, to the higher cost of materials, &c., and to the improved scale of payment and better working conditions provided for the staff. In 1914-15, in addition to these factors, the expenditure was further increased by efforts to minimize unemployment, and there was a loss in revenue on account of the adverse conditions occasioned by the drought. The result is that a deficit of £842,436, which is the first since 1907-8, is shown for that year.

RAILWAY ACCIDENT AND FIRE INSURANCE FUND.

The establishment of a permanent fund to be kept at the Treasury, and called the Railway Accident and Fire Insurance Fund, was effected by provision in the *Railways Act 1907*. This provision requires the Railway Commissioners to pay into such fund the sum of 10s. for every £100 sterling of the revenue of the Victorian Railways until the fund amounts to £100,000, at which amount it is to be maintained. During the year ended 30th June, 1915, the receipts of the fund amounted to £25,918; whilst the payments made from the fund were £7,351 for compensation, damages, costs, &c., to persons other than employes injured; £7,008 as compensation on account of injuries to or deaths of employes; and £13,714 as compensation for goods or parcels lost, and for damages caused by fire, &c.

STATE EXPENDITURE.

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

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE: 1910-11 TO 1914-15.

Hheads of Expenditure.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
<i>General Government.</i>					
Governor ...	9,158	11,519	9,877	10,755	7,756
Parliament and Ministry	79,944	80,291	74,740	74,354	83,238
Civil Establishment ...	234,787	264,289	300,687	327,632	333,663
Pensions and Gratuities	353,645	376,870	347,600	340,863	367,718
<i>Law, Order, and Protection.</i>					
Judicial and Legal ...	181,497	182,271	201,931	197,099	206,016
Police ...	320,663	329,312	357,396	363,692	370,381
Penal Establishments and Gaols	50,397	50,814	53,189	56,555	58,864
<i>Education, &c.</i>					
State Schools, &c. ...	876,204	986,633	987,212	1,033,256	1,081,461
Technical Schools ...	37,693	36,871	36,153	41,592	55,673
University ...	38,357	43,223	34,900	30,413	17,576
Libraries, &c. ...	55,794	53,343	39,531	40,839	36,069
Art and Science ...	9,828	15,345	11,220	12,630	11,969
<i>Recreation and Health.</i>					
Parks, Gardens, and Public Resorts	32,469	30,731	29,227	29,475	27,229
Public Health ...	37,799	45,513	47,582	53,632	49,192
Charitable Institutions, &c.	454,455	470,588	483,427	497,642	540,259

**SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE :
1910-11 TO 1914-15—continued.**

Heads of Expenditure.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
<i>Crown Lands, &c.</i>	£	£	£	£	£
Crown Lands ...	127,220	189,906	210,866	176,917	180,400
Agriculture and Stock ...	171,258	195,576	176,074	188,826	189,784
Mining ...	247,882	268,779	290,242	317,632	360,044
<i>Public Works.</i>					
Railways ...	3,031,431	3,356,714	3,459,832	3,781,671	4,144,959
Water Supply ...	87,801	105,905	117,632	115,524	133,059
Harbors, Rivers, and Lights	90,343	89,741	113,694	164,814	155,530
Roads and Bridges ...	18,248	12,780	15,108	13,777	16,690
Country Roads Board Fund	...	...	45,303	49,276	54,785
Municipal Endowment, &c.	132,845	131,554	137,608	124,915	127,828
Surplus Revenue appropriated to "Revenue Services"	...	91,662	...	...	...
Land Sales by Auction Fund	41,643	14,988	...	...	...
Works and Buildings, n.e.i.	110,255	82,645	65,130	51,997	48,064
Interest and Expenses of Public Debt	2,027,232	2,096,198	2,173,055	2,298,005	2,439,180
Interest on Advances from Savings Banks	24,373	23,849	21,395	16,293	7,887
Redemption Funds, &c.	191,864	215,909	237,269	204,745	211,117
<i>Other Expenditure.</i>					
Mint Subsidy ...	20,000	20,000	20,000	20,000	20,000
Fire Brigades ...	23,170	24,875	26,688	27,753	29,656
Old-age Pensions ...	1,395	...	...	...	...
Immigration ...	40,341	68,183	122,901	67,848	75,600
Licensing Fund ...	107,739	108,804	110,149	108,912	107,752
Licensing Act Compensation Fund	51,716	55,275	58,948	60,139	63,624
Expeditionary Forces — Allowance to Railway Department for carriage	...	...	...	...	32,232
Assurance Fund ...	4,811	3,628	2,625	3,052	2,564
Miscellaneous ...	38,034	36,802	55,550	42,193	59,149
Total ...	9,362,291	10,171,386	10,479,741	10,944,718	11,706,968
Per Head of Population	£ s. d. 7 3 2	£ s. d. 7 11 11	£ s. d. 7 11 10	£ s. d. 7 15 0	£ s. d. 8 3 8

Compared with the previous year the ordinary expenditure of the State for 1914-15 shows an increase of £762,250. The heads of expenditure showing the largest increases are—Railways, £363,288; Interest and Expenses of Public Debt, £141,175; State Schools,

£48,205; Charitable Institutions, &c., £42,617; and Mining, £42,412. The most important decreases are—University, £12,837; and Harbors, Rivers, and Lights, £9,284.

PENSIONS AND GRATUITIES.

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

Pensions and gratuities to Government servants.

During the year 1914–15, 3,068 pensions, amounting to £317,990, were paid to ex-public servants not including police, viz., 2,892 under special appropriations, amounting to £308,564; and 176 from annual votes, amounting to £9,426. Seventy-two compensations and gratuities were also paid, the amount being £19,868. The following statement summarizes the numbers and amounts of payments made in the last financial year:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC., PAID: 1914–15.

Division of Service.	Special Appropriations.		Annual Votes.		Total.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.
Education Department ...	1,060	£ 103,994	17	£ 779	1,077	£ 104,773
Railways ...	1,182	97,726	137	7,691	1,319	105,417
Defence ...	8	640	...	...	8	640
Lunacy ...	42	3,994	...	...	42	3,994
Under Constitution Act ...	2	3,000	...	...	2	3,000
County Court Judges ...	1	302	...	...	1	302
Commissioners of Audit ...	1	667	...	...	1	667
Officers of Parliament ...	3	554	...	...	3	554
Public Service Board ...	1	750	...	...	1	750
Under Act 1988 ...	1	283	...	...	1	283
Under Civil Service Act 160	293	56,564	...	...	293	56,564
„ Public Service Act 773	122	20,176	...	...	122	20,176
Commonwealth Service— Officers of transferred Departments	176	19,914	...	...	176	19,914
Various allowances ...	...	...	22	956	22	956
Total Pensions and Superannuation Al- lowances	2,892	308,564	176	9,426	3,068	317,990
Compensations and Gra- tuities	18	3,061	54	16,807	72	19,868
Subsidy to Police Super- annuation Fund	...	7,860	...	22,000	...	29,860
Total amount paid ...	...	319,485	...	48,233	...	367,718

In 1914-15 the payments out of the Police Superannuation Fund were as follows:—364 pensions, amounting to £46,364, and 14 gratuities, amounting to £10,353. The Police Superannuation Fund is maintained by an annual subsidy of £2,000 from the consolidated revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by a deduction, not exceeding $2\frac{1}{2}$ per cent., from the pay of the members of the force entitled to pensions; by transfers from the Licensing Fund under the provisions of Act No. 2068; and, should the foregoing sources prove insufficient, by a further grant in aid from the consolidated revenue.

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

In the year 1914-15, 29 pensions amounting to £3,360, and £77 sick allowances, were paid out of the Port Phillip Pilot Sick and Superannuation Fund, towards which, however, the Government does not contribute, the fund being maintained by deductions from pilots' earnings and the annual income from investments belonging to the fund.

South Africa
Contingent
pensions.

Pensions to members and relatives of members of the South African war contingents amounted to £694 in 1914-15.

EXPENDITURE ON EDUCATION.

During the year 1914-15 the State expended on education generally the sum of £1,544,832. This amount includes the interest payable on loan moneys expended on buildings and expenditure in connexion with pensions and gratuities.

The expenditure for the five years 1910-11 to 1914-15 is as follows:—

STATE EXPENDITURE ON EDUCATION: 1910-11 TO 1914-15.

Expenditure on—	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Education—Primary ..	756,450	692,950	762,692	763,351	787,834
Intermediate and secondary		39,832	55,747	64,257	77,290
Special Subjects		20,056	20,536	23,951	25,581
Training of Teachers ..		20,867	21,372	22,106	20,928
Administration		45,999	45,915	47,180	49,265
Buildings	117,048	167,657	158,028	198,377	315,869
Technical Schools (including Building Grants)	41,030	42,541	49,139	73,654	77,852
University (including Building Grants)	41,886	46,902	38,460	34,777	29,576
Interest on Loan Money expended on Buildings	39,784	39,784	39,784	39,784	53,086
Miscellaneous	96,004	95,905	99,362	104,617	107,551
Total	1,092,202	1,212,493	1,291,035	1,372,054	1,544,832

The foregoing statement deals with the expenditure by the State on education generally, and includes expenditure connected with the

University and technical schools, but the following statement relates to that portion of the expenditure which has been incurred in connexion with the State schools of Victoria, primary and secondary, of which the details as arranged are available only for the last four years:—

EXPENDITURE ON STATE EDUCATION SYSTEM: 1911-12
TO 1914-15.

Items.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£
Education:				
Primary—Day Schools	691,711	760,966	760,330	784,148
Night Schools	239	67	64	64
Schools for Deaf Mutes, Blind, and Feeble-minded Children .. .. .	..	659	1,957	2,622
	691,950	761,392	762,351	786,834
Intermediate—Higher Elementary Schools ..	3,222	10,420	10,631	7,679
Evening Continuation Classes	617	903	697	1,053
Secondary—High Schools	14,202	22,024	26,714	33,481
Agricultural High Schools	18,200	18,698	21,116	22,340
	36,241	52,045	59,158	65,053
Special Subjects—Cookery	6,780	6,582	8,779	9,826
Manual Training	11,145	11,542	12,267	12,184
Physical Training	510	764	951	800
Medical Inspection	1,621	1,648	1,738	2,328
Dressmaking and Needle- work .. .. .	..	..	216	222
School Gardening .. .. .	..	..	..	221
	20,056	20,536	23,951	25,581
Training of Teachers—Training College ..	8,209	9,149	10,897	11,180
University Practising School	2,547	2,626	2,570	2,586
Miscellaneous	10,111	9,597	8,639	7,162
	20,867	21,372	22,106	20,928
Administration	45,999	45,915	47,180	49,265
Buildings—Primary Schools	135,387	119,301	152,275	270,156
Primary Schools (expended by School Committees)	12,191	12,693	14,794	13,144
Rent	5,100	5,098	7,097	8,711
Higher Elementary Schools	1,510	13,075	5,994	8,776
High Schools	469	1,097	16,048	13,686
Agricultural High Schools	13,000	6,764	2,169	1,396
	167,657	158,028	198,377	315,869
Interest on Loan Money expended on Buildings	39,700	39,700	39,700	53,002
Miscellaneous—Pensions and Gratuities ..	95,770	97,361	101,567	105,810
Grant to State Schools Decoration and Equip- ment Society .. .. .	..	2,000	2,000	1,000
Grant to State Schools Horticultural Society	..	..	300	300
Subsidies, sparsely populated districts ..	..	..	..	83
Total	1,118,240	1,198,649	1,256,690	1,423,725

The following return summarizes the expenditure and revenue connected with the State educational system, and shows the cost per scholar for the last ten years :—

**COST OF INSTRUCTION IN VICTORIAN STATE SCHOOLS :
1905-6 TO 1914-15.**

Year.	Expenditure by the State.	Revenue of the Education Department.	Net Expenditure.	Number of Scholars— Average Attendance.	Cost per Scholar to the State.
	£	£	£		£ s. d.
1905-6 ..	750,249	12,843	737,406	142,216	5 3 8
1906-7 ..	794,627	14,277	780,350	147,270	5 6 0
1907-8 ..	850,646	17,003	833,643	143,551	5 16 2
1908-9 ..	941,029	17,849	923,180	146,106	6 6 4
1909-10 ..	959,160	19,138	940,022	145,968	6 8 10
1910-11 ..	1,002,415	20,707	981,708	146,464	6 14 1
1911-12 ..	1,118,240	24,540	1,093,700	154,807	7 1 4
1912-13 ..	1,198,649	28,646	1,170,003	156,965	7 9 1
1913-14 ..	1,256,690	26,175	1,230,515	163,200	7 10 10
1914-15 ..	1,423,725	33,802	1,389,923	166,407	8 7 1

This table includes the amount payable each year as interest on loan moneys expended on school buildings. Expenditure connected with Agricultural High Schools first occurred in 1906-7.

TRUST FUNDS.

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

TRUST FUNDS: 1911 TO 1915.

Accounts.	Credit Balance on 30th June.				
	1911.	1912.	1913.	1914.	1915.
	£	£	£	£	£
Deposits in Savings Banks	740,040	640,040	261,365	248,365	248,365
Deposits in Savings Banks Security Account	3,309,962	3,477,319	3,389,819	3,818,855	3,668,355
Victorian Loans Redemption Fund	289,418	330,090	369,079	390,437	391,286
Victorian Government Consolidated Inscribed Stock Redemption Fund	634,459	733,858	786,680	893,858	1,029,740

TRUST FUNDS : 1911 TO 1915—*continued.*

Accounts.	Credit Balance on 30th June.				
	1911.	1912.	1913.	1914.	1915.
	£	£	£	£	£
Railway Stores Suspense Account	153,746	203,658	123,162	119,951	101,647
Railway Rolling-stock Replacement Fund	132,968	46,291	59,499	68,419	73,522
Licensing Act 1906 Compensation Fund	40,386	43,217	47,462	56,473	66,000
Metropolitan Fire Brigades Board	55,740	68,024	73,211	93,436	98,503
Port Phillip Pilot Sickness and Superannuation Fund	58,155	57,941	57,946	57,900	57,900
Unused Roads and Water Frontages Fund	55,155	58,781	35,477	19,776	13,310
Municipal Sinking Funds	711,950	712,805	719,600	683,049	657,373
Assurance Fund (Land Titles)	183,046	192,371	168,384	177,213	185,596
Intestate Estates ...	73,952	78,504	79,979	85,686	78,773
Lunatic Patients' Estates	41,684	47,140	34,040	40,920	41,632
Trustee and Assurance Companies	126,390	131,390	126,390	131,390	412,390
Closer Settlement Fund	79,638	38,098	15,220	89,217	61,125
Mallee Land Account	14,351	29,484	55,688	65,999	53,670
Coal Mines Sinking Fund	7,050	6,046	16,962	26,953	38,535
Coal Mines Depreciation Fund	8,525	14,490	25,001	45,638	75,977
Country Roads Board Fund	...	...	43,766	79,905	36,191
Developmental Railways Account	...	...	62,120	9,459	39,858
Other Funds ...	638,933	1,492,118	1,672,265	1,298,257	1,338,386
Total ...	7,355,548	8,401,665	8,223,115	8,501,156	8,768,134
How Invested :—					
In State Debentures and Stock	2,599,128	2,853,954	2,967,456	3,014,424	3,515,867
In Bank Deposit Receipts, Cash, and Advances to Revenue, &c.	4,756,420	5,547,711	5,255,659	5,486,732	5,252,267

Of the accumulated revenue deficiency on 30th June, 1915, £234,132 has been met from the last item in the above return.

The Municipalities' Loans Extension Act was passed in 1898 to relieve any municipality which desired relief from further contributions to its loan sinking fund. The amount already to the credit of the sinking fund of any municipality which takes advantage of the Act is allowed to accumulate with interest, and at the maturity of the loan the Government will, by the sale of inscribed stock, pay the difference between the amount at credit of the fund and the amount of the loan to be redeemed, the municipality repaying to the Government, in half-yearly instalments, the amount so paid. The amount of stock inscribed under the Municipalities' Loans Extension Act, which was not sold on 30th June, 1915, was £1,057,785. The amount of money to the credit of the municipal sinking funds, which has not materially altered during recent years, was, on 30th June, 1915, £657,373.

COMMONWEALTH FINANCE IN VICTORIA.

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

Commonwealth
Finance.

COMMONWEALTH REVENUE AND EXPENDITURE IN THE STATE OF VICTORIA (ESTIMATED): 1910-11 to 1914-15.

Heads of Revenue and Expenditure.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
REVENUE.	£	£	£	£	£
Customs Duties... ..	3,191,787	3,566,891	4,091,761	3,783,064	3,539,654
Excise Duties	831,976	892,929	655,558	645,345	817,175
Post, Telegraph, &c. ...	977,032	1,049,362	1,119,417	1,191,191	1,220,578
Land Tax	366,543	357,279	393,664	422,127	483,826
Probate Duty ... ..	...	...	...	...	8,588
Miscellaneous	114,662	119,539	121,600	149,273	190,179
Total	5,482,000	5,956,000	6,382,000	6,191,000	6,260,000
EXPENDITURE.					
Trade and Customs	72,030	74,994	83,179	82,062	80,991
Postmaster-General ...	1,077,260	1,208,848	1,384,295	1,497,170	1,488,969
Defence ... ..	...	...	...	...	...
New Expenditure	2,616,138	2,795,501	2,946,693	2,684,488	7,048,146
Miscellaneous ... ..	...	...	...	...	...
Payment to the State Government	1,617,572	1,667,657	1,691,833	1,733,280	1,757,894
Total	5,383,000	5,747,000	6,106,000	5,997,000	10,376,000

As the Federal Treasurer has abandoned the practice of recording the Commonwealth revenue and expenditure according to the State in which it was earned or incurred since 30th June, 1910, it has become necessary to estimate the Commonwealth revenue and expenditure in Victoria for the last five years. The figures relating to Customs and Excise duties for such years are by comparison with 1909-10 and earlier

years somewhat high, as they represent the total amounts collected within the State, less drawbacks and refunds, whereas in the years prior to 1910-11, in addition to the deductions on account of drawbacks and refunds, the duties collected on goods which were subsequently transferred to another State were debited to the exporting and credited to the importing State. The balance of trade between the States in goods of other than Australian origin is against Victoria from a Customs revenue stand-point.

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

Commonwealth and State Finance.

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

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: 1910-11 TO 1914-15.

Heads of Revenue and Expenditure.	1910-11	1911-12.	1912-13.	1913-14.	1914-15.
REVENUE.					
	£	£	£	£	£
Customs and Excise ...	4,023,763	4,459,820	4,747,319	4,428,409	4,356,829
Post, Telegraph, &c. ...	977,032	1,049,362	1,119,417	1,191,191	1,220,578
Railways ...	4,887,560	5,237,466	5,250,599	5,568,039	5,170,020
State Taxation ...	1,441,489	1,597,266	1,672,686	1,693,336	1,762,041
Other sources ...	1,907,221	2,156,269	2,409,091	2,534,782	2,521,655
Total Revenue ...	13,237,065	14,500,183	15,199,112	15,415,757	15,031,123
EXPENDITURE.					
Customs and Excise ...	72,030	74,994	83,179	82,062	80,991
Post, Telegraph, &c. ...	1,077,260	1,208,848	1,384,295	1,497,170	1,488,969
Railways ...	3,031,431	3,356,714	3,459,832	3,781,671	4,144,959
Public Instruction* ...	952,254	1,066,727	1,058,265	1,105,261	1,154,710
Public Debt (Victoria)—					
Interest and Expenses	2,027,232	2,096,198	2,178,055	2,298,005	2,439,180
Redemption ...	191,864	215,909	237,269	204,745	211,117
Other Expenditure ...	5,775,648	6,231,339	6,493,013	6,239,524	10,805,148
Total Expenditure	13,127,719	14,250,729	14,893,908	15,208,438	20,325,074

* Primary and Technical Schools, and University.

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

by £653,848 in 1907-8, by £303,678 in 1908-9, and by £490,721 in 1909-10. The figures for the last five years are somewhat overstated for the reasons mentioned on pages 164 and 165, and show, when compared with 1900-1, an average increase of £1,844,938.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

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

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE: 1911 TO 1915.

	Financial Year ended in—				
	1911.	1912.	1913.	1914.	1915.
<i>Revenue.</i>					
	£	£	£	£	£
Government—					
Federal ..	5,482,000	5,986,000	6,382,000	6,191,000	6,260,000
State ..	7,690,195	8,449,313	8,752,242	9,162,474	8,711,427
Municipal ..	1,578,614	1,703,125	1,858,322	1,952,534	1,988,189
Harbor Trusts ..	326,840	307,776	315,104	328,011	281,333
Melbourne and Metropolitan Board of Works ..	565,287	613,345	652,229	716,772	797,930
Fire Brigades Boards	29,687	33,418	36,994	37,447	48,631
Total ..	15,672,623	17,092,977	17,996,891	18,388,233	18,087,510
<i>Ordinary Expenditure.</i>					
Government—					
Federal ..	5,383,000	5,747,000	6,106,000	5,997,000	10,376,000
State ..	7,679,849	8,438,859	8,723,038	9,149,155	9,889,378
Municipal ..	1,630,652	1,808,715	1,850,737	1,984,486	2,020,380
Harbor Trusts ..	312,059*	444,847*	491,735*	515,229*	209,436
Melbourne and Metropolitan Board of Works ..	525,164	575,266	594,425	636,892	648,734
Fire Brigades Boards	30,762	38,393	32,111	38,623	44,428
Total ..	15,561,486	17,053,080	17,798,046	18,321,385	23,188,356

* Including expenditure from loans.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
1911 TO 1915—continued.

	Financial Year ended in—				
	1911.	1912.	1913.	1914.	1915.
<i>Loan Expenditure.</i>	£	£	£	£	£
Government—					
Federal .. .. .	.. .. .	193,446	346,507	624,681	623,824
State	2,657,271	2,974,149	2,693,844	3,276,994	5,351,830
Municipal	190,574	311,956	407,477	344,811	439,973
Harbor Trusts .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	321,262
Melbourne and Metro- politan Board of Works	413,404	420,091	647,441	441,285	454,680
Fire Brigades Boards	72	418	14,796	19,373	28,808
Total	3,261,321	3,900,060	4,110,065	4,707,144	7,220,377
 <i>Expenditure—Grand Total</i>	 18,822,807	 20,953,140	 21,908,111	 23,028,529	 30,408,733
 Per Head of Popula- tion—					
Revenue	£ s. d. 11 19 7	£ s. d. 12 15 3	£ s. d. 13 0 9	£ s. d. 13 0 5	£ s. d. 12 12 10
Ordinary Expen- diture	11 17 11	12 14 8	12 17 10	12 19 6	16 4 2
Loan Expenditure	2 9 10	2 18 3	2 19 6	3 6 8	5 0 11

The loan expenditure of the Federal Government for 1914-15 amounted to £2,525,556; the proportion shown in the table above as being chargeable to Victoria has been calculated on a population basis.

The total revenues in Victoria of the Federal and State Governments, the municipalities, and other corporations in the financial year 1915 amounted to 18 millions, sterling, which was £300,728 less than the revenues of the previous year. The total expenditure in 1915 exceeded that of 1914 by £7,380,204, or 32 per cent.

In proportion to population there was in the later year a reduction of 7s. 7d. per head in revenue, but an increase of £4 18s. 11d. per head in the total expenditure.

PUBLIC DEBT.

The following statement shows the result of loan transactions including Treasury Bonds in aid of revenue to 30th June, 1915, with the exception of Melbourne and Hobson's Bay Railway Debentures taken over, which are not treated in the Treasury accounts as a loan raised by the State :—

CASH RECEIPTS AND LOANS RAISED AND REDEEMED TO 30TH JUNE, 1915.

	£	s.	d.
Cash received	117,775,181	8	10
Discount and expenses after deducting premiums received	2,268,660	14	2
<hr/>			
Securities issued	120,043,842	3	0
Securities redeemed	46,960,915	10	4
<hr/>			
Loans outstanding	73,082,926	12	8*
<hr/>			

It will be seen that upon the transactions to date, for cash amounting to £117,775,181, securities representing £120,043,842 were issued, which is equivalent to the State receiving £98 2s. 2d. in cash for every £100 bond given.

Excluding London debentures for £388,100 taken over with the Melbourne and Hobson's Bay Railway and since paid off, the total amount of loans raised in London at varying rates of interest has been £78,487,136 after allowing for conversion operations. The amount paid off by means of new loans has been £34,921,730 and by means of appropriations from revenue, &c., £1,822,775, while £408,893 has been transferred to the Melbourne register, leaving a balance due in London on 30th June, 1915, of £41,333,738, consisting of debentures amounting to £1,818,460, and inscribed stock £39,515,278. The following table gives particulars respecting the various loans which have been raised in London since 1859, together with the average prices obtained after deducting flotation expenses

* There are, in addition to this amount, the overdue debentures for £1,000, which are referred to further on.

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

LOANS FLOATED IN LONDON : 1859 TO 1915.

When Raised.	Debentures or Stock.			Average Price Obtained per £100 Debenture Stock or Bond.		Actual Rate of Interest per £100 net.	
	Currency.		Amount Sold.	Rate of Interest.	Ex Accrued Interest.		Ex Interest and Expenses. (Net Proceeds.)
	When Due.	No. of Years.					
			£	Per cent.	£ s. d.	£ s. d.	£ s. d.
1859	1883	24	1,000,000	6	105 1 11½	103 18 11½	5 14 0
"	"	"	750,000	6	107 17 7½	106 14 7½	5 9 10
"	"	"	1,837,500	6	104 17 10½	103 14 10½	5 14 1
"	1884	"	812,500	6	103 1 6½	101 18 6½	5 17 0
1861	1885	24	1,000,000	6	102 19 7	101 16 7	5 17 2
1862	"	23	1,600,000	6	100 8 11½	99 5 11½	6 1 1
1866	1891	25	850,000	6	98 4 2½	97 1 2½	5 4 3
1869	1894	"	588,800	5	100 17 6½	99 14 6½	5 0 5
1870	"	24	1,518,400	5	90 2 7	88 19 7	4 15 5
1874	1899	25	1,500,000	4	94 16 10½	93 18 11½	4 8 1
1876	1901	"	500,000	4	.. ..	.. ..	.. ..
1878	1904	26	2,500,000	4	97 17 5½	96 19 2½	4 14 0
1878	"	"	457,000	4	103 3 8½	102 5 11	4 6 11
1879	"	25	3,000,000	4½	.. ..	.. ..	.. ..
1880	"	24	2,000,000	4½	.. ..	.. ..	.. ..
1880	"	24	2,000,000	4½	.. ..	.. ..	.. ..
1890	"	24	2,000,000	4½	.. ..	.. ..	.. ..
1915	1920-25	5-10	755,760	4½	.. ..	.. ..	.. ..
			Stock.				
1883	1907	24	4,000,000	4	98 16 8½	97 13 7½	4 3 0
"	1908	"	2,000,000	4	97 14 1½	96 10 11½	4 4 6
"	1913	29	1,957,500	4	98 5 7	97 2 8½	4 3 3
1884	1918-22	34	2,042,500	4	98 18 6½	97 15 9½	4 2 5
1885	1919	34	3,180,820	4	105 12 3½	104 9 0	3 15 5
"	"	"	819,380	4	102 5 6½	101 2 9	3 18 9
1886	1920	"	1,500,000	4	108 1 1½	106 18 0½	3 12 9
1887	"	33	3,000,000	4	102 14 10	101 11 11½	3 8 5
1888	"	32	1,500,000	4	100 2 4	98 19 6	3 11 1
1889	1923	34	3,000,000	3½	96 3 7	95 0 10	3 15 6
1890	"	33	4,000,000	3½	91 13 7	90 10 8	4 1 5
1891	1921-6	30-35	850,000	3½	94 7 5	93 4 8	4 11 7
1892	"	29-34	2,150,000	3½	94 7 1	93 4 2	3 7 3
1892	1911-26	17-32	2,000,000	4	92 2 1	89 14 5	3 11 10
1893	1911-26	17-32	2,107,000	4	95 16 6½	93 8 3½	3 7 6
1899	1929-49	30-50	1,600,000	3	91 14 9½	89 8 0	4 3 8
1901	"	28-48	3,000,000	3	100 0 0	98 19 1	3 11 5
1902	"	27-47	1,000,000	3	97 3 11½	94 15 8½	3 17 7
1903	"	26-46	3,148,176	3	99 2 6	97 10 0	3 13 8
1906	"	23-43	587,808	3½	98 0 0	96 4 7	4 17 4
1907	"	22-42	702,140	3½	98 0 0	95 7 5	4 5 10
1909	"	20-40	1,500,000	3½	96 18 9	94 9 10	4 7 0
1910	"	19-39	538,352	3½	.. ..	.. ..	.. ..
1913	1918-22	5-9	3,000,000	4	.. ..	.. ..	.. ..
"	1940-60	27-47	1,000,000	4	.. ..	.. ..	.. ..
"	"	"	2,000,000	4	.. ..	.. ..	.. ..
"	"	"	2,000,000	4	.. ..	.. ..	.. ..
1915	1920-25	5-10	1,313,000	4½	.. ..	.. ..	.. ..
			Treasury-bonds				
1892	1893	1	1,000,000	4½	99 3 11	99 1 5	5 0 0
1898	1900	2	500,000	3½	100 0 0	100 0 0	3 15 0
1903	1906	3	2,254,800	4	99 10 8½	96 18 10	5 2 7
Total	..	..	77,921,036				
Paid off	..	..	36,178,405				
Transferred to Mel-	..	..			
bourne register	..	..	408,893				
Outstanding	..	..	41,333,738				

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

The nominal rate of interest has varied from 6 per cent. for earlier loans to 3 per cent. for those of later date, and the actual rate paid by the Government has varied from 6 per cent. in 1866 to $3\frac{3}{8}$ per cent. in 1899 and 1902. The first six loans raised were obtained at about $5\frac{3}{4}$ per cent., but money was secured in 1870 at 5 per cent. In 1883 it was obtained at about $4\frac{1}{8}$ per cent., in 1885 at $4\frac{1}{8}$, in 1888 at $3\frac{5}{8}$, and in 1889 at less than $3\frac{1}{2}$ per cent. In 1891 there was a reaction, when the money obtained cost $3\frac{3}{4}$ per cent., and the rate was further increased to over $4\frac{1}{2}$ in 1893, while 5 per cent was paid on short-dated Treasury bonds issued in 1892. Some later loans show a marked improvement, as in 1899 the actual rate of interest was less than $3\frac{3}{8}$ per cent., being the lowest rate realized on loans raised in London, while for loans floated in 1901 and 1907 the money was obtained at slightly over $3\frac{1}{2}$ per cent. ; for one in 1902 the rate was $3\frac{3}{8}$ per cent., for one in 1909 it was $3\frac{7}{8}$ per cent., and in 1910 portion of a loan falling due was converted at $3\frac{3}{8}$ per cent. On the other hand, the interest on loans raised in 1903 was as high as $5\frac{1}{8}$ per cent. on short-dated Treasury bonds, and $4\frac{1}{8}$ per cent. on stock sold, and the rate on loans obtained in 1913 averaged $4\frac{3}{8}$ per cent. Particulars in regard to loans raised in 1915 are not yet available.

**Loans
Floated in
Melbourne.**

Excluding Treasury bonds in aid of revenue and Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, of which £62,000 have since been paid off, the total amount of loans floated in Melbourne after conversion operations has been £36,592,094. Of this amount £3,235,393 has been redeemed by loans, and £2,916,405 by revenue, &c., leaving due a balance of £30,440,296 on 30th June, 1915, consisting of debentures, £15,834,057, inscribed stock, £8,298,929, and Treasury bonds, £6,307,310. In addition, outstanding inscribed stock for £408,393 and debentures for £500 have been transferred from the London to the Melbourne register, so that of the debt outstanding the total amount payable in Melbourne is £30,849,189. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the last seventeen years the local debt has been increased by nearly 28 millions sterling. This increase has been brought about principally by the replacing of certain London loans as they fell due by local issues and by the raising of local loans to acquire estates for Closer Settlement purposes, &c.

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, 1915:—

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1915.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1915.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Debentures.</i>							
13 & 23	1854	6	1855-75	735,000	...	735,000	...
40	1855	6	1857-72	299,100	...	299,100	...
15	1856	6	1872-4	2,900	...	2,900	...
36	1857	6	1883-5-8	1,000,000	52,780	947,220	...
150	1862	6	1889	300,000	23,900	276,100	...
332	1868	5	1894	610,000	297,100	312,900	...
371	1870	5	...	100,000	100,000	...	...
1296	1893	4	1913-23	746,795	...	40	746,755
1440	1896	3	1913-22	63,000	...	...	63,000
1659	1900	3	1921-30	1,000,000	16,962	12,988	970,050
1753	1901	3	1923-32	500,000	3,948	116,152	379,900
1816	1903	3½	1907-8	93,869	...	93,869	...
1901	1904	3	1934-54	457,000	...	333,126	123,874
		3½	1913	18,000	...	18,000	...
		3½	1914-23	50,000	...	10,000	40,000
		3½	1918	18,000	...	...	18,000
		3½	1921	447,980	...	...	447,980
		3½	1922	366,660	...	...	366,660
		3½	1923	70,000	...	...	70,000
		3½	1923	4,700	...	...	4,700
		3½	1924	1,600	...	...	1,600
		4	1924	2,000	...	...	2,000
		4	1925	8,200	...	...	8,200
1962	1904	3½	1926-42	186,300	800	20,300	165,200
		3½	1925-40	60,000	...	...	60,000
		3½	1926-40	160,000	...	...	160,000
		3½	1927-32	72,100	...	...	72,100
		3½	1927	150,000	...	...	150,000
		3½	1928	77,000	...	...	77,000
		3½	1929	162,650	...	...	162,650
		3½	1930	182,000	...	...	182,000
		3½	1931	1,000,000	...	...	1,000,000
		3½	1931-46	15,400	...	...	15,400
		4	1936	300,000	...	...	300,000
		3½	1926-41	285,880	2,400	...	283,480
1990	1905	3½	1926	100,000	...	...	100,000
		3½	1927-42	500	...	...	500
		4	1927	52,000	...	...	52,000
		4	1919	40,000	...	...	40,000
		4	1924	10,000	...	...	10,000
2026	1906	3½	1926-41	9,000	...	...	9,000
		3½	1927-42	380,000	...	...	380,000
		4	1927	184,750	...	...	184,750
		3½	1928	400,000	...	...	400,000

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1915—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1915.	
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.		
		Per cent.		£	£	£	£	
<i>Debentures—continued.</i>								
2026	1906	3½	1930	500,000	...	...	500,000
		3½	1931	61,648	...	...	61,648
		3½	1931-46	150,500	...	...	150,500
		3½	1932-46	51,500	...	...	51,500
		4	1934-49	5,300	...	...	5,300
		4	1915	400	...	...	400
		4	1918	12,700	...	...	12,700
		4	1919	51,000	...	...	51,000
2041	1906	4	1921	7,500	...	...	7,500
		4	1923	600	...	...	600
		4	1924	15,600	...	...	15,600
		3½	1928-43	3,600	...	...	3,600
		3½	1929	16,000	...	...	16,000
		4	1929	210,000	...	...	210,000
		3½	1930	100,000	...	...	100,000
		3½	1928	75,500	...	...	75,500
2053	1906	3½	1929	40,000	...	...	40,000
2116	1907	3½	1928	345,000	...	...	345,000
			1929	154,000	...	...	154,000
2163	1909	3½	1910-20	250,000	...	125,000	125,000	
			1919	130,650	...	...	130,650
			1929	4,850	...	...	4,850
			1929-44	400	...	...	400
2286	1911	3½	1921	1,788,220	...	...	1,788,220
2323	1911	3½	1922	1,307,100	...	...	1,307,100
			1932	514,350	...	...	514,350
2415	1912	4½	1917	150,000	...	...	150,000
			4	1920	14,400	14,400
			4	1930	20,000	20,000
			4	1919	170,000	170,000
2429	1912	3½	1920	4,000	...	...	4,000
			1922	59,590	...	...	59,590
			1923	56,250	...	...	56,250
			4	1923	500	500
			4	1925	3,400	3,400
			4	1927	800	800
			4	1929	20,000	20,000
			4	1915	249,000	...	6,000	243,000
2481	1914	4½	1916	575,000	...	...	575,000
			1924	8,400	...	...	8,400
			1925	500	...	...	500
			1929	140,000	...	...	140,000
2531	1914	4½	1916	100,000	...	...	100,000
			1917	1,275,000	...	...	1,275,000
2568	1914	4½	1917	200,000	...	...	200,000
			1919	75,000	...	...	75,000

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1915—continued.

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1915.
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			
				13,102			
741	1882	4	"	167,600			
963	1887	4	"	130,000			
1015	1889	4	"	750,000			
1341	1893	4	"	150,000			
1369	1895	4	"	249,131			
1468	1896	3	1917*	2,290,482			
1564	1898	3	"	500,000				} ...	749,797	2,599,559
1623	1899	3	"	500,000			
1552	1898	3	"	58,874			
1602	1898	3	"	211,135			
1749							
1659	1900	3	{ 1917	14,162	...	...	14,162
			{ 1921-30	2,800	...	...	2,800
1753	1901	3	1917	3,948	...	...	3,948
		3½	1917*	326,406	...	...	326,406
		3½	1919	351,697	...	...	351,697
		4	1920	1,000	...	...	1,000
		3½	1921	32,525	...	...	32,525
		4½	1922	98,500	...	...	98,500
1962	1904	3½	1923	268,000	...	...	268,000
		3½	"	3,383	...	...	3,383
		4	"	1,905	...	...	1,905
		3½	1924	85,859	...	...	85,859
		3½	1927-42	800	...	...	800
		4	1927	1,000	...	...	1,000
1990	1905	3½	{ 1917*	113,735	...	5,000	108,735
			{ 1926-41	2,400	...	...	2,400
		3½	1917	536,885	...	75,000	461,885
		4	"	33,128	...	...	33,128
		4	1919	42,200	...	...	42,200
2026	1906	4	1921	75,000	...	...	75,000
		4	1923	700	...	...	700
		4	1924	4,750	...	...	4,750
		4	1927	241,300	...	...	241,300
		3½	1917	161,764	...	2,850	158,914
		4	"	400	...	...	400
		4	1919	19,740	...	...	19,740
2041	1906	4	1920	2,400	...	...	2,400
		4½	1922	12,000	...	...	12,000
		3½	1923	151,515	...	...	151,515
		4	"	19,045	...	...	19,045

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

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1915—*continued.*

Authorization.		Loans.			Amounts.		Loans Outstanding on 30th June, 1915.
Act No.	Year.	Rate of Interest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	
<i>Inscribed Stock—continued.</i>							
2041	1906	4	1924	36,500	...	...	36,500
		3½	1924	1,737	...	...	1,737
		4	1927	750	...	...	750
		4	1930	20,000	...	...	20,000
2053	1906	3½	1917*	46,026	...	...	46,026
2116	1907	3½	"	1,000	...	...	1,000
2161	1909	3	"	464,060	...	350	463,710
2163	1909	3½	"	80,000	...	21,709	58,291
2218	1910	3½	"	29,750	...	...	29,750
2240	1910	3½	"	150,000	...	7,050	142,950
		"	"	11,800	...	...	11,800
2286	1911	3½	1919	70,707	...	...	70,707
		"	1922	30,000	...	...	30,000
		"	1923	75,758	...	...	75,758
		"	1924	23,515	...	...	23,515
2308	1911	4	1931†	367,619	...	2,000	365,619
		3½	1917*	28,550	...	...	28,550
2323	1911	3½	1919	77,778	...	...	77,778
		4	"	500	...	...	500
		4	1920	400	...	...	400
		4	1922	10,000	...	...	10,000
2415	1912	3½	1921	75,717	...	...	75,717
		4½	1922	6,000	...	...	6,000
		3½	1923	26,818	...	...	26,818
		4	1925	8,500	...	...	8,500
		4	1914-15	7,750	...	3,250	4,500
		3½	1915-18	20,000	...	...	20,000
		3	1917*	5,400	...	...	5,400
		3½	"	46,940	...	...	46,940
2429	1912	4	"	8,000	...	...	8,000
		4	1918	86,150	...	...	86,150
		3½	1919	249,818	...	...	249,818
		4	1921	1,000	...	...	1,000
		4½	1922	30,000	...	...	30,000
		3½	1922	35,000	...	...	35,000
		3½	1923	87,909	...	...	87,909
		4	"	70,000	...	...	70,000
		3½	1924	30,303	...	...	30,303
		4	1924	6,750	...	...	6,750
4	1925	440	...	...	440		

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

† Or at any time thereafter, at option of either party, upon twelve months' notice.

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1915—
continued.

Authorization.		Loans.			Amounts.		Loans Out- standing on 30th June, 1915.
Act No.	Year.	Rate of crest.	When due.	Amount.	Converted into Stock or Debentures.	Paid off.	
		Per cent.		£	£	£	£
<i>Inscribed Stock—continued.</i>							
		4	1915	1,100	...	...	1,100
		4	1915-17	200	...	...	200
		4	1917*	173,515	...	9,600	163,915
		4	1918	1,200	...	...	1,200
		4	1919	54,400	...	15,000	39,400
2481	1914	4	1920	2,200	...	...	2,200
		3½	1921	16,758	...	...	16,758
		4	"	14,300	...	...	14,300
		4½	1921-22	34,500	...	...	34,500
		3½	1924	201,717	...	...	201,717
		4	"	27,009	...	...	27,009
		4	1927	200	...	...	200
2531	1914	4½	1921-22	90,000	...	...	90,000
2568	1914	4¾	1920	100,000	...	...	100,000
<i>Treasury Bonds.</i>							
1574	1898	3½	1901	500,000	...	500,000	...
1800	1902	3½	1907	1,000,000	...	1,000,000	...
			1915	500,000	...	...	500,000
			1916	2,767,000	...	426,550	2,340,450
1982	1905	3½	1917	3,014,860	...	...	3,014,860
			1921	352,000	...	...	352,000
			1922	100,000	...	...	100,000
Overdue debentures ...				1,000	...	...	1,000
Total, floated in Melbourne				39,750,597	3,157,503	6,151,798	30,441,296
Transferred from London Register ...				...	...	...	408,893
Total, payable in Melbourne				...	...	...	30,850,189

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

Of the Victorian loans (exclusive of Treasury bonds in aid of revenue and of Melbourne and Hobson's Bay Railway debentures) £2,337,000, *i.e.*, the total of those authorized prior to 1863, was at 6 per cent.; £710,000, or the total authorized from 1868 to 1870, was at 5 per cent.; and the balance (£36,702,597) was at rates varying from 3 to 4½ per cent. Of the amount outstanding on 30th June, 1915, £356,000 is bearing interest at 4½ per cent., £100,000 at 4¾ per cent., £2,300,000 at 4¼ per cent., £3,610,506 at 4 per cent., £267,683 at 3¾ per cent., £19,151,526 at 3½ per cent., and £5,063,474 at 3 per cent.

**Expenditure
from Loans.**

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

LOAN EXPENDITURE: 1910-11 TO 1914-15.

(Excluding Loan in Aid of Revenue, Act 2563.)

Works.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Railways	1,230,381	1,703,453	1,700,309	2,361,660	2,809,926
Water Supply ..	311,709	259,281	267,560	229,127	304,766
Closer Settlement and Small Holdings ..	956,900	889,000	576,610	303,935	173,752
Wire Netting ..	43,648	21,116	54,061	62,428	19,732
State Coal Mine ..	65,278	48,369	446	69,992	20,764
State Schools ..	..	..	..	84,786	200,951
Country Roads ..	..	..	..	18,424	274,362
Other Public Works	49,355	52,930	94,858	146,642	647,577
Total ..	2,657,271	2,974,149	2,693,844	3,276,994	4,451,830
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population ..	2 0 8	2 4 6	1 19 0	2 6 5	3 2 5

Except in the last five years the loan expenditure of the State since 1891 has been upon a very much smaller scale than formerly. The following statement shows the average annual amount

expended in each decade since 1881, and in each of the last four years :—

AVERAGE AMOUNT OF LOAN EXPENDITURE PER ANNUM.

	£
10 years ended 30th June, 1891	2,270,128
10 years ended 30th June, 1901	755,194
10 years ended 30th June, 1911	976,497
Year ended 30th June, 1912	2,974,149
Year ended 30th June, 1913	2,693,844
Year ended 30th June, 1914	3,276,994
Year ended 30th June, 1915	4,451,830

The amount of the loans raised to 30th June, 1915, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over, was £115,530,330; but a total of £43,346,403 (exclusive of conversion loans) having been repaid, viz., £4,739,180 out of the general revenue, and £38,607,223 out of the proceeds of redemption loans, the balance on 30th June, 1915, was reduced to £72,183,927. The purposes for which the amount outstanding was borrowed and the annual interest payable thereon are as follows :—

PURPOSES FOR WHICH LOANS WERE RAISED.

Public Borrowings Contracted for—	Amount of Loans Outstanding on 30th June, 1915.	Annual Interest Payable.
	£	£
REVENUE-YIELDING WORKS.		
Railways and Tramways	52,425,826	1,914,384
Waterworks—Melbourne	1,559,786	55,884
" Country	8,202,680	287,630
Harbors	838,487	30,854
Graving Dock	287,759	9,922
Agriculture and Advances to Farmers, &c. ..	465,564	18,732
Closer Settlement	4,822,279	171,024
Development of Mining	312,538	11,035
Total Revenue-yielding Works	68,914,919	2,499,465
OTHER WORKS OF A PERMANENT CHARACTER.		
Public Offices, Law Courts, and Parliament Houses ..	510,018	17,885
Defence Works	151,469	5,044
State Schools, Technical Schools, and University ..	1,559,303	53,086
Other	1,048,218	37,218
Total other Permanent Works	3,269,008	113,233
Net Borrowings	72,183,927	2,612,698

Out of the proceeds of these loans outstanding on 30th June, 1915, sums not yet expended amount in the aggregate to £1,451,872 of which £1,106,182 is for railways, £160,555 for country water supply, £78,354 for State Schools, &c., and £106,781 for different other services. Of the amount of the loans outstanding, 95½ per cent. has been allotted to revenue-yielding works, as detailed above.

The total amount of loans outstanding on 30th June, 1915, exclusive of debentures for £1,000 overdue since 1897, and of Treasury bonds in aid of revenue, was £72,182,927, and of this sum £17,653,017 was in the form of debentures; £39,515,278 of inscribed stock (London Register); £8,707,322 of inscribed stock (Melbourne Register); and £6,307,310 of Treasury bonds. The following are the dates on which these loans are repayable, those repayable in Melbourne and London being indicated:—

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1915, 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	746,755	...	746,755
1440	" 1913-22 ...	3	63,000	...	63,000
1659	1st July, 1921-30 ...	3	970,050	...	970,050
1753	1st Jan., 1923-32 ...	3	379,900	...	379,900
1901	" 1934-54 ...	3	123,874	...	123,874
	15th April, 1914-23 ...	3½	40,000	...	40,000
	1st March, 1918 ...	3½	18,000	...	18,000
	1st April, 1921 ...	3½	447,980	...	447,980
	" 1922 ...	3½	300,000	...	300,000
	1st July, 1922 ...	3½	66,660	...	66,660
	" 1923 ...	3½	70,000	...	70,000
	29th Aug., 1923 ...	3½	3,200	...	3,200
	22nd Oct., 1923 ...	3½	1,500	...	1,500
	1st April, 1924 ...	3½	1,600	...	1,600
	" " ...	4	2,000	...	2,000
	" 1925 ...	4	8,200	...	8,200
	29th Nov., 1925-40 ...	3½	60,000	...	60,000
1962	24th May, 1926 ...	3½	3,000	...	3,000
	27th Feb., 1926, to 29th Nov., 1940 ...	3½	160,000	...	160,000
	2nd April, 1926-29th Nov., 1940	3½	28,900	...	28,900
	December, 1926-1941 ...	3½	29,500	...	29,500
	1st Feb., 1927-1942 ...	3½	103,800	...	103,800
	April, 1927 ...	3½	150,000	...	150,000
	1st Nov., 1927-32 ...	3½	41,400	...	41,400
	2nd Dec., 1927-32 ...	3½	30,700	...	30,700
	1st July, 1928 ...	3½	77,000	...	77,000
	1st Jan., 1929 ...	3½	60,000	...	60,000
	30th June, 1929 ...	3½	2,650	...	2,650
	31st Dec., 1929 ...	3½	100,000	...	100,000

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1915, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Debentures—continued.</i>		£	£	£
1962	1st July, 1930	3½	82,000	...	82,000
	1st Oct., 1930	3½	100,000	...	100,000
	1st March, 1931-46 ...	3½	15,400	...	15,400
	1st April, 1931	3½	800,000	...	800,000
	1st Oct., 1931	3½	200,000	...	200,000
1990	14th March, 1936	4	300,000	...	300,000
	1st April, 1926-41 ...	3½	283,480	...	283,480
	18th Oct., 1926	3½	100,000	...	100,000
	1st April, 1927-42 ...	3½	500	...	500
	1st July, 1927	3½	6,000	...	6,000
	1st October, 1927 ...	3½	46,000	...	46,000
	1st March, 1919	4	40,000	...	40,000
	" 1924	4	10,000	...	10,000
	1st Oct., 1926-41	3½	9,000	...	9,000
	1st April, 1927	4	184,750	...	184,750
2026	16th April, 1927-42 ...	3½	280,000	...	280,000
	1st July, 1927-42	3½	100,000	...	100,000
	" 1928	3½	400,000	...	400,000
	1st Oct., 1930	3½	500,000	...	500,000
	1st Jan., 1931	3½	61,648	...	61,648
	24th Oct., 1931-46 ...	3½	100,000	...	100,000
	29th Dec., 1931, to 24th Oct., 1946	3½	50,500	...	50,500
	7th Feb., 1932, to 24th Oct., 1946	3½	50,500	...	50,500
	1st May, 1932, to 24th Oct., 1946	3½	1,000	...	1,000
	1st Jan., 1934-49	4	5,300	...	5,300
	1st Oct., 1915	4	400	...	400
	1st Dec., 1918	4	12,700	...	12,700
	1st March, 1919	4	51,000	...	51,000
2041	1st July, 1921	4	7,500	...	7,500
	1st Oct., 1923	4	600	...	600
	1st April, 1924	4	200	...	200
	1st July, 1924	4	2,300	...	2,300
	1st Oct., 1924	4	13,100	...	13,100
	1st Jan., 1928-43	3½	3,600	...	3,600
	" 1929	3½	16,000	...	16,000
	" 1929	4	50,000	...	50,000
	1st April, 1929	4	20,000	...	20,000
	1st May, 1929	4	100,000	...	100,000
	1st June, 1929	4	30,000	...	30,000
	1st Oct., 1929	4	10,000	...	10,000
	1st Oct., 1930	3½	100,000	...	100,000
	1st July, 1928	3½	75,500	...	75,500
	1st Jan., 1929	3½	40,000	...	40,000
2053	1st July, 1928	3½	345,000	...	345,000
	1st Jan., 1929	3½	154,000	...	154,000
2116	1st Jan., 1929	3½	154,000	...	154,000

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1915, AND DATES WHEN REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
<i>Debentures—continued.</i>					
			£	£	£
2163	1st Aug., 1914, to 1st Feb., 1920	3½	125,000	...	125,000
	1st April, 1919	3½	130,650	...	130,650
	30th June, 1929	3½	4,850	...	4,850
2286	1st Oct., 1929-44	3½	400	...	400
	1st April, 1921...	3½	788,220	...	788,220
2323	1st May, 1921	3½	1,000,000	...	1,000,000
	1st April, 1922	3½	1,307,100	...	1,307,100
2415	" 1922	3½	514,350	...	514,350
	15th March, 1917	4½	50,000	...	50,000
	15th May, 1917	4½	100,000	...	100,000
2429	1st July, 1920	4	14,400	...	14,400
	1st April, 1930	4	20,000	...	20,000
	1st March, 1919	4	170,000	...	170,000
2481	1st Oct., 1920	4	4,000	...	4,000
	1st July, 1922...	3½	59,590	...	59,590
	" 1923...	3½	56,250	...	56,250
2531	1st Oct., 1923	4	500	...	500
	1st Jan., 1925	4	3,400	...	3,400
	1st April, 1927	4	800	...	800
2568	1st Jan., 1929	4	20,000	...	20,000
	12th Sept., 1915	4	119,000	...	119,000
	25th Sept., 1915	4	124,000	...	124,000
2026	28th Nov., 1916	4½	350,000	...	350,000
	16th Dec., 1916	4½	225,000	...	225,000
	" 1924	4	8,400	...	8,400
805	1st Jan., 1925	4	500	...	500
	1st July, 1929	4	110,000	...	110,000
	1st Aug., 1929	4	30,000	...	30,000
845	15th Dec., 1916	4½	100,000	...	100,000
	" Jan., 1917	4½	225,000	...	225,000
	15th Feb., 1917	4½	225,000	...	225,000
760	15th March, 1917	4½	275,000	...	275,000
	15th April, 1917	4½	325,000	...	325,000
	15th May, 1917	4½	225,000	...	225,000
2026	1st Jan., 1917	4½	100,000	...	100,000
	15th Feb., 1917	4½	100,000	...	100,000
	28th April, 1919	4½	25,000	...	25,000
805	28th May, 1919	4½	25,000	...	25,000
	28th June, 1919	4½	25,000	...	25,000
<i>Inscribed Stock (London).</i>					
760	1st Oct., 1918-22	4	500*	2,999,500	3,000,000†
805	" 1919	4	33,300*	3,966,700	4,000,000
845	" 1920	4	45,500*	5,954,500	6,000,000

* Transferred from London to Melbourne register.

† Debentures convertible into inscribed stock at option of holder. The amount so converted to 30th June, 1915, was £1,936,800.

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1915, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne	In London.	Total.
	<i>Inscribed Stock (London)</i> —continued.		£	£	£
989 } 1032 } 1196 } 1217 }	1st Oct., 1923 ...	3½	19,800*	6,980,200	7,000,000
1560 } 1562 } 2167 } 2428 } 2480 } 2531 }	1st Jan., 1921-26 ... " 1929-49 ... 1st Oct., 1929-49 ... 1st April, 1940-60 ... 1st Jan., 1929-49 ... 1st Oct., 1929-49 ... 1st April, 1940-60 ... 1st April, 1920-25 ... " " ...	3½ 3 3½ 4 3 3½ 4 4½ 4½	18,550* 250,883* 30,160* 10,200	4,981,450 4,211,331 4,701,797 979,700 1,000,000 1,500,000 1,989,800 1,313,000 755,760	5,000,000 4,462,214 4,731,957 979,700 1,000,000 1,500,000 2,000,000 1,313,000 755,760†
	<i>Inscribed Stock (Melbourne).</i>				
1468 } 1552 } 1564 } 1623 } 1602 } 1749 }	29th Sept., 1917, or after	3	2,599,559	...	2,599,559
1659 } 1753 }	" " " "	3	186,188	...	186,188
1659 } 1753 }	1st July, 1921-30	3	2,800	...	2,800
1753 }	29th Sept., 1917, or after	3	3,948	...	3,948
1962 }	" " " "	3½	326,406	...	326,406
1962 }	1st April, 1919	3½	351,697	...	351,697
1962 }	1st April, 1920	4	1,000	...	1,000
1962 }	" 1921	3½	32,525	...	32,525
1962 }	April to May, 1922	4½	98,500	...	98,500
1962 }	1st April, 1923	3½	1,963	...	1,963
1962 }	1st Aug., 1923	3½	1,420	...	1,420
1962 }	1st April, 1923	4	1,000	...	1,000
1962 }	1st Oct., 1923	3½	268,000	...	268,000
1962 }	" " " "	4	905	...	905
1962 }	" 1924	3½	85,859	...	85,859
1962 }	1st Feb., 1927-42	3½	800	...	800
1962 }	1st April, 1927	4	1,000	...	1,000
1990 }	29th Sept., 1917, or after	3½	108,735	...	108,735
1990 }	1st April, 1926-41	3½	2,400	...	2,400

* Transferred from London to Melbourne register.

† Debentures

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1915, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			n Melbourne.	n London.	Total.
	<i>Inscribed Stock (Melbourne)</i> —continued.		£	£	£
2026	29th Sept., 1917, or after	3	461,885	...	461,885
	1st Feb., 1919	4	33,128	...	33,128
	1st July, 1921	4	42,200	...	42,200
	1st Oct., 1923	4	75,000	...	75,000
	1st Jan., 1924	4	700	...	700
	1st April, 1927	4	4,750	...	4,750
			241,300	...	241,300
2041	29th Sept., 1917, or after	3½	158,914	...	158,914
	1st Feb., 1919	4	400	...	400
	28th Oct., 1919	4	8,000	...	8,000
	1st April, 1920	4	11,740	...	11,740
	5th and 12th May, 1922	4	2,400	...	2,400
	1st Oct., 1923	4½	12,000	...	12,000
	1st Jan., 1924	3	151,515	...	151,515
	1st Feb., 1924	4	19,045	...	19,045
	1st July, 1924	4	14,000	...	14,000
	1st Oct., 1924	4	1,500	...	1,500
	1st April, 1927	4	21,000	...	21,000
	1st Oct., 1924	3½	1,737	...	1,737
	1st April, 1927	4	750	...	750
	1st April, 1930	4	20,000	...	20,000
2053	29th Sept., 1917, or after	3½	46,026	...	46,026
2116	1st Feb., 1919	3½	1,000	...	1,000
2161	1st July, 1921	3	463,710	...	463,710
2163	1st Oct., 1923	3½	58,291	...	58,291
2218	1st Jan., 1924	3½	29,750	...	29,750
2240	1st April, 1927	3½	142,950	...	142,950
	1st Feb., 1919	3½	11,800	...	11,800
2286	1st April, 1919	3½	70,707	...	70,707
	1st June, 1922	3½	30,000	...	30,000
	1st October, 1923	3½	75,758	...	75,758
	1st Jan., 1924	3½	23,515	...	23,515
2308	1st June, 1931, or after	4	365,619	...	365,619
2323	29th Sept., 1917, or after	3½	28,550	...	28,550
	1st April, 1919	3½	77,778	...	77,778
	1st Oct., 1919	4	500	...	500
	1st Jan., 1924	4	400	...	400
	1st April, 1927	4½	10,000	...	10,000

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1915, AND DATES WHEN REPAYABLE—continued.

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Inscribed Stock (Melbourne)</i> —continued.		£	£	£
2415	1st April, 1921 ...	3½	75,717	...	75,717
	14th April, 1922 ...	4½	6,000	...	6,000
	1st Oct., 1923 ...	3½	26,818	...	26,818
	1st April, 1925 ...	4	8,500	...	8,500
	1st July to 1st Nov., 1915	4	4,500	...	4,500
	16th Jan., 1915, to 16th July, 1918	3¾	20,000	...	20,000
	29th Sept., 1917, or after	3	5,400	...	5,400
	" " " " "	3½	46,940	...	46,940
	" " " " "	4	8,000	...	8,000
	1st Feb., 1918	4	3,800	...	3,800
2429	1st August, 1918 ...	4	78,600	...	78,600
	1st Oct., 1918 ...	4	3,750	...	3,750
	1st April, 1919 ...	3½	249,818	...	249,818
	1st Oct., 1921 ...	4	1,000	...	1,000
	21st Jan. to 9th Feb., 1922	4½	30,000	...	30,000
	1st June, 1922 ...	3½	35,000	...	35,000
	" " 1923 ...	3½	87,909	...	87,909
	1st Oct., 1923 ...	4	70,000	...	70,000
	" " 1924 ...	3½	30,303	...	30,303
	" " " " " "	4	6,750	...	6,750
2481	1st April, 1925 ...	4	440	...	440
	1st Oct., 1915 ...	4	1,100	...	1,100
	2nd Oct., 1915-17	4	200	...	200
	29th Sept., 1917, or after	4	163,915	...	163,915
	1st Oct., 1918 ...	4	1,200	...	1,200
	1st and 7th Oct., 1919 ...	4	39,400	...	39,400
	1st April, 1920 ...	4	2,200	...	2,200
	" " 1921 ...	3½	16,758	...	16,758
	1st July and Oct., 1921	4	14,300	...	14,300
	3rd Dec., 1921, to 5th May, 1922	4½	34,500	...	34,500
2531	1st Oct., 1924 ...	3½	201,717	...	201,717
	" " " " " "	4	27,009	...	27,009
	1st April, 1927 ...	4	200	...	200
	21st Dec., 1921, to 8th May, 1922	4½	90,000	...	90,000
2568	1st April, 1920 ...	4¾	100,000	...	100,000

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1915, AND DATES WHEN
REPAYABLE—*continued.*

Under Act No.	When Repayable.	Rate of Interest per cent.	Amount Repayable.		
			In Melbourne.	In London.	Total.
	<i>Treasury Bonds.</i>		£	£	£
1982	1st July, 1915	3½	500,000	...	500,000
	... 1916	3½	2,340,450	...	2,340,450
	... 1917	3½	3,014,860	...	3,014,860
	... 1921	3½	352,000	...	352,000
	1st April, 1922... ..	3½	100,000	...	100,000
	<i>Melbourne and Hobson's Bay Railway Debentures.</i>				
617	(Overdue since 1897) ...	...	1,000	...	1,000
	<i>Treasury Bonds in Aid of Revenue.</i>				
2563	1916-17	4½	150,000	...	150,000
	1916-19	4½	550,000	...	550,000
	1918	4½	200,000	...	200,000
	Total (including loans in aid of revenue)	...	31,750,189	41,333,738	73,083,927

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

DUE DATES OF VICTORIAN LOANS ON 30TH JUNE, 1915.

(Including Treasury Bonds in aid of Revenue.)

When Payable.	Amount Payable, assuming that—		
	3 per cent. loans are redeemed at latest, and all others at earliest date of option.	Loans at 3½ per cent. and under are redeemed at latest, and all others at earliest date of option.	All loans are redeemed at latest date of option.
	£	£	£
Overdue and Unclaimed	1,000	1,000	1,000
1915	1,528,455	1,528,455	761,500
1916	3,295,450	3,295,450	3,295,450
1917	6,546,550	5,125,303	4,920,060
1918	3,348,050	3,348,050	368,050
1919	5,548,490	5,548,490	5,548,490
1920	8,210,660	8,210,660	6,141,900
1921	7,816,000	2,816,000	2,816,000
1922	2,247,350	2,247,350	5,247,350
1923	7,842,083	7,842,083	8,588,838
1924	455,740	455,740	455,740
1925	81,040	81,040	2,089,800
1926	616,280	5,263,000	5,103,000
1927	1,188,000	630,800	630,800
1928	901,100	897,500	897,500
1929	6,979,857	747,500	747,500
1930	1,794,850	1,794,850	1,794,850
1931	1,593,167	1,427,267	1,061,648
1932	945,750	966,350	966,350
1934	5,300	5,300	
1936	300,000	300,000	300,000
1940	2,979,700	3,008,600	248,900
1941 ... ..	...	324,380	324,380
1942 ... ..	...	485,100	485,100
1943 ... ..	...	3,600	3,600
1944 ... ..	...	400	400
1946 ... ..	...	217,400	217,400
1949	5,462,214	11,694,171	11,699,471
1954	123,874	123,874	123,874
1960 ... ..	...	...	2,979,700
Indefinite	3,272,967	4,694,214	5,265,276
To end of 1925	46,920,868	40,499,621	40,234,178
After 1925... ..	26,163,059	32,584,306	32,849,749
Total	73,083,927	73,083,927	73,083,927

In connexion with the replacing of London loans as they fall due by local issues, and the practice which, except in a few instances, has been followed of late years, of borrowing money in the State

instead of going to London for it, the following particulars are of interest:—

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND MELBOURNE: 30TH JUNE, 1900, AND 1906 TO 1915.
(Including Treasury Bonds in aid of Revenue.)

On 30th June.	Amount of Loans Payable in—		Annual Interest Payable in—	
	London.	Melbourne.	London.	Melbourne.
	£	£	£	£
1900	44,655,579	4,669,306	1,735,307	152,046
1906	43,178,681	9,901,119	1,594,490	326,696
1907	39,629,869	13,475,120	1,450,950	450,952
1908	37,533,136	15,772,351	1,367,800	531,616
1909	38,592,431	16,074,766	1,404,875	543,219
1910	39,012,436	16,564,289	1,419,579	560,520
1911	37,417,128	20,566,636	1,353,208	701,154
1912	37,392,128	23,345,088	1,352,333	799,227
1913	37,281,578	25,495,146	1,348,306	875,621
1914	39,275,178	26,855,548	1,428,076	926,666
1915	41,333,738	31,750,189	1,520,762	1,131,811

An important point in relation to the London loans is that certain expenses occur each year in connexion with the payment of interest on them which are not common to local issues. In the last financial year the amount was £6,276, which was paid as commission; the corresponding totals in the immediately preceding years were:—£6,895 in 1908-9, £6,310 in 1909-10, £6,079 in 1910-11, £5,625 in 1911-12, £5,611 in 1912-13 and £10,740 in 1913-14.

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

AMOUNT OF OUTSTANDING LOANS AT EACH RATE OF INTEREST: 1900 AND 1912 TO 1915.
(Including Treasury Bonds in aid of Revenue.)

Rates of Interest per cent.	Nominal amount outstanding on 30th June—				
	1900.	1912.	1913.	1914.	1915.
	£	£	£	£	£
4½ ...	5,000,000	...	...	...	2,974,760
4⅝ ...	...	...	...	...	300,000
4¾ ...	...	...	100,000	...	150,000
4⅘ ...	...	...	...	...	2,300,000
4 ...	27,060,795	15,325,525	15,375,117	18,207,001	19,500,706
3¾ ...	...	220,000	248,000	267,683	267,683
3½ ...	12,250,000	34,901,241	36,759,065	37,354,586	37,314,973
3¼ ...	300,000	25,000	...	...	...
3 ...	4,714,090	10,264,450	10,293,542	10,300,456	10,274,805
Overdue*	...	1,000	1,000	1,000	1,000
Total	49,324,885	60,737,216	62,776,724	66,130,726	73,083,927

* Not bearing interest.

The difference between the interest in 1900 and in 1915 represents a saving of £143,889 per annum on the debt of £73,083,927 at 30th June, 1915.

The loans authorized, but not raised, on 30th June, 1915, amounted to £5,961,162, which sum represents the unfloatable balance of loans authorized since 1895. The following return gives the particulars of these loans:—

LOANS AUTHORIZED, BUT NOT RAISED:
30TH JUNE, 1915.

Under Loan Act No.	Total.		
	Authorized.	Raised to 30th June, 1915.	Balance not raised
	£	£	£
1440	100,000	63,000	37,000
1552	1,116,608	58,874	1,057,734
1816	100,000	93,869	6,131
2041	1,250,000	843,251	406,749
2161	500,000	464,060	35,940
2163	500,000	465,900	34,100
2308	2,000,000	367,619	1,632,381
2323	2,000,000	1,938,678	61,322
2415	400,000	301,435	98,565
2480	2,500,000	1,313,000	1,187,000
2531	3,600,000	2,220,760	1,379,240
2568	400,000	375,000	25,000
Total	14,466,608	8,505,446	5,961,162

The next return shows the growth of the funded debt and interest since the date of the establishment of responsible government in 1855. The average rate of interest payable on the indebtedness has steadily declined from 6 per cent. in 1855 to little over $3\frac{1}{2}$ per cent. in recent years.

**Growth of
Funded Debt.**

In relation to population, however, the annual interest per head substantially increased from 1855 to 1900, but since the latter year the increase has been only slight.

GROWTH OF FUNDED DEBT AND INTEREST: 1855 TO 1915.

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 2 5	1 10 11
1902	50,408,957	1,887,877	3·74	41 10 4	1 11 1
1903	51,097,900	1,904,514	3·73	42 0 10	1 11 4
1904	51,519,962	1,876,011	3·64	42 6 11	1 10 10
1905	51,513,767	1,875,249	3·64	42 2 0	1 10 8
1906	52,904,800	1,915,499	3·62	42 15 9	1 11 0
1907	52,954,989	1,897,027	3·58	42 5 10	1 10
1908	53,180,487	1,895,354	3·56	42 0 6	1 10 0
1909	54,567,197	1,944,844	3·56	42 12 3	1 10 5
1910	55,501,725	1,977,662	3·56	42 14 6	1 10 5
1911	57,933,764	2,052,737	3·54	43 17 9	1 11 1
1912	60,712,216	2,150,748	3·54	44 17 7	1 11 10
1913	62,776,724	2,223,927	3·54	45 3 0	1 12 0
1914	66,130,726	2,354,742	3·56	46 10 1	1 13 1
1915	72,183,927	2,612,698	3·62	50 12 1	1 16 8

SINKING FUNDS.

Sinking Funds of Australian States and the Commonwealth. On 30th June, 1915, the sinking funds in Australia were as follows:—

SINKING FUNDS IN AUSTRALIA: 30TH JUNE, 1915.

Held in—	Sinking Funds In Connexion with—	
	Funded Debts.	Municipal and Other Debts.*
	£	£
Victoria	1,535,821	1,057,148
New South Wales	414,264	506,175
Queensland	170,246	..
South Australia	1,591,444	22,197
Western Australia	4,068,888	302,403
Tasmania	706,265	151,664
The Commonwealth	127,062	..
Total	8,613,990	2,039,587

* Figures for 1914.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1915:—

	Balance at Credit.
Mallee Land Account	£53,670
Closer Settlement Fund	61,125
Victorian Loans Redemption Fund	391,286
Victorian Government Consolidated Inscribed Stock Redemption Fund	1,029,740
Total	£1,535,821

By Act No. 1428 of 1896, the moneys accruing from licensing, leasing, or selling of land in the Mallee country, or Mallee border, are to be paid into the Treasury and placed to the credit of a separate account, to be called the "Mallee Land Account." The sums standing at credit of this account are available solely for the repurchase, redemption, or paying off of any Victorian stock or debentures. The amount in hand on 30th June, 1914, was £65,999, and during 1914-15 the receipts amounted to £45,671, and the expenditure to £58,000, so that the balance in the fund on 30th June, 1915, was £53,670.

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

Consolidated Inscribed Stock Redemption Fund. By Act No. 1561 of 1898, it was enacted that a "Victorian Government Consolidated Inscribed Stock Redemption Fund" should be kept in the Treasury, and should be applied to the purchase or repurchase, and ultimately to the redemption of consolidated stock—that is, stock on the London Register—and to the payment of expenses connected with such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. During 1914-15 receipts amounted to £135,894, and expenditure connected with investments to £12. Transactions in this fund to 30th June, 1915, were as follows:—

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK REDEMPTION FUND: 30TH JUNE, 1915.

Transactions.	To 30th June, 1915.
RECEIPTS.	
Waterworks Trusts	£ 226,166
Mallee Land Account	574,000
Revenue	369,055
Interest on Investments	141,244
Miscellaneous	94,896
Total receipts	1,405,361
EXPENDITURE.	
Purchase of Stock	374,398
Commission, &c.	1,211
Investment Expenses	12
Total expenditure	375,621
Balance in the Fund	1,029,740
Amount of stock repurchased and cancelled	397,305

The miscellaneous receipts include £62,827, surplus after redemption of loans, Acts 531 and 608. Of the balance in the fund, £876,461 was invested in Victorian Government debentures and stock, and £153,279 held in cash.

Loans
Redemption
Fund.

By Act No. 1565 of 1898, it was enacted that a "Victorian Loans Redemption Fund" should be kept in the Treasury, and should be available for the purchase, repurchase, or redemption of Victorian Government stock and debentures payable at Melbourne, and for the payment of expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue, repayments on account of resumption of land in the Mallee district and of sundry loans made by the Government to municipalities, &c. During 1914-15 receipts amounted to £169,213, and £168,364 was expended in the purchase for cancellation of £169,274 stock and debentures, of which £114,174 bore interest at 3 per cent., £25,900 at 3½ per cent., and £29,200 at 4 per cent. Transactions in this fund to 30th June, 1915, are shown in the following statement:—

THE VICTORIAN LOANS REDEMPTION FUND :
30TH JUNE, 1915.

Transactions.	To 30th June, 1915.
RECEIPTS.	
	£
From Revenue	1,153,405
Resumption of land in Mallee Districts and valuation of improvements	24,136
Payments by Municipalities	27,712
Geelong Municipal Waterworks Trust	265,000
Interest on Investments	66,811
Repayment of Loans—	
Bush fires relief	22,213
Floods relief	1,453
Seed advances	93,021
New pilot steamer	8,597
Yarrowee Channel	12,240
Wire Netting	167,655
Excess of face value of securities over amount invested ..	409
Total receipts	1,842,652
EXPENDITURE.	
Purchase of stock and debentures	1,451,366
Balance in the fund	391,286
Amount of stock and debentures repurchased and cancelled	1,466,865

The balance in the fund was represented by the face value of Victorian Government debentures and stock which amounted to £222,211, and by £169,075 held in cash.

DEBTS IN AUSTRALIA AND NEW ZEALAND.

The following is a summary of the funded debts of the Australian States, the Commonwealth, and New Zealand on 30th June, 1915, showing the amounts, the amounts per head of population, the total interest payable, the average rate per cent., and the rate *per capita*. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes:—

FUNDED DEBTS OF THE AUSTRALIAN STATES, THE COMMONWEALTH, AND NEW ZEALAND: 30TH JUNE, 1915.

	Funded Debt.		Interest Payable.		
	Amount.	Per Head of Population.	Amount.	Per Head of Population.	Average Rate per cent.
	£	£ s. d.	£	£ s. d.	
Victoria ..	72,183,927	50 12 1	2,612,698	1 16 8	3·62
New South Wales	127,735,405	68 7 2	4,728,888	2 10 7	3·70
Queensland ..	54,394,196	78 17 5	2,075,102	3 0 2	3·81
South Australia ..	35,081,623	80 1 2	1,297,937	2 19 3	3·70
Western Australia	37,022,622	114 15 10	1,343,604	4 3 4	3·63
Tasmania ..	13,133,046	66 3 9	494,564	2 9 10	3·77
The Commonwealth	24,702,350	4 19 9	882,475	0 3 7	3·57
Total ..	364,253,169	73 11 5	13,435,268	2 14 3	3·69
New Zealand (31.3.15)	100,059,910	90 18 4	3,712,940	3 7 6	3·71

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

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN AUSTRALIAN STATES AND NEW ZEALAND: 1911 TO 1915.

	At 30th June—				
	1911.	1912.	1913.	1914.	1915.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Victoria ..	43 17 9	44 17 7	45 3 0	46 10 1	50 12 1
New South Wales ..	57 7 5	57 15 6	58 14 10	62 17 9	68 7 2
Queensland ..	68 9 10	69 18 2	76 15 10	76 16 10	78 17 5
South Australia ..	81 5 2	69 19 3	69 10 4	76 12 0	80 1 2
Western Australia ..	82 4 5	86 18 8	96 8 10	106 5 0	114 15 10
Tasmania ..	57 6 9	59 1 8	58 14 4	62 6 1	66 3 9
New Zealand (31st March)	80 7 11	81 15 7	84 16 6	91 10 2	90 18 4

The following is a statement of the total indebtedness of the Australian States and the Commonwealth in 1915:—

State and local debts.

FUNDED AND UNFUNDED DEBTS OF AUSTRALIA : 1915.

	State and Federal Debts.		Municipal and Corporation Debts (exclusive of Loans from Government).	Grand Total.	
	Funded.	Unfunded.		Amount.	Per Head of Population.
	£	£	£	£	£ s. d.
Victoria.. ..	72,183,927	1,429,602	18,342,928	91,956,457	64 9 4
New South Wales	127,735,405	3,363,855	7,750,552	138,849,812	74 6 1
Queensland* ..	54,394,196	1,125,350	1,241,611	56,761,157	82 6 0
South Australia ..	35,081,623	470,448	302,346	35,854,417	81 16 6
Western Australia	37,022,622	1,012,742	1,723,278	39,758,642	123 5 5
Tasmania ..	13,133,046	..	830,023	13,963,069	70 7 5
The Commonwealth	24,702,350	1,949,319	..	26,651,669	5 7 8
Total ..	364,253,169	9,351,316	30,190,738	403,795,223	81 11 2

* Excluding Government Savings Bank Stock and Debentures, £1,349,500.

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

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

The State debts are those for the year ended in 1915, while the municipal and corporation debts are for the year ended in 1914, figures for 1915 for other States than Victoria not being available. The complete figures for Victoria for 1915 appear in the succeeding statement:—

STATE AND LOCAL DEBTS: 1915.

State Debts (Funded)—	£	£
London Register	41,333,738	
Melbourne Register	30,849,189	
State Debts (Unfunded)	1,429,602	
Overdue Debentures, late Melbourne and Hobson's Bay Railway—unpresented	1,000	
Total State Debts .. .. .	..	73,613,529
Municipal.. .. .	5,739,084	
Harbor Trusts	2,640,000	
Metropolitan Fire Brigades Board	200,000	
Melbourne and Metropolitan Board of Works	10,425,160	
Total Debts of Municipalities and Corporations	19,004,244	
Total Debts.. .. .	92,617,773	

This sum (£92,617,773) is equal to a debt of £64 18s. 7d. per head of the population on 30th June, 1915.

DEBTS OF VARIOUS COUNTRIES.

In order that a comparison may be instituted between the States of Australia and other countries of the world in regard to indebtedness, the following table showing the latest available figures is furnished. It must be remembered, when making comparisons with other countries, that the

Debts of
various
countries.

large indebtedness of the Australian States is the result of expenditure on railways, roads, irrigation, and water supply works, harbors, and other public works, required for the speedy development of an entirely new country, whilst in the older countries of the world much of this class of work is left to private enterprise :—

GOVERNMENT DEBTS PER HEAD OF POPULATION IN
VARIOUS COUNTRIES.

Country.	Year ended—	Public Debt.	
		Total Amount.	Amount per Head of Population.
		£	£ s. d.
United Kingdom	31.3.1915	1,165,801,700	25 2 10
South African Union	31.3.1914	126,296,200	19 19 6
Canada	31.3.1914	111,902,700	13 17 2
British India	31.3.1914	307,451,700	1 5 2
France.. ..	31.12.1912	1,073,369,000	27 1 3
Belgium	31.12.1912	163,684,800	21 12 5
Austria	31.12.1912	519,631,000	17 18 5
Hungary	31.12.1912	274,702,000	12 18 8
German States	1912	771,772,500	11 13 4
German Empire (Imperial) ..	31.3.1912	242,743,000	3 13 5
Italy	30.6.1912	537,174,000	15 6 9
Norway	30.6.1912	20,156,000	8 6 1
United States of America (Federal)	30.6.1912	211,152,700	2 4 3
United States of America (States, Territories, &c.)	1902	383,228,000	4 17 6
Sweden	31.12.1912	33,455,500	5 19 5
Russia.. ..	31.12.1911	945,553,000	5 12 7
Japan	31.3.1913	254,593,000	4 17 4

COMMONWEALTH, STATE, AND LOCAL TAXATION.

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

COMMONWEALTH, STATE, AND LOCAL TAXATION: 1910-11
TO 1914-15.

Heads of Taxation.	Amount Received.				
	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£	£	£	£	£
Federal—					
Customs Duties... ..	3,191,787	3,566,891	4,091,761	3,783,064	3,539,654
Excise Duties	831,976	892,929	655,558	645,345	817,175
Land Tax	366,543	357,279	393,664	422,127	483,826
Probate Duty ... ..	...	...	...	...	8,588
Total Federal Taxation	4,390,306	4,817,099	5,140,983	4,850,536	4,849,243
State—					
Licences	118,898	117,973	116,559	116,678	112,953
Probate & Succession Duties	433,104	448,283	443,682	457,042	536,869
Duties on Bank Notes	18,115	8,376	2,922	2,401	2,215
Stamp Duties	257,199	276,836	249,485	275,839	287,169
Land Tax	210,640	293,823	308,275	302,224	503,550
Income Tax	395,998	443,248	542,236	527,705	506,214
Race Clubs' percentage	7,535	8,727	9,527	11,447	13,071
Total State Taxation ...	1,441,489	1,597,266	1,672,686	1,693,336	1,762,041
Municipal Taxation ...	1,084,948	1,145,067	1,244,507	1,303,448	1,325,117
Total Taxation ...	6,916,743	7,559,432	8,058,176	7,847,320	7,936,401

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

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

COMMONWEALTH, STATE, AND LOCAL TAXATION PER HEAD OF POPULATION: 1910-11 TO 1914-15.

Division.	Taxation per Head of Population in—				
	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Federal	3 7 2	3 12 0	3 14 6	3 8 8	3 7 10
State	1 2 0	1 3 10	1 4 3	1 4 0	1 4 7
Local	0 16 7	0 17 1	0 18 0	0 18 6	0 18 5
Total	5 5 9	5 12 11	5 16 9	5 11 2	5 15 10

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

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

	Amount of Taxation.	Rate per Head of Population.
	£	£ s. d.
Victoria	7,914,732	5 10 8
New South Wales	12,926,758	6 18 11
Queensland	3,442,964	5 1 8
South Australia	1,972,095	4 8 6
The Northern Territory		
Western Australia.. .. .	1,632,774	5 1 1
Tasmania	776,273	3 17 0
Total	28,665,596	5 16 0
United Kingdom	268,222,000	5 16 5

In this return the Commonwealth and the State taxation have been taken for the year 1914-15, and the local taxation for the year 1913-14, and it is shown that the total taxation for Australia is £28,665,596, or an average of £5 16s. per head per annum. The lowest rate, £3 17s. per head, prevails in Tasmania; South Australia (combined with The Northern Territory owing to difficulty in separating some of the Federal items) and West Australia are next

in order, the former with £4 8s. 6d. and the latter with £5 1s. 1d. per head; then follow Queensland, Victoria and New South Wales, with £5 1s. 8d., £5 10s. 8d., and £6 18s. 11d. per head respectively. In the United Kingdom, the taxation is 5d. per head more than in Australia. No adjustments on account of inter-state transfers of dutiable goods have been made in the Customs figures used in this table, and consequently the taxation given for a State such as Victoria, which has a considerable trade in the export to other States of imported goods, is an exaggeration, whilst in the case of a State such as Tasmania, which receives large quantities of dutiable goods through Victoria, the taxation as shown above is without doubt less than the real amount. No other figures are available, however, and, although those given are correct for Australia as a whole, yet they should be regarded as being only fairly accurate for the individual States.

Additional Taxation. Additional taxation for the financial year 1914-15 comprised an increase in the Federal Land Tax which is fully referred to on page 155, and a Federal Estate Duty. The latter was imposed by an Act passed on 21st December, 1914, and is levied on the estates of persons dying after that date, the rate of duty being fixed at 1 per cent. on estates between £1,000 and £2,000, and, when the value of the estate exceeds £2,000, at 1 per cent., together with an additional $\frac{1}{5}$ per cent. for every £1,000 or part of £1,000 in excess of £2,000, but so that the percentage shall not exceed 15. The taxable value is the total value after deducting all debts. For the financial year 1915-16 a Federal Income Tax which is explained on page 152 is being collected.

From 1st July, 1915, until 30th June, 1919, the Victorian Stamp Duties on the following items are double those imposed in 1914-15 :— Bills of Exchange and Promissory Notes drawn in and payable in Victoria (except cheques), Receipts for £2 and upwards, Deeds of Settlement or Gift, Transfers of Real Property, and Fire, Fidelity, Guarantee, or Marine Insurance Licences. For the same period Bills of Exchange (except Bank Notes) drawn in Victoria and payable at any place outside the State, and those drawn at any place outside Victoria and payable in Victoria are dutiable as follows :—

Bills payable on demand (cheques, &c.)	..	1d.
Other Bills not exceeding £25 .. ..	..	6d.
Other Bills between £25 and £50 .. ..	..	1s.
Other Bills between £50 and £75 .. ..	..	1s. 6d.
Other Bills between £75 and £100 .. ..	..	2s.
Other Bills over £100, 1s. for every £50 or fractional part of £50 of the amount.		

In 1916 and the three following years the State Income Tax is increased on incomes over £500 (see page 143).

LICENCES.

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1915, and the amount of fees, under each head, collected during the year. Municipal licences for slaughtering, dairies, noxious trades, the carriage of passengers and goods, &c., are not shown.

LICENCES—NUMBER AND REVENUE: 1915.

Description of Licence.	Number of Licences Granted.	Amount of Fees Collected.
<i>Excise.</i>		
Distilling—		£ s. d.
General Distillers	4	200 0 0
Wine Distillers	6	150 0 0
Vignerons	18	90 0 0
Test Stills	36	3 14 0
Brewers	21	525 0 0
Manufacturing Tobacco, Cigars, Cigarettes, and Snuff	35	1,164 3 4
Glucose manufacturing	2	10 0 0
<i>Licensing.</i>		
Victuallers*	3,926	72,375 0 0
Railway Refreshment Rooms	33	825 0 0
Australian Wine	277	1,385 0 0
Clubs	132	264 0 0
Packet (passenger boat)	12	240 0 0
Grocers (single bottle)	289	2,890 0 0
Wine and Spirit Merchants (two gallon)	376	9,400 0 0
Brewers	31	31 0 0
Vignerons	18	90 0 0
Billiard Tables	315	1,575 0 0
<i>Customs.</i>		
Carriage	1,165	288 2 6
Lighter and Boat	12	3 0 0
Custom House Agents	70	148 0 0
Bond	45	4,010 0 0
<i>Explosives.</i>		
Importation	119	779 10 0
Manufacture of Rackarock and Lithyte	28	7 0 0
Manufacture of other Explosives	8	11 10 0
Magazine	265	168 10 0
Fireworks, Sale of	608	30 8 0
Other than Fireworks, Sale of	1,529	382 5 0
<i>Miscellaneous.</i>		
Auctioneers—General†	839	14,422 8 6
Gold-buyers and Assayers	687	354 0 0

* Including temporary licences, which numbered 1,240, on which the fees collected amounted to £2,480.

† Including 248 temporary licences, on which the fees collected were £248.

In addition to the preceding there are other licences, particulars of which cannot be obtained for the calendar year 1915; the fees collected in respect of these during the financial year 1914-15 were as follows :—

Description of Licence.	Amount of Fees collected		
	£	s.	d.
Insurance	20,349	2	6
Sale of Tobacco, &c. .. .	1,859	4	4
Pawnbrokers	930	0	0
Hawkers	1,094	5	0
Carriers	48	6	0
Stage Carriage	163	5	0
Marine Store	170	16	0
Forwarding Agents	120	0	0
Permits to Fish	1	7	6
Race Clubs	540	0	0