

1. To provide employment for the unemployed.
2. To enable citizens to direct "unemployed" labour to a place where they can obtain good food and shelter, and a wage according to their ability in exchange for their labour.
3. To prepare them by proper instruction for work on the land.
4. To obtain more profitable employment for all deserving men at the earliest possible moment.

And the methods adopted are,—

1. Good food.
2. Hard work in the open, with abundance of fresh air.
3. Cleanliness.
4. The encouragement of thrift.

The real success of a labour colony depends in a very great measure on the management. At Leongatha the manager, Mr. William Squire, appears to be doing excellent work, and he is able to instruct the men in all branches of husbandry; he has also some very good men under him working on the colony, and who have been sent from the streets of Melbourne. One case particularly came under my notice, that of the bullock-driver, J. H. The manner in which this man handled his team of bullocks was remarkable. I was told he never swore at them, certainly he did not during the time I was there, and I watched him closely for some time extracting stumps by the aid of an appliance locally-made at Leongatha, and known there as the "Forest Devil." (The appliance is very simple and very inexpensive, the cost being a little over £7. I attach to this report a sketch with explanatory notes.) Stump after stump was extracted by four bullocks with the greatest ease. The driver had a whip, but rarely used it. A few encouraging words to the team, and they followed his lead backwards and forwards. One could see the bullocks had been well trained, and that the driver was very firm, but exercised great kindness and forbearance. I thought it an excellent example of the manner in which a labour colony should be managed—namely, by firmness combined with kindness.

I attach to this report a statement of the receipts and expenditure of the labour colony for the twelve months ending 30th June, 1894, together with a copy of the weekly pay-sheet; also form showing work done, goods supplied, &c.

SOUTH AUSTRALIA.

Considerable progress has been made in this colony to promote the welfare of the people by settling them on the land. In December, 1893, the Crown Lands Act was amended, and provision made for the repurchase of lands for homestead blocks and loans to blockers. Provision was also made for the establishment of village settlements.

Homestead Blocks.

The Act provides that, before proceeding to acquire any land for the purpose of homestead blocks, the Commissioner of Lands shall require every person qualified, and declaring his intention to become the lessee, to enter into an undertaking that in the event of the land being acquired he will forthwith apply for a homestead block, and the Commissioner shall also require such person to deposit with him before the schedule of the land is laid before Parliament an amount equal to 5 per centum of such value. The total area repurchased to May, 1895, for homestead blocks was 3,304 acres, the cost being £17,170, or an average of £5 3s. 11½d. per acre, some of the land, however, cost from £25 to £30 per acre.

The following return shows the work done in South Australia for the repurchase of land for homestead blocks:—

LANDS REPURCHASED FOR HOMESTEAD BLOCKS.

Hundred.	Area repurchased.			Cost.			5 Per Cent. on Amount.			Area leased.			Annual Rental.			Percentage on Cost.	Total Amount of Rent received.		
	A.	R.	P.	£	s.	d.	£	s.	d.	A.	R.	P.	£	s.	d.		£	s.	d.
Yougala ..	951	3	35	3,957	17	6	197	17	10	721	0	28	166	13	10	4½	329	19	9
Melville ..	444	0	0	1,021	4	0	51	1	3	245	1	22	44	14	10	4½	101	15	8
Munno Para..	582	3	14	2,900	0	0	145	0	0	536	0	20	148	14	5	5½	256	14	0
Gilbert ..	212	0	0	1,000	0	0	50	0	0	145	2	0	40	7	8	4	58	16	10
Dalrymple ..	164	2	0	411	5	0	20	11	3	90	3	0	11	6	10	2½	12	10	0
Blanche ..	80	0	0	2,000	0	0	100	0	0	71	2	2	95	3	3	2½	132	6	3
Neales ..	400	0	0	300	0	0	15	0	0	378	2	0	19	2	5	6½	19	16	1
Davenport ..	183	0	0	503	5	0	25	3	3	174	0	0	25	19	0	5½	80	11	6
Adelaide ..	80	0	0	2,080	0	0	104	0	0	74	2	0	104	19	7	5	104	19	7
Booyoolie ..	180	1	19	717	0	6	35	17	0	130	0	0	37	4	6	5½	37	7	5
Yatala ..	76	0	0	2,280	0	0	114	0	0	69	1	24	120	18	9	5½	108	13	5
Totals ..	3,304	2	28	17,170	12	0	858	10	7	2,636	3	16	815	5	1	4½	1,193	10	6

The total number of blockers at present is 3,337, representing a population of over 10,000. The total area held under the system is 45,717 acres, or an average of about 13½ acres to each blocker. Near the City of Adelaide the average area is about 5 acres each. The number who hold their lands under right of purchase is 2,857; and on perpetual lease, 480: total, 3,337. The area held under right of purchase is 41,128 acres; under perpetual lease, 4,589 acres: total, 45,717 acres. The annual rent under right of purchase amounts to £3,062 8s. 5d., an average price of about 1s. 5½d. per acre.

The annual rent under perpetual lease is £927 10s. 6d., an average of about 4s. 0½d. per acre.