

FINANCE.

Under the terms of the Act establishing a constitution in and for the Colony of Victoria, all taxes, imposts, rates, and duties, and all territorial, casual, and other revenues of the Crown, from whatever source arising within the Colony, are to form one consolidated revenue, to be appropriated by the Legislature for the public service of the Colony. The summary of these transactions for the financial year 1911-12 is as follows:—

REVENUE AND EXPENDITURE ACCOUNT OF VICTORIA, 1911-12.

| | | | | | | £ |
|------------------------------------|-----|-----|-----|-----|-----|------------|
| Revenue ... | ... | ... | ... | ... | ... | 10,009,796 |
| Expenditure ... | ... | ... | ... | ... | ... | 9,999,342 |
| | | | | | | <hr/> |
| Surplus for the year | ... | ... | ... | ... | ... | 10,454 |
| Revenue deficit at 30th June, 1911 | ... | ... | ... | ... | ... | 304,629 |
| | | | | | | <hr/> |
| Revenue deficit at 30th June, 1912 | ... | ... | ... | ... | ... | 294,175 |
| | | | | | | <hr/> |

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 buoyant revenue of recent years has been more than sufficient to meet the demands of ordinary expenditure, and it has been possible to devote considerable sums out of ordinary revenue to paying off the

liabilities of former years, and to forming sinking funds to meet outstanding loans. Such appropriations for the past nine years are shown in the succeeding statement.

REVENUE DEVOTED TO PAYING OFF OLD LIABILITIES, ETC., ETC.,
1903-4 TO 1911-12.

| Year ended 30th June. | ORDINARY REVENUE APPROPRIATED. | | | | Total. |
|--------------------------|---|---|---|---|-----------|
| | In reduction of the accumulated revenue defi- ciency of former years. | To Land Sales by Auction Fund. | In redemption of loan raised in anticipation of revenue (Act No. 1451.) | Towards Redemption Funds to meet out- standing loans.* | |
| | £ | £ | £ | £ | £ |
| 1904 ... | 175,000 | 33,020 | 25,000 | 81,277 | 314,297 |
| 1905 ... | 172,000 | 29,693 | 25,000 | 122,835 | 349,528 |
| 1906 ... | 550,000 | 41,114 | 25,000 | 139,671 | 755,785 |
| 1907 ... | 666,391 | 38,346 | 25,000 | 163,864 | 893,601 |
| 1908 ... | 452,234 | 39,163 | 25,000 | 163,296 | 679,693 |
| 1909 ... | 7,507 | 45,216 | 25,000 | 145,716 | 223,439 |
| 1910 ... | 18,012 | 43,319 | 25,000 | 165,527 | 251,858 |
| 1911 ... | 10,346 | 41,643 | 25,000 | 166,864 | 243,853 |
| 1912 ... | 10,454 | 14,988 | 25,000 | 190,909 | 241,351 |
| Totals (9 years) | 2,061,944 | 326,502 | 225,000 | 1,339,959 | 3,953,405 |

* 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 1904, 1905, 1906, 1907, 1909, and 1912, large surpluses, which were applied specially to works or purposes of a public nature.

State
revenue
and expen-
diture.

The following table shows the receipts and expenditure from general revenue during the year ended 30th June, 1912. On 1st July, 1911, the total revenue deficiency was £304,628 16s. 8d., and in the course of the year it was reduced by £10,454 5s. 10d., leaving

the accumulated revenue deficiency at the end of the financial year 1911-12 at £294,174 10s. 10d., the whole of which amount was covered by advances from the trust funds.

REVENUE AND EXPENDITURE, 1911-12.

| Revenue. | Amount. | | Expenditure. | Amount. | |
|--|------------|-------|--|------------|-------|
| | £ | s. d. | | £ | s. d. |
| Excise and Inland | 1,214,510 | 11 4 | Consolidated Revenue deficiency, 30/6/11 | 304,628 | 16 8 |
| Territorial ... | 285,799 | 18 5 | Special Appropriations | 2,854,169 | 8 1 |
| Public Works ... | 5,588,371 | 14 11 | Chief Secretary ... | 854,010 | 12 4 |
| Ports and Harbors | 129,830 | 8 6 | Minister of Public Instruction | 898,923 | 1 0 |
| Fees ... | 390,021 | 9 3 | Attorney-General... | 80,905 | 18 8 |
| Fines ... | 14,126 | 6 4 | Solicitor-General ... | 61,197 | 1 7 |
| Mallee Land Account | 73,133 | 12 5 | Treasurer ... | 320,600 | 9 1 |
| Miscellaneous ... | 646,344 | 16 3 | Commissioner of Crown Lands | 265,924 | 3 3 |
| Commonwealth balances received | 1,667,657 | 0 0 | Commissioner of Public Works | 533,482 | 14 11 |
| Consolidated Revenue deficiency, 30/6/12 | 294,174 | 10 10 | Minister of Mines | 57,485 | 17 5 |
| | | | Minister of Forests | 54,060 | 10 1 |
| | | | Minister of Water Supply | 96,061 | 16 3 |
| | | | Minister of Agriculture | 168,000 | 5 1 |
| | | | Minister of Health | 37,919 | 3 9 |
| | | | Minister of Railways | 3,551,804 | 11 10 |
| | | | Mallee Land Account | 73,133 | 12 5 |
| | | | Surplus Revenue appropriated to "Revenue Services" | 91,662 | 5 10 |
| Total ... | 10,303,970 | 8 3 | Total .. | 10,303,970 | 8 3 |

The accumulated revenue deficiency at 30th June, 1912, was, as shown in the above statement, £294,175. This deficiency had its beginning in the year 1890-91, when it amounted to £206,843, and in the course of the next five years it was added to year by year, until it reached its maximum amount of £2,711,436 on 30th June, 1896, since which date it has been steadily reduced year by year, with one or two exceptions, to its present amount.

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

STATE REVENUE AND EXPENDITURE: 1902-3 TO 1911-12.

| Year ended 30th June. | Revenue. | Expenditure. |
|--------------------------|------------|--------------|
| | £ | £ |
| 1903 | 6,954,619 | 6,759,960 |
| 1904 | 7,319,949 | 7,339,608 |
| 1905 | 7,515,742 | 7,343,742 |
| 1906 | 7,811,475 | 7,261,475 |
| 1907 | 8,345,534 | 7,679,143 |
| 1908 | 8,314,490 | 7,862,246 |
| 1909 | 8,247,684 | 8,240,177 |
| 1910 | 8,597,992 | 8,579,980 |
| 1911 | 9,204,503 | 9,194,157 |
| 1912 | 10,009,796 | 9,999,342 |

NOTE.—The differences between the revenue and expenditure shown above and the revenue and expenditure given in the Treasurer's Finance Statement arise from the use of a different method of classification for statistical purposes. The particulars for 1911-12 are as follows:—

| | Revenue. | Expenditure. |
|--|------------|--------------|
| | £ | £ |
| Total according to Treasurer's Finance Statement ... | 9,936,662 | 9,845,000 |
| <i>Add—</i> | | |
| Mallee Land Account—appropriated to | | |
| Loan Redemption purposes ... | 73,134 | 73,134 |
| Surplus Revenue appropriated to | | |
| "Revenue Services" ... | .. | 91,662 |
| <i>Deduct—</i> | | |
| Appropriation to reduction of deficit ... | ... | 10,454 |
| Total | 10,009,796 | 9,999,342 |

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

Heads of
State
revenue.

HEADS OF STATE REVENUE, 1907-8 TO 1911-12.

| Heads of Revenue. | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|--|-----------|-----------|-----------|-----------|------------|
| | £ | £ | £ | £ | £ |
| Federal Government... | 2,449,243 | 1,929,542 | 1,922,278 | 1,617,572 | 1,667,657 |
| State Taxation— | | | | | |
| Probate and Succession Duties | 304,830 | 418,418 | 358,173 | 433,104 | 448,233 |
| Income Tax ... | 317,354 | 304,464 | 338,585 | 395,998 | 443,248 |
| Land Tax ... | 89,496 | 85,559 | 114,357 | 210,640 | 293,823 |
| Stamp Duties ... | 222,923 | 220,693 | 233,016 | 257,199 | 276,836 |
| Other ... | 134,160 | 138,310 | 141,603 | 159,859 | 158,649 |
| Public Works and Services— | | | | | |
| Railways ... | 3,873,855 | 4,189,501 | 4,450,782 | 4,887,560 | 5,237,466 |
| Water Supply ... | 218,755 | 225,911 | 234,698 | 263,711 | 255,081 |
| State Coal Mine ... | ... | ... | 22,249 | 166,174 | 199,267 |
| Interest on properties transferred to Commonwealth | ... | ... | ... | ... | 138,941 |
| Other ... | 5,020 | 5,362 | 4,716 | 5,145 | 16,712 |
| Land— | | | | | |
| Sales ... | 205,393 | 224,232 | 216,902 | 219,789 | 211,952 |
| Rents ... | 122,911 | 134,194 | 135,174 | 133,129 | 148,113 |
| Interest, &c. ... | 51,091 | 56,549 | 65,871 | 79,363 | 125,807 |
| Other Sources ... | 319,449 | 314,949 | 359,588 | 375,260 | 387,961 |
| Total ... | 8,314,480 | 8,247,684 | 8,597,992 | 9,204,503 | 10,009,796 |
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Per Head of Population | 6 12 0 | 6 9 10 | 6 13 3 | 7 0 10 | 7 9 8 |

The revenue for 1911-12 represents an increase of £805,293 over that for the previous year, and of this amount the railways supplied £349,906. The contribution to the State revenue by the Federal Government in 1910-11 and 1911-12 is founded 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 revenue of the Railway Department maintains the high standard of recent years, the receipts for 1911-12 exceeding those of any previous year. The increase in the revenue from land tax is due to the operation of the State *Land Tax Act* 1910, particulars of which will be found on page 138.

FEDERAL AND STATE FINANCE.

Federal and
State
Finance.

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

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 amounting to 25s. per head of the number of the people of the State.

By the same Act provision was also made that during the period of ten years beginning 1st July, 1910, and thereafter until Parliament 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. The sum so debited to a State may be deducted from the amount payable to such State in pursuance of the Act.

By the *Tasmania Grant Act* 1912 the sum of £500,000 has been granted out of the Consolidated Revenue of the Commonwealth for the purposes of financial assistance to the State of Tasmania. Payments of this sum are to extend over a period of ten years, and commence in 1912-13 with the amount of £95,000, and thereafter successively diminished by £10,000 each year, so that in 1921-22 the final payment will be £5,000.

INCOME TAX.

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

thereof up to £2,000; and 8d. on all over £2,000. (b) Property—double these rates. This Amending Act also made companies taxable as persons, except mining companies, the shareholders of which include in their returns the dividends received. Special provision was made for the assessment and taxation of life assurance companies, which were taxed at a uniform rate of 1s. in the £1, on 30 per cent. of the premiums received. The rates for the year 1904, based on the incomes of 1903, were altered by Act No. 1863, which did not alter the exemption, but raised the minimum taxable from £126 to £151. The following were the rates under this Act:—Incomes from personal exertion—3d. for every £1 of the taxable amount up to £300; thence up to £800, 4d.; thence to £1,300, 5d.; thence to £1,800, 6d.; and over £1,800, 7d.; incomes from property, double these rates; life assurance companies, 1s. in the £1. The rates for the year 1905, based on the incomes of 1904, were fixed by Act No. 1938, as follows:—Incomes from personal exertion were taxed 3d. for every £1 of the taxable amount up to £500; thence up to £1,000, 4d.; thence to £1,500, 5d.; over £1,500, 6d.; tax on income from property, double these rates. The minimum income taxable was £157, the exemption to resident and non-resident taxpayers except companies being £100 on incomes from £157 to £500. The tax on the income of life assurance companies was 8d.; that for other companies liable to tax, 7d. for every £1 of the taxable amount. Interest on Government stock, bonds, and debentures held by residents was exempted as in the case of non-residents, and the exemption of mining companies repealed. The taxable amount of the income of a mining company is the total amount of the dividends declared and debenture interest paid during the year. The exemption of the profits from trade of provident societies and other associations was also repealed. The rates and exemption for 1906 were the same as those for 1905; but for 1907, whilst the rates were the same as those for 1905 and 1906, the minimum income taxable was £201 with an exemption of £100 up to £500. The rates of tax in 1908, 1909, 1910, 1911, 1912, and 1913 were again respectively 3d., 4d., 5d., 6d. on personal income up to £500, £1,000, £1,500, and over £1,500, with double rates on income from property, 8d. on the taxable income of life assurance companies, and 7d. on that of all other companies, but the exemption allowed was £150 on incomes, other than those of companies, between £201 (the minimum income taxable) and £500. In the years 1908, 1909, and 1910 there was also allowed a rebate of 20 per cent. on assessments to all taxpayers, except companies. In 1913 all incomes derived from interest accruing from any stock sold under the

Savings Bank Act 1912 or from any debentures or bonds under the *Savings Banks Acts* issued after the commencement of the said Act are exempted from taxation.

The following is a statement of the assessments, taxpayers, taxable income, and tax payable from personal exertion and property during the five years ending with 1912:—

INCOME TAX: 1908 TO 1912.

| — | 1908. | 1909. | 1910. | 1911. | 1912. |
|---|-------------------|------------------|-------------------|-------------------|--------------------|
| Number of Assessments: | | | | | |
| Personal exertion ... | 32,578 | 32,268 | 35,659 | 33,307 | 34,912 |
| Property ... | 6,993 | 7,757 | 8,516 | 9,124 | 9,501 |
| Total ... | 39,571 | 40,025 | 44,175 | 42,431 | 44,413 |
| Distinct taxpayers ... | 35,464 | 35,902 | 39,532 | 37,618 | 39,525 |
| Taxable Income— | £ | £ | £ | £ | £ |
| Personal exertion ... | 14,012,508 | 13,178,528 | 15,333,062 | 15,863,382 | 17,429,095 |
| Property ... | 2,869,537 | 2,952,756 | 3,184,689 | 3,487,610 | 3,831,231 |
| Total ... | 16,882,045 | 16,131,284 | 18,517,751 | 19,350,992 | 21,260,326 |
| Tax Payable— | | | | | |
| Personal exertion ... | 229,814 | 212,597 | 256,539 | 303,099 | 339,588 |
| Property ... | 75,374 | 77,670 | 83,840 | 111,222 | 123,357 |
| Total ... | 305,188 | 290,267 | 340,379 | 414,321 | 462,945 |
| Per taxpayer ... | £ s. d. 8 12 1 | £ s. d. 8 1 8 | £ s. d. 8 12 2 | £ s. d. 11 0 3 | £ s. d. 11 14 3 |
| Average Tax payable in the £ on Taxable In- comes derived from— | | | | | |
| Personal exertion... | d. 3·94 | d. 3·87 | d. 4·01 | d. 4·59 | d. 4·67 |
| Property... | d. 6·30 | d. 6·31 | d. 6·32 | d. 7·65 | d. 7·73 |

In a comparison of the particulars contained in this table, it must be remembered that, although the rates of tax, the amount of the minimum taxable income, and the amount of exemption allowed were the same for each year, yet that for the years 1908, 1909, and 1910 a rebate of 20 per cent. on assessments to all taxpayers except companies was allowed. It must also be borne in mind that since 1910 land-owners have been exempted from income tax on all income from live stock, wool, meat, milk, dairy produce, fruit, grain, fodder,

and other crops arising or accruing to them from any land the unimproved value of which does not exceed £5,000; and that they have been allowed a reduction in the rate of tax on incomes similarly earned from land with unimproved values ranging from £5,000 to £9,000. The number of individual taxpayers in 1912, however, is equal to the number in 1910, and the amount of the total tax payable in the later year exceeds that payable in 1910 by £122,566, the most conspicuous of the classes in extent of increase being the commercial, and the most prominent of the occupations, merchants and graziers.

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

INCOME TAX ASSESSMENTS, 1912—BASED ON INCOMES OF 1911.

| Taxable Income. | Rate of Tax in £ on Incomes derived from | | Number of Assessments. | | Taxable Income from— | | Tax Payable on— | |
|------------------|--|-----------|------------------------|-----------|----------------------|-----------|--------------------|-----------|
| | Personal Exertion. | Property. | Personal Exertion. | Property. | Personal Exertion. | Property. | Personal Exertion. | Property. |
| | d. | d. | | | £ | £ | £ | £ |
| Up to £500 ... | 3 | 6 | 26,955 | 7,557 | 4,108,258 | 1,012,869 | 52,983 | 25,359 |
| £501 to £1,000 | 4 | 8 | 5,044 | 1,265 | 3,442,529 | 872,472 | 48,843 | 23,822 |
| £1,001 to £1,500 | 5 | 10 | 1,219 | 295 | 1,467,294 | 353,027 | 24,435 | 11,030 |
| Over £1,500 ... | 6 | 12 | 1,694 | 384 | 8,411,014 | 1,592,863 | 213,327 | 63,146 |
| Total ... | ... | ... | 34,912 | 9,501 | 17,429,095 | 3,831,231 | 339,598 | 123,357 |

It is here shown that the taxable income from personal exertion amounts to £17,429,095, and that from property to £3,831,231, after allowing for exemptions of £4,256,850, and thus the total net incomes of those assessed in 1912 on incomes of the previous year amounted to £25,517,176, or an average of £646 for each taxpayer. The average incomes of taxpayers in the four previous years were:—1908, £597; 1909, £563; 1910, £530; and 1911, £623.

Occupations
of income
taxpayers.

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

OCCUPATIONS OF INCOME TAXPAYERS SUMMARIZED, 1912.

| Occupations in Classes. | Number of Taxpayers. | | | Amount of Tax. | | | | |
|--------------------------|----------------------|--------------------------|---|--------------------|-----------|---------|----------------------|---------------------------|
| | Total. | Percentage of Taxpayers. | Percentage of each class in Population. | Personal Exertion. | Property. | Total. | Percentage of Total. | Average to each Taxpayer. |
| | | | | £ | £ | £ | | £ s. d. |
| 1. Professional | 6,847 | 17·32 | 15·63 | 31,618 | 6,935 | 33,553 | 8·33 | 5 12 7 |
| 2. Domestic ... | 1,923 | 4·87 | 3·09 | 10,702 | 1,709 | 12,411 | 2·68 | 6 9 1 |
| 3. Commercial | 11,948 | 30·23 | 13·04 | 82,965 | 14,488 | 97,453 | 21·05 | 8 3 1 |
| 4. Transport... | 1,719 | 4·35 | 4·38 | 5,142 | 484 | 5,626 | 1·21 | 3 5 5 |
| 5. Industrial... | 6,570 | 16·62 | 3·50 | 36,849 | 5,638 | 42,487 | 9·18 | 6 9 4 |
| 6. Primary producers ... | 3,973 | 10·05 | 2·75 | 28,162 | 16,546 | 44,708 | 9·66 | 11 5 0 |
| 7. Indefinite... | 5,163 | 13·06 | 64·11 | 3,175 | 62,883 | 66,058 | 14·27 | 12 15 10 |
| 8. Companies | 1,382 | 3·50 | ... | 140,975 | 11,674 | 155,649 | 33·62 | 112 12 6 |
| Total ... | 39,525 | 100·00 | ... | 339,588 | 123,357 | 462,945 | 100·00 | 11 14 3 |

An examination of this table reveals the relative wealth of the various classes. Thus the commercial class, which forms 30½ per cent. of the taxpayers, has the proportion of only 16 per cent. of the total bread-winners in the population, whilst primary producers, amongst whom are included those following agricultural, pastoral, and mining pursuits, make up 10 per cent. of the taxpayers, but 25 per cent. of the bread-winners; the next great class—the industrial—contributes over 16½ per cent. to the taxpayers, and forms 32½ per cent. of the bread-winners; whilst the professional class, contributing 17½ per cent. to the taxpayers, forms only 7½ per cent. of the bread-winners. Of the definite classes, that contributing the highest percentage of taxpayers in proportion to its number in the population is the professional, with 15½ per cent.; the commercial comes next, with 13 per cent.; then transport, with 4½ per cent; and last of all primary producers, with 2½ per cent. Of the amount paid as tax, companies yielded 33½ per cent. of the total; whilst the indefinite class, forming 13 per cent. of the taxpayers, yielded 14½ per cent. of the tax. The commercial class, forming 30½ per cent. of the taxpayers, gave 21 per cent. of the tax; primary producers, forming 10 per cent. of the taxpayers, gave 9½ per cent. of the tax; the industrial class, forming 16½ per cent. of the taxpayers, gave 9 and one-fifth per cent. of the tax; and the professional class, forming 17½ per cent. of the taxpayers, gave 8½ 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, 1912.

| Occupations. | Number of Taxpayers. | | | | Amount of Tax. | | | |
|---------------------------|----------------------|-----------|--|--------|--------------------|-----------|---------|---------------------------|
| | Personal Exertion. | Property. | Personal Exertion and Property combined. | Total. | Personal Exertion. | Property. | Total. | Average to each Taxpayer. |
| 1. Professional. | | | | | | | | |
| Civil Servants | 1,094 | 2 | 54 | 1,150 | £ 3,330 | £ 219 | £ 3,549 | £ s. d. 3 1 8 |
| Clergymen ... | 593 | 2 | 20 | 615 | 1,467 | 117 | 1,524 | 2 9 6 |
| Legal Practitioners ... | 573 | 5 | 170 | 748 | 6,808 | 2,299 | 9,107 | 12 3 6 |
| Medical Practitioners ... | 503 | 10 | 190 | 703 | 7,442 | 2,238 | 9,680 | 13 15 4 |
| Police ... | 309 | ... | 8 | 317 | 454 | 31 | 485 | 1 10 7 |
| Teachers ... | 1,044 | ... | 33 | 1,077 | 2,252 | 98 | 2,350 | 2 3 7 |
| Various ... | 1,973 | 17 | 247 | 2,237 | 9,925 | 1,933 | 11,858 | 5 6 0 |
| | 6,089 | 36 | 722 | 6,847 | 31,618 | 6,935 | 38,553 | 5 12 7 |
| 2. Domestic. | | | | | | | | |
| Hotelkeepers... | 1,318 | 4 | 264 | 1,586 | 9,479 | 1,443 | 10,922 | 6 17 8 |
| Various ... | 298 | 4 | 35 | 337 | 1,223 | 266 | 1,459 | 4 8 4 |
| | 1,616 | 8 | 299 | 1,923 | 10,702 | 1,709 | 12,411 | 6 9 1 |
| 3. Commercial. | | | | | | | | |
| Agents ... | 681 | 7 | 217 | 905 | 7,057 | 1,500 | 8,557 | 9 9 1 |
| Brokers ... | 171 | 1 | 42 | 214 | 4,203 | 437 | 4,640 | 21 13 7 |
| Butchers ... | 436 | 3 | 82 | 521 | 2,327 | 639 | 2,966 | 5 13 10 |
| Clerks ... | 3,198 | 3 | 267 | 3,466 | 12,274 | 1,670 | 13,944 | 4 0 8 |
| Drapers ... | 366 | 2 | 72 | 440 | 5,398 | 1,430 | 6,828 | 15 10 4 |
| Grocers ... | 312 | 1 | 46 | 359 | 1,290 | 284 | 1,574 | 4 7 8 |
| Merchants ... | 1,060 | 8 | 352 | 1,420 | 27,978 | 4,637 | 32,615 | 22 19 4 |
| Salesmen ... | 2,513 | 5 | 152 | 2,670 | 10,571 | 854 | 11,425 | 4 5 6 |
| Storekeepers... | 476 | 2 | 109 | 587 | 2,885 | 623 | 3,511 | 5 19 7 |
| Various ... | 1,078 | 31 | 267 | 1,376 | 8,982 | 2,411 | 11,393 | 8 5 7 |
| | 10,289 | 63 | 1,596 | 11,948 | 82,965 | 14,488 | 97,453 | 8 3 1 |
| 4. Transport. | | | | | | | | |
| Carriers ... | 263 | ... | 54 | 317 | 1,649 | 167 | 1,816 | 5 14 7 |
| Engaged in Postal Service | 273 | ... | 6 | 279 | 500 | 19 | 519 | 1 17 0 |
| Engaged in Railways | 878 | ... | 16 | 894 | 1,574 | 25 | 1,599 | 1 15 9 |
| Engaged in Shipping | 192 | 1 | 36 | 229 | 1,419 | 273 | 1,692 | 7 7 9 |
| | 1,606 | 1 | 112 | 1,719 | 5,142 | 484 | 5,626 | 3 5 5 |

**SOURCES OF INCOMES AND OCCUPATIONS OF TAXPAYERS,
1912—continued.**

| Occupations. | Number of Taxpayers. | | | | Amount of Tax. | | | |
|------------------------------|----------------------|--------------|--|---------------|--------------------|----------------|----------------|---------------------------|
| | Personal Exertion. | Property. | Personal Exertion and Property combined. | Total. | Personal Exertion. | Property. | Total. | Average to each Taxpayer. |
| 5. Industrial. | | | | | £ | £ | £ | £ s. d. |
| Carpenters ... | 448 | 13 | 126 | 587 | 3,055 | 569 | 3,624 | 6 3 5 |
| Engine-drivers ... | 93 | ... | ... | 93 | 97 | ... | 97 | 1 0 10 |
| Engineers ... | 417 | 2 | 53 | 472 | 2,325 | 179 | 2,504 | 5 6 1 |
| Managers ... | 584 | 2 | 57 | 643 | 2,330 | 246 | 2,576 | 4 0 1 |
| Manufacturers ... | 660 | 5 | 222 | 887 | 13,412 | 1,442 | 14,854 | 16 14 11 |
| Printers ... | 543 | ... | 45 | 588 | 2,696 | 2,085 | 4,781 | 8 2 7 |
| Various ... | 3,013 | 3 | 284 | 3,300 | 12,934 | 1,117 | 14,051 | 4 5 1 |
| | 5,758 | 25 | 787 | 6,570 | 36,849 | 5,638 | 42,487 | 6 9 4 |
| 6. Primary Producers. | | | | | | | | |
| Engaged in Agriculture, &c.— | | | | | | | | |
| Dairy Farmers ... | 258 | 15 | 43 | 316 | 952 | 167 | 1,119 | 3 10 9 |
| Farmers ... | 1,440 | 126 | 467 | 2,033 | 8,952 | 3,826 | 12,778 | 6 5 8 |
| Graziers ... | 380 | 113 | 423 | 916 | 15,528 | 11,796 | 27,324 | 29 16 7 |
| Various ... | 293 | 18 | 50 | 361 | 1,351 | 491 | 1,842 | 5 2 0 |
| | 2,371 | 272 | 983 | 3,626 | 26,783 | 16,280 | 43,063 | 11 17 6 |
| Engaged in Mining— | | | | | | | | |
| Legal Managers ... | 33 | ... | 3 | 36 | 185 | 16 | 201 | 5 11 8 |
| Miners ... | 29 | ... | 4 | 33 | 206 | 75 | 281 | 8 10 3 |
| Mining Managers ... | 125 | 1 | 5 | 131 | 341 | 74 | 415 | 3 3 4 |
| Various ... | 130 | ... | 17 | 147 | 647 | 101 | 748 | 5 1 9 |
| | 317 | 1 | 29 | 347 | 1,379 | 266 | 1,645 | 4 14 9 |
| | 2,658 | 273 | 1,012 | 3,973 | 28,162 | 16,546 | 44,708 | 11 5 0 |
| 7. Indefinite. | 656 | 4,147 | 360 | 5,163 | 3,175 | 32,883 | 66,058 | 12 15 10 |
| 8. Companies. | | | | | | | | |
| Life Assurance ... | ... | 21 | ... | 21 | ... | 13,419 | 13,419 | 639 0 0 |
| Mining ... | 69 | ... | ... | 69 | 8,258 | ... | 8,258 | 119 13 7 |
| Other ... | 1,253 | 39 | ... | 1,292 | 132,717 | 1,255 | 133,972 | 103 13 10 |
| | 1,322 | 60 | ... | 1,382 | 140,975 | 14,674 | 155,649 | 112 12 6 |
| Total ... | 30,024 | 4,613 | 4,888 | 39,525 | 339,588 | 123,857 | 462,945 | 11 14 3 |

Of the total taxpayers, 75.9 per cent. gained their incomes from personal exertion, 11.7 per cent. from property, and 12.4 per cent. from personal exertion combined with property. The proportion of taxpayers of definite occupations deriving incomes from personal exertion

ranged from 65.4 per cent. of primary producers engaged in agriculture to 93.4 per cent. of those engaged in transport. Personal exertion combined with property was the source of income in a proportion ranging from 6.5 per cent. of those engaged in transport to 27 per cent. of primary producers engaged in agriculture. The indefinite class, comprising persons of independent means and of no occupation, and pensioners, has 12.7 per cent. gaining incomes from personal exertion, 80.3 per cent. from property, and 7 per cent. from personal exertion combined with property. Of companies 95.7 per cent. obtained their incomes from personal exertion, and 4.3 per cent. from property. Seventy-three and one-third per cent. of the total tax was yielded by incomes obtained from personal exertion, the percentage being as low as 4.8 for indefinite occupations, and for the other classes ranging from 62.2 for primary producers engaged in agriculture to 90.6 in the case of companies, and 91.4 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, 1912.

| 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 ... | 999 | 132 | 19 | 1,150 | £ 1,904 | £ 1,213 | £ 432 | £ 3,549 |
| Clergymen ... | 577 | 30 | 8 | 615 | 967 | 289 | 277 | 1,524 |
| Legal Practitioners ... | 409 | 202 | 137 | 748 | 888 | 2,065 | 6,154 | 9,107 |
| Medical Practitioners | 258 | 283 | 162 | 703 | 710 | 2,995 | 5,975 | 9,680 |
| Police ... | 309 | 7 | 1 | 317 | 405 | 64 | 16 | 485 |
| Teachers ... | 999 | 69 | 9 | 1,077 | 1,500 | 626 | 224 | 2,350 |
| Various ... | 1,608 | 415 | 124 | 2,237 | 3,422 | 4,028 | 4,408 | 11,858 |
| | 5,249 | 1,138 | 460 | 6,847 | 9,796 | 11,271 | 17,486 | 38,553 |
| 2. Domestic. | | | | | | | | |
| Hotelkeepers ... | 1,031 | 413 | 142 | 1,586 | 2,237 | 4,026 | 4,659 | 10,922 |
| Various ... | 271 | 51 | 15 | 337 | 492 | 513 | 484 | 1,489 |
| | 1,302 | 464 | 157 | 1,923 | 2,729 | 4,539 | 5,143 | 12,411 |
| 3. Commercial. | | | | | | | | |
| Agents ... | 608 | 192 | 105 | 905 | 1,364 | 1,972 | 5,221 | 8,557 |
| Brokers ... | 94 | 65 | 55 | 214 | 234 | 655 | 3,751 | 4,640 |
| Butchers ... | 387 | 114 | 20 | 521 | 805 | 1,074 | 1,087 | 2,966 |
| Clerks ... | 2,926 | 366 | 164 | 3,456 | 5,052 | 3,569 | 5,323 | 13,944 |
| Drapers ... | 284 | 85 | 71 | 440 | 580 | 813 | 5,435 | 6,828 |
| Grocers ... | 290 | 52 | 17 | 359 | 546 | 515 | 513 | 1,574 |
| Merchants ... | 663 | 342 | 415 | 1,420 | 1,260 | 3,470 | 27,885 | 32,615 |
| Salesmen ... | 2,263 | 279 | 128 | 2,670 | 4,123 | 2,593 | 4,709 | 11,425 |
| Storekeepers ... | 430 | 116 | 41 | 587 | 972 | 1,170 | 1,369 | 3,511 |
| Various ... | 956 | 277 | 143 | 1,376 | 2,020 | 2,864 | 6,509 | 11,393 |
| | 8,901 | 1,888 | 1,159 | 11,948 | 16,956 | 18,695 | 61,802 | 97,453 |

TAXABLE INCOMES AND OCCUPATIONS OF TAXPAYERS,
1912—continued.

| Occupations. | Number of Taxpayers. | | | | Amount of Tax. | | | |
|------------------------------|-------------------------------|------------------|------------------|--------|-----------------------------|------------------|------------------|---------|
| | With taxable incomes between— | | | Total. | On taxable incomes between— | | | Total. |
| | £51 and £500. | £501 and £1,000. | £1,001 and over. | | £51 and £500. | £501 and £1,000. | £1,001 and over. | |
| 4. Transport. | | | | | £ | £ | £ | £ |
| Carriers | 235 | 56 | 26 | 317 | 427 | 536 | 853 | 1,816 |
| Engaged in Postal Service | 267 | 12 | ... | 279 | 412 | 107 | ... | 519 |
| Engaged in Railways | 863 | 25 | 6 | 894 | 1,175 | 210 | 214 | 1,599 |
| Engaged in Shipping | 147 | 61 | 21 | 229 | 243 | 666 | 783 | 1,692 |
| | 1,512 | 154 | 53 | 1,719 | 2,257 | 1,519 | 1,850 | 5,626 |
| 5. Industrial. | | | | | | | | |
| Carpenters | 446 | 97 | 44 | 587 | 864 | 940 | 1,820 | 3,624 |
| Engine-drivers | 93 | ... | ... | 93 | 97 | ... | ... | 97 |
| Engineers | 376 | 57 | 39 | 472 | 611 | 547 | 1,346 | 2,504 |
| Managers | 531 | 88 | 24 | 643 | 1,040 | 848 | 688 | 2,576 |
| Manufacturers | 491 | 198 | 198 | 887 | 1,035 | 1,978 | 11,841 | 14,854 |
| Printers | 509 | 45 | 34 | 588 | 831 | 435 | 3,515 | 4,781 |
| Various | 2,785 | 351 | 164 | 3,300 | 4,686 | 3,371 | 5,994 | 14,051 |
| | 5,231 | 836 | 503 | 6,570 | 9,164 | 8,119 | 25,204 | 42,487 |
| 6. Primary Producers. | | | | | | | | |
| Engaged in Agriculture, &c.— | | | | | | | | |
| Dairy Farmers | 265 | 45 | 6 | 316 | 524 | 422 | 173 | 1,119 |
| Farmers | 1,467 | 452 | 114 | 2,033 | 3,477 | 4,540 | 4,761 | 12,778 |
| Graziers | 380 | 233 | 283 | 916 | 1,086 | 2,999 | 23,239 | 27,324 |
| Various | 285 | 56 | 20 | 361 | 589 | 645 | 608 | 1,842 |
| | 2,397 | 806 | 423 | 3,626 | 5,676 | 8,606 | 28,781 | 43,063 |
| Engaged in Mining— | | | | | | | | |
| Legal Managers | 29 | 3 | 4 | 36 | 70 | 34 | 97 | 201 |
| Miners | 28 | ... | 5 | 33 | 44 | ... | 237 | 281 |
| Mining Managers | 117 | 11 | 3 | 131 | 181 | 100 | 134 | 415 |
| Various | 118 | 16 | 13 | 147 | 207 | 154 | 387 | 748 |
| | 292 | 30 | 25 | 347 | 502 | 288 | 855 | 1,645 |
| | 2,689 | 836 | 448 | 3,973 | 6,178 | 8,894 | 29,636 | 44,703 |
| 7. Indefinite. | 3,737 | 948 | 478 | 5,163 | 13,770 | 16,778 | 35,510 | 66,058 |
| 8. Companies. | | | | | | | | |
| Life Assurance | 7 | 1 | 13 | 21 | 61 | 23 | 13,335 | 13,419 |
| Mining | 14 | 13 | 42 | 69 | 131 | 256 | 7,871 | 8,258 |
| Other | 575 | 169 | 548 | 1,292 | 2,760 | 3,503 | 127,709 | 133,972 |
| | 596 | 183 | 603 | 1,382 | 2,952 | 3,782 | 148,915 | 155,649 |
| Total | 29,217 | 6,447 | 3,861 | 39,525 | 63,802 | 73,597 | 325,546 | 462,945 |

Of the number of taxable incomes assessed, 73.9 per cent. were under £500, 16.3 per cent. between £501 and £1,000, and 9.8 per cent. over £1,000; but the tax levied on these incomes formed 13.8, 15.9, and 70.3 per cent. respectively of the total. Of the definite occupations, that contributing the largest amount of tax was the commercial class, in which 1,420 merchants were responsible for £32,615, of which £27,885 came from 415 persons, whose incomes for the previous year exceeded £1,000 each. Clerks, who comprised nearly one-third of this class, came next to merchants, but as 85 per cent. of their number had taxable incomes under £500, their tax amounted to only three-sevenths of that of the merchants, although in number the clerks were as 2.4 to one merchant. Next to that from the commercial class the largest amount of tax came from the primary producers, the principal of whom were graziers and farmers. The graziers' contribution amounted to £27,324 from 916 persons, of whom 283 had incomes exceeding £1,000 each during 1911, and were taxed to the extent of £23,239.

LAND TAX.

Land Tax.

The State Land Tax Act of 1910 provides for a tax on the unimproved value of land and for the assessment of land and other purposes. Unimproved value for the purposes of this Act means the sum which might be expected to be realized at the time of valuation if the land were offered for sale on such terms as a seller might 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 1912 was one half-penny on every pound sterling of the unimproved value of all land having an unimproved value exceeding £250, and the same rate has been reimposed for 1913. No tax is chargeable when the unimproved value does not exceed £250. Where the assessed unimproved value exceeds the amount of exemption (£250) the exemption diminishes at the rate of £1 for every £1 of such excess, so as to leave no exemption when the unimproved value amounts to, or exceeds, £500. The new land tax is a complete departure from the principles of the former land tax, under which only the lands of estates over 640 acres in extent 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 following statement shews the number of taxpayers, the amount of tax payable, and other particulars relating to the assessments for the year 1911.

STATE LAND TAX ASSESSMENT FOR THE YEAR 1911.

| Progressive Unimproved Values. | | Number of Taxpayers. | Total or Capital Value. | Unimproved Value. | Exemptions. | Mortgage rebate of Tax. | Amount of Tax. |
|--------------------------------|---------|----------------------|-------------------------|-------------------|-------------|-------------------------|----------------|
| £ | £ | | £ | £ | £ | £ | £ |
| Under 250 | 250 | 1,147 | 1,654,240 | 138,280 | 3,024 | 13 | 267 |
| 251 to 300 | 300 | 6,795 | 5,910,208 | 2,006,168 | 1,453,400 | 88 | 1,064 |
| 301 to 450 | 450 | 13,424 | 14,744,578 | 5,002,550 | 1,661,468 | 540 | 6,368 |
| 451 to 500 | 500 | 3,581 | 4,821,009 | 1,696,726 | 82,230 | 207 | 3,155 |
| 501 to 750 | 750 | 11,309 | 18,742,319 | 6,911,798 | .. | 828 | 13,578 |
| 751 to 1,000 | 1,000 | 7,646 | 16,240,476 | 6,613,506 | .. | 757 | 13,024 |
| 1,001 to 1,250 | 1,250 | 5,201 | 13,530,245 | 5,757,082 | .. | 602 | 11,395 |
| 1,251 to 1,500 | 1,500 | 3,943 | 11,976,651 | 5,351,853 | .. | 461 | 10,691 |
| 1,501 to 2,000 | 2,000 | 5,462 | 19,996,743 | 9,347,373 | .. | 549 | 18,929 |
| 2,001 to 2,500 | 2,500 | 3,595 | 15,987,100 | 7,937,356 | .. | 162 | 16,378 |
| 2,501 to 3,000 | 3,000 | 2,744 | 14,732,568 | 7,473,336 | .. | 50 | 15,521 |
| 3,001 to 3,500 | 3,500 | 1,502 | 9,142,219 | 4,807,647 | .. | .. | 10,017 |
| 3,501 to 5,000 | 5,000 | 3,075 | 23,611,794 | 12,627,030 | .. | .. | 26,308 |
| 5,001 to 7,500 | 7,500 | 1,980 | 21,579,825 | 11,809,377 | .. | .. | 24,604 |
| 7,501 to 10,000 | 10,000 | 778 | 11,654,617 | 6,609,320 | .. | .. | 13,770 |
| 10,001 to 12,500 | 12,500 | 405 | 7,905,610 | 4,461,724 | .. | .. | 9,295 |
| 12,501 to 15,000 | 15,000 | 286 | 5,681,566 | 3,192,844 | .. | .. | 6,652 |
| 15,001 to 17,500 | 17,500 | 181 | 5,237,718 | 2,855,673 | .. | .. | 5,949 |
| 17,501 to 20,000 | 20,000 | 110 | 3,652,181 | 2,010,090 | .. | .. | 4,188 |
| 20,001 to 22,500 | 22,500 | 80 | 3,241,059 | 1,660,356 | .. | .. | 3,459 |
| 22,501 to 25,000 | 25,000 | 58 | 2,396,793 | 1,361,960 | .. | .. | 2,538 |
| 25,001 to 30,000 | 30,000 | 107 | 4,865,101 | 2,887,002 | .. | .. | 6,015 |
| 30,001 to 35,000 | 35,000 | 65 | 3,643,201 | 2,045,127 | .. | .. | 4,261 |
| 35,001 to 40,000 | 40,000 | 50 | 2,946,838 | 1,868,736 | .. | .. | 3,596 |
| 40,001 to 45,000 | 45,000 | 36 | 2,654,790 | 1,528,761 | .. | .. | 3,185 |
| 45,001 to 50,000 | 50,000 | 27 | 1,908,358 | 1,267,767 | .. | .. | 2,641 |
| 50,001 to 60,000 | 60,000 | 46 | 3,727,345 | 2,456,979 | .. | .. | 5,119 |
| 60,001 to 70,000 | 70,000 | 41 | 4,188,034 | 2,644,868 | .. | .. | 5,510 |
| 70,001 to 80,000 | 80,000 | 20 | 2,542,313 | 1,402,268 | .. | .. | 2,921 |
| 80,001 to 90,000 | 90,000 | 18 | 2,408,000 | 1,518,805 | .. | .. | 3,164 |
| 90,001 to 100,000 | 100,000 | 16 | 2,384,390 | 1,520,114 | .. | .. | 3,167 |
| 100,001 to 125,000 | 125,000 | 14 | 2,929,757 | 1,454,565 | .. | .. | 3,030 |
| 125,001 to 150,000 | 150,000 | 16 | 3,880,730 | 2,116,845 | .. | .. | 4,410 |
| 150,001 to 200,000 | 200,000 | 10 | 2,527,420 | 1,604,938 | .. | .. | 3,344 |
| Over 200,000 | 200,000 | 12 | 5,250,335 | 3,922,477 | .. | .. | 8,172 |
| — | | 73,730 | 278,291,676 | 137,871,741 | 3,231,022 | 4,257 | 276,272 |

The assessments given in this table are based on the ownership of land as at 31st December, 1910, and are corrected to 30th June, 1912. The classification is on the unimproved values, and the values are in all cases those placed on the land by the owners (taxpayers) themselves. The assessments under £250 are assessments on the balances of the interest of owners, portions of whose estates in land are assessed as joint assessments or as parts of trust assessments.

The Assessment Roll at 31st December, 1912, shewed the following particulars:—

| Assessment. | Taxpayers. | Net Assessment of Tax. |
|-------------|------------|------------------------|
| 1911 | 74,036 | £278,260 |
| 1912 | 74,801 | £277,704 |

No further particulars of the 1912 assessment are available, and those of the 1911 assessment, it should be noticed, have been revised to a date six months later than the information given in the detailed table for the same year.

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

FEDERAL LAND TAX.

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

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

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

RAILWAY REVENUE AND EXPENDITURE.

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

Financial
working
of the
Railways.

RAILWAY BALANCES, 1907-8 TO 1911-12.

| — | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ | £ |
| Gross Receipts ... | 3,883,742 | 4,189,065 | 4,455,748 | 4,909,062 | 5,233,979 |
| Working Expenses ... | 2,347,254 | 2,418,514 | 2,721,405 | 3,001,492 | 3,323,767 |
| Pensions, Gratuities, &c. | 103,064 | 105,415 | 106,330 | 107,831 | 131,319 |
| Net Receipts ... | 1,433,424 | 1,665,136 | 1,628,013 | 1,799,739 | 1,778,893 |
| Interest on Cost of Construction | 1,483,807 | 1,430,093 | 1,472,916 | 1,516,764 | 1,513,102 |
| Deficit (-) Surplus (+) | - 50,383 | +235,043 | +155,097 | +282,975 | +265,791 |

Compared with the preceding year the gross receipts for 1911-12 have increased to the extent of £324,917, and working expenses, pensions, &c., to the extent of £345,763; whilst the surplus for 1911-12 after allowing for interest on cost of construction is less than that for 1910-11 by £17,184.

RAILWAY ACCIDENT AND FIRE INSURANCE FUND.

The establishment of a permanent fund to be kept at the Treasury, and called the Railway Accident and Fire Insurance Fund, was effected by provisions in the *Railways Act 1907*. These provisions require the Railway Commissioners to pay into such fund the sum of 10s. for every £100 sterling of the revenue of the Victorian Railways until the fund amounts to £100,000, at which amount it is to be maintained. During the year ended 30th June, 1912, the receipts of the fund comprised £26,170 on account of the above provisions, and a special payment of £25,400, which is included in the ordinary railway working expenses of the year; whilst the payments made from the fund were £13,922 for compensation, damages, costs, &c., to persons other than employes injured; £9,178 as compensation on account of injuries to or death of employes; and £6,757 as compensation for goods or parcels lost, and for damages caused by fire, &c.

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

AMOUNTS PAID IN DAMAGES, CLAIMS, ETC., AND PERSONS KILLED OR INJURED ON VICTORIAN RAILWAYS: 1902-3 TO 1911-12.

| Year ended 30th June. | Amount Paid on Account of Compensation, Damages, Claims, Costs, &c. | Passengers. | | | | Employees whilst in the execution of their duty. | | | | Employees proceeding to or from duty; Persons at Cross- ings, Trespassers, and Others. | | Total. | |
|--------------------------|---|---|----------|--|----------|---|----------|--|----------|---|----------|---------|----------|
| | | Due to Causes beyond their own Control. | | Due wholly or partly to their own Action or Negligence. | | Due to Causes beyond their own Control. | | Due wholly or partly to their own Action or Negligence. | | Killed. | Injured. | Killed. | Injured. |
| | | Killed. | Injured. | Killed. | Injured. | Killed. | Injured. | Killed. | Injured. | | | | |
| | £ | | | | | | | | | | | | |
| 1903 ... | 8,593 | ... | 11 | 1 | 133 | ... | 21 | 9 | 261 | 27 | 28 | 37 | 454 |
| 1904 ... | 2,269 | ... | 34 | 2 | 190 | ... | 43 | 5 | 245 | 20 | 29 | 27 | 541 |
| 1905 ... | 2,544 | ... | 8 | 4 | 165 | ... | 35 | 5 | 214 | 16 | 24 | 25 | 446 |
| 1906* ... | 24,060 | ... | 162 | 5 | 139 | ... | 43 | 8 | 262 | 35 | 24 | 48 | 630 |
| 1907 ... | 7,810 | ... | 14 | 6 | 165 | ... | 32 | 8 | 252 | 32 | 35 | 46 | 498 |
| 1908† ... | 9,509 | 45 | 434 | 2 | 203 | ... | 29 | 6 | 263 | 26 | 41 | 79 | 970 |
| 1909 ... | 128,154† | ... | 9 | 5 | 155 | ... | 12 | 10 | 232 | 30 | 43 | 45 | 461 |
| 1910 ... | 8,528 | ... | 11 | 2 | 101 | ... | 7 | 6 | 205 | 13 | 29 | 21 | 353 |
| 1911‡ ... | 146,135 | 10 | 526 | 8 | 99 | ... | 31 | 5 | 148 | 26 | 25 | 49 | 829 |
| 1912 ... | 23,100 | ... | 13 | 9 | 117 | ... | 44 | 23 | 146 | 35 | 42 | 67 | 362 |
| Yearly Average ... | 36,070 | 5.5 | 122.2 | 4.4 | 146.7 | ... | 29.7 | 8.5 | 222.8 | 26.0 | 32.0 | 44.4 | 553.4 |

* Including Belgrave Accident.

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

‡ Including Richmond Accident.

With regard to payments referred to in the table, it must be pointed out that for the six years ended 30th June, 1908, they only cover cases of passengers where the accidents causing death or injury were "due to causes beyond their own control"; but that for the remaining four years they include compensation paid on account of injuries sustained by employes whilst on duty, such payments being £2,685 in 1908-9, £4,669 in 1909-10, £7,021 in 1910-11, and £9,178 in 1911-12.

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

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

| Country. | Average Annual Number of Passengers in 10 years. | | Average per Ten Million Passengers carried. | |
|--------------------------------|--|----------|---|----------|
| | Killed. | Injured. | Killed. | Injured. |
| Austria | 13·8 | 319·7 | ·71 | 16·39 |
| Belgium | 11·4 | 423·6 | ·69 | 25·67 |
| France | 24·6 | 354·6 | ·55 | 7·88 |
| Germany | 102·7 | 496·7 | ·93 | 4·49 |
| Norway | 1·1 | 1·5 | 1·00 | 1·36 |
| Victoria | 9·9 | 268·9 | 1·34 | 36·34 |
| New South Wales | 3·5 | 76·7 | ·81 | 17·84 |
| Holland | 3·3 | 17·4 | ·87 | 4·58 |
| Switzerland | 11·4 | 82·3 | 1·41 | 10·16 |
| Sweden | 7·8 | 11·6 | 1·86 | 2·76 |
| Japan | 23·7 | 262·9 | 1·99 | 22·09 |
| Hungary | 19·0 | 98·2 | 2·00 | 10·34 |
| United States | 381·2 | 8,927·0 | 5·12 | 119·99 |
| Spain | 20·8 | 97·1 | 5·47 | 25·55 |
| Canada (Steam Railways) | 30·0 | 238·6 | 12·00 | 95·44 |
| Russia | 145·2 | 762·7 | 12·10 | 63·56 |

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 1907-8 TO 1911-12.

| Heads of Expenditure. | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|----------------------------|---------|---------|----------|----------|----------|
| <i>General Government.</i> | £ | £ | £ | £ | £ |
| Governor | 7,055 | 9,644 | 10,372 | 9,158 | 11,519 |
| Parliament and Ministry | 73,611 | 77,470 | 83,354 | 79,944 | 80,291 |
| Civil Establishment ... | 205,610 | 219,539 | 215,413 | 234,787 | 264,289 |
| Pensions and Gratuities | 325,283 | 345,346 | 345,489 | 349,777 | 372,533 |

Heads of State expenditure.

SUMMARY OF STATE EXPENDITURE FROM CONSOLIDATED REVENUE :
1907-8 TO 1911-12—*continued.*

| Heads of Expenditure. | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|--|------------------|------------------|------------------|------------------|------------------|
| <i>Law, Order, and Protection.</i> | £ | £ | £ | £ | £ |
| Judicial and Legal ... | 157,219 | 155,051 | 160,507 | 181,497 | 182,271 |
| Police ... | 291,464 | 292,161 | 304,294 | 320,663 | 329,312 |
| Penal Establishments and Gaols ... | 51,299 | 50,733 | 52,008 | 50,397 | 50,814 |
| <i>Education, &c.</i> | | | | | |
| State Schools, &c. ... | 689,142 | 799,391 | 835,504 | 876,204 | 986,633 |
| Technical Schools ... | 26,839 | 24,827 | 29,463 | 37,693 | 36,871 |
| University ... | 28,408 | 29,582 | 33,484 | 38,357 | 43,223 |
| Libraries, &c. ... | 32,679 | 35,749 | 56,314 | 55,794 | 53,343 |
| Art and Science ... | 13,558 | 10,531 | 9,124 | 9,828 | 15,345 |
| <i>Recreation and Health.</i> | | | | | |
| Parks, Gardens, and Public Resorts ... | 33,850 | 36,277 | 34,613 | 32,469 | 30,731 |
| Public Health ... | 23,282 | 29,504 | 29,738 | 37,799 | 45,513 |
| Charitable Institutions, &c. ... | 400,290 | 391,833 | 412,017 | 454,455 | 470,588 |
| <i>Crown Lands, &c.</i> | | | | | |
| Crown Lands ... | 93,954 | 104,205 | 138,357 | 127,220 | 189,906 |
| Agriculture and Stock ... | 135,702 | 125,914 | 153,453 | 171,253 | 195,576 |
| Mining ... | 57,290 | 79,524 | 144,075 | 247,882 | 268,779 |
| <i>Public Works.</i> | | | | | |
| Railways ... | 2,294,749 | 2,353,844 | 2,788,646 | 3,031,431 | 3,356,714 |
| Water Supply ... | 72,819 | 80,646 | 82,545 | 87,801 | 105,905 |
| Harbors, Rivers, and Lights ... | 67,990 | 70,331 | 79,240 | 90,343 | 89,741 |
| Roads and Bridges ... | 72,194 | 19,172 | 30,382 | 18,248 | 12,780 |
| Municipal Endowment, &c. ... | 105,056 | 157,289 | 159,792 | 132,845 | 131,554 |
| Surplus Revenue appropriated to "Revenue Services" ... | ... | 146,823 | ... | ... | 91,662 |
| Land Sales by Auction Fund ... | 39,163 | 45,216 | 43,319 | 41,643 | 14,988 |
| Works and Buildings, n.e.i. ... | 87,073 | 85,359 | 71,072 | 110,255 | 82,645 |
| Interest and Expenses of Public Debt ... | 1,922,061 | 1,873,609 | 1,964,021 | 2,027,232 | 2,096,198 |
| Interest on Advances from Savings Banks ... | 63,154 | 48,221 | 32,771 | 24,373 | 23,849 |
| Redemption Funds, &c. ... | 170,657 | 170,716 | 190,527 | 191,864 | 215,909 |
| <i>Other Expenditure.</i> | | | | | |
| Mint Subsidy ... | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Fire Brigades ... | 19,788 | 21,712 | 22,100 | 23,170 | 24,875 |
| Old age Pensions ... | 233,573 | 270,827 | 4,364 | 1,395 | ... |
| Immigration ... | 745 | 1,200 | 2,971 | 40,341 | 68,183 |
| Miscellaneous ... | 46,689 | 57,931 | 40,651 | 38,034 | 36,802 |
| Total ... | 7,862,246 | 8,240,177 | 8,579,986 | 9,194,157 | 9,999,342 |
| Per Head of Population ... | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| | 6 4 9 | 6 9 8 | 6 13 0 | 7 6 8 | 7 9 6 |

Compared with the previous year the ordinary expenditure of the State for 1911-12 shows an increase of £805,185. The heads of expenditure showing the largest increases are—Railways, £325,283; State schools—education and buildings, £110,000; appropriation to "Revenue Services," £91,662; Interest and Expenses of Public Debt, £68,966; and Crown Lands, £62,686. The most important decreases are Works and Buildings, n.e.i., £27,610; and Land Sales by Auction Fund, £26,655.

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 1911-12, 3,111 pensions, amounting to £314,345 were paid to ex-public servants not including police, viz., 2,895 under special appropriations, amounting to £303,767; and 216 from annual votes, amounting to £10,578. One hundred and ninety-eight compensations and gratuities were also paid, the amount being £29,188; and £29,000 was paid, as a subsidy to the Police Superannuation Fund. The following statement summarizes the number and amount of payments made in the last financial year:—

PENSIONS, SUPERANNUATION ALLOWANCES, AND GRATUITIES, ETC., PAID: 1911-12.

| Division of Service. | Special Appropriations. | | Annual Votes. | | Total. | |
|--|-------------------------|---------|---------------|---------|---------|---------|
| | Number. | Amount. | Number. | Amount. | Number. | Amount. |
| | | £ | | £ | | £ |
| Education Department ... | 1,008 | 92,622 | 23 | 1,148 | 1,031 | 93,770 |
| Railways ... | 1,194 | 97,819 | 169 | 8,276 | 1,363 | 106,095 |
| Defence... .. | 12 | 823 | ... | ... | 12 | 823 |
| Lunacy | 53 | 4,729 | ... | ... | 53 | 4,729 |
| Under Constitution Act ... | 3 | 3,375 | ... | ... | 3 | 3,375 |
| County Court Judges ... | 2 | 1,250 | ... | ... | 2 | 1,250 |
| Commissioners of Audit ... | 2 | 707 | ... | ... | 2 | 707 |
| Officers of Parliament ... | 5 | 986 | ... | ... | 5 | 986 |
| Public Service Board ... | 2 | 950 | ... | ... | 2 | 950 |
| Under Act 1988 | 1 | 283 | ... | ... | 1 | 283 |
| Under Civil Service Act 160 | 346 | 64,460 | ... | ... | 346 | 64,460 |
| „ Public Service Act 773 | 140 | 19,546 | ... | ... | 140 | 19,546 |
| Commonwealth Service— Officers of transferred Departments | 127 | 16,217 | ... | ... | 127 | 16,217 |
| Various allowances ... | ... | ... | 24 | 1,154 | 24 | 1,154 |
| Total Pensions and Superannuation Al- lowances | 2,895 | 303,767 | 216 | 10,578 | 3,111 | 314,345 |
| Compensations and Gra- tuities | 19 | 3,505 | 179 | 25,683 | 198 | 29,188 |
| Subsidy to Police Super- annuation Fund | ... | 2,000 | ... | 27,000 | ... | 29,000 |
| Total Amount Paid ... | ... | 309,272 | ... | 63,261 | ... | 372,533 |

In 1911-12 the payments out of the Police Superannuation Fund were as follows:—335 pensions, amounting to £43,875, and 24 gratuities, amounting to £10,198. The Police Superannuation Fund is maintained by an annual subsidy of £2,000 from the consolidated revenue; by a moiety of the fines inflicted by the Courts of Petty Sessions; by a deduction, not exceeding 2½ per cent. from the pay of the members of the force entitled to pensions; by transfers from the Licensing Fund under the provisions of Act No. 2068; and should the foregoing sources prove insufficient, by a further grant in aid from the consolidated revenue. The annual subsidy and the grant from the consolidated revenue amounted to £29,000 in 1911-12.

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

In the year 1911-12, 34 pensions amounting to £3,194, and £32 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.

No expenditure was incurred by the State in 1911-12 on account of old-age pensions, as the responsibility in connexion therewith has been undertaken by the Commonwealth. Full particulars regarding old-age and invalid pensions are given in part "Social Condition" of this work.

Pensions to members and relatives of members of the South African war contingents amounted to £810 in 1911-12.

EXPENDITURE ON PUBLIC INSTRUCTION.

During the year 1911-12 the State expended on public instruction generally the sum of £1,172,709. This amount excludes the interest payable on loan moneys expended on buildings, but includes the

Old-age
pensions.

South
Africa
Contingent
pensions.

Expenditure
on
instruction.

expenditure in connexion with pensions and gratuities, although these may be considered as almost entirely belonging to the education of a past generation rather than as a portion of the cost of instruction of the children of the present day. The expenditure in detail for the five years 1907-8 to 1911-12, according to the report of the Education Department, is as follows:—

EXPENDITURE ON PUBLIC INSTRUCTION: 1907-8 TO 1911-12.

| Expenditure on— | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|--|----------------|----------------|----------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| <i>Instruction</i> | 556,369 | 585,291 | 637,797 | 669,678 | 710,982 |
| <i>Training of Teachers—</i> | | | | | |
| Training College | 6,135 | 6,628 | 7,244 | 7,412 | 9,889 |
| High Schools | 8,573 | 11,421 | 15,775 | 22,037 | 19,118 |
| Miscellaneous | ... | 322 | 1,293 | 2,836 | 3,687 |
| <i>Administration</i> | 40,109 | 41,217 | 42,258 | 44,114 | 47,053 |
| <i>Buildings—</i> | | | | | |
| Expended by the Public Works Department from Annual Votes | 96,427 | 136,455 | 100,349 | 99,072 | 135,387 |
| Expended by Boards of Advice... " School Committees | 4,311 | 3,999 | 4,490 | 3,840 | ... |
| Rents | 3,901 | 4,345 | 3,955 | 3,995 | 12,191 |
| Higher Elementary, High and Agricultural High Schools ... | 2,344 | 14,268 | 9,281 | 8,777 | 5,100 |
| Minor Buildings, Repairs, &c. | ... | 3,865 | 481 | 1,364 | ... |
| <i>Miscellaneous Items—</i> | | | | | |
| Melbourne University* ... | 28,408 | 29,582 | 33,484 | 38,357 | 43,223 |
| Technical Schools | 26,839 | 27,039 | 32,216 | 41,030 | 42,541 |
| Agricultural High Schools, &c., (except Buildings)... .. | 1,290 | 1,974 | 3,562 | 5,386 | 23,715 |
| Free Kindergarten Union ... | ... | ... | ... | 1,000 | 1,000 |
| Pensions, Compensation, and Gratuities | 90,278 | 90,954 | 92,548 | 93,894 | 95,770 |
| Exhibitions and Scholarships... | 5,451 | 5,471 | 6,011 | 6,848 | 7,270 |
| Supervision of Housing of Teachers | 391 | 381 | 231 | ... | ... |
| Classification of State-school Teachers—Salary of Classi- fier, &c. | 200 | 198 | 197 | 200 | 200 |
| Inspector of Registered Teachers and Schools | ... | 195 | 488 | 468 | 468 |
| Awards and Costs, Refunds, &c. | 618 | 11 | ... | 110 | 100 |
| Coronation Medals | ... | ... | ... | 2,000 | 36 |
| Total | 871,644 | 963,616 | 991,640 | 1,052,418 | 1,172,709 |

* Including buildings.

Expenditure
on primary
instruction.

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

EXPENDITURE ON PRIMARY INSTRUCTION: 1907-8 TO 1911-12.

| Items. | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|---|----------------|----------------|----------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| <i>Instruction—</i> | | | | | |
| Salaries, &c., of Teachers ... | 507,019 | 535,703 | 582,560 | 618,551 | 652,322 |
| Instruction in Drawing, &c. ... | 486 | ... | ... | ... | ... |
| Travelling Expenses of Teachers | 2,936 | 2,780 | 3,254 | 3,140 | 5,537 |
| Conveyance of Children to School | 2,974 | 3,031 | 3,000 | 3,000 | 4,407 |
| Printing, Stores, Cadets, Cookery, and Manual Training Expenses | 9,639 | 10,441 | 15,130 | 12,396 | 13,540 |
| Maintenance of Schools—Clean- ing, Stationery, Fuel, &c. | 32,889 | 32,916 | 33,184 | 32,082 | 34,937 |
| Night Schools—Salaries, &c. ... | 426 | 420 | 669 | 509 | 239 |
| Total Instruction ... | 556,369 | 585,291 | 637,797 | 669,678 | 710,982 |
| <i>Training of Teachers—</i> | | | | | |
| <i>Training College—</i> | | | | | |
| Salaries ... | 1,643 | 2,084 | 2,222 | 2,299 | 2,564 |
| Maintenance ... | 120 | 120 | 120 | 120 | 158 |
| Stores, Stationery, &c. ... | 356 | 381 | 665 | 577 | 965 |
| Students' Board and Allow- ances | 4,016 | 4,043 | 4,237 | 4,416 | 4,702 |
| Allowances to Manual Arts and Domestic Arts Students | ... | ... | ... | ... | 1,500 |
| University Practising School | ... | ... | 656 | 1,807 | 2,547 |
| Allowances to Trainees ... | ... | ... | 303 | 279 | 265 |

EXPENDITURE ON PRIMARY INSTRUCTION: 1907-8 TO 1911-12—
continued.

| Items. | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|--|---------|---------|----------|----------|-----------|
| <i>Training of Teachers—continued.</i> | £ | £ | £ | £ | £ |
| High Schools— | | | | | |
| Salaries | 7,118 | 10,125 | 13,682 | 18,084 | 15,027 |
| Maintenance | 325 | 362 | 467 | 653 | 483 |
| Stores, Stationery, &c. ... | 765 | 671 | 996 | 1,152 | 1,215 |
| Cookery and Manual Training Expenses | 365 | 263 | 287 | 374 | 448 |
| Allowance to Manual Arts' Students | ... | ... | 343 | 1,774 | 1,945 |
| Instruction in Drawing .. | ... | 322 | 334 | 750 | 875 |
| Total Training ... | 14,708 | 18,371 | 24,312 | 32,285 | 32,694 |
| <i>Administration—</i> | | | | | |
| Salaries, &c., of Office and Inspectorial Staffs | 31,792 | 32,381 | 33,331 | 34,877 | 36,244 |
| Salaries, &c., of Truant Officers | 4,146 | 3,915 | 3,869 | 3,832 | 3,833 |
| Stores and Incidental Expenses | 1,729 | 2,058 | 1,930 | 2,304 | 2,620 |
| Postage and Telegrams ... | 2,435 | 2,496 | 3,097 | 3,100 | 4,356 |
| Boards of Advice Elections ... | 7 | 367 | 31 | 1 | ... |
| Total Administration ... | 40,109 | 41,217 | 42,258 | 44,114 | 47,053 |
| <i>Buildings—</i> | | | | | |
| Expended by Public Works Department | 96,427 | 136,455 | 100,349 | 99,072 | 135,387 |
| Expended by Boards of Advice | 4,311 | 3,999 | 4,490 | 3,840 | ... |
| „ School Committees | ... | ... | ... | ... | 12,191 |
| Rents | 3,901 | 4,345 | 3,955 | 3,995 | 5,100 |
| High Schools | ... | ... | ... | ... | 469 |
| Miscellaneous | ... | 3,865 | 481 | 1,364 | ... |
| Total Buildings ... | 104,639 | 148,664 | 109,275 | 108,271 | 153,147 |
| <i>Miscellaneous—</i> | | | | | |
| Pensions, Compensation, and Gratuities | 90,278 | 90,954 | 92,548 | 93,894 | 95,770 |
| Supervision of Housing of Teachers | 391 | 381 | 231 | ... | ... |
| Classification of Teachers ... | 200 | 198 | 197 | 200 | 200 |
| Awards, &c. | 618 | 11 | ... | 110 | ... |
| Total Expenditure ... | 807,312 | 885,087 | 906,618 | 948,552 | 1,039,846 |

Of the increase in expenditure on public instruction in 1911-12, as compared with the preceding year (£120,291), primary instruction is responsible for £91,294, the most notable variations occurring in the items buildings and teachers' salaries, which show increases of £44,876 and £33,771 respectively.

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

COST OF PRIMARY INSTRUCTION IN VICTORIA:

1900-1 TO 1911-12.

| Year. | Cost to the State. | | Scholars in Average Attendance. | Cost per Head of Scholars in Average Attendance. | |
|-------------|----------------------|----------------------|---------------------------------|--|----------------------|
| | Including Buildings. | Excluding Buildings. | | Including Buildings. | Excluding Buildings. |
| | £ | £ | | £ s. d. | £ s. d. |
| 1900-01 ... | 699,418 | 663,378 | 147,818 | 4 14 8 | 4 9 9 |
| 1901-2 ... | 767,352 | 685,406 | 150,939 | 5 1 8 | 4 10 10 |
| 1902-3 ... | 713,445 | 674,076 | 150,268 | 4 14 11 | 4 9 8 |
| 1903-4 ... | 696,627 | 677,125 | 145,500 | 4 15 8 | 4 13 1 |
| 1904-5 ... | 702,632 | 670,591 | 143,362 | 4 18 0 | 4 13 7 |
| 1905-6 ... | 710,550 | 671,367 | 142,216 | 4 19 11 | 4 14 5 |
| 1906-7 ... | 752,867 | 686,105 | 147,270 | 5 2 3 | 4 13 2 |
| 1907-8 ... | 807,312 | 702,673 | 143,551 | 5 12 6 | 4 17 11 |
| 1908-9 ... | 885,087 | 736,423 | 146,106 | 6 1 2 | 5 0 10 |
| 1909-10 ... | 906,618 | 797,343 | 145,968 | 6 4 3 | 5 9 4 |
| 1910-11 ... | 948,552 | 840,281 | 146,464 | 6 9 6 | 5 14 9 |
| 1911-12 ... | 1,039,846 | 886,699 | 151,247 | 6 17 6 | 5 17 3 |

This table reveals the steady upward tendency in the cost of instruction per head of scholars, the columns in which buildings are excluded being the better for comparative purposes, as the expenditure on buildings has been very heavy in recent years, averaging 14s. 7d. per head of scholars in 1907-8, 20s. 4d. in 1908-9, 14s. 11d. in 1909-10, 14s. 9d. in 1910-11, and 20s. 3d. in 1911-12; whereas in 1903-4 it averaged only 2s. 7d. per head of scholars.

TRUST FUNDS.

Trust funds.

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

TRUST FUNDS: 1908 TO 1912.

| Accounts. | Credit Balance on 30th June. | | | | |
|--|------------------------------|-----------|-----------|-----------|-----------|
| | 1908. | 1909. | 1910. | 1911. | 1912. |
| | £ | £ | £ | £ | £ |
| Deposits in Savings Banks | 1,340,559 | 963,052 | 845,040 | 740,040 | 640,040 |
| Deposits in Savings Banks Security Account | 1,847,032 | 2,269,532 | 3,376,962 | 3,309,962 | 3,477,319 |

TRUST FUNDS: 1908 TO 1912—continued.

| Accounts. | Credit Balance on 30th June. | | | | |
|---|------------------------------|-----------|-----------|-----------|-----------|
| | 1908. | 1909. | 1910. | 1911. | 1912. |
| | £ | £ | £ | £ | £ |
| Victorian Loans Redemption Fund | 236,294 | 236,072 | 279,748 | 289,418 | 330,090 |
| Victorian Government Consolidated Inscribed Stock Redemption Fund | 364,174 | 450,338 | 541,548 | 634,459 | 733,858 |
| Railway Stores Suspense Account | 144,307 | 119,503 | 146,815 | 153,746 | 203,658 |
| Railway Accident and Fire Insurance Fund | 45,109 | 65 | 79,452 | 6,141 | 27,885 |
| Railway Rolling-stock Replacement Fund | 38,323 | 13,467 | 126,579 | 132,968 | 46,291 |
| Licensing Act 1906 Compensation Fund | 58,500 | 42,894 | 45,129 | 40,386 | 43,217 |
| Metropolitan Fire Brigades Board | 48,823 | 53,043 | 55,227 | 55,740 | 68,024 |
| Port Phillip Pilot Sick and Superannuation Fund | 56,905 | 58,119 | 58,212 | 58,155 | 57,941 |
| Unused Roads and Water Frontages Fund | 31,369 | 45,075 | 49,564 | 55,155 | 58,781 |
| Municipal Sinking Funds | 663,431 | 666,492 | 680,408 | 711,950 | 712,805 |
| Assurance Fund (Land Titles) | 231,530 | 240,918 | 250,273 | 183,046 | 192,371 |
| Intestate Estates ... | 91,751 | 93,098 | 80,895 | 73,952 | 78,504 |
| Lunatic Patients' Estates | 42,883 | 41,406 | 41,859 | 41,684 | 47,140 |
| Trustee and Assurance Companies | 109,950 | 114,950 | 119,950 | 126,390 | 131,390 |
| Closer Settlement Fund | 17,192 | 34,475 | 19,408 | 79,633 | 38,098 |
| Other Funds ... | 454,161 | 459,120 | 479,107 | 662,718 | 1,514,253 |
| Total ... | 5,822,293 | 5,901,619 | 7,276,178 | 7,355,548 | 8,401,665 |
| How Invested :— | | | | | |
| In State Debentures and Stock | 2,640,747 | 2,454,562 | 2,466,520 | 2,599,128 | 2,853,954 |
| In Bank Deposit Receipts, Cash, and Advances to Revenue, &c. | 3,181,546 | 3,447,057 | 4,809,658 | 4,756,420 | 5,547,711 |

The accumulated revenue deficiency on 30th June, 1912, £294,175, 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, 1912, was £1,067,412. The amount of money to the credit of the municipal sinking funds has not materially altered during recent years; on 30th June, 1912, it was £712,805.

COMMONWEALTH REVENUE AND EXPENDITURE.

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

COMMONWEALTH REVENUE AND EXPENDITURE IN THE STATE OF VICTORIA: 1907-8 TO 1911-12.

| Heads of Revenue and Expenditure. | 1907-8. | 1908-9. | 1909-10. | 1910-11. (Estimated.) | 1911-12. (Estimated.) |
|-----------------------------------|------------------|------------------|------------------|--------------------------|--------------------------|
| REVENUE. | £ | £ | £ | £ | £ |
| Customs Duties ... | 2,507,704 | 2,204,638 | 2,366,701 | 3,191,787 | 3,566,891 |
| Excise Duties ... | 704,434 | 657,330 | 682,310 | 831,976 | 892,929 |
| Post, Telegraph, &c. ... | 834,367 | 856,632 | 937,820 | 977,032 | 1,049,362 |
| Land Tax ... | ... | ... | ... | 366,543 | 357,279 |
| Miscellaneous ... | 17,231 | 31,561 | 67,930 | 113,662 | 153,539 |
| Total ... | 4,063,736 | 3,750,161 | 4,054,761 | 5,481,000 | 6,020,000 |
| EXPENDITURE. | | | | | |
| Trade and Customs ... | 69,939 | 75,127 | 70,582 | 72,030 | 74,994 |
| Postmaster-General ... | 840,653 | 904,578 | 965,484 | 1,077,260 | 1,208,848 |
| Defence ... | 406,548 | 325,764 | 457,526 | 2,436,138 | 2,893,501 |
| New Expenditure ... | 368,783 | 455,784 | 581,094 | | |
| Miscellaneous ... | 105 | 1,473 | 5,162 | | |
| Paid over to the State ... | 2,449,243 | 1,929,542 | 1,922,278 | 1,617,572 | 1,667,657 |
| Total .. | 4,135,271 | 3,692,268 | 4,002,126 | 5,205,000 | 5,845,000 |

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 been necessary to estimate the Commonwealth revenue and expenditure in Victoria for 1910-11 and 1911-12. The figures relating to Customs and Excise duties for these two years are by comparison with earlier years somewhat high, as they represent the total amounts collected within the State, less drawbacks and refunds, whereas in

the earlier years, 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.

COMMONWEALTH AND STATE REVENUE AND EXPENDITURE.

The total Government revenue and expenditure within the State of Victoria is shown by combining State and Commonwealth receipts and expenditure. The figures relating to the principal items are given in the following table, those for 1910-11 and 1911-12 being subject to the qualification mentioned in the preceding paragraph.

Common-
wealth and
State
finance.

REVENUE AND EXPENDITURE OF COMMONWEALTH AND STATE COMBINED: 1907-8 TO 1911-12.

| Heads of Revenue and Expenditure. | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|-----------------------------------|-----------|------------|------------|------------|------------|
| REVENUE. | | | | | |
| | £ | £ | £ | £ | £ |
| Customs and Excise ... | 3,212,138 | 2,861,968 | 3,049,011 | 4,023,763 | 4,459,820 |
| Post, Telegraph, &c. ... | 834,367 | 856,632 | 937,820 | 977,032 | 1,049,362 |
| Railways ... | 3,873,855 | 4,189,501 | 4,450,782 | 4,887,560 | 5,237,466 |
| State Taxation ... | 1,068,763 | 1,167,444 | 1,185,734 | 1,456,800 | 1,620,839 |
| Other sources ... | 939,850 | 992,758 | 1,107,128 | 1,722,776 | 1,994,652 |
| Total Revenue ... | 9,928,973 | 10,068,303 | 10,730,475 | 13,067,931 | 14,362,139 |
| EXPENDITURE. | | | | | |
| Customs and Excise ... | 69,939 | 75,127 | 70,582 | 72,030 | 74,994 |
| Post, Telegraph, &c. ... | 840,653 | 904,578 | 965,484 | 1,077,260 | 1,208,848 |
| Railways ... | 2,294,749 | 2,353,844 | 2,788,646 | 3,031,431 | 3,356,714 |
| Public Instruction* ... | 744,389 | 853,800 | 898,451 | 952,254 | 1,066,727 |
| Public Debt— | | | | | |
| Interest and Expenses | 1,922,061 | 1,873,609 | 1,964,021 | 2,027,232 | 2,096,198 |
| Redemption ... | 170,657 | 170,716 | 190,527 | 191,864 | 215,909 |
| Other Expenditure ... | 3,505,826 | 3,771,229 | 3,782,117 | 5,429,514 | 6,157,295 |
| Total Expenditure | 9,548,274 | 10,002,903 | 10,659,828 | 12,781,585 | 14,176,685 |

* Primary and Technical Schools, and University.

In 1900-1901, when the State Tariff was in force, the Customs and Excise revenue was £2,558,290, and under the Commonwealth Tariff this was not exceeded until 1906-7, when an increase of £161,141 was shown. The revenue from this source in 1900-1901 was exceeded by £653,848 in 1907-8, by £303,678 in 1908-9, and by £490,721 in 1909-10. The figures for 1910-11 and 1911-12 are somewhat overstated for reasons mentioned in the preceding page, and show when compared with 1900-1 increases of £1,465,473 and £1,901,530 respectively, which probably are in excess of the actual increases to the extent of one-half.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE.

Common-
wealth,
State, and
local
finance.

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 following table. From the totals of revenue and expenditure the amounts received by one body from another have been deducted :

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
1908 TO 1912.

| | Financial Year ended in— | | | | |
|------------------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | 1908. | 1909. | 1910. | 1911. | 1912. |
| <i>Revenue.</i> | | | | | |
| | £ | £ | £ | £ | £ |
| Government— | | | | | |
| Federal .. | 4,063,739 | 3,750,161 | 4,054,761 | 5,481,000 | 6,020,000 |
| State .. | 5,797,099 | 6,252,932 | 6,610,842 | 7,522,061 | 8,277,269 |
| Municipal .. | 1,452,621 | 1,496,215 | 1,582,291 | 1,661,287 | 1,784,003 |
| Harbor Trusts .. | 237,294 | 231,038 | 320,713 | 326,841 | 308,319 |
| Melbourne and Me- | | | | | |
| tropolitan Board | | | | | |
| of Works .. | 512,106 | 522,183 | 543,768 | 565,287 | 613,345 |
| Fire Brigades Boards | 27,049 | 26,331 | 28,251 | 29,687 | 33,418 |
| Total .. | 12,089,905 | 12,278,860 | 13,140,626 | 15,586,163 | 17,036,354 |
| <i>Ordinary Expenditure.</i> | | | | | |
| Government— | | | | | |
| Federal .. | 4,135,271 | 3,692,268 | 4,002,126 | 5,205,000 | 5,845,000 |
| State .. | 5,344,865 | 6,245,425 | 6,592,830 | 7,511,715 | 8,266,815 |
| Municipal .. | 1,505,188 | 1,503,159 | 1,598,293 | 1,713,325 | 1,889,593 |
| Harbor Trusts* .. | 238,048 | 290,264 | 263,518 | 311,745 | 445,472 |
| Melbourne and Me- | | | | | |
| tropolitan Board | | | | | |
| of Works .. | 506,583 | 499,903 | 508,861 | 525,164 | 575,266 |
| Fire Brigades Boards | 26,234 | 26,941 | 26,378 | 30,762 | 38,393 |
| Total .. | 11,756,189 | 12,257,960 | 12,992,006 | 15,297,711 | 17,060,539 |

* Including expenditure from loans.

COMMONWEALTH, STATE, AND LOCAL REVENUE AND EXPENDITURE :
1908 TO 1912—*continued.*

| — | Financial Year ended in— | | | | |
|--|--------------------------|-------------------|-------------------|--------------------|--------------------|
| | 1908. | 1909. | 1910. | 1911. | 1912. |
| <i>Loan Expenditure.</i> | | | | | |
| Government— | | | | | |
| Federal .. | .. | .. | .. | .. | 193,446 |
| State .. | 783,538 | 1,098,360 | 1,209,505 | 2,657,271 | 2,974,149 |
| Municipal .. | 157,255 | 153,985 | 155,607 | 190,574 | 311,956 |
| Melbourne and Me- tropolitan Board of Works .. | 368,066 | 593,930 | 387,877 | 413,404 | 420,091 |
| Fire Brigades Boards | 244 | 3,203 | 155 | 72 | 418 |
| Total .. | 1,309,103 | 1,849,478 | 1,753,144 | 3,261,321 | 3,900,060 |
| <i>Expenditure—Grand Total ..</i> | 13,065,292 | 14,107,438 | 14,745,150 | 18,559,032 | 20,960,599 |
| Per Head of Popu- lation— | | | | | |
| Revenue .. | £ s. d. 9 11 11 | £ s. d. 9 13 3 | £ s. d. 10 3 8 | £ s. d. 11 18 4 | £ s. d. 12 14 9 |
| Ordinary Ex- penditure .. | 9 6 7 | 9 12 11 | 10 1 4 | 11 13 11 | 12 15 1 |
| Loan Expenditure | 1 0 9 | 1 9 1 | 1 7 2 | 2 9 10 | 2 18 4 |

The loan expenditure of the Federal Government for 1911-12 amounted to £660,475, and the proportion of this amount shewn 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 amounted to over seventeen millions sterling in the financial year 1912, exceeding the revenues of the previous year by £1,450,191, or 9 per cent. The ordinary expenditure in 1912 exceeded that of 1911 by £1,762,828, or 12 per cent., whilst the expenditure of loan moneys in 1912 exceeded that in 1911 by £638,739, or 20 per cent. The increase in

the revenue represents 16s. 5d., that in the ordinary expenditure £1 1s. 2d., and that in the expenditure of loan moneys 8s. 6d. *per capita*.

PUBLIC DEBT.

Loans raised
and
redeemed.

The following statement shows the result of loan transactions including Treasury Bonds in aid of revenue to 30th June, 1912, 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, 1912.

| | £ | s. | d. |
|---|-------------|----|----|
| Cash received | 100,515,654 | 8 | 9 |
| Discount and expenses after deducting pre- miums received | 1,960,051 | 12 | 8 |
| Securities issued | 102,475,706 | 1 | 5 |
| Securities redeemed | 41,889,489 | 18 | 8 |
| Loans outstanding | 60,586,216 | 2 | 9* |

* There are, in addition to this amount, the overdue debentures for £1,000 and an advance of £150,000 by the South Australian Government, which are referred to further on.

It will be seen that upon the transactions to date for cash, amounting to £100,515,654, securities representing £102,475,706 were issued, which is equivalent to the State receiving £98 1s. 9d. in cash for every £100 bond given.

Loans
floated
in London.

Excluding London debentures for £388,100 taken over with the Melbourne and Hobson's Bay Railway and since paid off, the total amount of loans raised in London at varying rates of interest was £70,418,376 after conversion operations. The amount paid off by means of new loans was £31,045,307, and by means of appropriations from revenue, &c., £1,607,198; while £373,743 was transferred to the Melbourne register, leaving a balance due in London on 30th June, 1912, of £37,392,128, consisting of debentures amounting to £239,900, and inscribed stock £37,152,228. The following

statement gives particulars respecting the various loans which have been raised in London since 1859, together with the average prices obtained after deducting flotation expenses as well as accrued interest, and the rates of interest to which such prices are equivalent:—

LOANS FLOATED IN LONDON: 1859 TO 1912.

| 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. | | | | | |
| | | | £ Debentures. | 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 |
| 1860 | " | 23 | 1,337,500 | 6 | 104 17 10½ | 103 14 10½ | 5 14 1 |
| " | 1884 | " | 812,500 | | | | |
| 1861 | 1885 | 24 | 1,000,000 | 6 | 103 1 6½ | 101 18 6½ | 5 17 0 |
| 1862 | " | 23 | 1,600,000 | 6 | 102 19 7 | 101 16 7 | 5 17 2 |
| 1866 | 1891 | 25 | 850,000 | 6 | 100 8 11½ | 99 5 11½ | 6 1 1 |
| 1869 | 1894 | " | 588,600 | 5 | 98 4 2½ | 97 1 2½ | 5 4 3 |
| 1870 | " | 24 | 1,518,400 | 5 | 100 17 6½ | 99 14 6½ | 5 0 5 |
| 1874 | 1899 | 25 | 1,500,000 | 4 | 90 2 7 | 88 19 7 | 4 15 5 |
| 1876 | 1901 | " | { 500,000 . | 4 | 94 16 10½ | 93 18 11½ | 4 8 1 |
| " | " | " | { 2,500,000 | | | | |
| 1878 | 1904 | 26 | 457,000 | 4 | " " | " " | " " |
| 1879 | " | 25 | 3,000,000 | 4½ | 97 17 5½ | 96 19 2½ | 4 14 0 |
| 1880 | " | 24 | 2,000,000 | 4½ | 103 3 8½ | 102 5 11 | 4 6 11 |
| Stock. | | | | | | | |
| 1883 | 1907 | " | 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 |
| 1884 | 1913 | 29 | { 2,636,600 | 4 | 98 5 7 | 97 2 8½ | 4 3 3 |
| " | " | " | { 1,363,400 | | | | |
| 1885 | 1919 | 34 | { 3,180,620 | 4 | 98 18 6½ | 97 15 9½ | 4 2 5 |
| " | " | " | { 819,380 | | | | |
| 1886 | 1920 | " | 1,500,000 | 4 | 105 12 3½ | 104 9 0 | 3 15 5 |
| 1887 | " | 33 | 3,000,000 | 4 | 102 5 6½ | 101 2 9 | 3 18 9 |
| 1888 | " | 32 | 1,600,000 | 4 | 108 1 1½ | 106 18 0½ | 3 12 9 |
| 1889 | 1923 | 34 | 3,000,000 | 3½ | 102 14 10 | 101 11 11½ | 3 8 5 |
| 1890 | " | 33 | 4,000,000 | 3½ | 100 2 4 | 98 19 6 | 3 11 1 |
| 1891 | 1921-6 | 30-35 | { 850,000 | 3½ | 96 3 7 | 95 0 10 | 3 15 6 |
| " | " | " | { 2,150,000 | | | | |
| 1892 | " | 29-34 | 2,000,000 | 3½ | 91 13 7 | 90 10 8 | 4 1 5 |
| 1893 | 1911-26 | 17-32 | 2,107,000 | 4 | 94 7 5 | 93 4 8 | 4 11 7 |
| 1899 | 1929-49 | 30-50 | 1,600,000 | 3 | 94 7 1 | 93 4 2 | 3 7 3 |
| 1901 | " | 28-48 | 3,000,000 | 3 | 92 2 1 | 89 14 5 | 3 11 10 |
| 1902 | " | 27-47 | 1,000,000 | 3 | 95 16 6½ | 93 8 3½ | 3 7 6 |
| 1903 | " | 26-46 | 3,148,176 | 3½ | { 91 14 9½ | 89 8 0 | 4 3 8 |
| 1906 | " | 23-43 | 587,808 | | | | |
| 1907 | " | 22-42 | 702,140 | 3½ | 100 0 0 | 98 19 1 | 3 11 5 |
| 1909 | " | 20-40 | 1,500,000 | 3½ | 97 3 11½ | 94 15 8½ | 3 17 7 |
| 1910 | " | 19-39 | 538,352 | 3½ | 99 2 6 | 97 10 0 | 3 13 8 |
| 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 | | | 69,852,270 | | | | |
| Paid off | | | 32,086,405 | | | | |
| Transferred to Melbourne register .. | | | 873,743 | | | | |
| Outstanding | | | 37,392,123 | | | | |

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 $5\frac{1}{4}$ per cent., but money was secured in 1870 at 5 per cent. In 1883 it was obtained at about $4\frac{1}{2}$ per cent., in 1885 at $4\frac{1}{8}$, in 1888 at $3\frac{5}{8}$, and in 1889 at less than $3\frac{1}{2}$ per cent. In 1891 there was a reaction, when the money obtained cost $3\frac{3}{4}$ per cent., and the rate was further increased to over $4\frac{1}{2}$ in 1893, while 5 per cent. was paid on short-dated Treasury bonds 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 $3\frac{3}{8}$ per cent., and in 1910 portion of a loan falling due was converted at $3\frac{3}{8}$ per cent. On the other hand, the interest on loans raised in 1903 was as high as $5\frac{1}{8}$ per cent. on short-dated Treasury bonds, and $4\frac{1}{8}$ per cent. on stock sold.

Loans
floated in
Melbourne.

Excluding Treasury bonds in aid of revenue and Victorian debentures for £63,000 taken over with the Melbourne and Hobson's Bay Railway, of which £62,000 have since been paid off, the total amount of loans floated in Melbourne after conversion operations was £27,992,718. Of this amount £2,729,343 was redeemed by loans, and £2,468,030 by revenue, &c., leaving due a balance of £22,795,345, on 30th June, 1912, consisting of debentures, £11,153,267; inscribed stock, £4,908,218 and Treasury bonds, £6,733,860. In addition, inscribed stock for £373,743 has been transferred from London to the Melbourne register, and £150,000 has been temporarily advanced by the Government of South Australia, so that of the debt outstanding the total amount payable in Melbourne is £23,319,088. The outstanding balance of loans payable in Melbourne amounted to £2,994,088 on 30th June, 1898, but during the last fourteen years the local debt has been increased by 20½ millions sterling. This increase has been brought about principally by the replacing of London loans as they fell due by local issues and by the raising of local loans to acquire estates for Closer Settlement purposes, &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, 1912:—

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1912.

| Authorization. | | Loans. | | | Amounts. | | Loans Outstanding on 30th June, 1912. |
|--------------------|-------|-------------------|-----------|-----------|-------------------------------------|-----------|---------------------------------------|
| Act No. | Year. | Rate of Interest. | When due. | Amount. | Converted into Stock or Debentures. | Paid off. | |
| | | Percent. | | £ | £ | £ | £ |
| <i>Debentures.</i> | | | | | | | |
| 13 & 23 | 1854 | 6 | 1855-75 | 735,000 | ... | 735,000 | ... |
| 40 | 1855 | 6 | 1857-72 | 299,100 | ... | 299,100 | ... |
| 15 | 1856 | 6 | 1872-4 | 2,900 | ... | 2,900 | ... |
| 36 | 1857 | 6 | 1883-5-8 | 1,000,000 | 52,780 | 947,220 | ... |
| 150 | 1862 | 6 | 1889 | 300,000 | 23,900 | 276,100 | ... |
| 332 | 1868 | 5 | 1894 | 610,000 | 297,100 | 312,900 | ... |
| 371 | 1870 | 5 | ... | 100,000 | 100,000 | ... | ... |
| 1296 | 1893 | 4 | 1913-23 | 746,795 | ... | ... | 746,795 |
| 1440 | 1896 | 3 | 1912-22 | 63,000 | ... | ... | 63,000 |
| 1659 | 1900 | 3 | 1921-30 | 1,000,000 | 14,162 | 12,988 | 972,850 |
| 1753 | 1901 | 3 | 1923-32 | 483,200 | 3,948 | 93,552 | 385,700 |
| 1816 | 1903 | 3½ | 1907-8 | 93,869 | ... | 93,869 | ... |
| 1901 | 1904 | 3 | 1934-54 | 457,000 | ... | 333,126 | 123,874 |
| | | 3½ | 1921 | 447,980 | ... | ... | 447,980 |
| | | 3½ | 1922 | 300,000 | ... | ... | 300,000 |
| | | 3½ | 1926-42 | 186,300 | ... | 20,300 | 166,000 |
| | | 3½ | 1925-40 | 60,000 | ... | ... | 60,000 |
| | | 3½ | 1926-40 | 160,000 | ... | ... | 160,000 |
| | | 3½ | 1927-32 | 72,100 | ... | ... | 72,100 |
| 1962 | 1904 | 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 |
| | | | 1926-41 | 285,880 | ... | ... | 285,880 |
| 1990 | 1905 | 3½ | 1926 | 100,000 | ... | ... | 100,000 |
| | | | 1927-42 | 500 | ... | ... | 500 |
| | | | 1927 | 52,000 | ... | ... | 52,000 |
| | | | 1926-41 | 9,000 | ... | ... | 9,000 |
| | | | 1927-42 | 380,000 | ... | ... | 380,000 |
| | | | 1928 | 400,000 | ... | ... | 400,000 |
| 2026 | 1906 | 3½ | 1930 | 500,000 | ... | ... | 500,000 |
| | | | 1931 | 61,648 | ... | ... | 61,648 |
| | | | 1931-46 | 150,500 | ... | ... | 150,500 |
| | | | 1932-46 | 51,500 | ... | ... | 51,500 |
| 2041 | 1906 | 3½ | 1928-43 | 3,600 | ... | ... | 3,600 |
| | | | 1929 | 16,000 | ... | ... | 16,000 |
| | | | 1930 | 100,000 | ... | ... | 100,000 |
| 2053 | 1906 | 3½ | 1928 | 75,500 | ... | ... | 75,500 |
| | | | 1929 | 40,000 | ... | ... | 40,000 |
| 2116 | 1907 | 3½ | 1928 | 345,000 | ... | ... | 345,000 |
| | | | 1929 | 154,000 | ... | ... | 154,000 |
| | | | 1912-20 | 250,000 | ... | 50,000 | 200,000 |
| 2163 | 1909 | 3½ | 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 | 544,275 | ... | ... | 544,275 |
| | | | 1932 | 374,395 | ... | ... | 374,395 |

LOANS FLOATED IN MELBOURNE TO 30TH JUNE, 1912—continued.

| Authorization. | | Loans. | | | Amounts. | | Loans Outstanding on 30th June, 1912. |
|--|-------|-------------------|-----------|------------|-------------------------------------|-----------|---------------------------------------|
| Act No. | Year. | Rate of Interest. | When due. | Amount. | Converted into Stock or Debentures. | Paid off. | |
| | | Per cent. | | £ | £ | £ | £ |
| <i>Inscribed Stock.</i> | | | | | | | |
| 428 | 1872 | 4 | 1897 | 1,113,000 | 2,659,613 | ... | ... |
| 439 | 1872 | 4 | " | 86,780 | | | |
| 741 | 1882 | 4 | " | 13,102 | | | |
| 963 | 1887 | 4 | " | 167,000 | | | |
| 1015 | 1889 | 4 | " | 130,000 | | | |
| 1341 | 1893 | 4 | " | 750,000 | | | |
| 1369 | 1895 | 4 | " | 150,000 | | | |
| 1468 | 1896 | 3 | 1917* | 249,131 | | | |
| 1564 | 1898 | 3 | " | 2,290,482 | | | |
| 1623 | 1899 | 3 | " | 500,000 | | | |
| 1552 | 1898 | 3 | " | 500,000 | ... | 471,312 | 2,868,366 |
| | | | " | 49,196 | ... | 471,312 | 2,868,366 |
| 1602 | 1898 | 3 | " | 211,135 | | | |
| 1749 | 1898 | 3 | " | 211,135 | | | |
| 1859 | 1900 | 3 | " | 14,162 | | | |
| 1753 | 1901 | 3 | " | 3,948 | | | |
| 1962 | 1904 | 3½ | " | 326,406 | | | |
| 1990 | 1905 | 3½ | " | 113,735 | | | |
| 2026 | 1906 | 3½ | " | 480,385 | | | |
| 2041 | 1906 | 3½ | " | 136,680 | | | |
| 2053 | 1906 | 3½ | " | 46,026 | | | |
| 2116 | 1907 | 3½ | " | 1,000 | ... | 24,947 | 186,188 |
| 2161 | 1909 | 3 | " | 181,648 | ... | ... | 14,162 |
| 2163 | 1909 | 3½ | " | 80,000 | ... | ... | 3,948 |
| 2218 | 1910 | 3½ | " | 26,000 | ... | ... | 326,406 |
| 2240 | 1910 | 3½ | " | 150,000 | ... | ... | 113,735 |
| 2286 | 1911 | 3½ | " | 11,800 | ... | ... | 480,385 |
| 2323 | 1911 | 3½ | " | 27,203 | ... | ... | 136,680 |
| 2308 | 1911 | 4 | 1931† | 278,730 | ... | ... | 46,026 |
| <i>Treasury Bonds.</i> | | | | | | | |
| 1574 | 1898 | 3½ | 1901 | 500,000 | ... | 500,000 | 1,000 |
| 1800 | 1902 | 3½ | 1907 | 1,000,000 | ... | 1,000,000 | ... |
| | | | 1915 | 500,000 | ... | ... | 500,000 |
| | | | 1916 | 2,767,000 | ... | ... | 2,767,000 |
| 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 | | | | 31,145,221 | 3,151,503 | 5,197,373 | 22,796,345 |
| Transferred from London Register ... | | | | ... | ... | ... | 373,743 |
| Advance by Government of South Australia ... | | | | ... | ... | ... | 150,000 |
| Total, payable in Melbourne | | | | ... | ... | ... | 23,320,088 |

* 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.

Of the total loans raised in Victoria (exclusive of Treasury bonds in aid of revenue and of Melbourne and Hobson's Bay Railway debentures) £2,337,000, *i.e.*, the total of those authorized prior to 1863, was at 6 per cent.; £710,000, or the total authorized from 1868 to 1870 was at 5 per cent.; and the balance (£28,097,221) was at rates varying from 3 to 4 per cent. Of the total Melbourne loans outstanding on 30th June, 1912, £1,392,525 is bearing interest at 4 per cent., £220,000 at $3\frac{3}{4}$ per cent., £16,653,444 at $3\frac{1}{2}$ per cent., and £5,053,119 at 3 per cent.

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:—

Expenditure
from Loans.

LOAN EXPENDITURE: 1907-8 TO 1911-12.

| Works. | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
|--|---------------|---------------|---------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Railways | 249,646 | 544,433 | 657,666 | 1,230,381 | 1,703,453 |
| Water Supply | 276,583 | 313,616 | 286,823 | 311,709 | 259,281 |
| Closer Settlement and Small Holdings | 254,833 | 189,473 | 198,946 | 956,900 | 889,000 |
| Wire Netting | .. | 45,850 | 10,734 | 43,648 | 21,116 |
| State Coal Mine | .. | .. | 35,906 | 65,278 | 48,369 |
| Construction of Roads, &c. .. | 23 | 237 | 50 | 183 | .. |
| Other Public Works .. | 2,453 | 4,751 | 19,380 | 49,172 | 52,930 |
| Total | 783,538 | 1,098,360 | 1,209,505 | 2,657,271 | 2,974,149 |
| Per Head of Population | s. d. 12 5 | s. d. 17 3 | s. d. 18 9 | £ s. d. 2 0 8 | £ s. d. 2 4 6 |

With the exception of that in the last two years the loan expenditure of the State since 1891 has been upon a very much smaller scale than formerly. The following statement shews the average annual amount expended in each decade since 1881:—

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 |

Purposes for
which
Loans were
raised.

The amount of the loans raised to 30th June, 1912, exclusive of temporary Treasury bonds in aid of revenue, but inclusive of Melbourne and Hobson's Bay Railway Debentures taken over and £150,000 temporarily advanced by the Government of South Australia, was £99,012,194; but a total of £38,299,978 (exclusive of conversion loans) having been repaid, viz., £4,075,228 out of the general revenue, and £34,224,750 out of the proceeds of redemption loans, the balance on 30th June, 1912, was reduced to £60,712,216. 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, 1912. | Annual Interest Payable. |
|---|---|-----------------------------|
| REVENUE-YIELDING WORKS. | | |
| | £ | £ |
| Railways and Tramways | 44,171,137 | 1,576,753 |
| Waterworks—Melbourne | 1,688,663 | 61,040 |
| " Country | 7,262,801 | 252,651 |
| Harbors | 190,000 | 6,650 |
| Graving Dock | 316,102 | 10,773 |
| Agriculture and Advances to Farmers, &c. ... | 90,564 | 2,732 |
| Closer Settlement | 3,767,250 | 132,973 |
| Development of Mining | 258,518 | 8,614 |
| Total Revenue-yielding Works | 57,745,035 | 2,052,186 |
| OTHER WORKS OF A PERMANENT CHARACTER. | | |
| Public Offices, Law Courts, and Parliament Houses | 705,130 | 24,069 |
| Defence Works | 151,469 | 5,044 |
| State Schools, Technical Schools, and University | 1,219,903 | 39,783 |
| Other | 890,679 | 29,666 |
| Total other Permanent Works | 2,967,181 | 98,562 |
| Net Borrowings | 60,712,216 | 2,150,748 |

Out of the proceeds of these loans outstanding on 30th June, 1912, sums not yet expended amount in the aggregate to £22,487, of which £3,215 is for railways, £2,170 for country water supply, £446 for the State coal mine, and £16,656 for different other services. Of the amount of the loans outstanding, 95 per cent. has been allotted to revenue-yielding works, as detailed above.

Due date of
Loans.

The total amount of loans outstanding on 30th June, 1912, exclusive of an advance of £150,000 by the Government of South Australia, of debentures for £1,000 overdue since 1897, and of Treasury bonds in aid of revenue, was £60,561,216, and of this sum £11,393,167 was in the form of debentures; £37,152,228 of inscribed stock (London Register); £5,281,961 of inscribed stock (Melbourne Register); and £6,733,860 of Treasury bonds. The

following are the dates on which these loans are repayable, those repayable in Melbourne and London being indicated :—

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1912, AND DATES
WHEN REPAYABLE.

| Under Act No. | When Repayable. | Rate of Interest per cent. | Amount Repayable. | | |
|---------------------|--|-------------------------------------|-------------------|------------|---------|
| | | | In Melbourne. | In London. | Total. |
| | <i>Debentures.</i> | | £ | £ | £ |
| 1296 | 1st April, 1913-23 ... | 4 | 746,795 | ... | 746,795 |
| 1440 | " 1912-22 ... | 3 | 63,000 | ... | 63,000 |
| 1659 | 1st July, 1921-30 ... | 3 | 972,850 | ... | 972,850 |
| 1753 | 1st Jan., 1923-32 ... | 3 | 385,700 | ... | 385,700 |
| 1901 | " 1934-54 ... | 3 | 123,874 | ... | 123,874 |
| | 1st April, 1921 ... | 3½ | 447,980 | ... | 447,980 |
| | " 1922 ... | 3½ | 300,000 | ... | 300,000 |
| | 24th May, 1926 ... | 3½ | 3,000 | ... | 3,000 |
| | 2nd April, 1926-29th Nov., 1940 ... | 3½ | 28,900 | ... | 28,900 |
| | December, 1926-1941 ... | 3½ | 29,500 | ... | 29,500 |
| | 1st Feb., 1927-1942 ... | 3½ | 104,600 | ... | 104,600 |
| | April, 1927 ... | 3½ | 150,000 | ... | 150,000 |
| | 29th Nov., 1925-40 ... | 3½ | 60,000 | ... | 60,000 |
| | 27th Feb., 1926, to 29th Nov., 1940 ... | 3½ | 160,000 | ... | 160,000 |
| 1962 | 1st Nov., 1927-32 ... | 3½ | 41,400 | ... | 41,400 |
| | 2nd Dec., 1927-32 ... | 3½ | 30,700 | ... | 30,700 |
| | 1st July, 1928 ... | 3½ | 77,000 | ... | 77,000 |
| | 1st Jan., 1929 ... | 3½ | 60,000 | ... | 60,000 |
| | 30th June, 1929 ... | 3½ | 2,650 | ... | 2,650 |
| | 31st Dec., 1929 ... | 3½ | 100,000 | ... | 100,000 |
| | 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 |
| | 14th March, 1936 ... | 4 | 300,000 | ... | 300,000 |
| | 1st April, 1926-41 ... | 3½ | 285,880 | ... | 285,880 |
| 1990 | 18th Oct., 1926 ... | 3½ | 100,000 | ... | 100,000 |
| | 1st April, 1927-42 ... | 3½ | 500 | ... | 500 |
| | 1st October, 1927 ... | 3½ | 46,000 | ... | 46,000 |
| | 1st July, 1927 ... | 3½ | 6,000 | ... | 6,000 |
| | 1st Oct., 1926-41 ... | 3½ | 9,000 | ... | 9,000 |
| | 16th April, 1927-42 ... | 3½ | 280,000 | ... | 280,000 |
| | 1st July, 1927-42 ... | 3½ | 100,000 | ... | 100,000 |
| | " 1928 ... | 3½ | 400,000 | ... | 400,000 |
| | 1st Oct., 1930 ... | 3½ | 500,000 | ... | 500,000 |
| 2026 | 1st Jan., 1931 ... | 3½ | 61,648 | ... | 61,648 |
| | 24th October, 1931-1946 ... | 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 |

TOTAL LOANS OUTSTANDING, 30TH JUNE, 1912, 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> | | | | | |
| | | | £ | £ | £ |
| 2041 | 1st Jan., 1928-43 ... | 3½ | 3,600 | ... | 3,600 |
| | „ 1929 ... | 3½ | 16,000 | ... | 16,000 |
| 2053 | 1st Oct., 1930 ... | 3½ | 100,000 | ... | 100,000 |
| | 1st July, 1928 ... | 3½ | 75,500 | ... | 75,500 |
| 2116 | 1st Jan., 1929 ... | 3½ | 40,000 | ... | 40,000 |
| | 1st July, 1928 ... | 3½ | 345,000 | ... | 345,000 |
| 2163 | 1st Jan., 1929 ... | 3½ | 154,000 | ... | 154,000 |
| | 1st Aug., 1912, to 1st Feb., 1920 ... | 3½ | 200,000 | ... | 200,000 |
| 2286 | 1st April, 1919 ... | 3½ | 130,650 | ... | 130,650 |
| | 30th June, 1929 ... | 3½ | 4,850 | ... | 4,850 |
| 2323 | 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 | 544,275 | ... | 544,275 |
| | „ 1932 ... | 3½ | 374,395 | ... | 374,395 |
| <i>Inscribed Stock (London).</i> | | | | | |
| 760 | 1st Oct., 1913 ... | 4 | 9,000* | 3,991,000 | 4,000,000† |
| 805 | „ 1919 ... | 4 | 28,000* | 3,972,000 | 4,000,000 |
| 845 | „ 1920 ... | 4 | 30,000* | 5,970,000 | 6,000,000 |
| 989 | „ 1923 ... | 3½ | 14,200* | 6,985,800 | 7,000,000 |
| 1032 | | | | | |
| 1196 | 1st Jan., 1921-26 ... | 3½ | 9,000* | 4,991,000 | 5,000,000 |
| 1217 | | | | | |
| 1560 | „ 1929-49 ... | 3 | 253,383* | 4,211,331 | 4,464,714 |
| 1562 | 1st October 1929-49 ... | 3½ | 30,160* | 4,770,997 | 4,801,157 |
| 2167 | 1st Jan., 1929-49 ... | 3 | ... | 1,000,000 | 1,000,000 |
| | 1st Oct., 1929-49 ... | 3½ | ... | 1,500,000 | 1,500,000 |
| <i>Inscribed Stock (Melbourne).</i> | | | | | |
| 1468 | 29th Sept., 1917, or after | 3 | 2,868,366 | ... | 2,868,366 |
| 1552 | | | | | |
| 1564 | | | | | |
| 1623 | | | | | |
| 1602 | „ „ „ | 3 | 186,188 | ... | 186,188 |
| 1749 | | | | | |
| 1659 | | | | | |
| 1753 | | | | | |
| 1962 | | | | | |
| 1990 | | | | | |
| 2026 | | | | | |
| 2041 | | | | | |
| 2053 | | | | | |
| 2116 | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

* Transferred from London to Melbourne register.

† Debentures convertible into inscribed stock at option of holder. The amount so converted to 30th June, 1912, was £3,760,100.

**TOTAL LOANS OUTSTANDING, 30TH JUNE, 1912, 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) —continued.</i> | | £ | £ | £ |
| 2161 | 29th Sept., 1917, or after | 3 | 181,648 | ... | 181,648 |
| 2163 | " " " | 3½ | 62,991 | ... | 62,991 |
| 2218 | " " " | 3½ | 26,000 | ... | 26,000 |
| 2240 | " " " | 3½ | 142,950 | ... | 142,950 |
| 2286 | " " " | 3½ | 11,800 | ... | 11,800 |
| 2308 | 1st June, 1931, or after | 4 | 278,730 | ... | 278,730 |
| 2323 | 29th Sept., 1917, or after | 3½ | 27,203 | ... | 27,203 |
| | <i>Treasury Bonds.</i> | | | | |
| 1982 | 1st July, 1915 ... | 3½ | 500,000 | ... | 500,000 |
| | " 1916 ... | 3½ | 2,767,000 | ... | 2,767,000 |
| | " 1917 ... | 3½ | 3,014,860 | ... | 3,014,860 |
| | " 1921 ... | 3½ | 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 |
| | Total | ... | 23,170,088 | 37,392,128 | 60,562,216 |
| | <i>Temporary Advance by Government of South Australia.</i> | | | | |
| ... | Date not fixed | 3½ | 150,000 | ... | 150,000 |
| | <i>Treasury Bonds in aid of Revenue.</i> | | | | |
| 1451 | 1st Jan., 1913 | 3½ | 25,000 | ... | 25,000 |
| | Total (including loans in aid of Revenue)... .. | ... | 23,345,088 | 37,392,128 | 60,737,216 |

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, 1912.
(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 |
| 1912 | 12,500 | 12,500 | 12,500 |
| 1913 | 4,796,795 | 4,796,795 | 4,050,000 |
| 1914 | 25,000 | 25,000 | 25,000 |
| 1915 | 525,000 | 525,000 | 525,000 |
| 1916 | 2,792,000 | 2,792,000 | 2,792,000 |
| 1917 | 4,415,036 | 3,039,860 | 3,039,860 |
| 1918 | 25,000 | 25,000 | 25,000 |
| 1919 | 4,155,650 | 4,155,650 | 4,155,650 |
| 1920 | 6,012,500 | 6,012,500 | 6,012,500 |
| 1921 | 7,588,200 | 2,588,200 | 2,588,200 |
| 1922 | 1,007,275 | 1,007,275 | 1,007,275 |
| 1923 | 7,000,000 | 7,000,000 | 7,746,795 |
| 1925 | 60,000 | 60,000 | ... |
| 1926 | 616,280 | 5,263,000 | 5,103,000 |
| 1927 | 759,200 | 202,000 | 202,000 |
| 1928 | 901,100 | 897,500 | 897,500 |
| 1929 | 6,679,057 | 377,500 | 377,500 |
| 1930 | 1,754,850 | 1,754,850 | 1,754,850 |
| 1931 | 1,506,278 | 1,340,378 | 1,061,648 |
| 1932 | 811,595 | 832,195 | 832,195 |
| 1936 | 300,000 | 300,000 | 300,000 |
| 1940 | ... | 28,900 | 248,900 |
| 1941 | ... | 324,380 | 324,380 |
| 1942 | ... | 485,100 | 485,100 |
| 1943 | ... | 3,600 | 3,600 |
| 1944 | ... | 400 | 400 |
| 1946 | ... | 217,400 | 217,400 |
| 1949 | 5,464,714 | 11,765,871 | 11,765,871 |
| 1954 | 123,874 | 123,874 | 123,874 |
| Indefinite | 3,254,312 | 4,629,488 | 4,908,218 |
| Date not yet fixed ... | 150,000 | 150,000 | 150,000 |
| To end of 1925 ... | 38,415,956 | 32,040,780 | 31,980,780 |
| After 1925... .. | 22,171,260 | 28,546,436 | 28,606,436 |
| Date not yet fixed ... | 150,000 | 150,000 | 150,000 |
| Total | 60,737,216 | 60,737,216 | 60,737,216 |

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

PUBLIC DEBT AND INTEREST PAYABLE THEREON IN LONDON AND MELBOURNE : 30TH JUNE, 1900, AND 1906 TO 1912.
(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 |

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 £5,625, which was paid as commission; the corresponding totals in the immediately preceding years were:—25,402 in 1903-4, £15,297 in 1904-5, £12,272 in 1905-6, £11,845 in 1906-7, £11,980 in 1907-8, £6,895 in 1908-9, £6,310 in 1909-10; and £6,079 in 1910-11.

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

AMOUNT OF OUTSTANDING LOANS AT EACH RATE OF INTEREST : 1900 AND 1909 TO 1912.

(Including Treasury Bonds in aid of Revenue.)

| Rates of Interest per cent. | Nominal amount outstanding on 30th June— | | | | |
|-----------------------------|--|------------|------------|------------|------------|
| | 1900. | 1909. | 1910. | 1911. | 1912. |
| | £ | £ | £ | £ | £ |
| 4½ ... | 5,000,000 | ... | ... | ... | ... |
| 4 ... | 27,060,795 | 17,153,795 | 17,153,795 | 15,144,131 | 15,325,525 |
| 3½ ... | ... | 220,000 | 220,000 | 220,000 | 220,000 |
| 3½ ... | 12,250,000 | 26,934,035 | 27,890,521 | 32,332,709 | 34,901,241 |
| 3¼ ... | 300,000 | 100,000 | 75,000 | 50,000 | 25,000 |
| 3 ... | 4,714,090 | 10,258,367 | 10,236,409 | 10,235,924 | 10,264,450 |
| Overdue* | ... | 1,000 | 1,000 | 1,000 | 1,000 |
| Total | 49,324,885 | 54,667,197 | 55,576,725 | 57,983,764 | 60,737,216 |

* Not bearing interest.

The difference between the interest in 1900 and in 1912 represents a saving of £172,471 per annum on the debt of £60,737,216 at 30th June, 1912.

Loans
authorized
but not
raised.

The loans authorized, but not raised, on 30th June, 1912, amounted to £5,448,892, which sum represents the unfloated balance of loans authorized since 1895. The following return gives the particulars of these loans:—

LOANS AUTHORIZED, BUT NOT RAISED: 30TH JUNE, 1912.

| Under Loan Act No. | Total. | | |
|--------------------|-------------|-------------------------------|---------------------|
| | Authorized. | Raised to 30th June, 1912. | Balance not raised. |
| | £ | £ | £ |
| 1440 | 100,000 | 63,000 | 37,000 |
| 1552 | 1,116,608 | 49,196 | 1,067,412 |
| 1753 | 500,000 | 483,200 | 16,800 |
| 1816 | 100,000 | 93,869 | 6,131 |
| 2041 | 1,250,000 | 256,280 | 993,720 |
| 2161 | 500,000 | 181,648 | 318,352 |
| 2163 | 500,000 | 465,900 | 34,100 |
| 2286 | 2,000,000 | 1,800,020 | 199,980 |
| 2308 | 2,000,000 | 278,730 | 1,721,270 |
| 2323 | 2,000,000 | 945,873 | 1,054,127 |
| Total | 10,066,608 | 4,617,716 | 5,448,892 |

The nominal rate of interest on the amount unissued is 3 per cent. on £1,439,564, $3\frac{1}{2}$ per cent. on £2,288,058, and 4 per cent. on £1,721,270.

Growth of
Funded
Debt.

The following return shows the growth of the funded debt and interest since the date of the establishment of responsible government in 1855. The average rate of interest payable on the indebtedness has steadily declined from 6 per cent. in 1855 to 3.54 per cent. in

1911-12. 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 1912.

| 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 | ·58 | 42 5 10 | 1 10 4 |
| 1908 | 53,180,487 | 1,895,354 | 3·56 | 42 0 6 | 1 10 0 |
| 1909 | 54,567,197 | 1,944,844 | 3·56 | 42 12 3 | 1 10 5 |
| 1910 | 55,501,725 | 1,977,662 | 3·56 | 42 14 6 | 1 10 5 |
| 1911 | 57,933,764 | 2,052,737 | 3·54 | 43 17 9 | 1 11 1 |
| 1912 | 60,712,216 | 2,150,748 | 3·54 | 44 17 7 | 1 11 10 |

Including money borrowed for temporary purposes in aid of revenue (£25,000—Act 1451), the total amount of loans outstanding on 30th June, 1912, was £60,737,216, upon which the amount of interest and expenses (paid in 1911-12) was £2,096,198. In 1911-12 the net receipts from works constructed out of loan moneys and the interest received on advances to local bodies, &c., amounted to

£2,174,852, or £78,654 more than was required to meet interest and expenses during the year on loans outstanding. It should be remembered that nearly £3,000,000 of the amount of these loans, though expended on works of a permanent character, such as defences, State schools, public offices, &c., does not earn any revenue.

SINKING FUNDS.

Sinking
Funds of
Australian
States.

On 30th June, 1912, the sinking funds in Australia were as follows:—

SINKING FUNDS IN AUSTRALIAN STATES: 30TH JUNE, 1912.

| State. | Sinking Funds in Connexion with— | |
|-------------------------|----------------------------------|-----------------------------|
| | State Funded Debts. | Municipal and Other Debts.* |
| | £ | £ |
| Victoria | 1,131,531 | 1,003,627 |
| New South Wales | 653,981 | 331,196 |
| Queensland | 15,000 | .. |
| South Australia | 561,550 | 28,887 |
| Western Australia | 2,918,734† | 214,937 |
| Tasmania | 420,972 | 141,690 |
| Total | 5,701,768 | 1,720,337 |

* Figures for 1911.

† 31st March, 1912.

The following table shows for Victoria the various funds having balances to their credit on 30th June, 1912:—

| | Balance at Credit. |
|--|--------------------|
| Mallee Land Account | £29,485 |
| Closer Settlement Fund | 38,098 |
| Victorian Loans Redemption Fund | 330,090 |
| Victorian Government Consolidated Inscribed Stock Redemption Fund | 733,858 |
| Total | £1,131,531 |

Mallee Land
Account.

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, 1911, was £14,351, and during 1911-12 the receipts amounted to £73,134, and the expenditure to £58,000, so that the balance in this fund on 30th June, 1912, was £29,485.

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."

By Act No. 1561 of 1898, it was enacted that a "Victorian Government Consolidated Inscribed Stock Redemption Fund" should be kept in the Treasury, and should be applied to the purchase or repurchase, and ultimately to the redemption of consolidated stock—that is, stock on the London Register—and to the payment of expenses and costs of such purchase or redemption. The fund is made up of money derived from special appropriations from revenue, from repayments by Water Trusts, and from the Mallee Land Account, &c. During 1911-12 receipts amounted to £118,610, and expenditure, due to the repurchase of £20,000 3½ per cent. stock, amounted to £19,211. Transactions in this fund to 30th June, 1912, were as follows:—

Closer Settlement Fund.

Consolidated Inscribed Stock Redemption Fund.

THE VICTORIAN GOVERNMENT CONSOLIDATED INSCRIBED STOCK
REDEMPTION FUND: 30TH JUNE, 1912.

| Transactions. | | | | | To 30th June, 1912. |
|---|-----|-----|-----|-----|---------------------|
| RECEIPTS. | | | | | £ |
| Waterworks Trusts | ... | ... | ... | ... | 200,093 |
| Mallee Land Account | ... | ... | ... | ... | 400,000 |
| Revenue | ... | ... | ... | ... | 272,260 |
| Interest on Investments | ... | ... | ... | ... | 64,705 |
| Miscellaneous | ... | ... | ... | ... | 89,782 |
| Total receipts | ... | ... | ... | ... | 1,026,840 |
| EXPENDITURE. | | | | | |
| Purchase of Stock | ... | ... | ... | ... | 292,132 |
| Commission, &c. | ... | ... | ... | ... | 850 |
| Total expenditure | ... | ... | ... | ... | 292,982 |
| Balance in the Fund | ... | ... | ... | ... | 733,858 |
| Amount of stock repurchased and cancelled | ... | ... | ... | ... | 310,000 |

The miscellaneous receipts include £62,827, surplus after redemption of loans, Acts 531 and 608. Of the balance in the fund, £704,333 was invested in Victorian Government debentures and stock, and £29,525 held in cash.

Loans Re-
demption
Fund.

By Act No. 1565 of 1898, it was enacted that a "Victorian Loans Redemption Fund" should be kept in the Treasury, and should be available for the purchase, repurchase, or redemption of Victorian Government stock and debentures payable at Melbourne, and for the payment of expenses, costs, &c., incurred. This fund is derived from special appropriations from revenue, repayments on account of resumption of land in the Mallee district, and sundry loans made by the Government to municipalities, &c. During 1911-12 receipts amounted to £131,424, and £90,752 was expended on the purchase for cancellation of £91,666 stock and debentures, of which £64,557 bore interest at 3 per cent. and £27,109 at 3½ per cent. Transactions in this fund to 30th June, 1912, were as follows:—

THE VICTORIAN LOANS REDEMPTION FUND: 30TH JUNE, 1912.

| Transactions. | To 30th June, 1912. |
|---|---------------------|
| RECEIPTS. | |
| | £ |
| From Revenue | 814,255 |
| Resumption of land in Mallee Districts and valuation of improvements | 21,758 |
| Payments by Municipalities | 16,284 |
| Geelong Municipal Waterworks Trust | 265,000 |
| Interest on Investments | 35,149 |
| Repayment of Loans— | |
| Bush fires relief | 21,928 |
| Floods relief | 1,453 |
| Seed advances | 91,580 |
| New pilot steamer | 6,506 |
| Yarrowee Channel | 11,036 |
| Wire Netting | 77,887 |
| Difference between cash invested and face value of securities | 239 |
| Total receipts | 1,363,075 |
| EXPENDITURE. | |
| Purchase of stock and debentures | 1,032,985 |
| Balance in the fund | 330,090 |
| Amount of stock and debentures repurchased and cancelled | 1,046,489 |

The balance in the fund was represented by the face value of Victorian Government debentures and stock which amounted to £248,912, and by £81,178 held in cash.

DEBTS IN AUSTRALIA AND NEW ZEALAND.

Funded
debts of
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, 1912, showing the amounts and the amounts per head of population, the total interest payable, the average rate per cent., and the

rate *per capita*. The amounts are exclusive of Treasury bonds or bills issued for revenue purposes :—

FUNDED DEBTS OF THE AUSTRALIAN STATES, THE COMMONWEALTH,
AND NEW ZEALAND: 30TH JUNE, 1912.

| | Funded Debt. | | Interest Payable. | | |
|-----------------------|--------------|-------------------------|-------------------|-------------------------|------------------------|
| | Amount. | Per Head of Population. | Amount. | Per Head of Population. | Average Rate per cent. |
| | £ | £ s. d. | £ | £ s. d. | |
| Victoria .. | 60,712,216 | 44 17 7 | 2,150,748 | 1 11 10 | 3.54 |
| New South Wales .. | 99,938,119 | 57 15 6 | 3,527,907 | 2 0 9 | 3.53 |
| Queensland .. | 44,316,636 | 69 18 2 | 1,631,010 | 2 11 5 | 3.68 |
| South Australia .. | 29,440,113 | 69 19 3 | 1,066,793 | 2 10 8 | 3.62 |
| Western Australia .. | 26,283,523 | 86 18 8 | 910,112 | 3 0 3 | 3.46 |
| Tasmania .. | 11,226,801 | 59 13 8 | 409,608 | 2 3 1 | 3.65 |
| The Commonwealth .. | 6,371,847 | .. | 241,304 | .. | 3.79 |
| Total .. | 278,289,255 | 60 1 4 | 9,937,482 | 2 2 11 | 3.57 |
| New Zealand (31.3.12) | 84,353,913 | 81 15 7 | 3,112,303 | 3 0 4 | 3.69 |

With the exception of £700,000 Commonwealth inscribed stock purchased by the Treasurer of the Commonwealth out of General Trust Funds, the indebtedness of the Commonwealth consists of liabilities taken over from South Australia. Leaving these out of consideration, the above statement reveals that New Zealand, Queensland, Tasmania, and South Australia pay the highest average rate of interest on their loans. The reason for this is not that their securities are considered of less value than those of the other States, but that a larger proportion of their loans was raised when the rates of interest were high.

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

GOVERNMENT FUNDED DEBTS PER HEAD OF POPULATION IN
AUSTRALIAN STATES AND NEW ZEALAND: 1908 TO 1912.

| | At end of Financial Year— | | | | |
|----------------------|---------------------------|---------|----------|----------|----------|
| | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Victoria .. | 42 0 6 | 42 12 3 | 42 14 6 | 43 17 9 | 44 17 7 |
| New South Wales .. | 54 13 3 | 55 4 8 | 55 6 7 | 57 7 5 | 57 15 6 |
| Queensland .. | 70 15 8 | 73 4 11 | 70 10 1 | 68 9 10 | 69 18 2 |
| South Australia .. | 72 6 0 | 71 8 6 | 73 18 11 | 81 5 2 | 69 19 3 |
| Western Australia .. | 76 3 0 | 79 15 4 | 82 8 4 | 82 4 5 | 86 18 8 |
| Tasmania .. | 55 14 11 | 54 18 0 | 57 12 10 | 57 6 9 | 59 1 8 |
| New Zealand .. | 70 12 8 | 73 3 8 | 75 15 7 | 80 7 11 | 81 15 7 |

As the balances of loans raised in respect of the Northern Territory (£3,431,836), and of the Port Augusta railway line (£2,240,011) have been taken over from the State of South Australia by the Commonwealth, a considerable reduction in the indebtedness *per capita* for that State in 1911-12 is shewn in the above statement.

State and
local debts.

The following is a statement of the total indebtedness of the Australian States and the Commonwealth in 1912 :—

FUNDED AND UNFUNDED DEBTS OF AUSTRALIA: 1912.

| | 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... .. | 60,712,216 | 319,175* | 15,754,591 | 76,785,982 | 56 15 3 |
| New South Wales | 99,938,119 | 1,648,118 | 5,339,673 | 106,925,910 | 61 16 3 |
| Queensland† .. | 44,316,636 | 1,125,650 | 950,076 | 46,392,362 | 73 3 8 |
| South Australia .. | 29,440,113 | .. | 191,617 | 29,631,730 | 70 8 4 |
| Western Australia | 26,283,523 | 121,111 | 1,527,930 | 27,932,564 | 92 7 9 |
| Tasmania .. | 11,226,801 | 78,197 | 665,376 | 11,970,374 | 62 19 11 |
| The Commonwealth | 6,371,847 | .. | .. | 6,371,847 | .. |
| Total .. | 278,289,255 | 3,292,251 | 24,429,263 | 306,010,769 | 66 1 0 |

* Treasury Bonds have been issued for £25,000 of this amount, but it has been the practice to regard the sum represented by these bonds as part of the Unfunded Debt, as the money was borrowed for temporary purposes in aid of revenue, and is being paid off in yearly instalments.

† Excluding Government Savings Bank Stock and Debentures, £1,625,900.

The figures £306,010,769 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*, New South Wales 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 1912, the municipal and corporation debts are for the year ended in 1911, figures for 1912 for other States than Victoria not being available. The complete figures for Victoria for 1912 appear in the following statement :—

STATE AND LOCAL DEBTS : 1912.

| | | | | | £ | £ |
|---|----|----|----|----|------------|------------|
| State Debts (Funded)— | | | | | | |
| London Register | .. | .. | .. | .. | 37,392,128 | |
| Melbourne Register | .. | .. | .. | .. | 23,319,088 | |
| State Debts (Unfunded) | .. | .. | .. | .. | 319,175 | |
| Overdue Debentures, late Melbourne and Hobson's Bay | | | | | | |
| Railway—unpresented | .. | .. | .. | .. | 1,000 | |
| Total State Debts | | | | | | 61,031,391 |
| Municipal | | | | | 4,808,915 | |
| Harbor Trusts | .. | .. | .. | .. | 2,015,000 | |
| Fire Brigades Board | .. | .. | .. | .. | 130,000 | |
| Melbourne and Metropolitan Board of Works | | | | .. | 9,296,053 | |
| Total Debts of Municipalities and Corporations | | | | | | 16,249,968 |
| Total Debts | | | | | | 77,281,359 |

This sum (£77,281,359) is equal to a debt of £57 2s. 7d. per head of the population on 30th June, 1912.

DEBTS OF VARIOUS COUNTRIES.

In order that a comparison may be instituted between the States of Australia and other countries of the world in regard to indebtedness, the following table is furnished. The highest debt per head of population here disclosed is that of France (£27 3s. 6d), which is less than two-thirds of that of Victoria. The next highest is the liability of Belgium (£21 4s. 2d.), then follows the liability of the South African Union (£19 2s. 6d.), after which come the debts of Austria (£17 13s. 10d.), the United Kingdom (£15 18s. 9d.), the German States and Empire (£15 7s.), and Italy (£15 0s. 11d.). After Italy there is shown a rapid diminution of indebtedness to £1 4s. 6d. per head in British India. It must be remembered, however, that the large indebtedness of the Australian States is the result of expenditure on railways, roads, irrigation and water supply works, harbors, and other public works, required for the speedy development of an entirely new country, whilst in the older countries

Debts of various countries.

of the world much of this class of work is left to private enterprise:—

GOVERNMENT DEBTS PER HEAD OF POPULATION IN VARIOUS COUNTRIES.

| Country. | Year. | Public Debt. | |
|---|-------|---------------|--------------------------------|
| | | Total Amount. | Amount per Head of Population. |
| | | £ | £ s. d. |
| United Kingdom | 1912 | 724,806,400 | 15 18 9 |
| South African Union | 1911 | 114,237,000 | 19 2 6 |
| Canada | 1911 | 97,626,900 | 13 11 0 |
| British India | 1911 | 299,450,800 | 1 4 6 |
| France | 1911 | 1,076,104,000 | 27 3 6 |
| Belgium | 1910 | 157,436,800 | 21 4 2 |
| Austria | 1911 | 510,028,000 | 17 13 10 |
| Hungary | 1910 | 261,680,000 | 12 10 7 |
| German States | 1911 | 762,133,900 | 11 13 0 |
| German Empire (Imperial) | 1911 | 241,980,300 | 3 14 0 |
| Italy | 1911 | 521,657,000 | 15 0 11 |
| Norway | 1911 | 20,425,000 | 8 10 1 |
| United States of America (Federal) | 1911 | 208,730,000 | 2 4 6 |
| United States of America (States, Territories, &c.) | 1902 | 383,228,000 | 4 17 8 |
| Sweden | 1911 | 33,672,000 | 6 1 1 |
| Russia | 1910 | 953,185,000 | 5 16 4 |
| Japan | 1912 | 260,691,000 | 5 1 2 |

COMMONWEALTH, STATE, AND LOCAL TAXATION.

Taxation.

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

COMMONWEALTH, STATE, AND LOCAL TAXATION, 1907-8 TO 1911-12.

| Heads of Taxation. | Amount Received. | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
| | £ | £ | £ | £ | £ |
| Federal— | | | | | |
| Customs Duties... .. | 2,507,704 | 2,204,638 | 2,366,701 | 3,191,787 | 3,566,891 |
| Excise Duties | 704,434 | 657,330 | 682,310 | 831,976 | 892,929 |
| Land Tax | ... | ... | ... | 366,543 | 357,279 |
| Total Federal Taxation | 3,212,138 | 2,861,968 | 3,049,011 | 4,390,306 | 4,817,099 |
| State— | | | | | |
| Wharfrage Rates | 55,389 | 56,683 | 57,616 | 69,511 | 72,705 |
| Tonnage Dues | 35,754 | 38,533 | 39,765 | 42,716 | 46,438 |
| Licences | 19,851 | 20,334 | 20,927 | 21,982 | 22,403 |
| Probate & Succession Duties | 304,830 | 418,418 | 358,173 | 433,104 | 448,283 |
| Duties on Bank Notes | 17,612 | 16,988 | 17,342 | 18,115 | 8,376 |
| Stamp Duties | 222,923 | 220,693 | 233,016 | 257,199 | 276,836 |
| Land Tax | 89,496 | 85,559 | 114,357 | 210,640 | 293,823 |
| Income Tax | 317,354 | 304,464 | 338,585 | 395,998 | 443,248 |
| Race Clubs' percentage | 5,554 | 5,772 | 5,953 | 7,535 | 8,727 |
| Total State Taxation ... | 1,068,763 | 1,167,444 | 1,185,734 | 1,456,800 | 1,620,339 |
| Municipal Taxation ... | 1,084,513 | 1,135,403 | 1,186,900 | 1,230,692 | 1,299,974 |
| Harbor Trusts | 212,320 | 202,634 | 250,240 | 262,622 | 262,203 |
| Total Taxation ... | 5,577,734 | 5,367,449 | 5,671,885 | 7,340,420 | 8,000,115 |

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 Common wealth, State, and local bodies is as follows:—

COMMONWEALTH, STATE, AND LOCAL TAXATION PER HEAD OF
POPULATION: 1907-8 TO 1911-12.

| Division. | Taxation per Head of Population in— | | | | |
|----------------|-------------------------------------|---------|----------|----------|----------|
| | 1907-8. | 1908-9. | 1909-10. | 1910-11. | 1911-12. |
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Federal | 2 11 0 | 2 5 0 | 2 7 3 | 3 7 1 | 3 12 0 |
| State | 0 17 0 | 0 18 5 | 0 18 5 | 1 2 3 | 1 4 3 |
| Local | 1 0 7 | 1 1 1 | 1 2 3 | 1 2 10 | 1 3 4 |
| Total | 4 8 7 | 4 4 6 | 4 7 11 | 5 12 2 | 5 19 7 |

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 | 7,549,487 | 5 12 10 |
| New South Wales | 10,355,792 | 6 1 11 |
| Queensland | 3,000,150 | 4 16 5 |
| South Australia | 2,089,420 | 4 19 11 |
| The Northern Territory | 12,562 | 3 17 4 |
| Western Australia | 1,626,432 | 5 10 7 |
| Tasmania | 739,873 | 3 16 7 |
| Total | 25,373,716 | 5 11 1 |
| United Kingdom | 236,956,000 | 5 4 3 |

In these figures, which exclude wharfage rates and harbor dues, the Commonwealth and the State taxation have been taken for the year 1911-12, and the Local taxation for the year 1910-11, and it appears that the total taxation for Australia is £25,373,716, or an average of £5 11s. 1d. per head per annum. The lowest rate, £3 16s. 7d. per head, prevails in Tasmania, and the Northern Territory is very close with £3 17s. 4d. per head; Queensland and South Australia are next, the former with £4 16s. 5d., and the latter with £4 19s. 11d. per head; then follow Western Australia, Victoria, and New South Wales, with £5 10s. 7d., £5 12s. 10d., and £6 1s. 11d. per head respectively. In the United Kingdom, the taxation is 6s. 10d. per head less than in Australia, and is lower than in three of the Australian States. No adjustments on account of Inter-State transfers of dutiable goods have been made in the Customs figures used in this table, and consequently the taxation given for a State such as Victoria, which has a considerable trade in imported goods with the other States, is an overstatement; whilst in the case of a State such as Tasmania, which receives large quantities of dutiable goods through Victoria, the taxation as shewn above is an understatement. No other figures are available, however, and although those given are correct for Australia as a whole, yet they should be regarded as being only fairly accurate for the individual States.

LICENCES.

Licences.

The following is a statement showing, as far as practicable, the number of licences issued for various purposes in 1912, 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: 1912.

| Description of Licence. | Number of Licences Granted. | Amount of Fees Collected. | | |
|--|-----------------------------------|------------------------------|----|----|
| <i>Excise.</i> | | £ | s. | d. |
| Distilling— | | | | |
| General Distillers | 4 | 200 | 0 | 0 |
| Wine Distillers | 5 | 125 | 0 | 0 |
| Vignerons | 22 | 110 | 0 | 0 |
| Test Stills | 35 | 3 | 13 | 0 |
| Brewers | 31 | 775 | 0 | 0 |
| Manufacturing Tobacco, Cigars, Cigarettes, and Snuff | 34 | 1,078 | 14 | 3 |
| Sugar refining (Cane) | 1 | 200 | 0 | 0 |
| (Beet) | 1 | 3 | 0 | 0 |
| Glucose manufacturing | 1 | 0 | 13 | 2 |

LICENCES—NUMBER AND REVENUE: 1912—*continued.*

| Description of Licence. | Number of Licences Granted. | Amount of Fees Collected. |
|--|-----------------------------|---------------------------|
| <i>Licensing.</i> | | |
| | | £ s. d. |
| Victuallers* | 4,393 | 76,028 0 0 |
| Railway Refreshment Rooms | 32 | 800 0 0 |
| Australian Wine | 293 | 1,465 0 0 |
| Clubs | 131 | 262 0 0 |
| Packet (passenger boat) | 13 | 260 0 0 |
| Grocers (single bottle) | 301 | 3,010 0 0 |
| Wine and Spirit Merchants (two gallon) | 395 | 9,875 0 0 |
| Brewers | 37 | 37 0 0 |
| Vignerons | 28 | 140 0 0 |
| Billiard Tables | 148 | 1,045 0 0 |
| <i>Customs.</i> | | |
| Carriage | 1,002 | 247 2 6 |
| Lighter and Boat | 41 | 10 0 0 |
| Custom House Agents | 67 | 322 10 0 |
| Bond | 41 | 4,296 0 0 |
| <i>Explosives.</i> | | |
| Importation | 190 | 645 5 0 |
| Manufacture of Rack-a-rock and Lithyte | 14 | 3 10 0 |
| Manufacture of other Explosives | 6 | 7 10 0 |
| Magazine | 263 | 171 10 0 |
| Fireworks, Sale of | 643 | 32 3 0 |
| Other than Fireworks, Sale of | 1,504 | 376 0 0 |
| <i>Miscellaneous.</i> | | |
| Auctioneers—General† | 833 | 16,109 1 8 |
| Gold-buyers and assayers | 774 | 390 7 6 |

* Including temporary licences, which numbered 1,466, on which the fees collected amounted to £2,812.

† Including 176 temporary licences, on which the fees collected were £176.

In addition to the preceding there are other licences, particulars of which cannot be obtained for the calendar year 1912; the fees collected in respect of these during the financial year 1911-12 were as follows:—

| Description of Licence. | Amount of Fees Collected. |
|------------------------------|---------------------------|
| | £ s. d. |
| Insurance | 16,266 0 0 |
| Sale of Tobacco, &c. | 1,622 4 3 |
| Pawnbrokers | 1,050 0 0 |
| Hawkers | 1,180 5 0 |
| Carriers | 61 1 0 |
| Stage Carriage | 175 0 0 |
| Marine Store | 155 14 0 |
| Forwarding Agents | 100 0 0 |
| Permits to Fish | 3 12 6 |
| Race Clubs | 489 0 0 |