

## CHAPTER VIII.

## FINANCE.

## A. COMMONWEALTH FINANCE.

## § 1. General.

**1. Financial Provisions of the Constitution.**—The main provisions of the Constitution relating to the initiation and development of the financial system of the Commonwealth are those contained in Chapter IV., "Finance and Trade," being sections 81 to 105 of the Constitution Act. Two other sections which have a most important bearing on questions of Commonwealth finance are sections 69 and 51.

Section 69 provides for certain specified departments to be transferred to the Commonwealth from the States, while section 51, in outlining the powers of the Federal Parliament, implies the transfer or creation of various other departments. Section 87 deals with the financial relations between the Commonwealth and the States. All of these matters have been treated in some detail in previous issues of the Official Year Book up to and including No. 12, and further reference to them will not be made here.

The Commonwealth Treasury issues annually a document entitled "The Treasurer's Statement of Receipts and Expenditure during the year ended 30th June"; with which is incorporated the report of the Commonwealth Auditor-General for the year. This series of annual statements is the authority for the majority of the tables given herein.

**2. Accounts of Commonwealth Government.**—The Commonwealth Government, like the States Governments, bases its accounts mainly upon three funds, the Consolidated Revenue Fund, the Trust Fund, and the Loan Fund. The last mentioned came into existence in the financial year 1911-12, but on the outbreak of war it became so important that it is now treated in two parts—a General Loan Fund mainly for purposes of Public Works, and a War Loan Fund for purely military purposes. The accounts of these funds are now so interwoven that a proper conspectus of the Commonwealth Accounts can hardly be obtained by an analysis of each of them singly. Two tables are therefore appended, showing receipts and disbursements from all sources for the last five years. The different funds will then be treated in detail in the subsequent paragraphs.

## COMMONWEALTH RECEIPTS, 1917-18 TO 1921-22.

Heading.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Consolidated Revenue .. .. .	36,839,868	44,716,018	52,783,102	65,517,608	64,897,046
Trust Funds in aid of Revenue ..	2,077,427	3,925,320	3,523,057	5,724,806	6,618,327
Total .. .. .	38,917,295	48,642,738	56,306,159	71,242,414	71,515,373
General Loan Fund .. .. .	1,803,447	1,429,891	1,286,786	4,101,726	12,253,610
Total .. .. .	1,803,447	1,429,891	1,286,786	4,101,726	12,253,610
War Loan Fund .. .. .	60,865,195	57,637,507	27,125,203	33,064,475	20,657,932
Unexpended Balance from previous years .. .. .	17,730,688	23,500,774	18,945,392	..	..
Total .. .. .	78,595,883	81,138,281	46,070,595	33,064,475	20,657,932
Grand Total .. .. .	119,316,625	131,210,910	103,663,540	108,408,615	104,426,915

## COMMONWEALTH EXPENDITURE, 1917-18 TO 1921-22.

Heading.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Expenditure from Consolidated Revenue .. .. .	26,573,674	34,786,107	40,337,804	52,059,118	51,453,087
Balance paid into Trust Funds ..	3,925,820	3,476,478	5,724,806	6,618,327	6,408,424
Expenditure from Trust Funds ..	2,077,427	3,879,241	3,523,057	5,724,806	6,618,327
Unexpended Balance from Trust Funds .. .. .		46,579			
Subsidy to States .. .. .	6,340,374	6,454,333	6,720,492	6,840,163	7,035,535
Total .. .. .	38,917,295	48,642,738	56,306,159	71,242,414	71,515,373
General Loan Fund Expenditure .. .. .	1,803,447	1,429,891	1,286,786	4,101,726	12,253,610
Total .. .. .	1,803,447	1,429,891	1,286,786	4,101,726	12,253,610
War Expenditure from War Loan Fund .. .. .	55,095,109	62,192,889	46,070,595	26,859,445	11,768,749
Unexpended Balance from War Loan Fund .. .. .	23,500,774	18,945,392	..	6,205,030	8,889,183
Total .. .. .	78,595,883	81,138,281	46,070,595	33,064,475	20,657,932
Grand Total .. .. .	119,316,625	131,210,910	103,663,540	108,408,615	104,426,915

## § 2. Consolidated Revenue Fund.

## Division I.—Nature of Fund.

The provisions made for the formation of a Commonwealth Consolidated Revenue Fund, and the means to be adopted for operating on that fund, are contained in sections 81, 82, and 83 of the Constitution. In section 81 it is provided that "All revenues or moneys raised or received by the Executive Government of the Commonwealth shall form one Consolidated Revenue Fund, to be appropriated for the purposes of the Commonwealth in the manner and subject to the charges and liabilities imposed by this Constitution." A strictly literal interpretation of this section would appear to require all loan and trust moneys received by the Commonwealth Executive to be paid to Consolidated Revenue. It is, however, held by Quick and Garran, in their "Annotated Constitution," that the "generic word *moneys* must be controlled by the preceding specific word *revenues*, and limited to moneys in the nature of revenue." This is the view of the matter which has been adopted by the Commonwealth Treasury in the preparation of its accounts. At present certain moneys received by the Commonwealth, which are not of the nature of revenue, are paid to Trust Account, and other moneys are paid to Loan Account. As regards expenditure from the Consolidated Revenue Fund, section 82 provides that the costs, charges, and expenses incident to the collection, management, and receipt of the Consolidated Revenue Fund should form the first charge thereon, while section 83 stipulates that "no money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law." Such appropriations are either special, and as such are provided for by means of a permanent Act, or annual, and provided for in an annual Appropriation Act.

## Division II.—Revenue.

1. **Total.**—The consolidated revenue of the Commonwealth, which in 1901-2, the first complete financial year under the new régime, amounted to £11,296,985, had, in 1921-22, reached a total of £64,897,046, an increase in the period of £53,600,061.

Particulars concerning the total amount of revenue collected by the Commonwealth Government from 1st July, 1917, to 30th June, 1922, are contained in the following table :—

**COMMONWEALTH CONSOLIDATED REVENUE, 1917-18 TO 1921-22.**

Revenue.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Total ..	36,839,868	44,716,918	52,783,102	65,517,608	64,897,046

The great increase in recent years is due to the large expansion in taxation, which will be dealt with in detail in a later subsection.

2. **Revenue per Head.**—The table hereunder gives particulars of the amount of revenue from various sources per head of population for the last five years :—

**COMMONWEALTH CONSOLIDATED REVENUE PER HEAD, 1917-18 TO 1921-22.**

Source of Revenue.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Taxation .. ..	4 18 9	6 9 4	7 17 9	9 13 9	9 0 4
Public Works and Services ..	1 18 1	1 16 0	1 8 7	1 13 4	1 14 8
Other Receipts .. ..	0 11 1	0 10 8	0 12 7	0 15 1	1 0 7
Total .. ..	7 7 11	8 16 0	9 18 11	12 2 2	11 15 7

3. **Sources of Revenue.**—(i) *General.* The following table furnishes details of the revenue from each source during the years 1917-18 to 1921-22 :—

**COMMONWEALTH CONSOLIDATED REVENUE—SOURCES, 1917-18 TO 1921-22.**

Source.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Taxation—					
Customs .. ..	9,486,555	11,605,410	13,705,220	21,731,210	17,328,310
Excise .. ..	3,737,757	5,821,560	7,869,339	10,078,696	10,302,049
Land Tax .. ..	2,123,779	2,109,171	2,110,306	2,155,699	2,284,040
Estate Duty .. ..	947,232	923,908	1,441,819	1,179,513	991,378
Income Tax .. ..	7,385,514	10,376,456	12,848,123	14,351,408	16,790,682
Entertainments Tax .. ..	245,898	358,126	557,911	649,828	675,675
War Time Profits Tax .. ..	680,008	1,206,533	2,569,012	2,083,139	1,306,708
War Postage .. ..	..	463,317	745,962	197,928	..
Total .. ..	24,606,743	32,864,486	41,847,692	52,427,421	49,678,842
Public Works and Services—					
Postal .. ..	5,762,190	6,110,522	6,744,755	8,388,569	9,320,654
Railways .. ..	201,107	196,988	265,918	235,387	217,301
Commonwealth Steamers ..	880,000	1,015,762	..	137,959	..
Detained Enemy Vessels ..	2,173,418	1,671,905	344,411	131,763	..
Other .. ..	468,769	156,321	218,209	141,418	4,094
Total .. ..	9,485,484	9,151,498	7,573,293	9,035,096	9,542,040
Other Revenue—					
Interest, Discount, etc. ..	995,576	1,479,426	1,589,347	1,996,012	2,361,137
Coinage .. ..	229,378	125,634	76,439	108,373	178,439
Defence .. ..	683,804	262,786	183,227	185,640	150,297
Quarantine .. ..	16,453	44,118	62,053	42,972	42,639
Territories, (a) .. ..	71,053	97,873	65,206	79,575	77,844
Patents, etc. .. ..	20,282	25,623	34,067	40,639	41,393
Lighthouses .. ..	108,556	125,231	153,992	180,105	171,967
Pension Contributions .. ..	51,396	51,763	57,642	54,632	57,489
Defence Trust Account .. ..	250,310	185,082	270,504	116,329	203,085
Unexpended Balances of London Orders .. ..	186,149	185,746	708,264	696,095	..
Net Profit on Australian Note Issue ..	..	..	..	394,016	1,261,482
Miscellaneous .. ..	134,684	119,652	161,376	162,694	1,130,383
Total .. ..	2,747,641	2,700,934	3,362,117	4,055,091	5,676,155
Grand Total .. ..	36,839,868	44,716,918	52,783,102	65,517,608	64,897,046

(a) Exclusive of Railways, and other items which appear elsewhere under their appropriate headings.

In addition to the new direct taxation, there has been for some time a fairly steady return from Customs and Excise. The postal receipts have shown a consistent upward tendency, and there has been also a large addition to the revenue in recent years by the operations of the Commonwealth steamers, detained enemy vessels, and other activities. The large amount for 1921-22, under the head of "Miscellaneous," includes £835,000, payment on account of the Army of Occupation.

(ii) *Taxation.*—(a) *Customs Revenue.* Particulars for the five years 1917-18 to 1921-22 are furnished in the following table:—

## COMMONWEALTH CUSTOMS REVENUE, 1917-18 TO 1921-22.

Classes.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Stimulants .. ..	1,693,957	1,455,667	1,880,531	1,773,103	1,981,882
Narcotics .. ..	1,236,085	1,268,357	1,590,450	1,533,860	1,619,916
Sugar .. ..	51,119	107,965	(a) 7,229	3,193	9,991
Agricultural products	603,605	515,236	726,360	819,842	951,816
Apparel and textiles ..	2,393,518	3,422,371	3,444,292	6,195,545	4,514,541
Metals and machinery	1,000,943	1,603,767	2,165,221	4,728,937	3,324,601
Oils, paints, etc. ..	267,129	319,043	311,022	542,619	409,768
Earthenware, etc. ..	176,244	248,664	280,064	643,731	503,941
Drugs and chemicals ..	163,623	219,532	289,437	420,327	395,777
Wood, wicker and cane	203,430	214,715	274,500	540,638	552,842
Jewellery, etc. ..	279,785	334,986	413,134	704,749	525,207
Leather, etc. ..	346,073	466,589	576,106	690,455	482,389
Paper and stationery ..	299,330	506,662	467,623	1,091,173	633,261
Vehicles .. ..	322,344	337,334	625,498	1,033,006	718,080
Musical instruments ..	110,413	110,850	142,082	239,822	170,859
Miscellaneous articles	298,661	425,349	477,612	718,752	480,461
Other receipts .. ..	40,296	48,323	48,517	51,458	52,978
<b>Total Customs ..</b>	<b>9,486,555</b>	<b>11,605,410</b>	<b>13,705,220</b>	<b>21,731,210</b>	<b>17,328,310</b>

(a) Debit.

The receipts from this source in 1920-21 were abnormally high owing to the fulfilment of large numbers of contracts from abroad before the anticipated time.

(b) *Excise Revenue.* Particulars concerning the amount of Excise collected under each head during each of the years ending 30th June, 1918, to 1922, are given hereunder:—

## COMMONWEALTH EXCISE REVENUE, 1917-18 TO 1921-22.

Particulars.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Beer .. ..	1,703,888	2,862,760	3,702,442	5,439,339	5,473,220
Spirits .. ..	804,476	1,098,440	1,609,065	1,558,766	1,510,432
Tobacco .. ..	1,223,792	1,847,661	2,545,214	3,055,308	3,288,852
Licences .. ..	5,601	12,699	4,681	12,569	12,716
Starch .. ..	..	..	..	12,714	16,829
<b>Total Excise ..</b>	<b>3,737,757</b>	<b>5,821,560</b>	<b>7,869,339(a)</b>	<b>10,078,696</b>	<b>10,302,049</b>

(a) Including £7,937 "Other."

Comparing the Excise collections for 1921-22 with those for 1917-18, it will be seen that the revenue from beer more than trebled in the period under review, while that from tobacco has nearly trebled. The large increase in every item in the last four years is due to the operation of increased excise duties which came into force on 25th September, 1918.

(c) *Land Tax.* Details in regard to rates of tax, etc., will be found in Official Year Book No. 14 at the end of Section XX.

A table is appended showing the actual amounts received by the Treasury for five years. The yield of the tax has been remarkably constant for many years.

**COMMONWEALTH LAND TAX COLLECTIONS, 1917-18 TO 1921-22.**

State.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales ..	889,164	822,880	955,935	933,649	1,015,851
Victoria ..	844,872	885,084	818,769	865,001	910,764
Queensland ..	149,989	141,121	112,064	85,978	95,763
South Australia ..	145,852	153,789	118,318	166,260	174,983
Western Australia ..	58,743	64,378	60,613	63,349	45,820
Tasmania ..	35,159	41,918	44,607	41,462	40,859
Total ..	2,123,779	2,109,170	2,110,306	2,155,699	2,284,040

(d) *Estate Duty.* Collections from this source for the five years, 1917 to 1922, are given hereunder :—

**COMMONWEALTH ESTATE DUTY COLLECTIONS, 1917-18 TO 1921-22.**

Year.	N.S.W.	Vic. (b)	Q'land.	S. Aust.(a)	W. Aust.	Tas.	Total.
	£	£	£	£	£	£	£
1917-18 ..	338,006	448,225	55,181	69,737	18,616	17,467	947,232
1918-19 ..	307,499	377,872	56,909	131,488	28,638	21,502	923,908
1919-20 ..	399,896	700,629	60,670	144,077	99,826	36,720	1,441,818
1920-21 ..	35,070	432,281	98,054	171,450	76,516	16,142	1,179,513
1921-22 ..	363,731	372,126	97,785	82,698	39,865	35,173	991,378

(a) Including Northern Territory.

(b) Including Central Office.

(e) *Income Tax.* The first Commonwealth Income Tax was levied during the financial year 1915-16. The legislation on the subject comprises the Income Tax Assessment Act No. 34 of 1915, as amended by the Income Tax Assessment Acts Nos. 47 of 1915, 37 of 1916, 39 of 1916, 18 of 1918, and 31 and 32 of 1921. Full details as to the original Acts are to be found in Commonwealth Official Year Book No. 9. The result of the last five years' collections was as follows :—

**COMMONWEALTH INCOME TAX COLLECTIONS, 1917-18 TO 1921-22.**

States.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales ..	2,543,427	3,674,633	4,291,947	4,920,154	5,273,221
Victoria (a) ..	2,847,448	3,966,829	5,325,003	5,867,958	7,312,618
Queensland ..	795,717	1,206,051	1,446,503	1,269,242	1,547,138
South Australia ..	612,225	803,950	906,837	1,382,029	1,494,210
Western Australia ..	433,703	487,842	558,026	557,277	692,339
Tasmania ..	149,947	234,066	318,051	350,382	463,421
Northern Territory ..	3,047	3,085	1,757	4,366	7,735
Total ..	7,385,514	10,376,456	12,848,124	14,351,408	16,790,682

(a) Including Central Office.

The steady rise during the period has been due in part to increases in the rates of tax, and in part to the increase in money incomes associated with rising prices.

(f) *Entertainments Tax.* The rate of Entertainments Tax, according to Amending Act No. 15 of 1922, is as follows :—For tickets of 1s., 1d. ; exceeding 1s., 1d. for the first shilling, and ½d. for every subsequent sixpence or part of sixpence. The collections for the last five years are as follows :—

## COMMONWEALTH ENTERTAINMENTS TAX COLLECTIONS, 1917-18 TO 1921-22.

State.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales ..	107,033	136,932	234,327	272,373	276,786
Victoria ..	72,209	110,815	176,411	203,781	222,210
Queensland ..	30,086	45,930	62,671	75,332	75,048
South Australia ..	18,430	27,534	38,990	42,210	45,925
Western Australia ..	11,879	27,934	34,210	39,716	38,420
Tasmania ..	5,988	8,680	10,993	16,266	17,193
Northern Territory ..	273	301	309	160	93
Total ..	245,898	358,126	557,911	649,828	675,675

(g) *War-Time Profits Tax.* This tax came into force on the 22nd September, 1917. It provides for a tax on the amount by which the profits made in the war-time financial year (1st July to 30th June following), exceeds the pre-war standard of profits, which may be either :—(a) the average profits of two of the three years before 4th August, 1917, or (b) 10 per cent. on the capital employed in the business. The tax in respect of profits derived in the financial year 1st July, 1915, to 30th June, 1916, was 50 per cent., and in all subsequent years 75 per cent. The collections for the first five years are given in the accompanying table. The original section 2 of the War Time Profits Tax Assessment Act stated that this Act would apply to the profits of any business arising up to 30th June next after the Declaration of Peace in connexion with the late war. Subsequent to the signing of the armistice, on 11th November, 1918, the section was amended to accord with that intention, and thus fixed the final application of the Act to profits arising during the year ended 30th June, 1919. The figures for subsequent years represent delayed collections under this Act.

## COMMONWEALTH WAR-TIME PROFITS TAX COLLECTIONS, 1917-18 TO 1921-22.

State.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales ..	147,285	524,658	880,442	784,339	376,480
Victoria (a) ..	371,969	364,572	1,066,161	930,927	687,211
Queensland ..	33,526	125,329	230,283	122,728	83,892
South Australia ..	67,795	137,641	243,527	144,198	86,603
Western Australia ..	43,323	15,940	105,517	85,255	44,351
Tasmania ..	16,110	38,398	43,083	15,692	28,172
Total ..	680,008	1,206,538	2,569,013	2,083,139	1,306,709

(a) Including Central Office.

(h) *War Postage.* This was a new source of revenue derived from an additional halfpenny rate imposed on postages from the 28th October, 1918. The amount credited to "War Postage" is the excess over the normal increase of revenue from postage. The amount collected for the balance of the financial year 1918-19 was £463,317, and in 1919-20 it was £745,962. In 1920-21 it fell to £197,928, as credits under this head of revenue ceased on 1st October, 1920.

(iii) *Public Works and Services.*—(a) *Postal Revenue.* Particulars concerning this branch of revenue for each of the financial years from 1917–18 to 1921–22 are contained in the following table :—

**COMMONWEALTH POSTAL REVENUE, 1917–18 TO 1921–22.**

Particulars.	1917–18.	1918–19.	1919–20.	1920–21.	1921–22.
	£	£	£	£	£
Private boxes and bags ..	34,926	35,672	37,188	40,044	42,606
Commission—					
Money orders and postal notes	129,651	133,955	147,175	169,256	172,861
Telegraphs .. ..	1,032,318	1,103,664	1,274,527	1,369,922	1,375,584
Telephones .. ..	1,731,149	1,876,928	2,159,449	2,431,980	2,724,552
Postage .. ..	2,625,262	2,726,524	2,874,730	4,142,781	4,682,964
Miscellaneous .. ..	208,884	233,779	251,686	234,586	322,087
<b>Total .. ..</b>	<b>5,762,190</b>	<b>6,110,522</b>	<b>6,744,755</b>	<b>8,388,569</b>	<b>9,320,654</b>

The item “Miscellaneous” includes a subsidy from the Commonwealth Bank for the conduct of Savings Bank business, the mail transit rates, and certain allowances.

(b) *Railway Revenue.* The Commonwealth Government is responsible for four lines, the Kalgoorlie–Port Augusta, the Port Augusta–Oodnadatta, the Darwin–Katherine River, and the Capital Territory line. The appended table shows the amounts paid into the credit of the Consolidated Revenue Fund on account of each of these railways for the past five years. In the case of the Port Augusta–Oodnadatta Railway the amount in the year 1917–18 was made up by fees, wharfage rates, etc., and was independent of the working receipts. Under an arrangement which came into effect on 1st January, 1914, this line is worked by the South Australian Government, and the Commonwealth Government receives the profit, if any, on the working, or pays the deficiency. Since 1914 there has always been a deficiency, which is met by a payment from the Commonwealth Government.

**COMMONWEALTH RAILWAY REVENUE, 1917–18 TO 1921–22.**

Railway.	1917–18.	1918–19.	1919–20.	1920–21.	1921–22.
	£	£	£	£	£
Kalgoorlie–Port Augusta ..	164,203	150,856	233,564	221,386	201,084
Port Augusta–Oodnadatta ..	1,027	..	..	..	..
Darwin–Katherine River ..	35,172	45,725	31,783	12,761	14,370
Capital Territory .. ..	705	407	571	1,240	1,847
<b>Total .. ..</b>	<b>201,107</b>	<b>196,988</b>	<b>265,918</b>	<b>235,387</b>	<b>217,301</b>

(c) *Commonwealth Steamships.* About the end of June, 1916, the Commonwealth Government announced that owing to the difficulty of obtaining tonnage and to increasing freight charges it had purchased fifteen steamers to insure to producers, as far as possible, the transport of their produce. The price given was rather more than £2,000,000, the capital cost brought forward from 30th June, 1917, being £2,080,656. The profits for the year 1916–17 amounted to £327,336, and for the year 1917–18 to £576,164, a total of £903,500. Out of this amount the sum of £880,000 was transferred from the Trust Account to Consolidated Revenue in 1917–18, with the approval of the Treasurer. The Consolidated Revenue benefited further in 1918–19, the surplus earnings being £1,015,762. In the years 1919 to 1921 there was not a sufficient balance in the Trust Account to allow of a transfer to Consolidated Revenue, these transfers being taken from Cash Balances and not from Revenue Account Balances, as disclosed by the Profit and Loss and Balance-sheet Statements of the line.

(d) *Detained Enemy Vessels.* This is an item which first appeared in the Commonwealth accounts in 1914-15. For the first two years it appeared in the receipts of the Navy, but since 1916-17 it has ranked as a separate account. The fall in 1918-19 is due to the fact that gross receipts were paid into the Consolidated Revenue in 1917-18, and net receipts in 1918-19. The vessels are now incorporated in the fleet of the Government Line of Steamers.

(e) *Other Public Works and Services.* The most important items in 1917-18 were "Profit on sale of rabbit skins" £301,000, and "Profit on charter of vessels" £166,790. In 1918-19 they were "Profit under Wool Tops Agreement" £141,008, and "Profit on charter of vessels" £15,000. In 1919-20 they were "Profit under Cornsacks Distribution Account" £130,472, and "Profit under Wool Tops Agreement" £78,273. In 1920-21 they were "Profit under Wool Tops Agreement" £89,404, and "Profit on sale of coal to New Zealand Government" £51,555.

(iv) *Other Sources of Revenue.* (a) *Interest, Discount, etc.* The most important investments of the Commonwealth Government from which interest is derived are—Loans to States, General Trust Funds, Loans to the London Market, Fixed Deposits with the Commonwealth and other Banks, and certain advances and overdrafts. In 1919-20, the main receipts from this source were—Interest on Loans and Advances to States, £967,538; Interest on Bank Deposits, £210,873; and Interest on General Trust Funds, £176,701. In 1920-21 they were Interest on Loans and Advances to States, £1,482,569; Interest on General Trust Fund Investments, £243,115; and Interest on Bank Deposits, £165,000. In 1921-22 they included Interest on Loans and Advances to States, £1,789,615; Interest on General Trust Fund Investments, £264,424; Interest on Bank Deposits, £146,250; and Interest, Nauru Island Agreement, £93,987.

(b) *Coinage.* The Commonwealth Revenue under this head is derived from profit on coin issued, and for 1921-22 was made up of £143,923 for silver and £34,516 for bronze.

(c) *Defence.* The income from this source (which is derived from both Defence and Navy Offices) is mainly derived from sales of material and stores supplied, forfeitures, fines, costs, etc. In 1921-22, £87,662 was contributed by the Defence Department, and £62,635 by the Navy Office.

(d) *Patents, etc.* This heading includes Patents, Trade Marks, Copyright and Designs, the administration of which has been exclusively a Commonwealth concern for a very long time. In 1921-22, £31,005 was obtained from Patents, and £10,388 from Trade Marks, Copyright and Designs.

(e) *Defence Trust Account.* This is credited with receipts from Parliamentary appropriations, and from the Departments and the public for work done and material supplied. In the year 1921-22 the total receipts amounted to £832,151, and the expenditure to £629,066, leaving a balance of £203,085.

(f) *Unexpended Balance of London Orders.* The largely increased amount for the two years 1919-20 and 1920-21 is due to an amendment by the Treasury of the London Account Regulations, which superseded the system of charging votes upon the remittance of amounts from the Commonwealth, and made such charge only when payment in London is actually completed. This necessitated the closing of the Trust Account for London Liabilities, and the transfer of unexpended balances to the revenue. There were no unexpended balances in 1921-22.

(g) *Miscellaneous.* This includes several items which are either small in themselves, or not included under separate headings, as they are virtually non-recurring. Thus in 1921-22 there was a payment into revenue of £835,000 on account of the Army of Occupation, and one of £183,737 on account of Sugar—Interest on Overdraft.

### Division III.—Expenditure.

1. *Nature of Commonwealth Expenditure.*—The disbursements by the Commonwealth Government of the revenue collected by it fell naturally, under the "book-keeping"\* system, into three classes, viz. :—

- (a) Expenditure on transferred services.
- (b) Expenditure on new services.
- (c) Payment to States of surplus revenue.

\* For an exposition of the "book-keeping system" see Commonwealth Year Book No. 6, page 780.



Of these three, only the first two were actual expenditure, the last being merely a transfer, the actual expenditure being incurred by the States. In accordance with the provisions of the Constitution, the expenditure on transferred services was, under the "book-keeping" system, debited to the several States in respect of which such expenditure was incurred, while the expenditure on new services was distributed *per capita*. Surplus Commonwealth revenue was paid to the States monthly. During the earlier years of Federation, viz., until the end of the year 1903-4, new works, etc., for transferred departments were treated as transferred expenditure, and were charged to the States on whose behalf the expenditure had been incurred. In subsequent years all such expenditure was regarded as expenditure on new services, and distributed amongst the States *per capita*. Under the arrangement, which superseded the "book-keeping" system, a specific subsidy of 25s. per head of population is made annually by the Commonwealth to the States, and there is no further debiting of expenditure to the several States.

2. **Total Expenditure.**—The total expenditure by the Commonwealth Government and the expenditure per head of population during the period 1917-18 to 1921-22 are shown in the following table:—

**COMMONWEALTH EXPENDITURE, 1917-18 TO 1921-22.(a)**

Particulars.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Total .. ..	30,499,494	38,262,585	46,062,610	58,677,445	57,861,511
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per head .. ..	6 2 5	7 10 7	8 13 8	10 16 10	10 10 0

(a) Including balance paid into Trust Funds, but excluding subsidies to States.

The largely increased expenditure in recent years is due partly to Old-age and Invalid Pensions, but mainly to the expenditure from Revenue upon War Services and to the general rise in prices.

3. **Details of Expenditure from Consolidated Revenue.**—(i) *General.* The following table gives details of the expenditure from Consolidated Revenue, and is arranged in such a manner as to show under each Department the expenditure on behalf of that Department:—

**COMMONWEALTH EXPENDITURE.—CONSOLIDATED REVENUE,  
1917-18 TO 1921-22.**

Heads of Expenditure.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Cost of Departments—					
Governor-General .. ..	26,893	23,875	27,215	30,707	27,897
Parliament .. ..	237,464	245,713	348,415	323,359	346,192
Prime Minister .. ..	234,568	231,173	312,408	434,939	733,528
Attorney-General .. ..	96,930	94,686	111,007	132,446	148,045
Treasury .. ..	2,902,578	1,222,580	2,479,078	3,764,051	2,566,573
Trade and Customs .. ..	715,120	817,505	992,142	964,993	889,121
Defence .. ..	2,834,321	3,056,747	2,012,639	4,184,719	4,456,198
Postmaster-General .. ..	5,349,994	5,449,722	6,136,020	7,305,243	8,183,686
Home and Territories .. ..	468,701	489,163	478,281	746,569	695,708
Works and Railways .. ..	672,893	683,874	714,196	698,392	609,327
Health .. ..	..	..	..	..	172,227
Total .. ..	18,539,471	12,315,038	14,512,301	18,585,418	18,833,502
Miscellaneous—					
New Works .. ..	622,203	405,656	335,154	2,098,203	2,571,794
War Services .. ..	11,863,250	21,255,101	24,579,099	30,464,247	29,136,541
Carried forward in respect of Pensions	3,925,820	3,476,478	5,724,806	6,618,327	6,408,424
Interest—State Loans Act .. ..	548,750	810,312	911,250	911,250	911,250
Total .. ..	16,960,023	25,947,547	31,550,309	40,092,027	39,028,009
Grand Total .. ..	30,499,494	38,262,585	46,062,610	58,677,445	57,861,511

More detailed reference to the items included under the above general heads is furnished in the succeeding sub-sections.

(ii) *Cost of Departments—(a) Governor-General.* In section 30 of the Constitution it is enacted that, until the Commonwealth Parliament otherwise provides, there shall be payable out of the Consolidated Revenue Fund for the salary of the Governor-General an annual sum of ten thousand pounds, and a proviso is made that the salary of the Governor-General shall not be altered during his continuance in office. The total expenditure in connexion with the Governor-General and establishment for the five years 1917-18 to 1921-22 is as follows:—

**EXPENDITURE.—GOVERNOR-GENERAL AND ESTABLISHMENT,  
1917-18 TO 1921-22.**

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Salary .. .. .	10,000	10,000	10,000	10,000	10,000
Governor-General's Establishment ..	6,351	4,390	9,243	13,127	11,708
Contingencies (a) .. .. .	10,542	9,485	7,972	7,374	6,189
Interest on Commonwealth Treasury Bills ..	..	..	..	206	..
<b>Total .. .. .</b>	<b>26,893</b>	<b>23,875</b>	<b>27,215</b>	<b>30,707</b>	<b>27,897</b>

(a) Represents official services outside the Governor-General's personal interests, and carried out in the main at the instance of the Government.

(b) *Parliament.* Under this head have been grouped all the items of expenditure connected with the Parliamentary government of the Commonwealth, including the salaries of the Ministers and the allowances to senators and members of the House of Representatives. Details for the five years 1917-18 to 1921-22 are furnished in the table given hereunder:—

**EXPENDITURE.—COMMONWEALTH PARLIAMENT, 1917-18 TO 1921-22.**

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Salaries of Ministers .. .. .	14,901	15,300	15,231	15,368	15,300
Allowances to Senators .. .. .	20,854	20,760	22,376	34,710	34,916
Allowances to Members of House of Representatives .. .. .	42,796	42,261	40,993	69,133	69,395
Officers, staff, contingencies, etc. ..	39,583	37,584	40,182	51,661	63,253
Repairs, maintenance, etc. .. .. .	1,518	1,568	1,663	1,686	2,529
Printing .. .. .	16,864	26,863	21,347	23,810	24,912
Travelling expenses of Members and others .. .. .	9,950	8,913	9,379	11,996	12,262
Insurance .. .. .	342	342	342	342	342
Electoral Office .. .. .	53,717	53,159	60,677	70,200	72,816
Election expenses .. .. .	4,355	2,459	98,110	3,037	5,201
Administration of Electoral Act ..	27,425	31,460	33,859	28,477	42,548
Miscellaneous .. .. .	5,159	5,044	4,256	12,939	2,718
<b>Total .. .. .</b>	<b>237,464</b>	<b>245,713</b>	<b>348,415</b>	<b>323,359</b>	<b>346,192</b>

In section 66 of the Constitution, provision is made that there shall be payable out of the Consolidated Revenue Fund of the Commonwealth, for the salaries of Ministers

of State, an annual sum which, until Parliament otherwise provides, shall not exceed £12,000. This was modified in 1915-16, when the Minister of the Navy was given separate Cabinet rank. Allowances to senators and members of the House of Representatives are also provided for in the Constitution, section 48 of which specifies that until Parliament otherwise provides, each such allowance shall consist of £400 a year reckoned from the day on which the member takes his seat. During the second session of the Commonwealth Parliament in 1907 the question of allowances to members came under consideration, and an Act was passed raising the annual allowance from £400 to £600, such increase to date from 1st July, 1907. During 1920, the salaries of members of both Houses were further increased to £1,000 per annum.

(c) *Prime Minister's Department.* This department was created during the financial year 1911-12. In addition to the Prime Minister's Office it includes the Audit Office taken from the Treasury, the Executive Council taken from the External Affairs Department, and the Public Service Commissioner's Office taken from the Home Affairs Department. In 1916-17 it assumed control of the High Commissioner's Office in London, which was detached from the old External Affairs Department when the latter was merged in the Home and Territories Department. It has recently enlarged its activities by administering the affairs of the Mandated Territories. The expenditure for the last five years is shown in the following table:—

EXPENDITURE.—PRIME MINISTER'S DEPARTMENT, 1917-18 TO 1921-22.

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Salaries, contingencies, etc. . . . .	25,764	33,328	29,125	32,876	38,191
Executive Council . . . . .	160	177	210	250	165
Audit Office . . . . .	18,480	25,486	27,745	32,211	34,689
Rent, repairs, etc. . . . .	16,489	7,028	6,997	7,214	9,021
Public Service Commissioner's Office . . . . .	22,329	23,129	26,757	30,546	34,960
High Commissioner's Office . . . . .	52,166	57,106	66,037	75,764	69,417
Interest on Commonwealth Securities	23,467	25,781	27,464	21,620	204,316
Sinking Fund on Commonwealth Securities . . . . .	2,433	2,433	2,433	433	550
Mail Service to Pacific Islands . . . . .	35,021	28,800	21,600	43,501	49,167
Contribution to Secretariat, League of Nations . . . . .	..	..	..	68,350	40,984
Immigration . . . . .	..	..	..	..	72,175
Interest on Transferred Properties . . . . .	..	..	..	..	30,370
Miscellaneous . . . . .	38,259	27,905	104,040	122,174	149,523
Total . . . . .	234,568	231,173	312,408	434,939	733,528

The "Miscellaneous" vote for 1919-20 included £32,979 as a grant for the relief of distress caused by the maritime strike; £17,301 for the expenses incurred during the visit of the Prince of Wales; £10,994 for the Basic Wage Commission; £15,727 for the Australian Commission in the United States; and £10,000 as a reward to Sir Ross Smith. In 1920-21 the largest single item was one of £50,371, representing the balance of the expenses of the visit of the Prince of Wales. The remaining items included £10,881 for Basic Wage Commission; £5,418 for Conferences on Coal Industry disputes; £5,802 for Commonwealth representation at Geneva Conference; and £4,000 for Imperial Mineral Resources Bureau Grant. In 1921-22 it included £49,070 for relief of distress in Europe, and £32,500 as payment of the South African Government on account of wheat.

(d) *Attorney-General's Department.* The extra expenditure connected with this Department of late years has been caused in large measure by the extension of the Federal

High Court, and an increase in the item "Patents, Trade Marks, etc." Details for the five years 1917-18 to 1921-22 are furnished hereunder :—

**EXPENDITURE.—ATTORNEY-GENERAL'S DEPARTMENT, 1917-18 TO 1921-22.**

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Attorney-General's Office .. ..	10,189	11,510	14,492	15,558	18,358
Crown Solicitor's Office .. ..	11,255	12,943	16,042	17,879	18,248
Salaries of Justices of High Court ..	21,500	21,500	22,448	21,556	21,500
High Court expenses .. ..	9,852	8,837	11,922	12,925	12,276
Court of Conciliation and Arbitration ..	7,900	6,242	7,650	9,112	4,949
Rent, repairs, etc. .. ..	9,414	4,839	4,733	5,889	8,200
Patents, Trade Marks, etc. .. ..	19,253	23,875	32,321	42,389	43,602
Investigation Branch .. ..	..	..	..	4,244	7,496
Public Service Arbitrator's Office ..	..	..	..	1,036	4,524
Miscellaneous .. ..	7,567	4,940	1,399	1,858	8,892
<b>Total .. ..</b>	<b>96,930</b>	<b>94,686</b>	<b>111,007</b>	<b>132,446</b>	<b>148,045</b>

(e) *Treasurer's Department.*—The sub-departments under the control of the Commonwealth Treasurer are the Treasury, the Pensions Department, and the Taxation Office. Details of the expenditure of this Department for the last five years are given in the following table :—

**EXPENDITURE.—TREASURER'S DEPARTMENT, 1917-18 TO 1921-22.**

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Treasury .. ..	29,391	32,072	48,393	61,139	56,084
Taxation Office .. ..	281,523	311,330	375,710	513,422	592,149
Pensions Office .. ..	53,391	61,406	73,509	85,016	88,687
Maternity Allowance Office .. ..	12,280	11,209	12,708	15,902	15,143
Coinage .. ..	30,481	18,411	18,956	33,981	50,785
Rent, Repairs, etc. .. ..	20,491	18,715	25,676	28,090	33,002
Interest on Commonwealth Securities .. ..	12,273	..	..	41,223	..
Miscellaneous .. ..	7,696	93,597	29,132	34,277	77,693
<b>Departmental Expenditure</b>	<b>447,526</b>	<b>546,740</b>	<b>584,084</b>	<b>813,050</b>	<b>913,543</b>
Invalid and Old-age Pensions (a) .. ..	1,781,564	..	1,196,454	2,174,336	872,352
Maternity Allowance .. ..	634,428	620,080	625,865	700,760	690,700
Maintenance of persons in charitable institutions ..	39,060	55,760	72,675	75,905	89,978
<b>Total .. ..</b>	<b>2,902,578</b>	<b>1,222,580</b>	<b>2,479,078</b>	<b>3,764,051</b>	<b>2,566,573</b>

(a) In addition, the following amounts were spent from Trust Funds :—In 1917-18, £2,077,427; in 1918-19, £3,879,241; in 1919-20, £3,350,425; in 1920-21, £2,900,000; and in 1921-22, £4,417,704.

The fluctuations in the total expenditure on this Department are mainly due to the variations in the method of payment of the Invalid and Old-age Pensions, which, as explained in the footnote, are partly paid from Trust Funds. The increase in the departmental expenditure is largely on account of the Taxation Office. The "Miscellaneous" vote for 1918-19 included £78,344, temporary credits under certain Trust Fund accounts. For 1921-22 it included a loan of £25,000 to the Returned Soldiers' Woollen Company, and £11,034 for the Royal Commission on Taxation.

(f) *Trade and Customs.* Under this head have been included the expenditure of all the sub-departments under the control of the Minister of Trade and Customs, as well as the amounts payable as sugar and other bounties and the expenses in connexion therewith. The administration of Patents, Trade Marks, and Copyright is now entrusted to the Attorney-General's Department, and that of Quarantine to the new Department of Health. Particulars for the five years 1917-18 to 1921-22 are given in the following table :—

**EXPENDITURE.—TRADE AND CUSTOMS DEPARTMENT, 1917-18 TO 1921-22.**

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Chief Office .. .. .	21,849	29,404	37,362	43,861	68,677
Customs (ordinary) .. .	339,698	350,253	399,534	460,187	477,566
Navigation .. .. .	555	211	1,479	8,100	18,188
Analyst .. .. .	3,498	4,804	5,637	5,663	5,794
Audit (proportion) .. .	4,525	4,617	5,538	7,940	6,869
Quarantine .. .. .	50,748	150,820	100,030	100,583	..
Pensions and retiring allowances ..	16,545	17,213	17,186	16,803	16,946
Rents, repairs, etc. .. .	20,945	18,066	20,933	24,386	23,089
Sugar and other bounties .. .	15,418	30,460	16,292	24,406	29,793
Inter-State Commission .. .	11,903	12,007	10,545	3,650	..
Lighthouses .. .. .	133,837	137,364	147,349	168,314	160,518
Interest on transferred properties ..	79,294	43,951	77,795	71,469	42,497
Interest on Commonwealth securities .. .. .	726	2,200	3,267	3,501	1,741
Bureau of Commerce and Industry ..	..	..	3,774	5,160	5,000
Institute of Science and Industry ..	6,981	13,131	13,109	16,042	17,201
Miscellaneous .. .. .	8,607	3,004	132,312	4,928	15,242
Total .. .. .	715,129	817,505	992,142	964,993	889,121

The rise in expenditure on quarantine and lighthouses in recent years has caused an increase in the expenditure on this Department. The large "Miscellaneous" vote in 1919-20 is due to an item of £130,036 paid to the Australian Wheat Board as profit on cornsacks.

(g) *Defence.* The expenditure in connexion with Defence, which in 1901-2 amounted to £861,218, had by 1921-22 grown to £4,456,198. The Military and Naval Departments having been again amalgamated in 1922, are shown under the one heading. Expenditure on the Air Service is included for the first time in 1920-21. Particulars for the last five years are as follows :—

**EXPENDITURE.—DEFENCE, COMMONWEALTH, 1917-18 TO 1921-22.**

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Chief Office .. .. .	89,339	86,832	108,429	125,491	150,384
Military .. .. .	1,052,848	1,153,036	914,089	1,276,531	1,386,042
Naval .. .. .	1,426,988	1,506,897	1,562,029	2,367,748	2,198,268
Air Services .. .. .	..	..	..	62,888	155,282
Audit (proportion) .. .	22,565	10,118	16,104	17,298	15,032
Pensions and retiring allowances .. .. .	1,279	1,392	1,202	2,162	2,633
Rents, Repairs, etc. .. .	73,678	79,222	78,461	108,728	107,312
Interest on transferred properties .. .. .	129,548	136,699	130,471	122,325	93,586
Interest on Commonwealth securities .. .. .	18,834	48,440	71,005	71,433	18,776
Miscellaneous .. .. .	19,242	34,111	30,849	30,115	328,883
Total .. .. .	2,834,321	3,056,747	2,912,639	4,184,719	4,456,198

The large sum under "Miscellaneous" for 1921-22 includes £300,000 for compensation under the Defence Retirement Act.

(h) *Postmaster-General's Department.* Full details of the expenditure of this Department are given in the table hereunder :—

## EXPENDITURE.—POSTAL DEPARTMENT, 1917-18 TO 1921-22.

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Chief Office .. ..	21,960	23,189	25,842	30,949	33,954
Postal Department (ordinary) ..	4,920,251	5,015,429	5,681,340	6,844,979	7,722,459
Audit (proportion) ..	2,635	2,888	6,224	8,182	8,927
Pensions and retiring allowances ..	59,174	64,720	67,842	75,057	81,171
Rents, repairs, etc. ..	60,070	60,756	62,415	86,824	101,047
Interest on transferred properties ..	212,227	210,908	214,815	186,070	186,752
Interest on Commonwealth Securities ..	42,150	46,420	52,832	49,562	19,516
Sinking Fund on Commonwealth Securities ..	16,271	16,271	16,271	16,193	16,193
Miscellaneous .. ..	15,256	9,141	9,339	7,427	18,667
Total .. ..	5,349,994	5,449,722	6,136,920	7,305,243	8,188,686

(i) *Home and Territories.* Under this Department, created in the financial year 1916-17, is placed the bulk of the old External Affairs Department (after the removal of the London office), and the Census and Statistics, and Meteorological Offices, taken from the old Home Affairs Department. The Darwin-Katherine River Railway is administered by the Works and Railways Department.

## EXPENDITURE.—HOME AND TERRITORIES DEPARTMENT, 1917-18 TO 1921-22.

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Chief Office .. ..	14,737	16,156	18,528	21,756	21,594
Census and Statistics .. ..	15,013	16,248	16,795	17,713	18,936
Meteorological Branch .. ..	25,971	28,209	29,706	84,923	88,932
Lands and Survey .. ..	14,449	15,935	17,280	22,236	22,226
Papua .. ..	51,918	51,260	51,492	62,656	179,245
Rents, repairs, etc. .. ..	10,493	14,905	13,207	16,380	15,941
Northern Territory .. ..	207,620	213,649	186,782	232,011	193,950
Federal Capital Territory ..	23,382	24,142	25,482	26,828	32,741
Norfolk Island .. ..	3,000	3,000	3,000	3,000	3,000
Interest on Commonwealth Securities (a) ..	74,548	84,881	91,572	54,032	34,280
Sinking Fund, Commonwealth Securities (a) ..	5,853	5,853	5,853	2,612	2,535
Miscellaneous .. ..	21,717	14,925	18,584	202,422	82,328
Total .. ..	468,701	489,163	478,281	746,569	695,708

(a) Includes Northern Territory.

The large "Miscellaneous" item in 1920-21 includes £149,150 special expenditure on the Census of 1921.

(j) *Works and Railways Department.* The great extension of Commonwealth Works and Railways led, in 1916-17, to the separation of these functions from the old Home Affairs Department and the constitution of a separate Department which also administers the railways which were formerly under the control of the old External Affairs Department. The expenditure for the last five years is as follows :—

**EXPENDITURE.—WORKS AND RAILWAYS DEPARTMENT, 1917-18 TO 1921-22.**

Details.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Chief Office .. .. .	31,162	36,594	39,770	45,317	31,724
Kalgoorlie-Port Augusta Railway	232,726	237,204	264,798	292,168	255,776
Port Augusta-Oodnadatta Railway, and Northern Territory Railways .. .. .	172,637	162,077	159,456	156,900	180,034
Interest on transferred properties .. .. .	403	403	403	374	374
Interest on Commonwealth Securities .. .. .	208,811	226,083	232,948	174,002	100,408
Sinking Fund on Commonwealth Securities .. .. .	11,957	11,957	11,957	13,200	13,200
Rent, repairs, etc. .. .. .	2,953	2,957	3,286	4,670	4,544
Royal Commission—Unification of Gauge .. .. .	..	..	..	..	9,229
Miscellaneous .. .. .	12,244	6,599	1,578	11,761	14,038
<b>Total .. .. .</b>	<b>672,893</b>	<b>683,874</b>	<b>714,196</b>	<b>698,392</b>	<b>609,327</b>

(k) *Health Department.* This department came into existence in the financial year 1921-22. Details of expenditure are as follow :—

**EXPENDITURE.—HEALTH DEPARTMENT, 1921-22.**

	£
Central Administration .. .. .	9,601
Salaries, Contingencies, etc. .. .. .	134,934
Interest on Treasury Bills .. .. .	87
Interest on Transferred Properties.. .. .	6,909
Rent and Repairs .. .. .	10,065
Miscellaneous .. .. .	10,631
<b>Total .. .. .</b>	<b>172,227</b>

(iii) *Miscellaneous. (a) New Works.* Particulars of the expenditure on new works, etc., during the last five years are given in the following table :—

## EXPENDITURE ON NEW WORKS, 1917-18 TO 1921-22.

Department.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Parliament .. ..	..	..	..	700	2,086
Prime Minister .. ..	..	..	..	1,653	1,029
Treasury .. ..	2,377	609	1	5,832	54,242
Trade and Customs .. ..	109,164	38,542	12,104	28,103	7,249
Defence .. ..	245,501	97,018	116,663	1,097,062	1,507,758
Postmaster-General .. ..	233,255	239,643	184,788	940,917	940,114
Home and Territories .. ..	27,718	22,156	21,439	23,564	31,463
Works and Railways .. ..	4,188	7,688	159	372	109
Health .. ..	..	..	..	..	27,744
Total .. ..	622,203	405,656	335,154	2,098,203	2,571,794

(b) *War Services.* Full details concerning the expenditure from Consolidated Revenue upon War and Repatriation will be found in a later sub-section.

(c) *Interest—State Loans Act.* The amount of £911,250 is the interest on the sum of £16,750,000 borrowed by the Commonwealth in London and advanced to the States (except New South Wales). Of this amount £4,000,000 carried interest at 5½ per cent., and £12,750,000 at 5½ per cent.

## Division IV.—Subsidy Paid to States.

1. *Payments to the Several States.*—The following table furnishes particulars of the subsidies paid to the States on account of each of the financial years 1917-18 to 1921-22 :—

## COMMONWEALTH SUBSIDY PAID TO STATES, 1917-18 TO 1921-22.

State.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales .. ..	2,317,783	2,380,139	2,472,717	2,533,234	2,632,036
Victoria .. ..	1,739,481	1,764,239	1,847,085	1,878,449	1,918,967
Queensland .. ..	845,913	856,300	895,454	912,628	952,728
South Australia .. ..	535,808	549,593	578,094	588,603	621,862
Western Australia .. ..	561,129	556,505	569,512	564,735	554,704
Tasmania .. ..	340,260	347,557	357,630	362,514	355,238
Total .. ..	6,340,374	6,454,333	6,720,492	6,840,163	7,035,535

The amounts of subsidy given in the table are based upon an annual payment of £1 5s. per capita, with special concessions to Western Australia and Tasmania, and are in accordance with the provisions of the "Commonwealth Surplus Revenue Act" passed in 1910 which came into effect on the 1st July of that year for a period of ten years, subject to revision on the expiration thereof. This period expired on the 30th June, 1920, and it was then possible for Parliament to extend the Act for a further period, or to enter into new financial relations with the States. The "per capita" payment was continued provisionally in the meantime.



### § 3. Trust Fund and Miscellaneous.

1. **Trust Accounts.**—The Trust Fund credit balance on 30th June, 1922, amounted to £13,740,016, as compared with £82,375,522 for the corresponding date in the year ending 30th June, 1920. This enormous decline is the result of the transference of the administration of the Australian Notes Account to the Commonwealth Bank. Details concerning the most important trust accounts are contained in the following table:—

#### COMMONWEALTH TRUST FUND, 30th JUNE, 1922.

Trust Accounts.	Balance at 30th June, 1922.	Trust Accounts.	Balance at 30th June, 1922.
	£		£
Australian Notes and Bond Printing ..	26,190	Other Trust Moneys ..	901,990
Australian Soldiers Repatriation Con- tribution ..	163,698	Port Augusta Railway Sinking Fund ..	50,234
Australian War Records Publications ..	18,492	Public Trustee ..	37,023
Cockatoo Island Dockyard ..	146,209	Railway Plant and Stores Suspense ..	69,863
Commonwealth Government Ships ..	18,803	Railway Provision Stores ..	10,471
Defence—Clothing Material ..	174,168	Ships Insurance ..	438,544
Compensation ..	300,000	Small Arms Ammunition Factory ..	13,300
Small Arms ..	19,170	State Loans Expenses Suspense ..	63,709
Small Arms Ammunition ..	194,361	Suspense ..	14,117
Stores London Liabilities ..	475,201	Treaty of Peace—Clearing .. Office Account ..	33,789
Deferred Pay ..	390,092	Liquidation Account ..	140,879
General Average Deposits ..	11,767	Unclaimed Militia Pay ..	17,448
Insurance Lost Enemy Vessels ..	446,904	War Loan Securities Repurchase ..	918,173
International Postal and Money Order ..	12,745	War Pensions ..	3,204,212
Invalid and Old-age Pensions ..	3,204,212	War Savings Certificates Interest ..	112,276
Loans Sinking Fund ..	957,752	War Service Homes Insurance ..	36,089
London Loans Expense Suspense ..	226,191	Wireless Workshops ..	26,606
Money Order ..	674,900	Miscellaneous ..	63,010
New Guinea Agency ..	15,170		
Northern Territory ..	112,258	Total ..	13,740,016

2. **London Flotations on behalf of States.**—Act No. 17 of 1916 authorized the Treasurer to borrow £8,940,000 in the United Kingdom, and Act No. 16 of 1917 to raise £8,000,000, and to lend the amount to the several States, other than New South Wales, and, pending the borrowing of the money, to advance the amounts set forth in the Acts out of loans made by the Government of the United Kingdom to the Commonwealth. In pursuance of these Acts, £16,750,000 was distributed to the States up to 30th June, 1922. The money was allocated to the States as follows:—

#### COMMONWEALTH LOANS RAISED IN LONDON ON BEHALF OF STATES AS AT 30th JUNE, 1922.

State.	Amount.
	£
Victoria ..	1,954,000
Queensland ..	5,462,500
South Australia ..	4,116,000
Western Australia ..	4,150,500
Tasmania ..	1,067,000
Total ..	16,750,000

In addition to these amounts, the Commonwealth Government has made further advances to the States for various purposes which are set out as follows, the amounts representing what was outstanding at 30th June, 1922 :—

## ADVANCES TO STATES AT 30th JUNE, 1922.

Advances to—	Amounts.	Total.
	£	£
Government of New South Wales—		
Settling returned soldiers .. ..	9,811,213	10,811,213
Silos for wheat storage .. ..	1,000,000	
Government of Victoria—		
Settling returned soldiers .. ..	11,816,927	11,908,927
Providing employment .. ..	92,000	
Government of Queensland—		
Settling returned soldiers .. ..	2,563,784	3,034,916
Providing employment .. ..	400,000	
Forestry .. ..	71,132	
Government of South Australia—		
Settling returned soldiers .. ..	2,567,007	2,595,803
Providing employment .. ..	28,796	
Government of Western Australia—		
Settling returned soldiers .. ..	4,054,917	4,054,917
Government of Tasmania—		
Settling returned soldiers .. ..	2,075,143	2,075,143
Total .. ..	..	34,480,919

3. **Surplus Revenue.**—Until the end of 1906–7, the balance of the Consolidated Revenue Fund was paid to the States. From 1907–8 until the abolition of the book-keeping provisions of the Constitution the States received only three-fourths of the net Customs and Excise Revenue, and the balance of the Consolidated Revenue Fund was transferred to the Invalid and Old-age Pensions Trust Account and the Naval Defence Trust Account to provide for expenditure in subsequent years. A statement of surpluses and deficiencies for the past five years is appended hereto.

## COMMONWEALTH SURPLUS REVENUE, 1917–18 TO 1921–22.

Year.	Surplus.	Deficiency.	Accumulated Surplus at end of Year.
	£	£	£
1917–18 .. ..	1,848,393	..	3,925,820
1918–19 .. ..	..	402,763	3,523,057
1919–20 .. ..	2,201,749	..	5,724,806
1920–21 .. ..	893,521	..	6,618,327
1921–22 .. ..	..	209,903	6,408,424

## § 4. Commonwealth Loan Funds and Public Debt.

1. **General.**—Although it was not until 1915 that the Federal Government came into the loan market as a borrower, there had previously existed a Commonwealth Public Debt which included several items, such as the balance of the debt taken over from South Australia and the money owing to the States for transferred properties. The debt still

includes the items mentioned, in addition to the General Loan Fund, the loans for military purposes, etc. In view of the large expansion of the Public Debt, and its present importance in Commonwealth public finance, the different items are treated seriatim in the following sub-sections.

2. **Loans taken over from South Australia.**—The first portions of the debt were contracted at the beginning of 1911, when the Commonwealth assumed responsibility for the payment of interest on transferred properties (further dealt with in sub-section 4) and also for the administration and the liabilities of the Northern Territory and the Port Augusta—Oodnadatta Railway. At 30th June, 1911, the debt on account of the former was £3,657,836, and on account of the latter, £2,274,486—a total of £5,932,322. As the securities fall in they are redeemed by the Commonwealth Government, the money required being taken from the Loan Fund, which was created for this purpose, amongst others. This item is thus a constantly diminishing one, and on 30th June, 1922, stood at £3,951,746, of which £2,209,294 was on account of the Northern Territory, and £1,742,452 on account of the railway.

3. **Loan Fund for Public Works, etc.**—Up to 1911 the Commonwealth Government had met its Public Works expenditure out of revenue. In that year, however, in view of the heavy prospective cost of the Transcontinental Railway and the Federal Capital Territory, it was decided to institute a Loan Fund similar to those of the States. The initiation of this Fund was greatly assisted by the fact that the Treasury at that time held a large quantity of gold, principally on behalf of the Australian Notes Account, at that time only just inaugurated. Up to 30th June, 1914, the money required for loan expenditure was obtained mainly from this source at 3½ per cent., and inscribed stock of an equivalent value created. Since the outbreak of war the money required for the Loan Fund has been mainly obtained by the issue of Treasury Bills. The details of the expenditure for the last five years are given in the following table :—

COMMONWEALTH LOAN EXPENDITURE FOR WORKS, 1917 TO 1922.

Particulars.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
<b>Railways Construction—</b>					
Trans-Australian Railway .. ..	410,596	156,187	138,164	76,009	69,072
Northern Territory .. ..	42,178	1,226c	2,539	1,654	6,436
Other .. ..	4,260	2,193	91c	4,258	8,946
<b>Loan Redemption—</b>					
Northern Territory .. ..	..	339,408	..	223,814	..
Papua—Railways and Wharves .. ..	..	..	..	20,000	15,700
<b>Posts and Telegraphs—</b>					
Purchase of land .. ..	2,811	1,692	596c	920	7,706
Construction of conduits, etc. .. ..	67,375	116,760	305,538	9c	795,085
<b>Acquisition of land (a)—</b>					
London .. ..	69,991	46,120	58,611	55,727	18,651
Perth .. ..	24,347	18,291	23,073	21,644	45,000
Federal Capital Territory .. ..	90,703	1,395	11,968	83,232	148,425
Elsewhere (b) .. ..	37,622	67,488	37,375	5,474	32,757
<b>Defence Machinery; Dockyards, Cockatoo Island; Naval Bases, etc. .. ..</b>	<b>375,913</b>	<b>510,278</b>	<b>282,044</b>	<b>305,721</b>	<b>159,769</b>
Ship Construction .. ..	355,397	..	..	2,999,630	3,369,118
General Arsenal; Small Arms, etc.; Cordite .. ..	27,253	58,761	350,616	153,083	181,095
Lighthouses .. ..	42,473	16,115	26,795	29,746	14,556
Contribution under River Murray Waters Act .. ..	..	55,760	39,241	56,722	112,372
Acetate of Lime Factory .. ..	52,410	18,001	..	2,420	..
Plant and Stores Suspense Account .. ..	200,000	..	..	..	..
Wireless Telegraphy .. ..	118	22,668	11,509	..	..
Immigration .. ..	..	..	..	..	133,848
Miscellaneous .. ..	..	..	..	61,681	127,967
<b>Total .. ..</b>	<b>1,803,447</b>	<b>1,429,891</b>	<b>1,286,786</b>	<b>4,101,726</b>	<b>5,246,503d</b>

(a) Including cost of erection of buildings. (b) Excluding purchases for Posts and Telegraphs.  
(c) Credited by repayment. (d) In addition £7,007,107 was carried down to General Loan Fund Redemption Account from which £6,185,028 was spent in redeeming Treasury Bills.

4. **Properties Transferred from States.**—At the time of Federation, when the Commonwealth took over the control of a great many departments which had previously been administered by the States, a large amount of property was handed over to the Commonwealth Government. A valuation was made, with results set out in detail in Official Year Book No. 14, page 694, and the Commonwealth now pays interest to the States on account of all the transferred properties.

Since the valuation some transfers and retransfers have been made. The estimated value of the transferred properties for the last five years is given in the table in sub-section 7 hereinafter.

5. **War Loan from the Imperial Government.**—On the outbreak of the European war in 1914, the Commonwealth Government contracted a loan from the Imperial Government for the purpose of financing the large military expenditure which was seen to be inevitable. At first, the arrangement was that the Imperial Government should advance the sum of £18,000,000 in twelve monthly instalments of £1,500,000 each. It was soon found, however, that this would be insufficient, and the Imperial Government made a fresh advance of £6,500,000, also to be paid in monthly instalments. A third loan of £25,000,000 was subsequently negotiated, of which £12,000,000 was received by 30th June, 1916, and £11,000,000 in 1916–17. In addition to this capital indebtedness, a further sum of £42,696,500 was due to the British Government for the maintenance of Australian troops.

The last item of nearly £43,000,000 remained unfunded until early in 1921. An arrangement was then concluded with the Imperial Government, by means of which almost the entire debt (nearly £92,500,000) was consolidated. The Commonwealth Government undertook to extinguish the debt by annual payments of approximately £5,550,000, spread out over about 35 years, this payment representing 6 per cent. of the original debt. This provides for interest at nearly 5 per cent., and a sinking fund of a little more than 1 per cent., and may be regarded as a very satisfactory arrangement for the Commonwealth, since it entails only a moderate rate of interest, and provides for the ultimate extinction of nearly one-fourth of the National War Debt. The amount outstanding on 30th June, 1922, was £91,453,288, which will diminish steadily year by year owing to the operation of the sinking fund.

6. **Flotation of War Loans in Australia.**—In addition to the advances from the Imperial Government, the Commonwealth Government has raised large amounts of money for the prosecution of the war by direct application to the investing public of Australia.

Full details of the seven War Loans and the first Peace Loan are given in Official Year Book No. 14. In the financial year 1920–21 a second Peace Loan was floated with a currency of 10½ years and a rate of interest of 6 per cent. In the financial year 1921–22 a third Peace Loan was floated with a currency of 9½ years and a rate of interest of 6 per cent. It was issued at 96 and matures with the second Peace Loan on the 15th December, 1930. Totals for the ten issues are given in the tables hereunder. The first table refers to the gross total :—

**COMMONWEALTH LOANS LOCALLY RAISED.—TOTAL TO 30th JUNE, 1922.**

Local Loans.	Number of Subscribers.			Amount Subscribed.		
	Inscribed Stock.	Treasury Bonds.	Total.	Inscribed Stock.	Treasury Bonds.	Total.
	No.	No.	No.	£	£	£
Total	123,683	710,069	833,752	132,601,940	117,570,500	250,172,440

The next table shows the net proceeds of the loans.

**COMMONWEALTH LOANS LOCALLY RAISED.—NET PROCEEDS TO 30th  
JUNE, 1922.**

Local Loans.	Deductions.			Net Proceeds of Loan.
	Accrued Interest.	Flotation Expenses.	Total.	
	£	£	£	£
Total .. .. .	2,800,642	761,174	3,561,816	246,610,624

7. **Commonwealth Public Debt.**—(i) *Total Debt.* Separate consideration has already been given to the items composing the Public Debt. The table appended shows the debt of the Commonwealth (apart from the States) at yearly intervals since 1918.

**COMMONWEALTH PUBLIC DEBT AS AT 30th JUNE, 1918 TO 1922.**

Details.	1918.	1919.	1920.	1921.	1922.
	£	£	£	£	£
Balance of loans taken over from South Australia—					
(a) On account of Northern Territory .. .. .	2,772,516	2,433,108	2,433,108	2,209,294	2,209,294
(b) On account of Oodnadatta railway .. .. .	1,759,003	1,759,003	1,759,003	1,759,003	1,742,452
Value of properties transferred by States .. .. .	11,202,515	11,202,619	11,440,462	11,536,139	11,186,169
Inscribed Stock .. .. .	4,580,000	4,580,000	4,580,000	8,764,716	23,764,716
Treasury Bills .. .. .	6,240,900	7,670,881	9,815,600	8,094,153	2,843,125
War Loan from British Government .. .. .	49,082,059	49,082,059	49,082,059	92,480,156	91,453,288
Commonwealth Internal Loans .. .. .	143,190,680	184,437,870	207,184,380	232,819,660	241,879,840
Accrued Deferred Pay, A.I.F. .. .. .	10,309,905	5,500,000	260,000	14,720	16,750,000
Loans raised on behalf of States .. .. .	12,000,000	16,750,000	16,750,000	25,279,925	23,088,153
Gratuities .. .. .	42,917,398	42,355,207	48,003,293	2,012,258	1,153,472
Miscellaneous .. .. .					
Total .. .. .	284,055,069	325,770,747	381,309,905	401,720,024	416,070,509
Commonwealth Debt <i>per capita</i> .. .. .	£57 0 8	£63 7 6	£71 19 0	£73 12 0	£74 14 6

It will be noticed that the amount of the Commonwealth Internal Loans falls somewhat short of the totals of the ten issues in the table immediately preceding the above. This is owing to the fact that stock to a considerable amount has been presented as payment of Estate Duty, and cancelled, the payments being accepted in accordance with the provisions of section 5 of the Commonwealth Inscribed Stock Act 1915. The amount of £241,879,840 is the balance of the ten issues. To this must be added £1,142,182 raised by the sale of War Savings Certificates, and £11,290 by the sale of War Savings Stamps. The item "Miscellaneous" in the year 1921-22 is made up of the last two amounts.

(ii) *Place of Flotation.* The loans taken over from South Australia, which constituted the first portion of the Federal Public Debt, included both London and Australian securities. The presence in the Treasury of a large holding of gold, and the moderate rate of interest ruling on gilt-edged securities, made the conditions in 1911 and for some little time afterwards very favourable for the flotation of local loans. London securities were redeemed as they fell due, and replaced by the 3½ per cent. stock of the Loan Fund. Consequently, up to 1914 the amount of the securities repayable in London fell steadily, and the amount repayable in Australia rose rapidly. In 1915 the military loan from the Imperial Government caused a sharp rise in the amount of the securities repayable in London, which was maintained in the two following years. This was, however, more than offset by the flotation of the local war loans. The appended table gives particulars

of Commonwealth loans which have been floated in London and Australia respectively during the last five years. A separate column is devoted to the cost of the transferred properties, which, for obvious reasons, it is impossible to allocate.

## COMMONWEALTH PUBLIC DEBT.—PLACE OF FLOTATION, 1918 TO 1922.

Year ended 30th June—	Payable in—		Value of Transferred Properties.	Total.
	London.	Australia.		
	£	£	£	£
1918 .. ..	102,579,102	170,273,452	11,202,515	284,055,069
1919 .. ..	106,123,102	208,445,026	11,202,619	325,770,747
1920 .. ..	111,680,602	258,188,841	11,440,462	381,309,905
1921 .. ..	117,322,199	272,861,686	11,536,139	401,720,024
1922 .. ..	131,278,780	273,605,560	11,186,169	416,070,509

(iii) *Amount of Debt at Various Rates of Interest.* When the first debt was taken over from South Australia, it consisted in the main of a mass of securities varying from 3 per cent. to 4 per cent., the average rate of interest for the first year being £3 12s. 4d. For the first three years the increase in the debt was due almost entirely to the expansion of the 3½ per cent. stock of the Loan Fund, consequently the average rate of interest fell steadily, until on 30th June, 1914, it stood at £3 11s. 10d. Then came the loans for military purposes, and the fall in the average rate was ultimately converted into a rise which was steadily maintained until at 30th June, 1922, the average rate stood at £4 19s. 9d.

The accompanying table gives particulars of rates of interest for the five financial years ended 30th June, 1922 :—

## COMMONWEALTH PUBLIC DEBT.—RATES OF INTEREST, 1918 TO 1922.

Rates of Interest.	Year ended 30th June—				
	1918.	1919.	1920.	1921.	1922.
%	£	£	£	£	£
3 .. ..	35,063	35,063	35,063	35,063	35,063
3½ .. ..	17,217,430	17,217,534	17,455,377	15,469,528	15,119,558
£3/12/3 ..	720,411	720,411	720,411	720,411	703,860
3¾ .. ..	1,394,008	1,054,600	1,054,600	833,870	833,870
4 .. ..	8,451,270	9,881,161	12,025,880	8,304,433	5,053,405
4½ .. ..	200,261,846	192,766,897	192,130,633	126,769,038	122,093,692
£4/18/4 ..	..	..	..	92,480,156	91,453,288
5 .. ..	43,975,041	87,345,081	111,137,941	64,576,210	61,280,220
5½ .. ..	4,000,000	4,000,000	34,000,000	29,279,925	27,088,153
5¾ .. ..	8,000,000	12,750,000	12,750,000	12,750,000	12,750,000
5½ .. ..	..	..	..	2,000,000	..
6 .. ..	..	..	..	48,501,390	79,659,400
Total ..	284,055,069	325,770,747	381,309,905	401,720,024	416,070,509
Average rate of interest ..	£4/10/9	£4/12/2	£4/13/7	£4/17/11	£4/19/9

(iv) *Amount of Interest Payable.* A table is appended showing the amounts payable as interest on the Commonwealth Public Debt as at 30th June in the years 1918 to 1922 inclusive. The rapid increase is due not only to the great expansion of the War Loan Fund, but also to the high rate of interest on recent loans.

COMMONWEALTH PUBLIC DEBT.—INTEREST PAYABLE, AS AT 30th JUNE.

Year.				Interest Payable.
				£
1918	..	..	..	12,879,793
1919	..	..	..	15,017,497
1920	..	..	..	17,847,623
1921	..	..	..	19,668,320
1922	..	..	..	20,751,516

(v) *Dates of Maturity.* The dates of maturity of the several portions of the Commonwealth debt are shown hereunder. The Commonwealth Government has refrained from issuing interminable stock, although as regards about one-tenth of the debt no definite date of maturity had been assigned on 30th June, 1922. It will be noticed that about £212,000,000 falls due in the space of four years, 1923–27, the bulk of this being represented by the balance of the first eight internal loans.

COMMONWEALTH PUBLIC DEBT.—DUE DATES OF AMOUNTS OUTSTANDING ON  
30th JUNE, 1922.(a)

Due Dates.		Amounts.	Due Dates.		Amounts.	Due Dates.		Amounts.
		£			£			£
1922	..	525,667	1935	..	1,992,632	1948	..	3,671,520
1923	..	39,871,953	1936	..	3,048,441	1949	..	3,854,253
1924	..	24,886,479	1937	..	2,152,607	1950	..	4,046,080
1925	..	73,713,843	1938	..	2,260,132	1951	..	4,247,875
1926	..	1,327,965	1939	..	2,540,844	1952	..	4,459,293
1927	..	72,459,146	1940	..	2,489,772	1953	..	4,681,233
1928	..	1,399,569	1941	..	12,613,280	1954	..	4,914,219
1929	..	1,513,748	1942	..	2,743,344	1955	..	5,158,801
1930	..	61,941,963	1943	..	2,879,881	1956	..	4,028,923
1931	..	1,607,842	1944	..	3,023,214	1972	..	3,764,716
1932	..	1,687,865	1945	..	3,173,680	Indefinite	..	42,889,330
1933	..	1,771,870	1946	..	3,331,635			
1934	..	1,899,443	1947	..	3,497,451			
						Total	..	416,070,509

(a) Those loans in the case of which the Government has the option of redemption during a specified period have been in each case classified according to the latest date of maturity.

The graphs accompanying this chapter illustrate the rise in the revenue, public debt, and taxation of the Commonwealth and States since 1902, the year 1901–2 being the first complete financial year since Federation.

(vi) *Sinking Fund.* The Commonwealth Government has established a sinking fund against most of the securities which constitute its public debt. Part of the inscribed

stock issued for works purposes carries a sinking fund of 5 per cent., and the remainder one of  $\frac{1}{2}$  per cent. The internal issues carry sinking funds, partly of  $\frac{1}{2}$  per cent., and partly of 1 per cent. The War Savings Certificates carry a sinking fund of  $\frac{1}{2}$  per cent., and the Northern Territory and Port Augusta—Oodnadatta Railway loans one of  $\frac{1}{4}$  per cent. These sinking funds are invested partly in Treasury Bills, partly in Commonwealth Inscribed Stock, and partly in Bonds (War Issues). The situation of the Sinking Funds, as at 30th June, 1922, is set out in the accompanying table :—

## COMMONWEALTH PUBLIC DEBT.—SINKING FUNDS, 1918 TO 1922.

30th June—	Total Accumulation to date.	Total Securities Cancelled to date.	Balance Available.
	£	£	£
1917 ..	1,611,903	598,854	1,013,049
1918 ..	2,454,235	1,087,252	1,366,983
1919 ..	3,740,824	1,636,621	2,104,203
1920 ..	5,139,281	2,969,980	2,169,301
1921 ..	8,391,349	7,386,822	1,004,527
1922 ..	10,292,881	9,335,129	957,752

The Imperial Government loan comes in a different category from the others since it is being liquidated by the funding arrangement described in detail on a previous page.

## § 5. Cost of War and Repatriation.

1. **General.**—In view of the importance of the subject a further reference is here made to the cost of the war. The general policy of the Commonwealth Government has been to pay from Consolidated Revenue all recurring charges for interest, sinking fund, pensions, and other charges consequent upon the war, and part of the expense of repatriation. On the other hand, the whole direct cost of the war and the larger proportion of the cost of repatriation have been paid from loans. The total cost from both sources to the 30th June, 1922, is set out in the following table :—

## COST OF WAR SERVICES TO 30th JUNE, 1922.

Year.	From Revenue.	From War Loan Fund.	Total.
	£	£	£
1914-15 .. .. .	640,217	14,471,118	15,111,335
1915-16 .. .. .	3,777,849	37,423,568	41,201,417
1916-17 .. .. .	8,421,654	53,114,237	61,535,891
1917-18 .. .. .	11,863,250	55,095,110	66,958,360
1918-19 .. .. .	21,255,101	62,192,889	83,447,990
1919-20 .. .. .	24,579,099	46,070,595	70,649,694
1920-21 .. .. .	30,464,247	26,859,446	57,323,693
1921-22 .. .. .	31,337,164	11,768,749	43,105,913
<b>Total .. .. .</b>	<b>132,338,581</b>	<b>306,995,712</b>	<b>439,334,293</b>



2. **Expenditure from Revenue.**—The following table gives the details of the war expenditure from revenue for the last five years:—

**WAR SERVICES EXPENDITURE FROM REVENUE, 1917-18 TO 1921-22.**

Heading.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Special Appropriations—					
Interest .. .. .	7,052,104	10,087,461	12,645,902	13,519,547	12,324,208
Sinking Fund .. .. .	761,191	1,200,713	1,312,812	3,168,820	1,087,640
War Pensions and Gratuities .. .. .	..	4,827,368	5,859,862	6,013,514	6,113,526
Annual Votes : Departments—					
Defence and Navy .. .. .	532	272,018	143,771	996,537	599,444
Treasury .. .. .	3,043,046	3,546,328	1,956,601	2,835,903	5,820,245
Prime Minister .. .. .	999,198	8,194	1,275	7,845	14,307
Trade and Customs .. .. .	7,179	8,238	9,483	17,114	12,681
Repatriation .. .. .	..	1,300,044	2,614,979	3,867,706	2,239,754
Home and Territories .. .. .	..	..	..	..	24,400
Works and Railways .. .. .	..	2,837	34,414	37,261	145
Attorney-General .. .. .	..	..	..	..	191
Total .. .. .	11,863,250	21,255,101	24,579,099	30,464,247	29,136,541

The large sums debited to the Treasury include sums payable as interest to the Imperial Government.

3. **Expenditure from War Loan Fund.**—The following table gives the details of the war expenditure from loans, showing the expenditure on account of each Department, etc. :—

**EXPENDITURE FROM WAR LOAN FUND, 1917-18 TO 1921-22.**

Department, Etc.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Defence and Navy .. .. .	53,447,184	56,628,912	21,559,812	599,419	(a) 311,530
Treasury .. .. .	1,128,907	5,314,153	15,379,318	15,330,886	6,603,039
Prime Minister .. .. .	420,759	120,863	140,713	1,678,775	33,779
Trade and Customs .. .. .	12,778	30,141	(a) 41,680	(a) 54,601	(a) 158
Repatriation .. .. .	..	85,362	8,090,614	6,593,924	1,247,466
Home and Territories .. .. .	..	..	36,531	7,199	4,381
Works and Railways .. .. .	85,482	4,458	220,279	(a) 7,100	..
War Gratuities .. .. .	..	..	685,008	2,710,944	2,191,772
Redemption of Treasury Bills .. .. .	..	..	..	..	2,000,000
	55,095,110	62,192,889	46,070,595	26,859,446	11,768,749

(a) Repayment.

The large sums debited to the Treasury in the last three years are mainly on account of advances to the States. The money has been spent partly in settling soldiers on the land, and partly in providing reserve employment through Local Government Bodies. The expenditure under the heading "Repatriation" was incurred under the working of the War Service Homes Act of 1918.

## § 6. Old-age and Invalid Pensions.

1. **General.**—In previous issues of this work an account has been given of the introduction of the old-age pension system into Australia, together with a detailed description of the Commonwealth Invalid and Old-age Pensions Act of 1908 which became operative on 1st July, 1909. (See Year Books, Nos. 3 to 8.) An amendment of this Act, assented to on 30th September, 1916, made a very important alteration. Section 24 originally enacted that the pension "shall not exceed the rate of twenty-six pounds per annum in any event, nor shall it be at such a rate as will make the pensioner's income, together with pension, exceed fifty-two pounds per annum." It was amended (a) by omitting the words "twenty-six pounds," and inserting in their stead the words "thirty-two pounds ten shillings", and (b) by omitting the words "fifty-two pounds" and inserting in their stead the words "fifty-eight pounds ten shillings." Section 26 originally enacted that if an applicant for pension was in receipt of board or lodging, the actual or estimated

value or cost of this should be counted as income, to an extent not exceeding five shillings per week. This was amended by omitting the words "five shillings" and inserting in their stead the words "seven shillings and sixpence."

In 1919 the Act was again amended, and the rate of pension raised to £39 per annum and the maximum amount allowable to £65 per annum. The estimated value of board and lodging was raised to 10s. per week.

In 1920 special provision was made for a permanently blind person, by which the amount of pension may be at such a rate (not exceeding £39) per annum, as will make his income, together with the pension, equal to an amount not exceeding £221 per annum or such other amount as is declared to be a basic wage.

2. *Old-age Pensions.*—(i) *Summary, 1922.* Details regarding Old-age Pensions as at 30th June, 1922, are as follows:—

OLD-AGE PENSIONS.—SUMMARY, 1922.

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Claims examined during year ending 30th June, 1922 ..	5,334	3,838	1,986	1,054	953	700	13,865
Claims rejected .. ..	809	381	384	48	202	65	1,889
Claims granted .. ..	4,525	3,457	1,602	1,006	751	635	11,976
Transfers from other States	549	444	153	207	103	92	1,548
Existing 30th June, 1921 ..	39,037	30,385	13,019	9,887	5,101	5,085	102,514
	44,111	34,286	14,774	11,100	5,955	5,812	116,038
Deduct —							
Deaths .. ..	2,780	2,292	911	723	293	348	7,347
Cancellations and transfers to other States ..	1,266	1,036	385	363	346	199	3,595
	4,046	3,328	1,296	1,086	639	547	10,942
Old-age Pensions existing on 30th June, 1922 ..	40,065	30,958	13,478	10,014	5,316	5,265	105,096

(ii) *Sexes of Pensioners.*—Of the 105,096 persons in receipt of pensions at 30th June, 1922, 41,430 (or 39 per cent.) were males, and 63,666 (or 61 per cent.) were females. Details for the several States are as follows:—

OLD-AGE PENSIONS.—SEXES OF PENSIONERS, 1922.

State.	Males.	Females.	Total.	(a) Masculinity.
New South Wales .. ..	16,498	23,567	40,065	70.00
Victoria .. ..	11,607	19,351	30,958	59.98
Queensland .. ..	5,668	7,810	13,478	72.57
South Australia .. ..	3,626	6,388	10,014	56.76
Western Australia .. ..	2,169	3,147	5,316	68.92
Tasmania .. ..	1,862	3,403	5,265	54.72
Total .. ..	41,430	63,666	105,096	65.07

(a) Number of males to each 100 females.

(iii) *Ages and Conjugal Condition of Pensioners.* The recorded ages of the 11,976 persons to whom pensions were granted during the year 1921-22 varied considerably, ranging from 2,291 at age 60 to one at age 97. Particulars for quinquennial age-groups are as follows :—

**OLD-AGE PENSIONS.—AGES AND CONJUGAL CONDITION OF PENSIONERS,  
1922.**

Age Groups.	Males.				Females.				Grand Total.
	Single.	Married.	Widowed.	Total.	Single.	Married.	Widowed.	Total.	
60-64 ..	170	346	124	640	465	2,060	1,885	4,410	5,050
65-69 ..	821	1,990	756	3,567	104	581	422	1,107	4,674
70-74 ..	206	542	289	1,017	41	194	231	466	1,483
75-79 ..	71	141	113	325	21	47	116	184	509
80-84 ..	19	43	38	100	9	14	63	86	186
85-89 ..	4	11	22	37	2	1	20	23	60
90 and above ..	1	..	5	6	..	..	8	8	14
Total ..	1,292	3,073	1,327	5,692	642	2,897	2,745	6,284	11,976

3. *Invalid Pensions.*—(i) *Summary, 1922.* Details as at 30th June, 1922, are given hereunder :—

**INVALID PENSIONS.—SUMMARY, 1922.**

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	Total.
Claims examined during year ending 30th June, 1922 ..	2,900	2,025	1,128	462	785	413	7,711
Claims rejected ..	1,011	474	365	114	394	171	2,529
Claims granted ..	1,889	1,551	763	348	389	242	5,182
Transfers from other States ..	171	74	48	49	32	19	393
Existing 30th June, 1921 ..	15,387	11,174	4,960	2,433	1,923	2,023	37,900
	17,447	12,799	5,771	2,830	2,344	2,284	43,475
Deduct—							
Deaths ..	859	772	330	202	157	134	2,454
Cancellation and Transfers to other States ..	691	583	289	129	165	145	2,002
	1,550	1,355	619	331	322	279	4,456
Invalid Pensions existing 30th June, 1922 ..	15,897	11,444	5,152	2,499	2,022	2,005	39,019

(ii) *Sexes of Pensioners.* Of the 39,019 persons in receipt of invalid pensions on 30th June, 1922, 18,047, or 46 per cent., were males, and 20,972, or 54 per cent., were females. Details for the several States are as follows:—

INVALID PENSIONS.—SEXES OF PENSIONERS, 1922.

State.	Males.	Females.	Total.	(a) Masculinity.
New South Wales	7,166	8,731	15,897	82.08
Victoria ..	5,447	5,997	11,444	90.83
Queensland ..	2,571	2,581	5,152	99.61
South Australia ..	914	1,585	2,499	57.67
Western Australia ..	1,064	958	2,022	111.06
Tasmania ..	885	1,120	2,005	79.00
Total ..	18,047	20,972	39,019	86.05

(a) Number of males to each 100 females.

(iii) *Ages and Conjugal Condition of Pensioners, 1922.* The recorded ages of the 5,182 persons who received invalid pensions in the period under review varied from 16 to 81. The following table gives particulars for those up to age 20, and in decennial age-groups after age 20:—

INVALID PENSIONS.—AGES AND CONJUGAL CONDITION OF PENSIONERS, 1922.

Age Groups.	Males.				Females.				Grand Total.
	Single.	Married.	Widowed.	Total.	Single.	Married.	Widowed.	Total.	
16-19 ..	187	..	..	187	229	..	..	229	416
20-29 ..	201	43	1	245	294	30	3	327	572
30-39 ..	126	243	4	373	165	98	58	321	694
40-49 ..	126	366	40	532	145	135	149	429	961
50-59 ..	262	562	102	926	178	345	408	931	1,857
60-69 ..	123	248	66	437	29	69	84	182	619
70-79 ..	10	20	8	38	5	6	10	21	59
80 and over ..	1	1	1	3	..	..	1	1	4
Total ..	1,036	1,483	222	2,741	1,045	683	713	2,441	5,182

4. *Cost of Administration.*—Under the State regime the cost of administration differed considerably in the several States, and for 1908-9 represented in New South Wales 4.17 per cent. of the amount actually paid in pensions. In Victoria for the same year the corresponding percentage was 0.70. During the year 1921-22 the total cost to the Commonwealth of administering the Old-age and Invalid Pensions Department was £93,608, or about 1.7 per cent. of the amount actually paid in pensions. Details concerning the cost of administration for 1921-22 are as follows:—

OLD-AGE AND INVALID PENSIONS.—COST OF ADMINISTRATION, 1921-22.

Heading.	Amount.
	£
Salaries ..	34,631
Temporary assistance ..	2,078
Commission to Postmaster-General's Department, at 12s. 6d. per £100 paid ..	33,978
Postage and telegrams ..	5,208
Other expenses ..	17,713
Total ..	93,608

The actual sum disbursed in Old-age and Invalid Pensions in the financial year 1921-22, apart from the cost of administration, was £5,290,056.

5. **Summary, 1918 to 1922.**—The following table gives detailed statistical information concerning the working of the Act for the last five years :—

**OLD-AGE AND INVALID PENSIONS.—SUMMARY, AUSTRALIA, 1918 TO 1922.**

Financial Year ended 30th June—	Number of Pensioners.			Amount Paid in Pensions.	Amount Paid to Asylums for Maintenance of Pensioners.	Total Payment to Pensioners and Asylums.	Cost of Administration.	Cost of Administration per £100 paid to Pensioners and Asylums.	Average Fortnightly Pension on last day of Financial Year.
	Old-age.	Invalid.	Total.						
				£	£	£	£	£ s. d.	s. d.
1918	95,387	29,912	125,299	3,753,977	39,060	3,793,037	54,355	1 8 8	24 3
1919	95,969	31,999	127,968	3,880,865	55,750	3,936,615	63,280	1 12 2	24 2
1920	99,170	35,231	134,401	4,411,629	72,675	4,484,304	74,120	1 13 1	29 1
1921	102,415	37,981	140,396	5,074,336	75,905	5,150,241	88,271	1 14 3	28 9
1922	105,096	39,019	144,115	5,290,056	89,978	5,380,034	93,608	1 14 10	28 9

**§ 7. Maternity Allowance.**

During the session of 1912 the Federal Parliament passed an Act (assented to on 10th October, 1912) providing under certain circumstances for the payment of maternity allowances. The scope and main provisions of the Act are given in Year Book No. 14, p. 1047. The most important conditions were that the sum of five pounds is payable in the case of each confinement resulting in the birth of a viable child whether such child was born alive or dead. The mother must be a native of the Commonwealth, or intending to settle permanently therein. No payment is made in the case of an aboriginal or an Asiatic.

The following table gives a summary in connexion with the working of the Maternity Allowance Act for the years 1918 to 1922 :—

**MATERNITY ALLOWANCE.—SUMMARY, 1918 TO 1922.**

Year ended 30th June—	Claims Paid.	Claims Rejected.	Amount Paid.	Cost of Administration.	Cost per £100 of allowance paid.
			£	£	£ s. d.
1918 .. ..	126,885	404	634,425	12,250	1 18 7
1919 .. ..	124,016	510	620,080	11,369	1 16 8
1920 .. ..	125,173	621	625,865	12,785	2 0 10
1921 .. ..	140,152	622	700,760	16,173	2 6 2
1922 .. ..	138,140	520	690,700	15,441	2 4 9

**§ 8. War Pensions.**

1. **General.**—An Act for the provision of war pensions was passed in 1914 and amended in 1915 and 1916. Its scope can be determined by the following extract from section 3. "Upon the death or incapacity of any member of the forces whose death or incapacity results, or has resulted, from his employment in connexion with warlike operations in which His Majesty is, or has since the commencement of the present state of war been engaged, the Commonwealth shall, subject to this Act, be liable to pay to the member or his dependents, or both, as the case may be, pensions in accordance with this Act." Full details as to rates of pension, etc., are given in the chapter "Defence."

2. Number of Pensioners, 1922.—The following table shows the number of pensioners and the places where payments were made at the 30th June, 1922 :—

**WAR PENSIONS.—NUMBER OF PENSIONERS, 1922.**

Where Paid.	Incapacitated Members of the Forces.	Dependents of—		Total.
		Deceased Members.	Incapacitated Members.	
London .. ..	1,552	4,788	3,119	9,459
South Africa .. ..	53	48	59	160
New Zealand .. ..	279	277	229	785
Other Overseas .. ..	26	8	13	47
New South Wales .. ..	24,971	12,936	29,951	67,858
Victoria .. ..	25,141	14,766	35,757	75,664
Queensland .. ..	8,778	4,210	10,794	23,782
South Australia .. ..	4,254	4,078	5,878	14,210
Western Australia .. ..	7,989	4,121	11,451	23,561
Tasmania .. ..	3,206	2,018	4,622	9,846
Total .. ..	76,249	47,250	101,873	225,372

3. Expenditure on War Pensions, 1922.—The expenditure on war pensions for the year ended 30th June, 1922, is given in the table hereunder :—

**WAR PENSIONS.—EXPENDITURE, 1921-22.**

Where Paid.	Amount.	Where Paid.	Amount.
	£		£
New South Wales .. ..	2,294,258	Tasmania .. ..	296,952
Victoria .. ..	2,153,780	London and elsewhere .. ..	328,883
Queensland .. ..	775,998		
South Australia .. ..	444,552		
Western Australia .. ..	733,956	Total .. ..	7,028,379

4. Cost of Administration.—The cost of administration in 1921-22 was £170,209, made up as follows :—

**WAR PENSIONS.—COST OF ADMINISTRATION, 1921-22.**

Items.	Total.
Salaries .. ..	£ 62,105
Temporary assistance .. ..	18,431
Medical examinations .. ..	14,297
Services of Registrars, Police, and Postal Officials .. ..	43,569
London Office .. ..	9,393
Miscellaneous .. ..	22,414
Total .. ..	170,209

## B. STATE FINANCE.

### § 1. General.

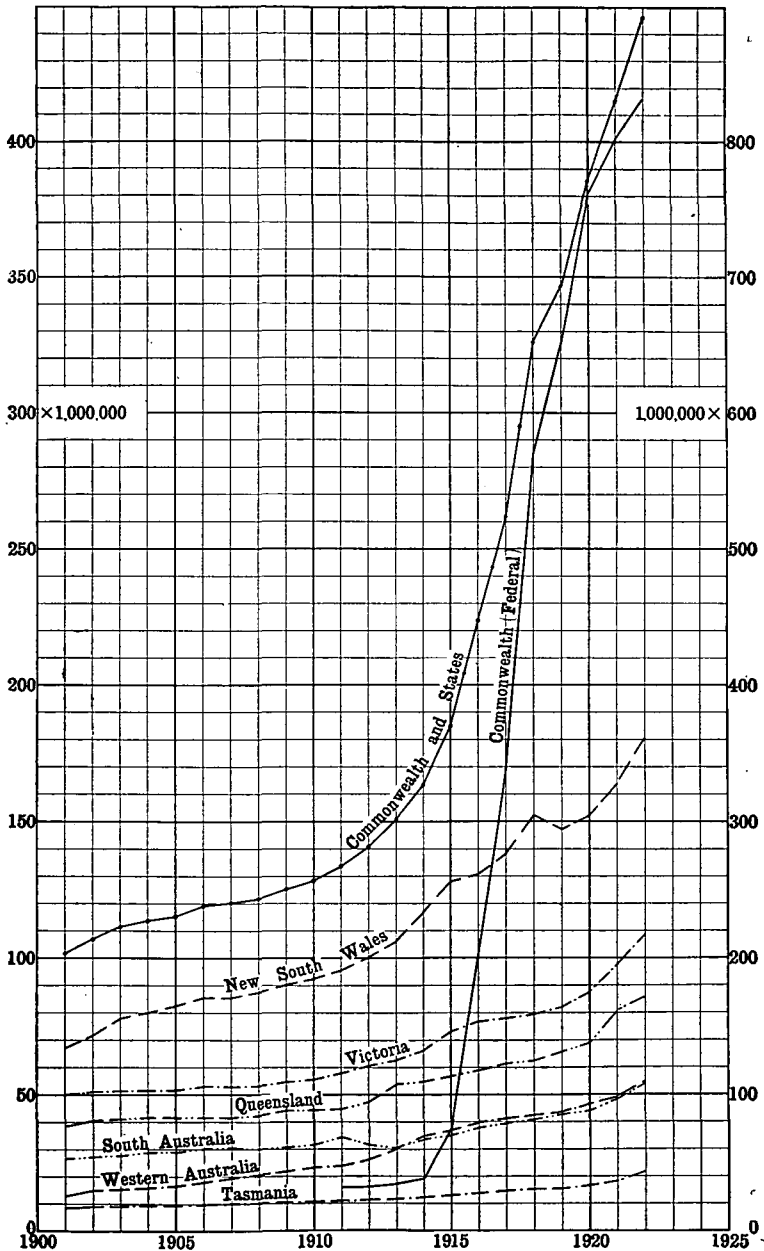
1. **Functions of State Governments.**—In any comparison of the finances of the several States due recognition must be made of the actual functions assumed by the respective Governments, and of the local conditions and requirements in each case. Direct comparisons of public expenditure are thus rendered difficult, owing to the fact that functions which in one State are assumed by the Central Government are in another State relegated to local governing bodies, and further by the fact that costly developmental work may, under certain conditions, be not only economically justifiable, but may be an essential of progress, while parsimonious expenditure may be a serious economic blunder. A large expenditure may, therefore, be an indication either of gross extravagance and bad economy on the one hand, or of healthy and vigorous progress and good economy on the other.

Similarly, as regards revenue, imposts which in some States are levied by the Central Government, are in others considered as matters to be dealt with locally. Under these circumstances care is needed in instituting comparisons between the several States, and the particulars contained in this chapter should be read in connexion with those contained in the chapter dealing with Local Government. It should also be noted that in many ways the budgets of the Australian Governments differ materially from those of most European countries, owing to the inclusion therein of the revenue and expenditure of departments concerned in rendering public services, such for instance as railways, tramways, water supply, etc., which in other countries are often left to private enterprise.

2. **Accounts of State Governments.**—The various financial transactions of the States are in each case concerned with one or other of three Funds—the “Consolidated Revenue Fund,” the “Trust Funds,” and the “Loan Funds.” All revenue collected by the State is placed to the credit of its Consolidated Revenue Fund, from which payments are made under the authority of an Annual Appropriation Act passed by the Legislature, or by a permanent appropriation under a special Act. The hypothecation of the revenue from a specific tax to the payment for some special service is not practised in Australia, all statutory appropriations ranking on an equality as charges on the Consolidated Revenue Fund. The Trust Funds comprise all moneys held in trust by the Government, and include such items as savings banks funds, sinking funds, insurance companies deposits, etc. The Loan Funds are debited with all loan moneys raised by the State, and credited with the expenditure therefrom for public works or other purposes.

3. **Inter-relation of Commonwealth and State Finance.**—The principal alteration in State finance brought about by Federation has been that the States have transferred to the Commonwealth the large revenue received by the Customs and Postal Departments, and have been relieved of the expenditure connected with these and the Defence Departments, while, in their place, a new item of State revenue has been introduced, viz., the payment to the States of a Commonwealth subsidy. With regard to this, an important development in the financial relations of the Commonwealth and State Governments was discussed at the Premiers' Conference of May, 1923, and will be treated in detail in the Appendix. Provision for the taking over by the Commonwealth of certain of the public debts of the States is made in section 105 of the Constitution, and a proposed law extending this provision to the whole of the State indebtedness, which passed both Houses of the Federal Legislature by the statutory majority, was submitted to a referendum at the election in April, 1910, and received the requisite endorsement by the electorate. No action has, however, been taken, although the subject has, on more than one occasion, been under discussion.

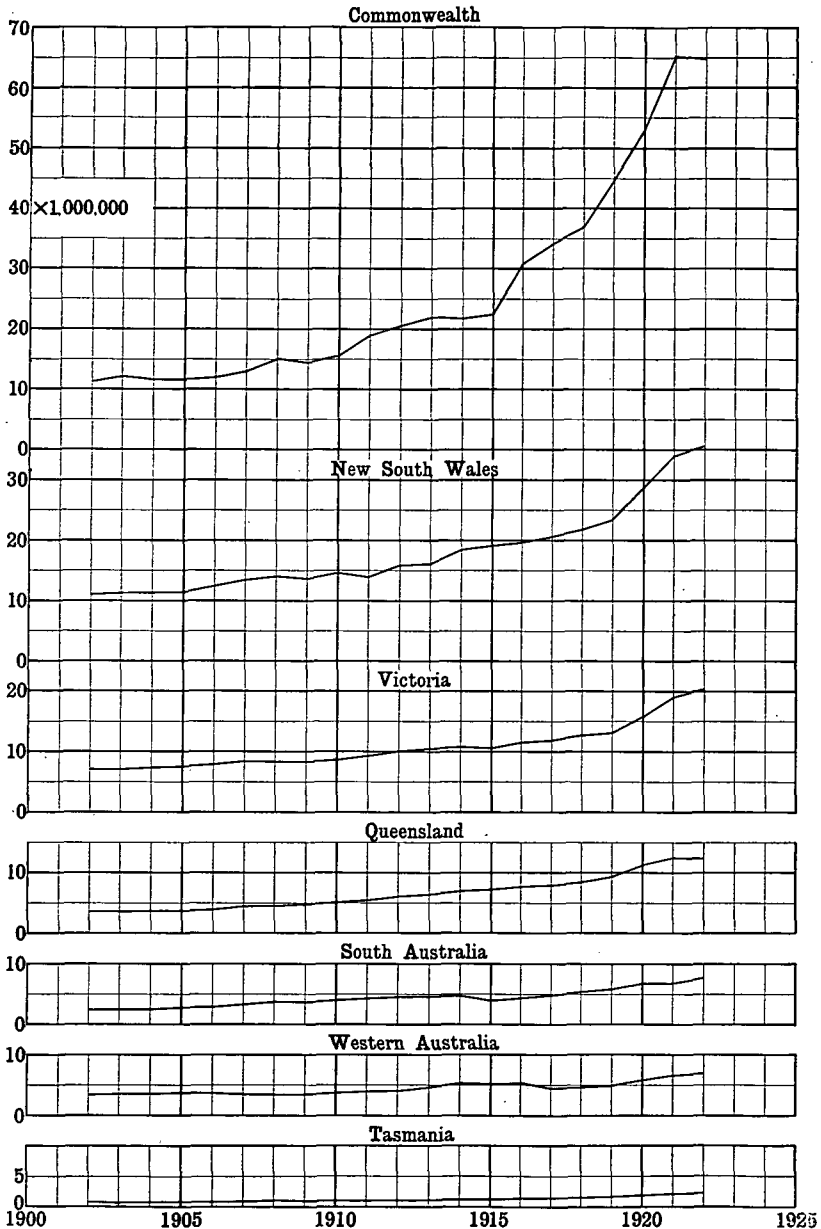
## PUBLIC DEBT—COMMONWEALTH AND STATES, 1901 TO 1922.



EXPLANATION.—The base of each small square represents an interval of one year, while the vertical height represents £10,000,000 in the case of the Commonwealth (Federal) and States Debts, the scale for which is on the left hand side, and £20,000,000 for Commonwealth and States combined, the scale for which is on the right hand. The Commonwealth (Federal) debt commenced in the year 1911.

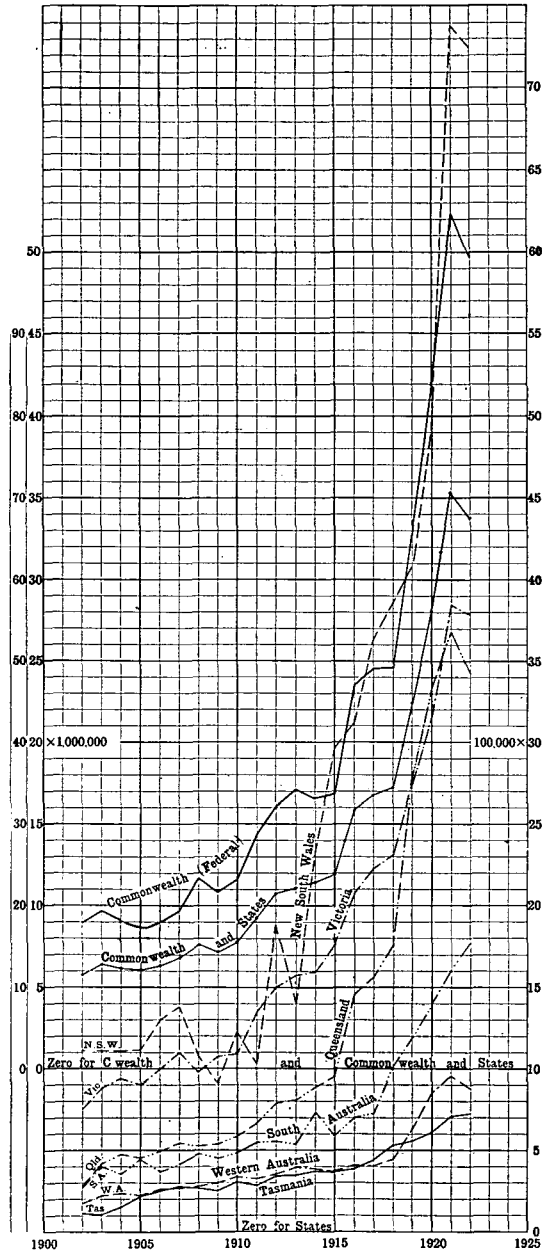


## CONSOLIDATED REVENUE—COMMONWEALTH AND STATES, 1902 TO 1922.



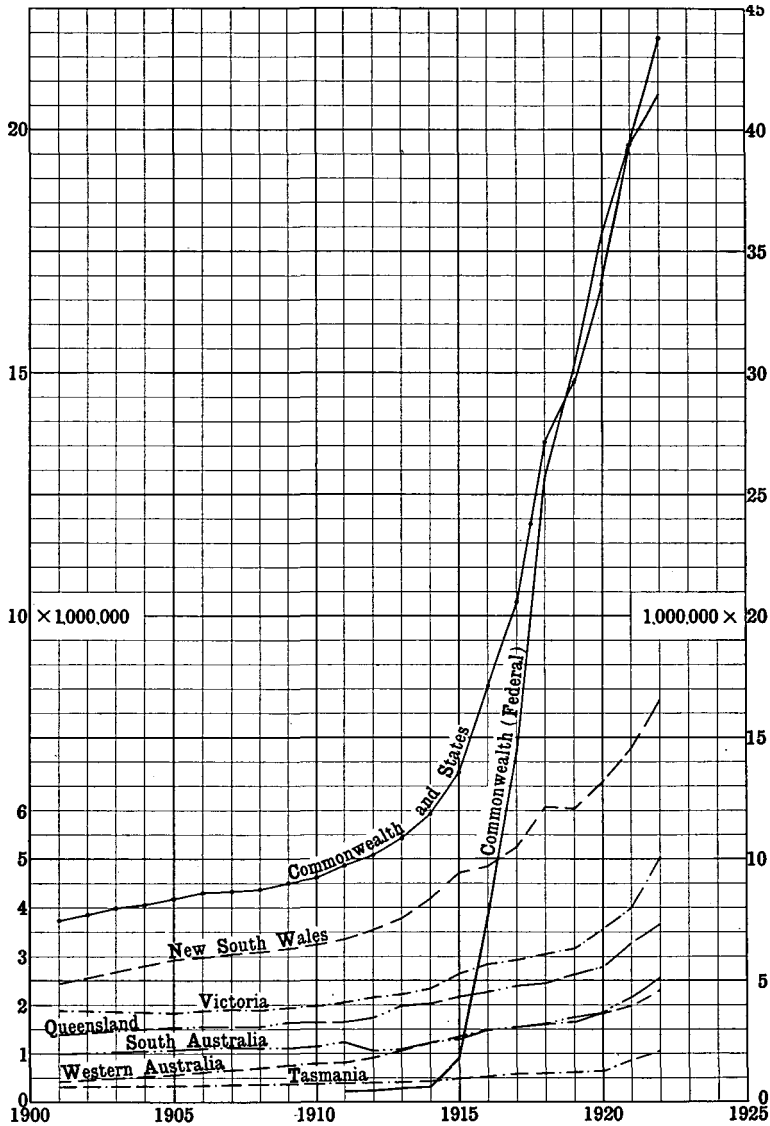
EXPLANATION.—The base of each small square represents an interval of one year, while the vertical height represents £5,000,000. The zero lines in each case are marked thus "0."

## TAXATION.—COMMONWEALTH AND STATES, 1902 TO 1922.



EXPLANATION.—The base of each small square represents an interval of one year. Of the two scales on the left hand, the outer one is that for the Commonwealth and States combined, the vertical height of each square representing £2,000,000, and the inner one that for the Commonwealth (Federal), the vertical height representing £1,000,000. The scale on the right hand is that for the States and the vertical height of each small square represents £100,000.

## INTEREST ON PUBLIC DEBTS.—COMMONWEALTH AND STATES, 1901 TO 1922.



EXPLANATION.—The base of each small square represents an interval of one year, while the vertical height represents £500,000 in the case of the Commonwealth (Federal); and States, the scale for which is on the left hand side, and £1,000,000 in the case of the Commonwealth and States combined, for which the scale is on the right hand side.

## § 2. State Consolidated Revenue Funds.

### Division I.—Revenue.

1. General.—The principal sources of State revenue are :—

- (a) Taxation.
- (b) The public works and services controlled by the State Governments.
- (c) Sale of and rental from Crown lands.
- (d) The Commonwealth subsidy.
- (e) Miscellaneous sources, comprising fines, fees, interest, etc.

Of these sources, that yielding the largest revenue for the States as a whole is the group of public works and services, the principal contributor being the Government railways and tramways. Next in magnitude comes Taxation, followed in order by the Commonwealth Subsidy and Land Revenue.

2. Revenue Received.—The following table furnishes particulars of the total amounts and the amounts per head of consolidated revenue received by the several States during the five years 1917–18 to 1921–22 :—

#### STATE CONSOLIDATED REVENUE, 1917–18 TO 1921–22.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
-------	--------	-----------	---------	----------	----------	-----------	-------------

#### TOTAL COLLECTIONS.

	£	£	£	£	£	£	£
1917–18	21,577,229	12,672,787	8,491,482	5,526,226	4,622,536	1,503,047	54,393,307
1918–19	23,448,166	13,044,088	9,415,543	5,798,313	4,944,850	1,581,984	58,232,944
1919–20	28,650,496	15,866,184	11,293,743	6,582,788	5,863,501	1,815,031	70,071,743
1920–21	34,031,396	19,054,475	12,601,031	7,151,366	6,789,565	2,105,449	81,733,282
1921–22	35,637,820	20,357,733	12,311,378	7,771,752	6,907,107	2,181,395	85,167,185

#### PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1917–18	11 4 10	8 18 10	12 7 0	12 7 4	15 1 8	7 11 9	10 18 4
1918–19	11 19 1	9 1 6	13 6 11	12 13 4	15 19 3	7 15 11	11 9 2
1919–20	14 1 2	10 11 1	15 6 3	13 13 4	17 18 2	8 12 11	13 4 2
1920–21	16 5 6	12 9 4	16 15 0	14 11 2	20 10 6	9 17 10	15 2 0
1921–22	16 15 1	13 2 6	15 19 9	15 9 3	20 12 2	9 19 9	15 9 1

The figures given in this table relate in each instance to the financial year ended 30th June.

During the five years from 30th June, 1918, to 30th June, 1922, the aggregate revenue of the States increased by no less a sum than £30,773,878, or nearly 60 per cent. Increases were in evidence in all the States, the largest being that of £14,060,591 in New South Wales. This general advance is the more notable since, during recent years, a much smaller amount has been received from the Commonwealth in the way of subsidy, than was the case up to 1910.

During the period there has been a marked increase in the State revenue collections per head in all the States. Western Australia throughout the period has occupied the premier position, and in 1921–22 the revenue per head in that State exceeded the average for Australia by about 33 per cent.



(iii) *Revenue from Taxation.*—(a) *General.* Prior to the inauguration of Federation, duties of Customs and Excise constituted the principal source of revenue from taxation. At the present time, the most productive form of State taxation is the income tax, which is now imposed in all the States. For 1921-22 stamp duties occupied second place. In addition to these, a State land tax and licence fees of various kinds are now collected in all the States, while a dividend tax is levied in Western Australia. The total revenue from taxation collected by the States during the year 1921-22 was £17,847,923, details of which are set forth in the table hereunder:—

## STATE CONSOLIDATED REVENUE FROM TAXATION, 1921-22.

Taxation.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Probate and succession duties	907,307	706,181	295,748	197,764	76,817	61,142	2,244,959
Other stamp duties ..	1,343,389	932,649	308,991	346,918	164,929	144,125	3,241,001
Land Tax ..	2,490	372,060	480,518	162,104	42,549	97,031	1,156,752
Income Tax ..	4,077,897	1,443,209	2,194,361	975,043	449,879	355,035	9,543,424
Licences ..	228,585	320,127	87,287	38,829	41,193	15,932	731,953
Other Taxation ..	689,349	16,948	53,391	57,918	57,792	54,436	929,834
Total ..	7,249,017	3,791,174	3,420,296	1,778,576	881,159	727,701	17,847,923

(a) Includes £177,005 Dividend Tax.

The total amount raised by means of taxation by the several State Governments during the five years 1917-18 to 1921-22 is given in the following table:—

## STATE CONSOLIDATED REVENUE FROM TAXATION, 1917-18 TO 1921-22.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1917-18	3,860,501	2,310,723	1,761,232	1,016,887	449,457	533,383	9,932,183
1918-19	4,083,990	2,744,946	2,772,269	1,185,451	629,061	555,537	11,971,254
1919-20	4,962,518	3,159,767	3,323,745	1,391,830	844,197	609,576	14,291,633
1920-21	7,388,133	3,846,833	3,682,642	1,622,076	955,359	708,603	18,203,646
1921-22	7,249,017	3,791,174	3,420,296	1,778,576	881,159	727,701	17,847,923

## PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1917-18	2 0 3	1 12 7	2 11 3	2 5 6	1 9 4	2 13 10	1 19 10
1918-19	2 1 8	1 18 2	3 18 7	2 11 10	2 0 7	2 14 8	2 7 1
1919-20	2 8 8	2 2 0	4 10 1	2 17 10	2 11 7	2 18 1	2 13 11
1920-21	3 10 8	2 10 4	4 17 11	3 6 0	2 17 9	3 6 7	3 7 3
1921-22	3 8 2	2 8 11	4 8 10	3 10 9	2 12 7	3 6 8	3 4 10

During the period between 30th June, 1913, and 30th June, 1922, the aggregate State revenue from taxation increased about 80 per cent, the increase varying considerably in the several States. The remarkable increase of recent years in New South Wales is due principally to the broadening of the basis of the State Income Tax, and increased receipts from Stamp Duties, while in 1921-22, £547,577 was collected from Racing Taxes. Queensland substantially increased the income tax in 1918-19, while Tasmania imposed in 1917-18 a super-tax on incomes and a tax on motor vehicles. The State taxation for the year 1921-22 showed a slight decline from the previous year, owing mainly to diminished collections in New South Wales and Queensland.

Taking the States as a whole, the State taxation increased by 24s. 11d. per head during the period from 1917-18 to 1921-22, the most marked increase occurring in the case of Queensland. Most of the advance took place in the last three years, and was chiefly due to increases in the Land and Income Taxes.

(b) *Probate and Succession Duties.* Probate duties have been levied for a considerable time in all the States, but the provisions of the several State Acts governing the payment

of duty differ widely both in regard to the ordinary rates and those which apply to special beneficiaries. A table showing the values of the estates in the various States in which probates and letters of administration were granted is given hereinafter. (See Private Finance § 8.)

The duties collected in the several States for the financial years 1917-18 to 1921-22 are as follows:—

**STATE PROBATE AND SUCCESSION DUTIES.—COLLECTIONS, 1917-18 TO 1921-22.**

State.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales ..	677,433	575,875	1,062,533	734,352	907,307
Victoria ..	506,662	718,194	881,423	702,468	706,181
Queensland ..	121,986	(a)	(a)	328,204	295,748
South Australia ..	170,185	221,729	192,540	158,107	197,764
Western Australia ..	38,710	40,329	121,951	42,407	76,817
Tasmania ..	50,688	64,410	50,271	53,407	61,142
Total ..	1,565,664	1,620,537 (b)	2,308,718 (b)	2,018,945	2,244,959

(a) Included in Stamp Duties.

(b) Excluding Queensland.

(c) *Other Stamp Duties.* The revenue derived by the several States from stamp duties (exclusive of probate and succession duties) for the years 1917-18 to 1921-22 is shown in the accompanying table:—

**STATE STAMP DUTIES.—COLLECTIONS, 1917-18 TO 1921-22.**

State.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales ..	616,180	687,304	978,343	1,414,468	1,343,389
Victoria ..	507,573	583,818	822,489	930,221	932,649
Queensland ..	205,674	a387,742	a698,382	332,559	308,991
South Australia ..	179,521	213,130	325,034	370,288	346,918
Western Australia ..	80,720	112,104	173,541	177,404	164,929
Tasmania ..	96,215	96,949	128,574	148,893	144,125
Total ..	1,685,883	2,081,047a	3,126,363a	3,373,833	3,241,001

(a) Including Queensland probate and succession duties.

(d) *Land Tax.* All the States impose a Land Tax, although Queensland, the last State to fall into line, only collected its first levy in 1915-16. In the other States the impost is of long standing.

The following table shows the amount collected by means of such taxes during the financial years 1917-18 to 1921-22:—

**STATE LAND TAX.—COLLECTIONS, 1917-18 TO 1921-22.**

State.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales ..	2,921	2,800	2,834	2,717	2,490
Victoria ..	353,156	324,232	314,217	331,756	372,060
Queensland ..	344,547	578,253	459,188	469,175	480,518
South Australia ..	165,469	154,621	146,336	168,020	162,104
Western Australia ..	63,388	34,182	46,415	57,791	42,549
Tasmania ..	84,701	86,705	87,785	89,085	97,031
Total ..	1,014,182	1,180,793	1,056,775	1,118,544	1,156,752

(e) *Income Tax.* A duty on the income of persons, whether it be derived from personal exertion or from property, is also imposed in all the States. As might be expected, the rates, exemptions, etc., are widely divergent in the different States, but the general principles of the several Acts are similar. The Dividend Duties Act of Western Australia supplied to a certain extent the place of an income tax in that State in former years, but, with the increasing demands upon the State Treasury, the levying of a direct income tax was found necessary.

In the following table particulars are furnished concerning the total amount collected in the several States during the years 1917-18 to 1921-22. In the case of Western Australia the amount of dividend duty collected is included.

STATE INCOME AND DIVIDEND TAXES.—COLLECTIONS, 1917-18 TO 1921-22.

State.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
New South Wales ..	2,182,117	2,355,243	2,308,267	4,399,360	4,077,897
Victoria ..	773,468	928,210	915,551	1,591,198	1,443,209
Queensland ..	967,420	1,677,335	2,023,316	2,410,171	2,194,361
South Australia ..	452,303	542,007	662,384	852,001	975,043
Western Australia ..	207,963	359,623	416,136	579,289	497,879
Tasmania ..	259,869	261,028	279,476	348,005	355,035
Total ..	4,843,140	6,123,446	6,605,130	10,180,024	9,543,424

(f) *Commonwealth and State Taxation.* For the purpose of obtaining an accurate view of the extent of taxation imposed on the people of Australia by the central governing authorities, it is necessary to add together the Commonwealth and State collections. This has been done in the table given hereunder, which contains particulars concerning the total taxation for each of the years 1917-18 to 1921-22, as well as the amount per head of population:—

TOTAL COMMONWEALTH AND STATE TAXATION, 1917-18 TO 1921-22.

Particulars.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.
	£	£	£	£	£
Commonwealth taxation	24,606,743	32,864,486	41,847,692	52,427,421	49,678,842
State taxation ..	9,932,183	11,971,254	14,291,633	18,203,646	17,847,923
Total ..	34,538,926	44,835,740	56,139,325	70,631,067	67,526,765
Taxation per head ..	£6/18/7	£8/16/6	£10/11/9	£13/1/0	£12/5/1

Whilst the Commonwealth taxation increased during the period by £25,072,099, the State taxation advanced by £7,915,740, the aggregate increase being £32,987,839. The amount *per capita* of total taxation has increased about 80 per cent in the period under review.

(iv) *Public Works and Services.* A very large proportion of the revenue of all the States is made up of the receipts from the various public works and services under the control of the several Governments. The principal of these are railways and tramways, harbour works, and water supply and sewerage, while in addition, State batteries for the treatment of auriferous ores exist in Western Australia, and various minor revenue-producing services are rendered by the Governments of all States. For the year 1921-22 the aggregate revenue from these sources totalled £49,228,828, or nearly 58 per cent. of



the revenue from all sources. Details of revenue from public works and services for the year 1921-22 are as follows:—

### STATE REVENUE FROM PUBLIC WORKS AND SERVICES, 1921-22.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Railways and tramways	19,145,082	10,751,173	5,125,340	3,326,074	3,054,258	597,162	41,999,089
Harbour services	1,134,023	156,747	53,455	463,207	173,187	..	1,980,619
Public batteries	..	421	..	..	57,663	..	58,084
Water supply and sewerage	1,760,123	(a)319,063	..	389,845	406,151	..	2,875,182
Other public services	618,272	691,382	154,634	372,640	202,032	276,894	2,315,854
Total	22,657,500	11,918,786	5,333,429	4,551,766	3,893,291	874,056	49,228,828

(a) Water supply only.

(v) *Lands.* The revenue derived by the States from the sale and rental of Crown lands has, with few exceptions, been treated from the earliest times as forming part of their respective Consolidated Revenue Funds, and has been applied to meet ordinary current expenses. Where the rentals received are for lands held for pastoral or for residential purposes, such application of the revenue appears perfectly justifiable. On the other hand, where the rentals are those of mineral and timber lands, and in all cases of sales of lands, such a proceeding is essentially a disposal of capital in order to defray current expenses, and as a matter of financial procedure is open to adverse criticism. In the following table particulars of revenue derived from sales and rental of Crown lands are given for the year 1921-22.

### STATE LAND REVENUE, 1921-22.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Sales	1,130,777	195,951	408,117	139,291	338,729	42,587	2,255,452
Rentals	878,043	237,271	1,140,946	146,469	96,459	49,402	2,548,590
Total	2,008,820	433,222	1,549,063	285,760	435,188	91,989	4,804,042

(vi) *Commonwealth Subsidy.* The payments to the States of Commonwealth subsidy represent in each instance a considerable proportion of the States' revenue, and for the year 1921-22 aggregated £7,033,985. This represents a great decline from the amounts received up to 1910, and is the result of the altered system of allotting the subsidy. The percentage represented by the subsidy received by each State for 1921-22 on the total revenue of that State is shown in the following table:—

### COMMONWEALTH SUBSIDY PAID TO EACH STATE, 1921-22.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Commonwealth subsidy	2,632,036	1,918,967	951,178	621,862	554,704	(a)355,238	7,033,985
Total revenue	35,637,820	20,357,733	12,311,378	7,771,752	6,907,107	2,181,395	85,167,185
Percentage of subsidy on revenue	% 7.38	% 9.44	% 7.73	% 8.00	% 8.03	% 16.28	% 8.26

(a) Including special grant of 85,000.

The amount of subsidy here shown is that for which the several States took credit during the year 1921-22.

(vii) *Miscellaneous.* In addition to the foregoing sources of revenue there are in each State several miscellaneous ones, including such items as interest, fines, fees, etc., which for the year 1921-22 aggregated £6,252,407. Of this amount, interest was responsible for £3,092,184.

### Division II.—Expenditure.

1. *General.*—The principal heads of State expenditure from Consolidated Revenue Funds are :—

- (a) Interest and sinking funds in connexion with public debt.
- (b) Working expenses of railways and tramways.
- (c) Justice.
- (d) Police.
- (e) Penal establishments.
- (f) Education.
- (g) Medical and charitable expenditure.
- (h) All other expenditure.

Of these items, that of working expenses of railways and tramways was the most important, and for the year 1921-22 represented about 38 per cent. of the aggregate expenditure from the Consolidated Revenue Fund. Next in order for that year was the item of interest and sinking fund in connexion with the public debt, then education, medical and charitable expenditure, and police, in the order named.

2. *Total Expenditure.*—The total expenditure from Consolidated Revenue Funds in the several States, and the expenditure per head of population during each of the years 1917-18 to 1921-22 are given in the table hereunder :—

### STATE EXPENDITURE.—CONSOLIDATED REVENUE FUNDS, 1917-18 TO 1921-22.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1917-18	21,553,405	12,631,169	8,900,934	5,500,419	5,328,279	1,459,748	55,373,954
1918-19	23,233,398	13,023,407	9,587,532	5,876,811	5,596,864	1,644,512	58,962,524
1919-20	30,210,013	15,752,459	11,266,910	6,457,039	6,531,725	1,828,301	72,046,447
1920-21	34,476,892	18,941,698	12,591,201	7,543,640	7,476,291	2,189,157	83,218,879
1921-22	36,966,525	20,297,279	12,499,970	7,826,241	7,639,242	2,302,077	87,531,334

### PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1917-18	11 4 7	8 18 3	12 18 11	12 6 2	17 7 8	7 7 4	11 2 3
1918-19	11 16 11	9 1 2	13 11 10	12 16 9	18 0 10	8 2 0	11 12 1
1919-20	14 16 5	10 9 7	15 5 6	13 8 2	19 19 0	8 14 2	13 11 8
1920-21	16 9 9	12 7 11	16 14 9	15 7 2	22 12 0	10 5 8	15 7 6
1921-22	17 7 6	13 1 9	16 4 8	15 11 5	22 15 10	10 10 10	15 17 8

As in the case of the table previously given for revenue, the above figures relate to the year ended 30th June.

3. Details of Expenditure for 1921-22.—(i) *General.* The following table shows the total expenditure and expenditure per head of the several States under each of the principal items :—

## STATE EXPENDITURE.—DETAILS, 1921-22.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
TOTAL.							
	£	£	£	£	£	£	£
Public debt (interest, sinking fund, etc.) ..	7,107,699	4,982,389	3,286,096	2,222,230	2,444,263	735,862	20,778,539
Railways and tramways (working expenses) ..	14,588,001	8,117,070	4,808,362	2,512,596	2,553,124	548,510	33,127,663
Justice ..	549,353	227,303	153,384	52,967	78,077	20,273	1,081,357
Police ..	1,059,323	586,437	458,955	210,577	178,005	78,721	2,572,018
Penal establishments ..	120,317	74,161	36,236	33,423	26,088	10,097	300,322
Education ..	3,727,453	1,940,440	1,300,589	596,493	571,926	277,721	8,414,622
Medical and charitable ..	1,847,745	927,113	983,932	378,075	362,495	161,185	4,660,545
All other expenditure ..	7,966,634	3,442,366	1,472,416	1,819,880	1,425,264	469,708	16,596,268
Total ..	36,966,525	20,297,279	12,499,970	7,826,241	7,639,242	2,302,077	87,531,334

## PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Public debt (interest, sinking fund, etc.) ..	3 6 10	3 4 3	4 5 4	4 8 5	7 5 10	3 7 5	3 15 5
Railways and tramways (working expenses) ..	0 17 2	5 4 8	6 4 11	5 0 0	7 12 4	2 10 3	6 0 3
Justice ..	0 5 2	0 2 11	0 4 0	0 2 1	0 4 8	0 1 10	0 3 11
Police ..	0 10 0	0 7 7	0 11 11	0 8 5	0 10 7	0 7 3	0 9 4
Penal establishments ..	0 1 1	0 1 0	0 0 11	0 1 4	0 1 6	0 0 11	0 1 1
Education ..	1 15 0	1 5 0	1 13 9	1 3 9	1 14 2	1 5 5	1 10 6
Medical and charitable ..	0 17 4	0 11 11	1 5 7	0 15 0	1 1 8	0 14 9	0 16 11
All other expenditure ..	3 14 11	2 4 5	1 18 3	3 12 5	4 5 1	2 3 0	3 0 3
Total ..	17 7 6	13 1 9	16 4 8	15 11 5	22 15 10	10 10 10	15 17 8

(ii) *Relative Importance of Various Items.* The relative importance of the items of expenditure enumerated above varies considerably in the several States, and the following table gives, therefore, for each State the percentage of the expenditure under the various items on the total expenditure for the State :—

## STATE EXPENDITURE.—PERCENTAGES OF ITEMS, 1921-22.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	%	%	%	%	%	%	%
Public debt (interest, sinking fund, etc.) ..	19.23	24.55	26.29	28.39	32.00	31.97	23.74
Railways and tramways (working expenses) ..	39.46	39.99	38.47	32.11	33.42	23.83	37.85
Justice ..	1.49	1.12	1.23	0.68	1.02	0.88	1.24
Police ..	2.87	2.89	3.67	2.69	2.33	3.42	2.94
Penal establishments ..	0.32	0.36	0.29	0.43	0.34	0.44	0.34
Education ..	10.08	9.56	10.40	7.62	7.49	12.06	9.61
Medical and charitable ..	5.00	4.57	7.87	4.83	4.75	7.00	5.32
All other expenditure ..	21.55	16.96	11.78	23.25	18.65	20.40	18.96
Total ..	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Taken together, the interest and sinking fund on the public debt, and the working expenses of the railways and tramways represented for the year 1921-22 about 60 per cent. of the aggregate State expenditure, a proportion which has been maintained with great regularity for many years past.

## Division III.—Balances.

1. **Position on 30th June, 1922.**—On various occasions in each of the States the revenue collected for a financial year has failed to provide the funds requisite for defraying the expenditure incurred during that year, the consequent deficit being usually liquidated either by cash obtained from trust funds, or by the issue of Treasury bills. Thus, during the period of financial stress resultant upon the crisis of 1893 and the drought conditions of succeeding years, the accumulated overdrafts of several of the States grew very rapidly, and the situation has changed very much for the worse in recent years, so that no State has now a credit balance. The position of the balances of the several Consolidated Revenue Funds on 30th June, 1922, was as follows :—

## STATE CONSOLIDATED REVENUE FUND BALANCES, 30th JUNE, 1922.

State.	Debit Balance.		Net Debit Balance.
	Cash Overdraft.	Overdraft liquidated by Treasury Bills.	
	£	£	£
New South Wales .. .. .	3,578,263	..	3,578,263
Victoria .. .. .	76,966	1,128,286	1,205,252
Queensland .. .. .	625,032	..	625,032
South Australia .. .. .	1,544,412	..	1,544,412
Western Australia .. .. .	..	..	5,505,565
Tasmania .. .. .	349,401	..	349,401
Total .. .. .	..	..	12,807,925

## § 3. State Trust Funds.

1. **Nature.**—In addition to the moneys received by the several State Governments as revenue and paid to the credit of their respective Consolidated Revenue Funds, considerable sums are held by the Governments in trust for various purposes. In most of the States also, sinking funds for the redemption of public debt are provided, and the moneys accruing thereto are paid to the credit of the appropriate trust funds. A similar course is followed in the case of municipal sinking funds placed in the hands of the Government. In all the States except New South Wales, life assurance companies carrying on business are required to deposit a substantial sum in cash or approved securities with the Government, and these deposits help to swell the trust funds. Various other deposit accounts, superannuation funds, suspense accounts, etc., also find a place. The trust funds have at various times enabled the several State Treasurers to tide over awkward financial positions, but the propriety of allowing deficits to be liquidated in this manner is open to question.

2. **Extent of Funds.**—The amount of trust funds held by the several State Governments on 30th June, 1922, was as follows :—

## STATE TRUST FUNDS, 30th JUNE, 1922.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
	£	£	£	£	£	£	£
Amount of trust funds	17,491,833	12,860,388	782,997	2,042,262	17,013,496	1,390,561	51,581,537

## § 4. State Loan Funds.

## Division I.—Loan Expenditure.

1. **General.**—As early in the history of Australia as 1842 it was deemed expedient to supplement the revenue collections by means of borrowed moneys, the earliest of the loans so raised being obtained by New South Wales for the purpose of assisting immigration, at rates of interest varying from 2½d. to 5½d. per £100 per diem, or approximately from 4½ per cent. to 8 per cent. per annum. The principal reason for Australian public borrowing, however, has been the fact that the Governments of the several States have, in addition to ordinary administrative duties, undertaken the performance of many functions which in other countries are usually entrusted to local authorities or left to the initiative of private enterprise. Principal amongst these have been the construction of railways and the control of the railway systems of the several States, while the assumption by the State Governments of responsibilities in connexion with improvements to harbours and rivers, as well as the construction of works for the purposes of water supply and sewerage, have materially increased the amounts which it has been considered expedient to obtain by means of loans. The State loan expenditure and public debt thus differ very materially from those of most European countries, and also from those of the Commonwealth, where such expenditure was very largely incurred for purposes of defence, or absorbed in the prosecution of war. The State debts consist chiefly of moneys raised and expended with the object of assisting the development of the resources of the country, and are, to a very large extent, represented by tangible assets such as railways, tramways, waterworks, etc.

2. **Loan Expenditure, 1921–22.**—During the year ended 30th June, 1922, the actual expenditure of the States from loan funds amounted to £32,089,006, Victoria with a total of £11,804,991 being the principal contributor to this amount. The expenditure on railways and tramways is a very heavy item, but a factor in the large expenditure in recent years is the settlement of returned soldiers upon the land. Details for the year for each State are given in the following table:—

STATE LOAN EXPENDITURE, 1921–22.

Heads of Expenditure.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Railways and tramways ..	4,789,517	3,478,021	1,226,280	572,482	419,131	490,990	10,976,421
Water supply and sewerage	2,744,691	968,048	159,475	1,194,894	217,578	..	5,284,686
Harbours, rivers, etc.	997,469	964,163	..	823,491	104,225	132,879	3,022,227
Roads and bridges }	135,299	284,556	173,090	90,828	44,440	90,933	819,146
Public buildings ..	..	(a) 185	..	..	43,529	..	43,344
Development of mines, etc.	(a) 1,073,967	21,569	..	11,697	..	..	..
Advances to settlers ..	1,500,000	4,431,854	459,201	(a) 50,105	747,442	170,357	6,218,048
Land purchases for settle- ment ..	2,223	(b)	428,347	..	64,492	87,406	582,470
Loans to local bodies ..	6,307	(b)	1,507	(a) 18,977	..	..	(a) 11,163
Rabbit-proof fences ..	1,341,191	1,656,965	151,673	65,112	814,087	1,124,799	5,153,827
Other public works and pur- poses ..	..	..	..	..	..	..	..
<b>Total ..</b>	<b>10,442,732</b>	<b>11,804,991</b>	<b>2,599,573</b>	<b>2,689,422</b>	<b>2,454,924</b>	<b>2,097,364</b>	<b>32,089,006</b>

(a) Repayment.  
Electricity supply.

(b) Included in "Advances to Settlers."  
(d) Including £812,638 spent on Hydro-Electric scheme.

(c) Including £1,520,451 for

3. **Loan Expenditure, 1917-18 to 1921-22.**—The following table gives particulars relative to the loan expenditure of the several States during each of the years 1917-18 to 1921-22 :—

## STATE LOAN EXPENDITURE, 1917-18 TO 1921-22.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1917-18	4,487,511	1,931,679	1,828,320	1,586,766	1,054,177	518,929	11,407,382
1918-19	3,918,887	2,932,521	2,736,412	2,006,166	1,049,736	575,054	13,218,776
1919-20	8,794,905	7,601,266	4,797,865	3,446,617	2,663,319	1,375,960	28,679,932
1920-21	14,701,028	11,095,158	4,251,248	1,826,841	2,586,404	2,717,452	37,178,131
1921-22	10,442,732	11,804,991	2,599,573	2,689,422	2,454,924	2,097,364	32,089,006
PER HEAD OF POPULATION.							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1917-18	2 6 9	1 7 3	2 13 2	3 11 0	3 8 9	2 12 5	2 5 9
1918-19	2 0 0	2 0 10	3 17 7	4 7 8	3 7 9	2 16 8	2 12 0
1919-20	4 6 4	5 1 2	6 11 0	7 3 2	8 2 8	6 11 1	5 11 11
1920-21	7 0 7	7 5 2	5 13 0	3 14 4	7 16 4	12 5 11	6 17 4
1921-22	4 18 2	7 12 3	3 7 6	5 7 0	7 6 6	9 12 1	5 16 6

Throughout the period under review the loan expenditure of New South Wales has represented on the average between 30 and 40 per cent. of the aggregate for all the States.

The loan expenditure per head of population varies materially in the different States and in different years, reaching its highest point for the five years under review in Tasmania in 1920-21 with £12 5s. 11d. per head, and its lowest in Victoria in 1917-18 with 27s. 3d. per head.

4. **Total Loan Expenditure to 30th June, 1922.**—(i) *General.* The total loan expenditure of the States from the initiation of the borrowing system to the 30th June, 1922, has amounted to no less a sum than £490,303,050. The manner in which this sum has been spent in the several States is furnished in the following table :—

## TOTAL STATE LOAN EXPENDITURE TO 30th JUNE, 1922.

Heads of Expenditure.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Bailways and tramways	101,850,635	61,696,443	45,759,771	22,024,414	186,77,354	6,342,055	256,350,672
Telegraphs and telephones	1,761,845	..	996,587	991,773	..	..	3,750,205
Water supply and sewerage	33,604,892	15,034,440	1,721,324	13,001,408	5,410,132	..	68,772,196
Harbours, rivers, etc.	..	..	..	..	..	..	..
Roads and bridges	20,363,606	5,421,612	3,351,026	6,859,224	4,448,631	5,328,254	45,772,353
Defence	1,457,536	149,323	363,084	291,615	..	128,224	2,389,782
Public buildings	6,324,800	2,809,486	2,775,462	1,764,741	898,639	1,454,924	16,028,052
Immigration	569,930	..	2,763,070	..	420,819	235,000	3,988,819
Development of mines, etc.	..	510,453	..	5,111	1,864,833	..	2,380,397
Land purchases for settlement	5,747,000	23,000,053	2,521,986	1,942,109	7,900,801	2,892,075	48,062,802
Advances to settlers	674,332	1,053,932	..	2,240,371	..	90,143	..
Loans to local bodies	(a) 10,573	..	7,283,778	..	64,492	1,338,791	8,676,488
Rabbit-proof fences	128,724	..	..	202,317	328,703	..	659,744
Other public works and purposes	9,246,977	8,542,957	2,474,452	3,742,882	5,455,475	4,008,797	33,471,540
Total	181,719,704	118,218,699	70,010,540	53,065,965	45,469,879	21,818,263	490,303,050

(a) Repayment.

It must be noted that the figures furnished in this table represent the amounts actually spent, and consequently differ somewhat from those given later in the statements relating to the public debt, which represent amount of loans still unpaid at a given date. The loan expenditure statement includes all such expenditure, whether the loans by means of which the necessary funds were raised have been repaid or are still in existence.

On the other hand, in the public debt statement, loans repaid are excluded, but in the case of loans still outstanding each is shown according to the amount repayable at maturity, not according to the amount originally available for expenditure.

(ii) *Relative Importance of Items.* The relative importance of the different items of loan expenditure given in the foregoing table varies considerably in the several States. The following table gives for each State the percentage of each item on the total loan expenditure of that State to 30th June, 1922 :—

**TOTAL STATE LOAN EXPENDITURE TO 30th JUNE, 1922.—PERCENTAGES OF ITEMS.**

Heads of Expenditure.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	%	%	%	%	%	%	%
Railways and tramways ..	56.05	52.19	65.36	41.50	41.08	29.07	52.30
Telegraphs and telephones ..	0.97	..	1.42	1.87	..	..	0.76
Water supply and sewerage ..	18.49	12.72	2.46	24.50	11.90	..	14.02
Harbours, rivers, etc. ..	11.21	4.59	4.79	12.93	9.78	24.42	9.33
Roads and bridges ..	..	..	..	..	..	..	..
Defence ..	0.80	0.13	0.52	0.55	..	0.59	0.49
Public buildings ..	3.48	2.38	3.96	3.33	1.98	6.67	3.27
Immigration ..	0.31	..	3.95	..	0.92	1.08	0.81
Development of mines, etc. ..	..	0.43	..	0.01	4.10	..	0.49
Advances to settlers ..	0.37	0.88	..	4.22	..	0.41	..
Land purchases for settlement ..	3.16	19.45	3.60	3.66	17.38	13.25	9.80
Loans to local bodies ..	..	..	10.41	..	0.14	6.13	1.77
Rabbit-proof fences ..	0.07	..	..	0.38	0.72	..	0.13
Other public works and purposes ..	5.09	7.23	3.53	7.05	12.00	18.38	6.83
Total ..	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**Division II.—State Public Debts.**

1. *General.*—The earliest of the loans raised in Australia for Government purposes was that obtained by New South Wales in 1842. This and nine other loans raised prior to 1855 were all procured locally. In the last-mentioned year Australia's first appearance on the London market occurred, the occasion being the placing of the first instalment of the New South Wales 5 per cent. loan for £683,300. Victoria first appeared as a borrower in 1854, and made its first appearance on the London market in 1859. In the remaining States the first public loans were raised in the following years:—Queensland 1861, South Australia 1854, Western Australia 1845, and Tasmania 1867.

2. *Total State Debts, 1918 to 1922.*—The table hereunder shows the indebtedness of the several States, and the amounts owing per head of population at the 30th June, in each year from 1918 to 1922 inclusive.

**STATE PUBLIC DEBTS, 30th JUNE, 1918 TO 1922.**

Date.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
<b>TOTAL.</b>							
30th June, 1918 ..	£ 152,584,693	£ 79,595,646	£ 62,296,986	£ 40,621,480	£ 42,304,001	£ 15,137,355	£ 392,540,161
"   1919 ..	147,174,536	82,031,929	65,581,121	42,650,206	43,637,076	15,281,281	396,356,149
"   1920 ..	152,776,082	87,647,739	69,680,764	43,753,146	46,822,003	16,630,084	417,309,772
"   1921 ..	164,336,492	97,317,831	80,382,052	48,556,552	49,039,667	18,776,306	458,408,900
"   1922 ..	180,796,323	109,099,199	85,691,228	54,388,688	54,959,778	21,945,411	506,880,627
<b>PER HEAD OF POPULATION.</b>							
30th June, 1918 ..	£ s. d. 78 11 7	£ s. d. 55 17 9	£ s. d. 89 2 5	£ s. d. 89 19 4	£ s. d. 137 8 7	£ s. d. 76 7 0	£ s. d. 76 12 0
"   1919 ..	73 12 3	55 13 8	90 10 0	91 0 10	136 11 4	74 10 6	74 16 8
"   1920 ..	73 18 2	57 19 1	93 4 4	89 17 8	142 1 7	79 0 5	76 9 0
"   1921 ..	78 4 1	63 7 2	104 8 1	97 11 11	147 4 3	88 11 6	81 11 11
"   1922 ..	84 3 8	69 9 3	109 2 0	107 13 9	161 17 8	102 16 9	91 0 8

The State in which the greatest increase in indebtedness was experienced is Victoria, which added £29,503,553 during the period under review. There was an apparent decline in the Public Debt of New South Wales in 1918-19. This was due to the fact that the debt in 1917-18 included stock raised in February, 1918, for the redemption of loans maturing in September, 1918.

3. Nature of Securities.—(i) *For each State, 1922.* All the earlier loans raised by the Australian States were obtained by the issue of debentures, some of which were repayable at fixed dates, and others by annual or other periodical drawings. In more recent years, however, the issue of debentures has given place to a great extent to that of inscribed stock, the inscription in the case of local issues being carried out by the State Treasuries, and in the cases of loans floated in London being mainly performed by the Bank of England and the London County and Westminster Bank. Another form of security is that variously known as the Treasury bill or Treasury bond. This is usually a short-term debenture having a currency varying from about six months to five years. The bonds are issued in certain cases to liquidate deficiencies in revenue, and in others to obtain moneys for the purpose of carrying on public works at a time when it is deemed inexpedient to place a long-dated loan on the market. The amount of the public debt of the several States held in each of these forms of security is given in the table hereunder :—

## STATE PUBLIC DEBTS.—SECURITIES, 30th JUNE, 1922.

State.	Debentures.	Inscribed Stock.	Treasury Bills.		Total Amount Outstanding.
			For Public Works and Services.	In aid of Revenue.	
	£	£	£	£	£
New South Wales	18,668,516	154,268,607	7,859,200	..	180,796,323
Victoria ..	40,527,969	67,442,945	..	1,128,285	109,099,199
Queensland ..	24,961,017	55,074,395	..	254,900	(a) 85,691,228
South Australia	..	47,185,913	7,202,775	..	54,388,688
Western Australia	1,280,910	40,837,171	5,456,875	2,994,905	(b) 54,959,778
Tasmania ..	2,166,175	18,779,236	1,000,000	..	21,945,411
Total ..	87,604,587	383,588,267	21,518,850	4,378,090	(a),(b) 506,880,627

(a) Including £5,400,916 advance from Commonwealth Government.

(b) Including £4,389,917 advance from Commonwealth Government.

(ii) *Totals, all States, 1918 to 1922.* The manner in which the amount of public debt of the Australian States held under these various forms of security has grown during the past four years will be seen from the following table :—

## STATE PUBLIC DEBTS.—SECURITIES, 1917-18 TO 1921-22.

Date.	Debentures.	Inscribed Stock.	Treasury Bills.		Total Amount Outstanding.
			For Public Works and Services.	In aid of Revenue.	
	£	£	£	£	£
30th June, 1918 ..	63,616,822	296,459,069	28,468,060	3,996,210	392,540,161
„ 1919 ..	70,928,892	289,785,322	28,961,760	5,626,140	(a) 396,356,149
„ 1920 ..	72,244,575	308,896,687	28,202,945	4,146,790	(b) 417,309,772
„ 1921 ..	75,343,413	341,337,602	27,509,290	5,399,050	(c) 458,408,900
„ 1922 ..	87,604,587	383,588,267	21,518,850	4,378,090	(d) 506,880,627

(a) Including £1,054,035 not represented by securities.

(b) Including £3,818,775 „ „ „

(c) Including £8,819,545 „ „ „

(d) Including £9,790,833 „ „ „



During the period between 30th June, 1918, and 30th June, 1922, the public debt of the States increased by £114,340,466, or at the rate of about £28,500,000 per annum.

4. **Place of Flotation of Loans.**—(i) *For each State.* The early loans of the Australian States, usually for comparatively small amounts, were raised locally, but, with the increasing demand for loan funds and the more favourable terms offering in the London than in the local money market, the practice of placing Australian public loans in London came into vogue, and for many years local flotations, except for short terms or small amounts, were comparatively infrequent. In more recent years, however, the accumulating stocks of money in Australia seeking investment have led to the placing of various redemption and other loans locally, with very satisfactory results. It may be noted also that certain loans have been placed in New York on account of the Queensland and Tasmanian Governments. The following table gives particulars of loans outstanding on 30th June, 1922, which had been floated abroad and in Australia respectively :—

**STATE PUBLIC DEBTS.—PLACE OF FLOTATION OF LOANS, 30th JUNE, 1922.**

State.	Floated Abroad.		Floated in Australia.		Total Public Debt.
	Amount.	Percentage on Total Debt.	Amount.	Percentage on Total Debt.	
	£	%	£	%	£
New South Wales ..	118,396,120	65.49	62,400,203	34.51	180,796,323
Victoria ..	42,708,244	39.15	66,390,955	60.85	109,099,199
Queensland ..	58,904,114	68.39	26,787,114	31.61	85,691,228
South Australia ..	28,645,466	52.67	25,743,222	47.33	54,388,688
Western Australia ..	37,158,653	67.61	17,801,125	32.39	54,959,778
Tasmania ..	11,733,373	53.47	10,212,038	46.53	21,945,411
Total ..	297,545,970	58.70	209,334,657	41.30	506,880,627

(ii) *Total, All States.* The following table, giving corresponding particulars for the aggregate indebtedness of the Australian States at the end of each of the financial years 1917-18 to 1921-22, furnishes an indication of the rapidity with which the local holdings of Australian securities have grown in recent years :—

**STATE PUBLIC DEBTS.—PLACE OF FLOTATION OF LOANS, 30th JUNE, 1918 TO 1922.**

State.	Floated Abroad.		Floated in Australia.		Total Public Debt.
	Amount.	Percentage on Total Debt.	Amount.	Percentage on Total Debt.	
	£	£	£	%	£
30th June, 1918 ..	261,107,683	66.52	131,432,478	33.48	392,540,161
„ 1919 ..	258,200,003	65.14	138,156,146	34.86	396,356,149
„ 1920 ..	263,412,174	63.12	153,897,598	36.88	417,309,772
„ 1921 ..	270,077,970	58.92	188,330,930	41.08	458,408,900
„ 1922 ..	297,545,970	58.70	209,334,657	41.30	506,880,627

In the course of four years the foreign indebtedness of the States has increased by £36,438,287, while the local indebtedness has increased by £77,902,179. In other words, the Australian proportion had on 30th June, 1922, grown to more than two-fifths.

The local indebtedness of the States increased during the year 1921-22 by over £48,000,000. This is accounted for chiefly by the loans from the Commonwealth Government, which has either advanced money to the States outright, or acted as agent for the States in obtaining loans from London. The money so obtained has been largely spent in settling returned soldiers on the land, in constructing silos for wheat storage, and in providing employment through the medium of local bodies.

5. Rates of Interest.—(i) *At 30th June, 1922.* As mentioned above, the highest rate of interest paid in connexion with the earliest State public loans was fivepence farthing per £100 per diem, or, approximately, 8 per cent. per annum. At the present time, the rates of interest on State debts vary from 7½ per cent. to 3 per cent. It is probable, however, that the amount of outstanding debt at the higher rates will increase materially in the future, since conversion can scarcely be effected at present at a lower rate of interest than 5 per cent. The average rate payable on the aggregate indebtedness of the States is about 4½ per cent. For the separate States the average rate payable varies considerably, being lowest in the case of Western Australia and highest in that of Tasmania, the difference between these two average rates being about ½ per cent. The table hereunder gives particulars of the rates of interest payable on the public debt of the States at the 30th June, 1922 :—

## STATE PUBLIC DEBTS.—RATES OF INTEREST PAYABLE, 30th JUNE, 1922.

Rate of Interest.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Total.
%	£	£	£	£	£	£	£
7½ ..	..	..	..	..	..	122,123	122,123
7½ ..	..	582,814	..	..	..	228,314	811,128
7 ..	..	..	2,466,091	..	..	..	2,466,091
6½/15/2 ..	..	631,248	..	..	..	..	631,248
6½ ..	6,500,000	..	3,129,650	3,000,000	80,000	3,439,986	16,149,636
6½/7/- ..	..	5,523,543	..	..	..	..	5,523,543
6½/6/4 ..	..	..	..	..	4,054,917	..	4,054,917
6½ ..	..	8,487,655	..	..	..	1,064,194	9,551,849
6 ..	10,000,000	1,272,351	4,520,676	9,151,813	3,916,880	1,789,210	30,630,930
5½ ..	24,880,240	5,096,833	..	..	1,500,000	87,976	31,565,049
5½ ..	19,338,961	20,028,367	4,201,000	10,663,967	3,112,197	917,476	58,261,968
£5/8/11 ..	250,000	3,563,724	..	..	..	600,000	4,413,724
£5/5/3 ..	500,000	1,603,998	..	..	..	348,588	2,452,586
5½ ..	15,298,829	3,062,860	1,275,000	881,100	1,435,000	669,000	22,621,789
5 ..	7,342,932	3,073,442	327,100	4,229,128	2,515,045	1,167,618	18,655,265
4½ ..	..	1,000,000	..	..	..	..	1,000,000
4½ ..	..	1,648,160	..	500,000	..	..	2,148,160
4½ ..	8,206,534	2,980,575	15,339,516	900,234	2,239,513	417,088	30,083,460
4½ ..	..	696,260	..	..	..	140,750	837,010
4½ ..	7,400,000	3,900,000	..	2,600,000	3,100,000	1,000,000	18,000,000
4 ..	28,572,127	9,317,447	21,104,036	7,070,993	11,688,736	4,690,018	82,443,357
3½ ..	3,056,610	779,683	2,025,300	3,866,410	1,650,000	400	11,378,403
3½ ..	32,392,471	26,116,165	21,287,660	5,597,761	12,317,490	4,832,670	102,544,217
3 ..	17,047,073	9,729,474	5,489,383	5,927,282	7,350,000	450,000	45,993,212
Overdue, not yet fixed and various ..	10,546	4,600	4,525,816	..	..	..	4,540,962
Total ..	180,796,323	109,099,199	85,691,228	54,388,688	54,959,778	21,945,411	506,880,627
Average rate	£4/12/2	£4/13/3	£4/6/6	£4/14/2	£4/6/-	£4/15/3	£4/11/2

(ii) *All States, 1918 to 1922.* The rapid increase in recent years in the amount of Australian Government securities bearing interest at the higher rates is clearly shown in the table hereunder, which gives particulars concerning the aggregate amount of indebtedness at the several rates of interest on 30th June in each of the years 1918 to 1922 :—

## STATE PUBLIC DEBTS.—RATES OF INTEREST PAYABLE 30th JUNE, 1918 TO 1922.

Rate of Interest.	30th June, 1918.	30th June, 1919.	30th June, 1920.	30th June, 1921.	30th June, 1922.
%	£	£	£	£	£
7½ .. .. .	..	..	..	100,090	123,123
7 .. .. .	..	..	..	..	811,125
7 .. .. .	..	..	..	1,000,000	2,466,091
26/15/2 .. .. .	..	..	..	..	631,248
6½ .. .. .	..	..	..	11,972,379	16,149,636
26/7/- .. .. .	..	..	..	..	5,323,543
26/6/4 .. .. .	..	..	..	..	4,054,917
6 .. .. .	..	..	..	11,172,803	9,551,849
5½ .. .. .	1,900	..	2,241,800	9,726,038	30,639,930
5 .. .. .	13,076,000	16,076,000	19,576,000	20,171,776	31,565,049
5 .. .. .	10,180,000	20,924,002	35,333,489	47,234,718	58,281,968
25/6/11 .. .. .	..	..	..	4,413,724	4,413,724
25/5/3 .. .. .	..	..	..	2,452,586	2,452,586
5 .. .. .	6,695,400	8,462,694	25,220,443	22,851,697	22,621,789
5 .. .. .	17,582,034	18,100,129	20,692,892	18,404,652	18,655,265
4½ .. .. .	..	..	..	..	1,000,000
4½ .. .. .	..	7,158,860	7,368,597	6,582,390	2,148,160
4½ .. .. .	37,746,932	33,557,643	28,277,650	27,154,832	30,083,460
4½ .. .. .	400,000	350,000	..	..	..
4½ .. .. .	801,000	646,250	640,750	837,010	837,010
4½ .. .. .	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
4 .. .. .	93,220,106	92,321,823	87,383,636	83,983,630	82,443,357
4 .. .. .	24,376,833	23,834,798	12,654,252	12,019,854	11,378,403
3½ .. .. .	124,075,299	110,222,724	109,989,876	109,871,906	102,544,217
3½ .. .. .	24,718	24,718	24,718	..	..
3 .. .. .	46,351,684	46,415,173	46,245,134	46,188,230	45,993,212
Overdue, etc. .. .. .	8,250	261,435	3,660,535	4,270,585	4,540,962
Total .. .. .	392,540,161	396,356,149	417,309,772	458,408,900	506,880,627
Average rate .. .. .	£3/18/6	£4/0/3	£4/3/4	£4/7/2	£4/11/2

The increase of the average rate of interest started in 1912, but was accelerated by the war, which has virtually made 5 per cent. the present minimum rate of interest for gilt-edged securities. The average rate is likely to rise for some considerable time, since securities falling due in the immediate future will, in all likelihood, have to be renewed at a higher rate of interest.

6. Interest per Head.—The relative burden of the State debts in respect of interest payments will be seen from the following table, which gives for the 30th June, 1922, the amount of interest paid during the financial year ending at that date, and also the corresponding amount per head of population:—

## STATE PUBLIC DEBTS.—INTEREST PAID DURING 1921–22.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Total annual interest paid .. .. .	7,081,938	4,469,678	(a) 3,286,096	2,072,610	2,156,311	632,637	19,699,270
Annual interest paid per head .. .. .	£3/6/7	£2/17/8	£4/5/4	£4/2/6	£8/8/8	£2/17/11	£3/11/6

(a) Inclusive of flotation expenses.

7. Dates of Maturity.—An important point of difference between the securities of the Australian Governments, whether in the form of inscribed stock, debentures, or Treasury bills, and such a well-known form of security as British Consols, is that whereas the latter are interminable, the Australian Government securities have in almost all cases a fixed date for repayment, there being only a few exceptions which are included in the following table under the headings "interminable" and "indefinite." The "indefinite" includes amounts which are payable by the respective Governments after giving a specified notice, and also certain amounts owing to the Commonwealth Government. In most cases the arrival of the date of maturity means that arrangements for renewal are necessary in respect of the greater portion of the loan, as it is only in exceptional cases that due provision for redemption has been made. The condition of the money-market at the date of maturity has an important bearing on the success or

otherwise with which the renewal arrangements can be effected, and consequently, in order to obviate the necessity for making an application to the market at an unfavourable time, several of the States have adopted the practice of specifying a period prior to the date of maturity within which the Government, on giving twelve, or in some cases six months' notice, has the option of redeeming the loan. The Government can, therefore, take advantage of opportunities that may offer during the period for favourable renewals. Particulars concerning the due dates of the State loans outstanding on 30th June, 1922, are given in the following table.

Those loans in the case of which the Government has the option of redemption during a specified period have been in each instance classified according to the latest date of maturity.

**STATE PUBLIC DEBTS.—DUE DATES OF AMOUNT OUTSTANDING  
ON 30th JUNE, 1922.**

Due Dates.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Total.
	£	£	£	£	£	£	£
Overdue ..	10,546	1,000	900				12,446
1922 ..	7,037,400	7,875,630	1,397,562	1,405,347	1,541,610	481,905	19,739,454
1923 ..	9,310,712	22,075,454	122,562	3,377,617	1,349,365	740,021	36,975,731
1924 ..	29,771,644	8,729,667	13,293,196	5,560,848	1,344,135	705,344	59,409,834
1925 ..	4,007,494	14,350,986	12,143,562	6,677,669		1,843,312	39,023,023
1926 ..	6,802,841	5,927,797	935,862	2,562,738	1,922,305	578,910	18,730,453
1927 ..	11,800,026	2,243,200	4,926,312	2,620,116	5,555,500	1,361,731	28,511,885
1928 ..	5,286,000	997,325	609,662	1,068,748		776,789	8,738,524
1929 ..	169,040	1,058,861	215,662	611,131		954,798	3,009,492
1930 ..	3,268,170	1,944,800	4,554,262	302,675		87,438	10,157,345
1931 ..	1,370,116	326,990	122,562	450		159,380	1,979,498
1932 ..	13,076,000	933,700	122,562	1,225	1,168,995	21,133	15,323,615
1933 ..	9,686,300		122,562	368,912	716,708	20,831	10,915,313
1934 ..	3,000,000	3,000,000	122,562	1,043,421	1,866,318	21,134	9,053,435
1935 ..	17,500,000		122,562	1,478,499	8,408,185	164,718	27,673,964
1936 ..		300,000	3,047,212	4,250,380	1,240,000	28,837	8,666,429
1937 ..			122,562	15,586		32,202	170,350
1938 ..			210,469	92,383	552,640	24,678	880,170
1939 ..			122,562	2,569,499	106,603	23,655	2,824,319
1940 ..	16,500,000	4,248,900	2,122,562	6,014,860	4,500,000	7,848,719	41,235,041
1941 ..		324,380	3,050,953			52,347	3,427,680
1942 ..		485,100	137,562		61,697	28,824	713,183
1943 ..		3,600	122,562			29,968	156,130
1944 ..		400	122,562			31,156	154,118
1945 ..			6,351,352		2,000,000	32,390	8,383,742
1946 ..		1,620,412	122,562			283,675	2,026,649
1947 ..			6,676,331		2,080,000	35,010	8,791,341
1948 ..			122,562			28,708	151,270
1949 ..		11,699,371	122,562			28,396	11,850,329
1950 ..	12,250,000		7,069,162			2,829,469	22,148,631
1951 ..			1,122,162			30,584	1,152,746
1952 ..			247,962			31,740	279,702
1953 ..			2,270,371			32,460	2,302,831
1954 ..		123,874	122,562			17,195	263,631
1955 ..			122,562		4,437,000	17,803	4,577,365
1956 ..			122,562			12,249	134,811
1957 ..			122,562				122,562
1958 ..			122,562				122,562
1959 ..			122,562				122,562
1960 ..		2,979,700	2,122,562	3,000,000	1,000,000		9,102,262
1961 ..			122,562				122,562
1962 ..	10,500,000		122,562		6,000,000		16,622,562
1963 ..			122,562				122,562
1964 ..			122,562		1,566,000		1,688,562
1965 ..			122,562				122,562
1966 ..			122,562				122,562
1967 ..			122,562				122,562
1968 ..			122,562				122,562
1969 ..			122,562				122,562
1970 ..			2,122,562				2,122,562
1971 ..			122,562				122,562
1972 ..			122,562				122,562
1973 ..			122,562				122,562
1974 ..			122,562				122,562
1975 ..			122,562				122,562
1976 ..			122,564				122,564
Interminable ..	532,890						532,890
Annual drawings ..					52,800		52,800
Indefinite ..	18,917,144	17,843,052	6,890,916	11,366,584	7,489,917	2,545,902	65,053,515
	180,796,323	109,099,199	85,691,228	54,388,688	54,959,778	21,945,411	506,880,627

8. **Sinking Funds.**—The practice of providing for the ultimate extinction of the public debt by means of sinking funds receiving definite annual contributions from Consolidated Revenue and accumulating at compound interest has been consistently adopted only in the case of Western Australia. This State has established, in connexion with each of its loans, sinking funds varying from 1 per cent. to 3 per cent. per annum of the nominal amount of the loan. The funds are placed in the hands of trustees in London, by whom they are invested in securities, and applied from time to time to the redemption of loans falling due. In the remaining States the sinking fund provision made is varied, consisting in certain instances of the revenues from specified sources, in others of the Consolidated Revenue Fund surplus, and in others again of fixed annual amounts. The following table gives particulars of the sinking funds of each State, and the net indebtedness after allowances for sinking fund has been made, the details given being those for 30th June, 1922 :—

**STATE SINKING FUNDS AND NET INDEBTEDNESS, 30th JUNE, 1922.**

State.	Gross Indebtedness.	Sinking Fund.	Net Indebtedness.	Net Indebtedness per Head.
	£	£	£	£
New South Wales ..	180,796,323	417,067	180,379,256	83 19 9
Victoria ..	109,099,199	2,754,540	106,344,659	67 14 2
Queensland ..	85,691,228	393,615	85,297,613	108 11 4
South Australia ..	54,388,688	1,263,448	53,125,240	105 3 8
Western Australia ..	54,959,778	8,370,160	46,589,618	137 4 6
Tasmania ..	21,945,411	948,376	20,997,035	98 7 10
Total ..	506,880,627	14,147,206	492,733,421	88 9 11

**§ 6. Commonwealth and State Public Debts.**

With the object of setting out the entire liability of the Australian public, the Commonwealth and State debts have been brought together into one statement in the appended table. It will be noticed that there is a column headed "deduction for debts counted twice." This includes transferred properties for every year, and certain advances made by the Commonwealth to the States.

**COMMONWEALTH AND STATE PUBLIC DEBTS, 1917-18 TO 1921-22.**

Year ended 30th June.	Public Debt of Commonwealth.	Public Debt. of States.	Total Debt.	Deduction for Debts Counted Twice.	Balance, i.e., Public Debt of Australia.	Public Debt per Capita.
	£	£	£	£	£	£
1918..	284,055,069	392,540,161	676,595,230	23,202,515	653,392,715	131 2 7
1919..	325,770,747	396,356,149	722,126,896	27,952,619	694,174,277	136 12 1
1920..	381,309,905	417,309,772	798,619,677	28,190,462	770,429,215	145 4 10
1921..	401,720,024	458,408,900	860,128,924	29,787,088	830,341,836	153 8 4
1922..	416,070,509	506,880,627	922,951,136	29,528,297	893,422,839	160 9 2

A series of graphs illustrating the rise in the revenue, public debt, and taxation of the Commonwealth and States since 1902, the year 1901-2 being the first complete financial year since Federation, accompanies this chapter.

## C. PRIVATE FINANCE.

## § 1. Coinage.

1. *Australian Mints.*—(i) *General.* Soon after the discovery of gold in Australia steps were taken for the establishment of a branch of the Royal Mint in Sydney. The formal opening took place on the 14th May, 1855. The Melbourne branch was opened on the 12th June, 1872, and the Perth branch on the 20th June, 1899. The States of New South Wales, Victoria, and Western Australia provide an annual endowment in return for which the mint receipts are paid into the respective State Treasuries, and it might be said until recently that, apart from expenditure on buildings, new machinery, etc., the accounts paid into the Treasuries fairly balanced the mint subsidies. Early in 1923, however, it was announced that owing to losses incurred in the operations of recent years, the New South Wales Government had decided to close the Sydney branch at the end of 1923.

(ii) *Gold Receipts and Issues in 1922.* (a) *Assay of Deposits Received.* The deposits received during 1922 at the Sydney Mint reached a gross weight of 113,625 ozs.; at the Melbourne Mint, a gross weight of 145,894 ozs.; and at the Perth Mint, a gross weight of 691,868 ozs. The average composition of these deposits in Sydney was, gold 924.3, silver 56.7, base 19.0 in every 1,000 parts; Melbourne, gold 829.0, silver 122.0, base 49.0 in every 1,000 parts; and Perth, gold 786, silver 155.6, base 58.4 in every 1,000 parts.

(b) *Issues.* The Australian mints, besides issuing gold coin in the shape of sovereigns and half-sovereigns, also issue gold bullion, partly for the use of local manufacturers (jewellers and dentists), and partly for export, India taking a considerable quantity of gold cast into 10-oz. bars. During the last three years the export has been carried on under the strict regulation of the Commonwealth Government. The issues during 1922 are shown in the table below :—

AUSTRALIAN MINTS.—ISSUES OF GOLD, 1922.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ..	578,000	..	578,000	43,568	621,568
Melbourne ..	608,306	..	608,306	91,521	699,827
Perth ..	2,298,884	..	2,298,884	4,201	2,303,085
Total ..	3,485,190	..	3,485,190	139,290	3,624,480

(c) *Withdrawals of Worn Gold Coin.* The mints receive light and worn Imperial coin for recoinage, gold being coined locally, while silver is forwarded to London. The total withdrawals of worn gold coin were as follows :—Sydney, £1,084,381; Melbourne, £751,781 (since and including 1890); Perth, £1,401.

(iii) *Total Gold Receipts and Issues.* (a) *Receipts.* The total quantities of gold received at the three mints since their establishment are stated in the gross as follows :—Sydney, 40,190,817.05 ozs.; Melbourne, 39,508,963.16 ozs.; and Perth, 28,930,701 ozs. As the mints pay for standard gold (22 carats) at the rate of £3 17s. 10½d. per oz., which corresponds to a value of £4 4s. 11½d. per oz. fine (24 carats), it is possible to arrive at an estimate of the number of fine ounces from the amounts paid for the gold received. These amounts were :—Sydney, £148,904,096; Melbourne, £154,824,835; Perth, £100,834,209; corresponding to—Sydney, 35,055,046 ozs. fine; Melbourne, 36,448,864 ozs. fine; and Perth, 23,738,391 ozs. fine. In the case of deposits containing over a certain minimum of silver, the excess is paid for at the rate fixed from time to time by the Deputy-Master of the branch mint concerned.

(b) *Issues.* The total values of gold coin and bullion issued by the three mints are shown in the table hereafter. It may be said that about four-sevenths of the total gold production of Australasia has passed through the three Australian mints, the production of Australia to the end of 1922 being valued at £612,858,161, and that of New Zealand at approximately £92,000,000, or a total of about £705,000,000.

#### AUSTRALIAN MINTS.—TOTAL ISSUES OF GOLD TO END OF 1922.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
Sydney ..	136,962,500	4,781,000	141,743,500	7,130,320	148,873,820
Melbourne ..	141,675,943	946,780	142,622,723	12,188,367	154,811,090
Perth ..	92,231,642	367,338	92,598,980	8,196,080	100,795,060
Total ..	370,870,085	6,095,118	376,965,203	27,514,767	404,479,970

(iv) *Silver and Bronze Coinage.* (a) *Prices of Silver.* The value of silver has greatly decreased since its demonetization and restricted coinage in almost the whole of Europe. A noticeable increase, however, took place for some years after 1915, the price of silver following the general trend of world prices. Its average price in the London market in recent years is shown in the table in Chapter XXI. Mineral Industry.

(b) *Profits on Coinage of Silver.* As sixty-six shillings are coined out of one pound troy of standard silver, the silver required to produce £3 6s. of coin was only worth on the average about £1 14s. 5d. during 1922, the difference represents, therefore, the gross profit or seigniorage made on the coinage of every £3 6s. Negotiations took place for a number of years between the Imperial authorities and the Governments of New South Wales and Victoria, and in 1898, resulted in permission being granted to the two Governments named to coin silver and bronze coin at the Sydney and Melbourne Mints for circulation in Australia. No immediate steps were, however, taken in the matter, and as section 51 of the Commonwealth Constitution makes legislation concerning "currency, coinage, and legal tender" a Federal matter, the question remained in abeyance until the latter part of 1908, when the Commonwealth Treasurer announced his intention of initiating the coinage. Since 1916 silver and bronze coins have been minted in Australia on behalf of the Commonwealth Treasury.

(c) *Silver and Bronze Issues.* The total issues of silver and bronze coinage on account of the Commonwealth since 1910 as obtained from returns furnished by the Treasury, are set out in the following table:—

#### AUSTRALIAN MINTS.—SILVER AND BRONZE ISSUES, 1910 TO 1922.

Year.	Silver.					Bronze.		
	2/-	1/-.	6d.	3d.	Total.	1d.	½d.	Total.
	£	£	£	£	£	£	£	£
1910-17 ..	1,464,600	1,024,900	264,500	253,675	3,007,075	83,520	37,220	120,740
1918 ..	266,350	114,300	39,200	41,425	461,275	8,700	5,730	14,430
1919 ..	98,600	48,900	28,500	37,725	213,725	29,204	9,930	39,134
1920 ..	94,800	98,000	54,800	53,775	296,375	33,320	8,555	41,875
1921 ..	113,300	58,400	72,500	82,900	332,100	30,779	10,525	41,304
1922 ..	129,100	37,400	40,400	40,650	247,550	31,770	4,400	36,170
Total ..	2,171,750	1,376,300	499,900	510,150	4,558,100	217,293	76,360	293,653

(d) *Withdrawals of Worn Silver Coin.* The value of worn silver coins received during 1922 was as follows:—Sydney, £131,800; Melbourne, £107,937; Perth, nil. The total withdrawals of worn silver coin were:—Sydney, £1,007,072; Melbourne, £728,455; Perth, £60,619.

(v) *Standard Weight and Fineness of Coinage.* The coinage of Australia, so far as the coins minted are concerned, is the same as that of the United Kingdom, and the same provisions as to legal tender apply, viz., gold coins are legal tender to any amount, silver for an amount not exceeding forty shillings, and bronze up to one shilling. As will be seen from the table below, the standard weights of the sovereign and half-sovereign are respectively 123.27447 grains and 61.63723 grains, but these coins will pass current if they do not fall below 122.5 grains and 61.125 grains respectively.

**AUSTRALIAN COINAGE—STANDARD WEIGHT AND FINENESS.**

Denomination.	Standard Weight.	Standard Fineness.
	Grains.	
<b>GOLD—</b>		
Sovereign ..	123.27447	} Eleven-twelfths fine gold, viz. :— Gold .. 0.91667 } 1.00000 Alloy .. 0.08333 }
Half-sovereign ..	61.63723	
<b>SILVER—</b>		
Florin ..	174.54545	} Thirty-seven-fortieths fine silver, viz. :— Silver .. 0.925 } 1.000(a) Alloy .. 0.075 }
Shilling ..	87.27272	
Sixpence ..	43.63636	
Threepence ..	21.81818	
<b>BRONZE—</b>		
Penny ..	145.83333	} Mixed metal, viz. :— Copper .. 0.95 } 1.00 Tin .. 0.04 Zinc .. 0.01 }
Halfpenny ..	87.50000	

(a) The fineness of Australian silver coins is still 925, but since December, 1920, the fineness of British silver coins has been reduced to 500.

**§ 2. Cheque-Paying Banks.**

**1. Banking Legislation.—(i) Commonwealth Legislation.** Under Section 51 of the Commonwealth Constitution Act the Commonwealth Parliament has power to legislate with respect to "Banking, other than State banking, also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money." Legislation under this authority comprises the following Acts: No. 27 of 1909, dealing with Bills of Exchange, Cheques, and Promissory Notes; No. 11 of 1910, dealing with Australian Notes; and No. 14 of 1910, a Bank Notes Tax Act. The Notes Act and the Bank Notes Tax Act were supplemented in the following year by the passing of No. 18 of 1911, "An Act to provide for a Commonwealth Bank," which passed both Houses and was assented to on 22nd December, 1911. Some account of the foundation of the Bank appeared in No. 6 to No. 10 issues of the Official Year Book.

As the initial expenses of the bank were heavy, the early operations resulted in a small loss, but with the increasing prosperity of the institution the early deficit was gradually reduced, until on 30th June, 1915, it was entirely extinguished. The following table shows the aggregate net profits from the initiation of the bank to the end of each of the last five financial years :—

**COMMONWEALTH BANK.—AGGREGATE PROFITS, 1918 TO 1922.**

Date.	Aggregate Net Profits to Date.		
	General Bank.	Savings Bank.	Total.
	£	£	£
30th June, 1918 .. ..	991,934	84,092	1,076,026
" 1919 .. ..	1,726,532	196,438	1,922,970
" 1920 .. ..	2,426,067	330,038	2,756,105
" 1921 .. ..	3,082,249	369,116	3,451,365
" 1922 .. ..	3,577,317	424,342	4,001,659



According to the provisions of section 30 of the Bank Act, the net profit of £4,001,659 accumulated at 30th June, 1922, was divided equally between a bank reserve fund and a redemption fund. The reserve fund is available for the payment of any liabilities of the bank. The redemption fund is available for the repayment of any money advanced to the Bank by the Treasurer, or for the redemption of debentures or stock which may be issued by the bank; and any excess may be used for the purpose of the redemption of any Commonwealth debts, or State debts taken over by the Commonwealth. Under the terms of the new Sinking Fund Act passed in July, 1923, the future accumulations of the redemption fund are to be paid into the Sinking Fund for the repayment of Commonwealth debt.

(ii) *State Legislation.* The Acts under which the various banks are incorporated are not all of the same nature, but it may be stated that while most of the other banks were incorporated by special Acts, *e.g.*, the Bank of New South Wales, by Act of Council 1817; the Bank of Australasia, by Royal Charter; the Bank of Adelaide, by Act of the South Australian Parliament; and the Bank of New Zealand, by Act of the General Assembly of New Zealand, the newer banks are generally registered under a "Companies Act," or some equivalent Act. This is also the case with those banks which, after the crisis of 1893, were reconstructed.

(iii) *Australian Note Issue.* In December, 1920, the Australian Note Issue was handed over to the control of the Commonwealth Bank, the notes, however, still remaining Treasury Notes. The Note Issue Department of the Bank, so credited, is administered by a Board including the Governor and Secretary of the Bank, a leading Treasury official, and two outside financial experts. The Note Issue has remained fairly constant during the last two years at a figure slightly exceeding £50 million pounds. The notes in circulation on 30th June, 1922, amounted to £53,556,698, of which approximately four-sevenths were held by the Banks and three-sevenths by the public. Against this there was a reserve of gold coin amounting to £23,347,797 10s., or nearly 44 per cent., and other assets including investments of £29,658,482. The investments are set out in detail as follows:—

**AUSTRALIAN NOTES ACCOUNT.—PARTICULARS OF INVESTMENTS AS AT  
30th JUNE, 1922.**

Investment.	Amount.	Rate of Interest.	Date of Maturity.	Annual Amount of Interest.
Commonwealth Inscribed Stock .. .. .	£ 3,014,716	3½	1/4/62 to 1/4/72	£ 105,515
Commonwealth War Loan .. .. .	63,640	4½	15/12/25	2,864
New South Wales Treasury Bills .. .. .	7,400,000	4½	(a)	305,250
Victorian Debentures (face value £150,000) .. .. .	147,000	5½	1/5/23	8,085
Victorian Debentures (face value £400,000) .. .. .	392,000	6	1/5/23	23,520
Victorian Debentures .. .. .	3,900,000	4½	(a)	160,875
Victorian Inscribed Stock .. .. .	583,000	5½	(a)	30,608
Queensland Securities .. .. .	1,490,000	5½	(a)	78,225
South Australian Treasury Bills .. .. .	2,600,000	4½	(a)	107,250
South Australian Securities .. .. .	326,000	6	(a)	19,560
Western Australian Stock .. .. .	590,000	3½	1/1/26	22,125
Western Australian Treasury Bills .. .. .	3,100,000	4½	(a)	127,875
Western Australian Securities .. .. .	335,000	5½	(a)	17,587
Tasmanian Inscribed Stock .. .. .	80,000	6	1/4/23	4,800
Tasmanian Inscribed Stock .. .. .	75,000	6	1/10/22	4,500
Tasmanian Inscribed Stock .. .. .	150,000	6	1/10/23	9,000
Tasmanian Treasury Bills .. .. .	1,000,000	4½	(a)	41,250
Tasmanian Securities .. .. .	469,000	5½	(a)	24,622
Advances and Fixed Deposits .. .. .	3,943,126	3 to 6	Various	177,000
<b>Total .. .. .</b>	<b>29,658,482</b>	<b>..</b>	<b>..</b>	<b>1,270,511</b>

(a) Not yet fixed.

2. *Banks in Operation.*—The eighteen banks trading in Australia at the 30th June, 1922, are arranged in the table hereafter according to the situation of their head offices. It is proposed in the few instances in which reference to the banks is made by name to arrange them in the order thus given with the exception of the Commonwealth Bank, which is placed first:—

## CHEQUE-PAYING BANKS AT 30th JUNE, 1922.

Bank.	Head Office.
Bank of Australasia .. .. .	London
Union Bank of Australia Limited .. .. .	"
English, Scottish, and Australian Bank Limited .. .. .	"
Commonwealth Bank of Australia .. .. .	Sydney
Bank of New South Wales .. .. .	"
Commercial Banking Company of Sydney Limited .. .. .	"
Australian Bank of Commerce Limited .. .. .	"
National Bank of Australasia Limited .. .. .	Melbourne
Commercial Bank of Australia Limited .. .. .	"
Bank of Victoria Limited .. .. .	"
Royal Bank of Australia Limited .. .. .	"
Queensland National Bank Limited .. .. .	Brisbane
Bank of Adelaide .. .. .	Adelaide
Western Australian Bank .. .. .	Perth
Bank of New Zealand .. .. .	Wellington
Comptoir National d'Escompte de Paris .. .. .	Paris
Ballarat Banking Company Limited .. .. .	Ballarat
Yokohama Specie Bank Limited .. .. .	Yokohama

It is worthy of note that amalgamations, which have been such a feature in British banking of late years, have also been effected in Australia, the number of competitive joint-stock banks being thereby reduced considerably. During the calendar years 1917 and 1918 the following were recorded:—(a) the Royal Bank of Queensland Limited with Bank of North Queensland Limited; (b) City Bank of Sydney with Australian Bank of Commerce Limited; (c) National Bank of Tasmania Limited with Commercial Bank of Australia Limited; and (d) National Bank of Australasia Limited with Colonial Bank of Australasia Limited.

A further amalgamation was announced in August, 1920, viz., the London Bank of Australia Ltd. and the English, Scottish and Australian Bank Ltd. The amalgamated banks further strengthened their position by absorbing the Commercial Bank of Tasmania, which from May, 1921, ceased to exist independently. Finally, the National Bank of Australasia has absorbed the Bank of Queensland.

3. **Capital Resources.**—The paid-up capital of the cheque-paying banks, together with their reserve funds, the rate per cent., and the amount of their last dividends, are shown in the table hereunder. The information relates to the balance-sheet last preceding the 30th June, 1922. In regard to the reserve funds it must be noted that in the case of some of the banks these are invested in Government securities, while in other cases they are used in the ordinary business of the banks, and in a few instances they are partly invested and partly used in business:—

## CHEQUE-PAYING BANKS.—CAPITAL RESOURCES, 1921-22.

Bank.	Paid-up Capital.	Rate per cent. per annum of last Dividend and Bonus.	Amount of last Half-yearly Dividend and Bonus.	Amount of Reserved Profits.
	£	%	£	£
Commonwealth Bank of Australia .. .. .	4,000,000	10 and Bonus 3	487,500(c)	4,001,659
Bank of Australasia .. .. .	2,500,000	15	187,500	3,425,000
Union Bank of Australia Ltd. .. .. .	1,319,888	10	128,807(c)	2,833,057
English, Scottish and Australian Bank Ltd. .. .. .	5,000,000	10	125,000	1,300,000
Bank of New South Wales .. .. .	3,000,000	10	147,335	3,600,000
Commercial Banking Coy. of Sydney Ltd. .. .. .	1,200,000	7	42,000	2,360,000
Australian Bank of Commerce Ltd. .. .. .	2,713,139	10	103,050	250,000
National Bank of Australasia Ltd. .. .. .	2,453,943(a)	4 Pref., 15 Ord.	53,361	1,593,164
Commercial Bank of Australia Ltd. .. .. .	1,478,010(b)	9	66,510	13,322
Bank of Victoria Ltd. .. .. .	750,000	10	37,500	657,059
Royal Bank of Australia Ltd. .. .. .	800,000	10	19,994(d)	475,000
Queensland National Bank Ltd. .. .. .	625,000	10	31,250	360,000
Bank of Adelaide .. .. .	250,000	20	25,000	650,000
Western Australian Bank .. .. .	3,004,989	10 Pref., 13½ Ord.	412,500	765,823
Bank of New Zealand .. .. .	10,000,000	10	1,000,000(c)	1,675,000
Comptoir National d'Escompte de Paris .. .. .	127,500	8	5,100	2,812,484
Ballarat Banking Coy. Ltd. .. .. .	10,000,000	12	600,000	57,000
Yokohama Specie Bank Ltd. .. .. .				6,100,000
Total .. .. .	50,122,469			32,928,568

(a) Subject to estimated deficiency in connexion with Special Assets Trusts Coy. Ltd. (b) £416,760 preferential, £1,061,250 ordinary. (c) For twelve months. (d) Dividend for quarter.

4. **Liabilities and Assets.**—(i) *Liabilities, each State, Quarter ended 30th June, 1922.* As already stated, the banks transacting business in any State are obliged, under the existing State laws, to furnish a quarterly statement of their assets and liabilities, which contains the averages of the weekly statements prepared by the bank for that purpose, and they have since the year 1908 furnished quarterly statements to the Commonwealth Statistician. As all other financial returns in this work embrace, so far as possible, a period ended 30th June, 1922, it seems advisable to give the banking figures for the quarter ended on that date, and, where they are shown for a series of years, similarly to use the figures for the June quarter of each year. The liabilities are those to the general public, and are exclusive of the banks' liabilities to their shareholders, which are shown in the preceding table. The figures set out in the tables which follow are inclusive in every case of the Commonwealth Bank.

#### CHEQUE-PAYING BANKS—LIABILITIES, JUNE QUARTER, 1922.

State.	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total. Liabilities.
				Not Bearing Interest.	Bearing Interest. (b)	Total.	
	£	£	£	£	£	£	£
New South Wales	68,953	969,187	1,541,923	52,276,680	54,086,297	106,362,977	108,943,040
Victoria ..	88,469	362,926	1,183,745	35,965,994	53,694,677	89,660,671	91,295,811
Queensland ..	(a)	655,172	505,457	17,467,280	33,269,011	50,736,291	51,896,920
South Australia ..	23,804	80,930	657,842	9,193,861	13,276,784	22,470,645	23,233,221
Western Australia	26,255	186,681	323,361	5,950,250	6,336,915	12,287,165	12,823,462
Tasmania ..	2,413	44,895	162,376	2,880,070	3,922,442	6,802,512	7,012,196
Northern Territory	..	79	3,000	85,049	139,852	224,901	227,980
Total ..	209,894	2,299,870	4,377,704	123,819,184	164,725,978	288,545,162	295,432,630

(a) In Queensland, Treasury Notes were used instead of bank notes.

(b) Including £36,212,675 Commonwealth Savings Bank Deposits.

(ii) *Liabilities, all States, June Quarters, 1918 to 1922.* In the subjoined table, which shows the average liabilities of the banks for the quarters ended 30th June, 1918 to 1922, for Australia as a whole, it will be seen that the growth in total liabilities is almost entirely due to an increase in the deposits, and that deposits not bearing interest and deposits bearing interest have both shared in that increase, although the latter show by far the larger proportion. This is owing in some measure to the increase in the Commonwealth Savings Bank deposits consequent upon the absorption of the Queensland Savings Bank in 1920-21.

#### CHEQUE-PAYING BANKS—LIABILITIES, JUNE QUARTER, 1918 TO 1922.

Year.	Notes in Circulation not Bearing Interest.	Bills in Circulation not Bearing Interest.	Balances Due to Other Banks.	Deposits.			Total Liabilities.
				Not Bearing Interest.	Bearing Interest. (a)	Total.	
	£	£	£	£	£	£	£
1918 ..	229,639	1,726,045	4,486,497	112,262,321	112,504,432	224,766,753	231,208,934
1919 ..	221,755	1,813,390	6,540,609	118,988,567	130,069,687	249,058,254	257,634,008
1920 ..	224,130	2,343,713	4,505,117	133,912,800	131,715,792	265,628,592	272,701,552
1921 ..	213,868	2,392,074	5,745,770	127,789,314	154,767,037	282,556,351	290,908,063
1922 ..	209,894	2,299,870	4,377,704	123,819,184	164,725,978	288,545,162	295,432,630

(a) Including Commonwealth Savings Bank Deposits.

(iii) *Assets, each State, Quarter ended 30th June, 1922.* The average assets of the banks are shown in the following table:—

## CHEQUE-PAYING BANKS.—ASSETS, JUNE QUARTER, 1922.

State.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Government and Municipal Securities.	Landed and House Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	Discounts, Over-drafts, and all other Assets.	Australian Notes.	Total Assets.
	£	£	£	£	£	£	£	£	£
N.S.W.	10,029,566	329,674	23,194,358	2,624,907	792,441	2,836,133	75,312,841	10,255,237	125,375,157
Victoria	5,384,888	44,562	7,074,905	1,594,739	3,469,658	1,768,486	55,180,844	10,730,372	85,248,454
Q'land	2,281,331	10,257	16,737,879	938,334	505,098	646,423	23,702,482	3,374,318	48,196,122
S. Aust.	1,839,191	64	493,393	323,708	247,602	513,423	12,841,216	3,267,154	19,525,751
W. Aust.	1,203,262	165,401	910,938	254,999	142,756	703,615	10,675,452	1,778,844	15,835,267
Tasmania	604,770	31	1,574,186	155,154	46,876	122,040	4,511,973	905,437	7,920,467
Nor. Ter.	7,694	1,362	..	800	45,022	13,461	12,810	3,281	84,430
Total	21,350,702	551,351	49,985,659	5,892,641	5,249,453	6,603,581	182,237,618	30,314,643	302,185,648

(iv) *Assets, all States, June Quarters, 1918 to 1922.* The average assets of the banks for the June quarters of each of the years 1918 to 1922 are given below.

## CHEQUE-PAYING BANKS.—ASSETS, JUNE QUARTERS, 1918 TO 1922.

Year.	Coined Gold and Silver and other Metals.	Gold and Silver in Bullion or Bars.	Landed and other Property.	Notes and Bills of other Banks.	Balances Due from other Banks.	All other Debts Due to the Banks.(a)	Total Assets.
	£	£	£	£	£	£	£
1918 ..	21,518,264	889,032	5,300,834	2,149,799	6,087,990	200,386,561	236,332,480
1919 ..	21,341,026	793,883	5,215,550	2,274,422	7,798,735	240,527,120	277,950,736
1920 ..	20,704,078	625,786	5,375,279	2,909,031	7,819,654	232,440,445	269,874,273
1921 ..	21,066,405	560,427	5,736,389	2,406,515	6,644,558	276,331,601	312,745,895
1922 ..	21,350,702	551,351	5,892,641	5,249,453	6,603,581	262,537,920	302,185,648

(a) Including Government and Municipal securities, and Australian notes.

The increase in the total amount of assets is mainly due to advances, and the growth in 1919 and 1921 is almost exactly accounted for by increases in this respect, due largely to the action of the banks in financing wheat and other commodities awaiting shipment and in assisting individuals to invest in war loans. In 1920 the liabilities exceeded the assets by about three millions. This was owing to the excess of exports over imports, and the fact that payments had been made by the British Government for wheat and wool in anticipation of shipments not then effected.

## 5. Percentage of Coin, Bullion, and Australian Notes to Liabilities at Call.—

(i) *General.* Although it is not strictly correct to assume that the division of deposits into those bearing interest and not bearing interest would in every case coincide with a division into fixed deposits and current accounts, the division, in default of a better one, must be adopted, and in the following table "liabilities at call" are therefore understood to include the note circulation of the banks and the deposits not bearing interest. Since 1912, however, the former item has steadily decreased, and is now almost negligible as compared with the latter.

**CHEQUE-PAYING BANKS.—PERCENTAGE ON LIABILITIES OF COIN, BULLION,  
AND AUSTRALIAN NOTES, 1918 TO 1922.**

Year.	Liabilities at Call.	Coin, Bullion, and Australian Notes.	Percentage on Liabilities at Call.
	£	£	%
1918 .. .. .	112,491,960	56,359,868	50.10
1919 .. .. .	119,210,322	57,894,016	48.56
1920 .. .. .	134,136,930	55,940,627	41.70
1921 .. .. .	128,003,182	56,119,744	43.84
1922 .. .. .	124,029,078	52,216,696	42.10

It would appear that the banks generally consider it advisable to hold from 40 to 50 per cent. of the amount of liabilities at call in coin, bullion, and notes.

(ii) *Queensland Treasury Notes.* In Queensland, Treasury notes took the place of bank notes in 1893. These Treasury notes are disregarded in the quarterly statements of the banks; according to Treasury returns the amount outstanding on 30th June, 1922, was £23,271. Under the Australian Notes Act, previously referred to, the issue of notes by a State is now prohibited.

(iii) *Percentage in each State.* The proportion of coin, bullion, and Australian notes to liabilities at call varies considerably in the different States, and sometimes in the same State from year to year. A table is appended showing the percentage for each State for the quarter ended 30th June in each of the years 1918 to 1922 :—

**CHEQUE-PAYING BANKS.—PERCENTAGE ON LIABILITIES OF COIN, BULLION,  
AND AUSTRALIAN NOTES, 1918 TO 1922.**

Year.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Ter.	All States.
	%	%	%	%	%	%	%	%
1918 ..	48.06	48.95	51.55	54.81	57.06	61.30	12.66	50.10
1919 ..	50.52	45.67	48.35	43.32	60.21	55.92	11.05	48.56
1920 ..	43.07	38.36	39.69	45.25	50.75	41.17	14.41	41.70
1921 ..	41.03	46.48	34.75	52.18	60.25	55.70	13.64	43.84
1922 ..	39.38	44.82	32.44	55.40	52.66	52.39	14.51	42.10

6. *Deposits and Advances.*—(i) *Deposits.* The amount and average per head of population of deposits held by the banks during each of the last five years is given hereunder.

**CHEQUE-PAYING BANKS.—DEPOSITS, 1918 TO 1922.**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£
1918..	86,489,590	68,663,889	34,133,083	18,594,391	9,770,507	6,750,979	364,314	224,766,753
1919..	93,865,093	78,337,458	35,477,051	23,650,545	10,663,143	6,720,381	344,583	249,058,254
1920..	103,373,262	86,922,563	32,387,302	22,421,647	12,502,476	7,701,223	320,119	265,628,592
1921..	107,676,418	85,756,518	46,769,215	22,087,673	12,248,654	7,736,798	281,077	282,556,351
1922..	106,362,977	89,660,671	50,736,291	22,470,645	12,287,165	6,802,512	224,901	288,545,162

**TOTAL.**

**PER HEAD OF POPULATION.**

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1918..	45 7 2	48 10 5	49 13 3	42 6 11	31 9 8	33 4 0	71 4 6	45 5 1
1919..	48 0 4	53 13 9	50 4 2	52 6 6	33 5 8	31 19 9	71 19 1	48 14 9
1920..	50 1 7	57 11 11	43 9 3	46 3 5	38 0 2	36 12 6	75 11 8	49 13 5
1921..	51 5 3	55 18 4	61 5 7	44 10 0	36 16 6	36 4 7	72 1 1	51 18 3
1922..	49 11 8	57 4 3	65 0 3	44 10 11	36 6 1	31 14 9	61 0 4	51 19 1

(ii) *Advances.* In the quarterly statements furnished by the banks, the column headed "all other debts due to the banks" is made up of such miscellaneous items as bills discounted, promissory notes discounted, overdrafts on personal security, overdrafts secured by deposit of deeds or by mortgage, etc. The form prescribed for quarterly returns furnished to the Commonwealth Statistician in 1908 and 1909 provided for a division of the amounts contained under this heading into a number of sub-headings, but all the banks were not in a position to make the necessary division, so that under present circumstances it is impossible to separate these items, and the total amounts contained in the column must, therefore, be treated as advances. The following table shows the totals for each State during the years 1918 to 1922. Part of the very large rise in 1918-19 is due to the advances made by the banks to their clients, to enable them to subscribe to the Commonwealth War Loan.

## CHEQUE-PAYING BANKS.—ADVANCES, 1918 TO 1922.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
	£	£	£	£	£	£	£	£
1918 ..	56,176,269	42,185,873	18,685,598	10,877,107	9,183,968	3,265,637	36,006	140,410,458
1919 ..	70,891,172	53,645,558	21,773,778	17,280,249	10,562,174	3,785,362	14,532	177,952,825
1920 ..	68,171,203	45,642,462	21,485,247	10,676,319	10,744,799	3,957,318	16,193	160,693,541
1921 ..	82,317,843	57,826,082	23,267,979	13,628,176	10,909,657	5,482,908	23,115	193,435,760
1922 ..	75,312,841	55,180,844	23,702,482	12,841,216	10,675,452	4,511,973	12,810	182,237,618

(iii) *Proportion of Advances to Deposits.* The percentage borne by advances to total deposits shows to what extent the needs of one State are supplied by the resources of another State, and, where the percentage for Australia as a whole exceeds 100 (as it did in the early years of the century), the banks must have supplied the deficiency from their own resources, or from deposits obtained outside Australia. The following figures show, however, that the banking business of Australia has been self-contained in every State during the period under review :—

## CHEQUE-PAYING BANKS.—PERCENTAGE OF ADVANCES ON DEPOSITS, 1918 TO 1922.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Nor. Ter.	All States.
	%	%	%	%	%	%	%	%
1918 ..	64.95	61.44	54.74	58.50	94.00	48.37	9.88	62.47
1919 ..	75.52	68.48	61.43	73.06	99.05	56.33	4.22	71.45
1920 ..	65.95	52.40	66.34	47.61	85.94	51.39	5.06	60.50
1921 ..	76.45	67.43	49.75	61.70	89.07	70.61	8.22	68.46
1922 ..	70.81	61.54	46.72	57.15	86.88	66.33	5.70	63.16

7. *Clearing Houses.*—The Sydney Banks' Exchange Settlement and the Melbourne Clearing House, at which two institutions settlements are effected daily between the banks doing business in New South Wales and Victoria respectively, publish figures of the weekly clearances effected. From these figures it appears that in 1922 the total clearances in Sydney amounted to £726,583,000, and in Melbourne to £623,790,000. Owing to the different distribution of the banking business in the two cities, these figures do not necessarily afford a fair comparison of the volume of banking business transacted in Sydney and Melbourne. Returns of all Australian Clearing Houses for the last five years are shown in the following table :—

## CHEQUE-PAYING BANKS.—CLEARING HOUSE RETURNS, 1918 TO 1922.

Year.	Sydney.	Melbourne.	Brisbane.	Adelaide.	Perth.
	£	£	£	£	£
1918 ..	552,216,000	493,768,000	134,050,000	105,705,000	50,518,000
1919 ..	590,098,000	544,211,000	128,006,000	123,880,000	56,900,000
1920 ..	764,546,000	725,006,000	160,539,000	166,011,000	80,758,000
1921 ..	709,734,000	609,335,000	157,503,000	157,549,000	67,619,000
1922 ..	726,583,000	623,790,000	147,374,000	172,836,000	75,279,000

### § 3. Savings Banks.

1. **General.**—In the following tables dealing with Savings Banks operations the figures for all the States except Tasmania refer to financial years ended 30th June. In the case of Tasmania, figures for the two joint-stock savings banks were made up to the last day of February in each year up to 1918-19, but in 1919-20 were made up to August, and will be so estimated in subsequent years. The figures in each State are inclusive of the Savings Bank Department of the Commonwealth Bank, and in the case of the Commonwealth Bank figures are made up to the 30th June, 1922.

2. **Depositors.**—The number of depositors, i.e., of persons having accounts open, not of those making deposits, and the number per 1,000 of the population, in each of the last five years is shown in the following table:—

SAVINGS BANKS.—DEPOSITORS, 1917-18 TO 1921-22.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
NUMBER.								
1917-18	920,337	913,875	313,248	337,709	182,140	95,154	1,274	2,763,737
1918-19	984,951	966,543	343,424	357,310	192,879	99,565	1,167	2,945,839
1919-20	1,053,893	1,014,223	364,149	377,435	204,005	108,289	987	3,122,981
1920-21	1,126,157	1,072,554	327,065	396,970	217,136	115,502	935	3,256,319
1921-22	1,186,948	1,127,892	337,621	414,570	225,136	120,252	861	3,413,280
PER 1,000 OF POPULATION.								
1917-18	482	645	453	768	585	469	242	555
1918-19	501	659	482	784	597	472	237	573
1919-20	519	674	496	799	611	498	225	589
1920-21	536	698	425	798	652	545	238	597
1921-22	553	718	430	814	663	564	235	613

The fall in the number of depositors in Queensland in 1920-21 is due to the amalgamation of the State and Commonwealth Savings Banks.

In connexion with the figures showing number of depositors per 1,000 of the population, it must, of course, be borne in mind that savings bank accounts are not restricted to the adult population, but that it is, on the contrary, a very usual practice to open accounts in the names of children. Even so, the proportion is a large one, amounting in the case of Australia to about eight-thirteenths, and rising in Victoria to over seven-tenths and in South Australia to four-fifths. It may be pointed out also that as it is possible in some States for the same person to have accounts in both Commonwealth and State Savings Banks, the figures given are probably slightly in excess of the number of individual depositors.

3. **Deposits.**—The amount of deposits in the savings banks of the six States reaches the large sum of £162,000,000, and would no doubt be even larger if the banks did not restrict interest-bearing deposits to certain limits. It must be remembered that, while not granting facilities to draw cheques, the Australian savings banks practically afford the small tradesman all the advantages of a current account, and in addition allow interest on the minimum monthly balance instead of charging a small fee for keeping the account, as is the practice of the ordinary banks. The Savings Banks of the six States, including the two trustee banks of Tasmania, have, for the further benefit of depositors, entered into a reciprocity arrangement, under which money deposited in one State may be drawn out in another State, even by telegraph.

The table below shows the amount at credit of depositors, the average per depositor, and the average amount deposited for head of population at the end of each of the last five years:—

## SAVINGS BANKS.—DEPOSITS, 1917-18 TO 1921-22.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	N. Ter.	All States.
TOTAL.								
	£	£	£	£	£	£	£	£
1917-18	43,039,012	34,508,186	16,501,325	12,899,036	6,290,027	2,917,235	95,071	116,339,892
1918-19	47,070,342	38,772,024	17,510,975	14,803,237	7,002,473	3,285,393	81,097	128,525,541
1919-20	49,933,535	42,317,863	17,909,571	15,496,514	7,258,384	3,930,181	57,106	136,903,154
1920-21	57,394,441	48,970,859	18,587,942	16,317,353	7,663,440	4,159,502	53,790	153,147,457
1921-22	61,791,273	52,131,032	19,394,156	16,931,678	7,759,317	4,224,662	41,115	162,273,233

## AVERAGE PER DEPOSITOR.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1917-18	46 15 3	37 17 2	52 13 7	38 3 11	34 10 8	30 13 2	74 12 6	42 1 11
1918-19	47 15 9	40 2 3	50 19 9	41 8 7	36 8 2	32 19 11	69 9 8	43 12 7
1919-20	47 7 7	41 14 6	49 3 8	41 1 2	35 11 7	36 5 10	57 17 2	43 16 9
1920-21	50 19 4	45 13 2	56 16 8	41 2 1	35 5 10	36 0 3	57 10 7	47 0 7
1921-22	52 1 2	46 4 5	57 8 10	40 16 10	34 9 4	35 2 7	47 15 1	47 10 10

## PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1917-18	22 3 4	24 5 10	23 15 2	28 11 6	20 8 8	14 14 3	19 10 4	23 2 7
1918-19	23 10 10	26 6 4	24 3 3	31 12 0	21 18 4	16 0 6	17 8 5	24 14 7
1919-20	24 3 1	27 19 8	23 19 2	31 16 8	22 0 6	18 13 6	13 11 1	25 10 10
1920-21	27 6 3	31 17 8	24 3 5	32 15 11	23 0 1	19 12 5	13 13 11	28 1 6
1921-22	28 15 5	33 3 10	24 13 10	33 10 6	22 17 1	19 15 11	11 4 6	29 2 10

A comparison of the figures showing the number of depositors and the amount of deposits reveals the fact that the average amounts to the credit of each depositor are considerably larger in some States than in others; in other words, in one State a comparatively larger proportion of the population makes use of the savings banks than in another, with the result that there is a smaller amount to the credit of the individual depositor. Within the same State there is little variation in the figures from year to year, except that Victoria shows a steady advance during the period under review.

The average amount deposited per head of population increased during the period by over 25 per cent., the figures for South Australia being particularly noticeable.

4. Rates of Interest.—The rates of interest allowed, and the limits of interest-bearing deposits, are as follows:—New South Wales, Government Savings Bank, 4 per cent. up to £500 and 3½ per cent. on the excess up to £1,000; Victoria, 4 per cent. on first £500 and then 3 per cent. for a further £250, also 4 per cent. on deposit stock up to £1,000; South Australia, 3½ per cent. on accounts closed during the year, and 4½ per cent. up to £350 on accounts remaining open; Western Australia, 3½ per cent. from £1 to £500, and 3 per cent. from £500 to £1,000; also 4 per cent. on deposit stock up to £1,000; Hobart Trustees' Savings Bank, 4½ per cent. up to £300; Launceston Trustees' Savings Bank, 4½ per cent. up to £150, and Commonwealth Savings Bank, 3½ per cent. on the first £1,000, and 3 per cent. upon another £300.

5. Annual Business.—The annual volume of business transacted by the Australian savings banks is very large when compared with the total amount of deposits. This is mainly due to the fact already pointed out that many accounts are used as convenient current accounts. Thus, during the last year of the period under review, the total amount deposited and withdrawn (exclusive of interest added) amounted to nearly double



the total amount of deposits at the end of the previous year, while the amount at credit of depositors (inclusive of interest added) increased approximately 6 per cent. during the same year. The following table shows the business transacted during the year 1921-22 :—

**SAVINGS BANKS.—TRANSACTIONS, 1921-22.**

State.	Total Deposits at end of Year 1920-21.	Amounts Deposited during Year 1921-22.	Interest Added during Year 1921-22.	Total.	Amounts Withdrawn during Year 1921-22.	Total Deposits at end of Year 1921-22.
	£	£	£	£	£	£
N.S. Wales ..	57,394,441	60,288,585	2,140,095	119,823,121	58,031,848	61,791,273
Victoria ..	48,970,989	47,416,242	1,804,233	98,191,464	46,060,432	52,131,032
Queensland ..	18,587,942	20,755,463	621,331	39,964,736	20,570,580	19,394,156
South Australia	16,317,353	13,509,054	625,932	30,452,339	13,520,661	16,931,678
West. Australia	7,665,440	7,680,475	247,725	15,591,640	7,832,323	7,759,317
Tasmania ..	4,159,502	3,373,149	149,909	7,682,560	3,457,898	4,224,662
Nor. Territory	53,790	27,369	1,488	82,647	41,532	41,115
Total ..	153,147,457	153,050,337	5,590,713	311,788,507	149,515,274	162,273,233

6. **Commonwealth Savings Bank.**—The figures quoted in the preceding tables include those relating to the Savings Bank Department of the Commonwealth Bank which commenced operations in Victoria on the 15th July, 1912, in Queensland on the 16th September, 1912, in the Northern Territory on the 21st October, 1912, and in the States of New South Wales, South Australia, and Western Australia on the 13th January, 1913. Extensive use is made of the country post-offices as local agencies.

The Commonwealth Bank absorbed the Tasmanian State Savings Bank in January, 1913, on terms set out in Official Year Book No. 6. The transfer of the Queensland Savings Bank was effected in 1920.

The following table gives the number of depositors, and the amount at credit on 30th June, 1922, at the various branches of the Commonwealth Savings Bank :—

**COMMONWEALTH SAVINGS BANK, 30th JUNE, 1922.**

Locality.	Number of Depositors.	Amount at Credit.
		£
New South Wales .. ..	225,359	7,209,681
Victoria .. ..	134,014	5,404,114
Queensland .. ..	337,621	19,394,156
South Australia .. ..	46,965	2,090,523
Western Australia .. ..	57,261	1,961,865
Tasmania .. ..	58,026	1,513,443
Northern Territory .. ..	861	41,115
Papua .. ..	1,513	75,729
London .. ..	7,397	366,354
Total .. ..	869,017	38,056,980

A series of graphs illustrating the progress of banking accompanies this chapter.

## § 4 Companies.

1. **General.**—Returns in regard to registered companies are defective, and, with few exceptions, are not available for Tasmania. They embrace (a) Returns relating to Trustees, Executors and Agency Companies; (b) Returns relating to Registered Building and Investment Societies; and (c) Returns relating to Registered Co-operative Societies.

2. **Trustees, Executors and Agency Companies.**—Returns are available for eight Victorian, two New South Wales, one Queensland, four South Australian, one Western Australian, three Tasmanian companies, and two with head offices in New Zealand. The paid-up capital of these twenty-one companies amounted to £865,744; reserve funds and undivided profits to £590,150; other liabilities, £298,131; total liabilities, £1,754,025.

Among the assets are included :—Deposits with Governments, £197,504 ; other investments in public securities, fixed deposits, etc., £535,265 ; loans on mortgage, £155,777 ; property owned, £504,098 ; other assets, £361,381. The net profits for the year were £145,915. Returns as to the amount at credit of estates represented by assets are available for eleven companies only.

3. Registered Building and Investment Societies.—(i) *General.* Returns have been received relating to 227 societies, viz., 148 in New South Wales, 30 in Victoria, 12 in Queensland, 18 in South Australia, 15 in Western Australia, and 4 in Tasmania. The principal information available is contained in the appended table.

#### REGISTERED BUILDING AND INVESTMENT SOCIETIES.—SUMMARY, 1921–22.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania	All States.
Number of societies ..	148	30	12	18	15	4	227
Number of shareholders ..	(a)	7,893	4,869	10,621	5,797	1,855	31,035b
Number of shares ..	(a)	(a)	1,011,442	32,623	19,914	17,428	1,081,407c
Number of borrowers ..	(a)	9,520	4,206	2,314	1,437	1,286	18,763b
Income for year from interest £	160,404	214,392	51,125	13,538	(d)	27,501	471,960
Working expenses for year £	128,910	81,629	9,852	8,887	7,984	9,900	247,062
Amount of deposits during year ..	(a)	925,533	98,555	4,964	75,569	57,640	1,162,261b
Repayment of loans during year ..	(a)	770,114	158,177	68,387	68,723	92,193	1,157,594b
Loans granted during year £	(a)	834,992	218,412	107,647	76,165	86,918	1,324,134b

(a) Not available. (b) Exclusive of New South Wales. (c) Exclusive of New South Wales and Victoria. (d) Included in repayment of loans.

(ii) *Liabilities.* The balance-sheets cover various periods ended during the second half of 1921 and the first half of 1922, so that the returns may be assumed to correspond roughly to the financial year 1921–22.

#### REGISTERED BUILDING AND INVESTMENT SOCIETIES.—LIABILITIES, 1921–22.

State.	Paid-up Capital or Subscriptions.	Reserve Funds.	Deposits.	Bank Overdrafts and other Liabilities.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	2,028,004	440,610	506,603	131,422	3,106,639
Victoria ..	1,358,458	429,478	959,206	143,412	2,890,554
Queensland ..	576,382	45,178	106,569	36,441	764,570
South Australia ..	325,026	40,595	9,688	22,334	397,643
Western Australia ..	181,901	..	31,261	10,740	223,902
Tasmania ..	128,605	67,036	181,076	5,396	382,113
Total ..	4,598,376	1,022,897	1,794,403	349,745	7,765,421

(iii) *Assets.* The assets of the companies for the same period were as follows :—

#### REGISTERED BUILDING AND INVESTMENT SOCIETIES.—ASSETS, 1921–22.

State.	Advances on Mortgage.	Landed and House Property, Furniture, etc.	Cash in Hand and on Deposit and other Assets.	Total Assets.
	£	£	£	£
New South Wales ..	2,732,076	(a)	374,563	3,106,639
Victoria ..	2,661,272	181,625	149,310	2,992,207
Queensland ..	717,320	14,126	41,533	772,979
South Australia ..	361,760	16,953	18,930	397,643
Western Australia ..	215,467	159	8,276	223,902
Tasmania ..	340,262	10,390	31,459	382,111
Total ..	7,028,157	223,253	624,071	7,875,481

(a) Included with other assets.

4. **Registered Co-operative Societies.**—(i) *General.* Returns are available for 197 societies, of which 79 are in New South Wales, 74 in Victoria, 3 in Queensland, 19 in South Australia, and 22 in Western Australia. The principal information available is contained in the table hereunder :—

**REGISTERED CO-OPERATIVE SOCIETIES.—SUMMARY, 1921.**

Details.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	All States. (a)
Number of Societies on 31st December, 1921	79	74	3	19	22	197
Total No. of members on 31st December, 1921	49,670	19,338	19,332	28,762	6,408	123,510
Total income for year 1921	£ 3,720,502	1,706,472	24,956	1,276,015	311,573	7,039,518
Working expenses for year ended 31st December, 1921	£ 3,470,446	230,286	20,872	227,634	294,663	4,252,901

(a) Exclusive of Tasmania.

(ii) *Liabilities.* As in the case of Building and Investment Societies, the balance-sheets of Co-operative Societies cover various periods ended during the financial year 1921-22. The liabilities of the 197 societies are shown in the following table :—

**REGISTERED CO-OPERATIVE SOCIETIES.—LIABILITIES, 1921-22.**

State.	Paid-up Capital.	Reserve Funds.	Bank Overdrafts and Sundry Creditors.	Other Liabilities, Profit and Loss Account, etc.	Total Liabilities.
	£	£	£	£	£
New South Wales ..	519,436	253,709	(a)	299,271	1,072,416
Victoria ..	253,469	76,531	411,658	90,572	832,230
Queensland ..	..	1,803	676	23,849	26,328
South Australia ..	505,297	90,575	162,923	141,258	900,053
Western Australia ..	37,283	7,429	25,647	9,574	79,933
Total ..	1,315,485	430,047	600,904	564,524	2,910,960

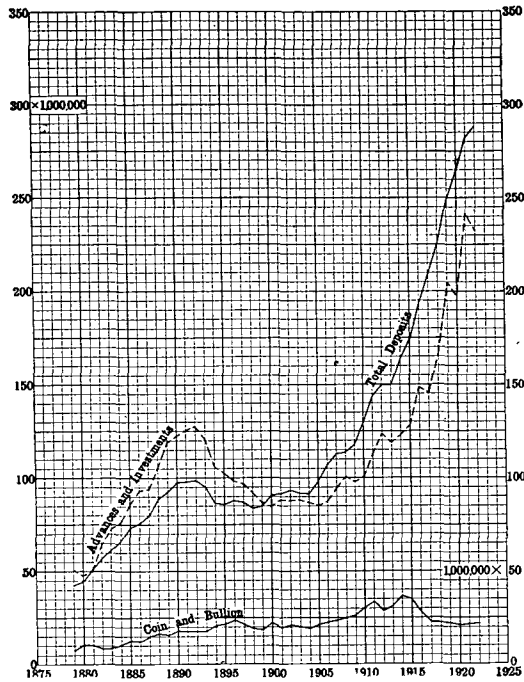
(a) Included in other liabilities.

(iii) *Assets.* The assets of the societies are given hereunder :—

**ASSETS OF REGISTERED CO-OPERATIVE SOCIETIES, 1921-22.**

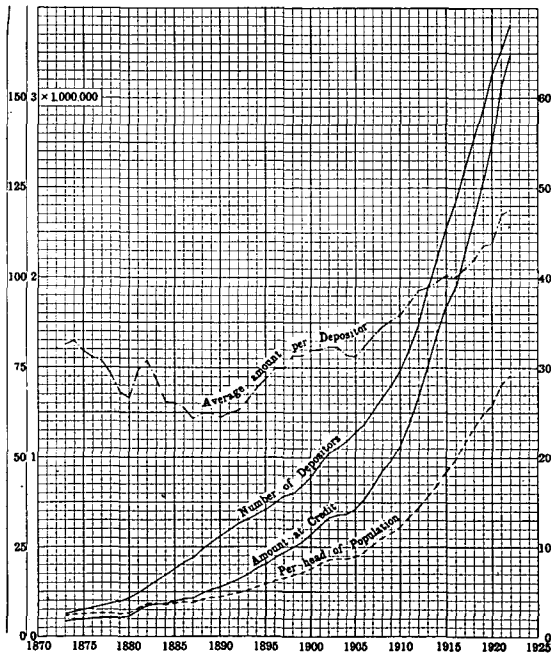
State.	Stock and Fittings.	Cash in Hand and Sundry Debtors.	Freehold and other Property and other Assets.	Total Assets.
	£	£	£	£
New South Wales ..	786,304	213,794	72,318	1,072,416
Victoria ..	324,182	275,251	276,988	876,421
Queensland ..	7,904	2,269	26,126	36,299
South Australia ..	394,682	226,114	279,257	900,053
Western Australia ..	42,612	25,636	11,685	79,933
Total ..	1,555,684	743,064	666,374	2,965,122

## CHEQUE-PAYING BANKS, AUSTRALIA, 1879 TO 1922.



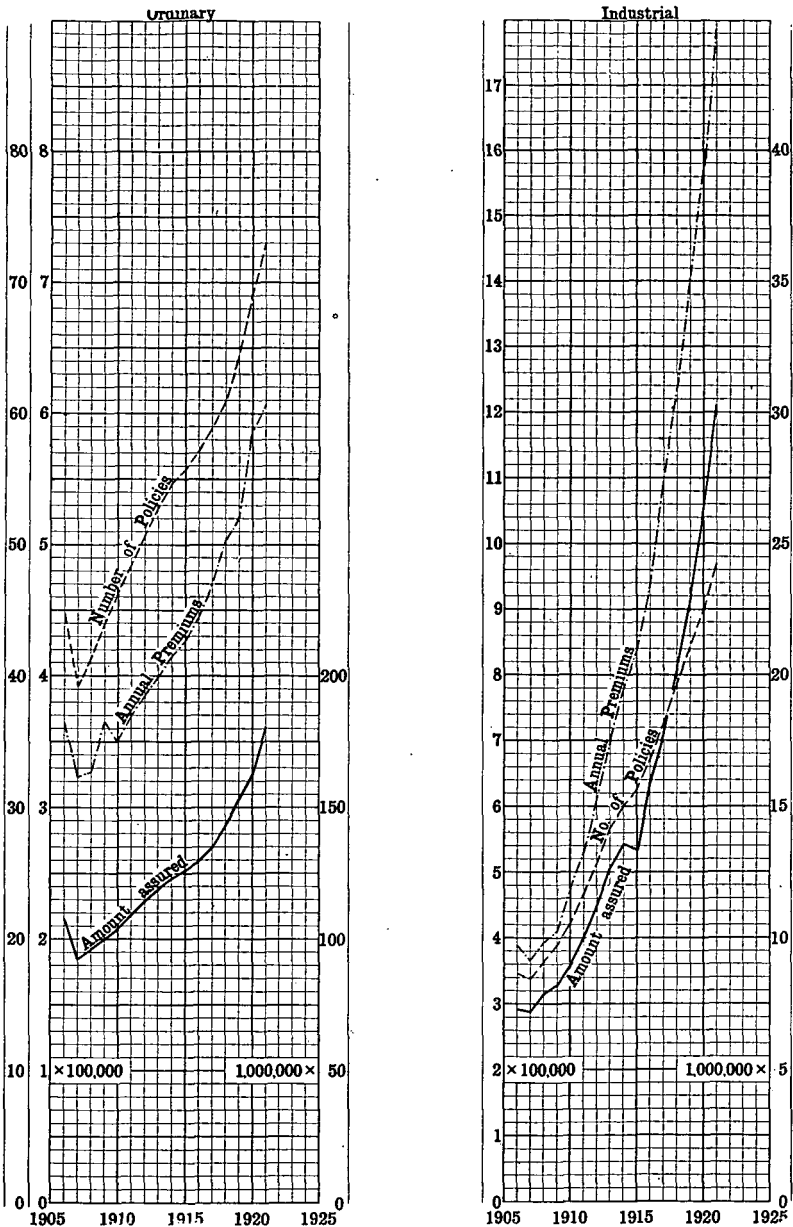
EXPLANATION.—The base of each small square represents an interval of one year and its vertical height a sum of £5,000,000.

## SAVINGS BANKS, AUSTRALIA, 1873 TO 1922.



EXPLANATION.—The base of each small square represents an interval of one year. Of the two scales on the left, the outer one shows the amount at credit, and the inner one the number of depositors, while the vertical height of each small square represents £2,500,000, and 50,000 in number. The scale on the right shows the average amount per depositor, and per head of population, while the vertical height of each small square represents £1.

LIFE ASSURANCE, ORDINARY AND INDUSTRIAL DEPARTMENTS.—AUSTRALIA,  
1906 TO 1921.



EXPLANATION.—The base of each small square represents in each graph an interval of one year.

In the case of the "Ordinary" Assurance graph there are three scales—two on the left—the outer one representing the Annual Premiums, and the inner one the number of Policies in force,—and one on the right representing the Amount Assured, exclusive of bonus additions. The vertical height of each small square represents £100,000 premium, 10,000 in number and £5,000,000 in sum assured.

In the case of the "Industrial" Assurance graph, the scale on the left represents the Annual Premiums and the number of Policies in force, and the scale on the right the Amount Assured, exclusive of bonus additions. The vertical height of each small square represents £20,000 premium, 20,000 in number and £500,000 in sum assured.

### § 5. Life Assurance.

1. **General.**—Under section 51 of the Commonwealth Constitution Act, the Commonwealth Parliament is empowered to legislate in regard to "insurance, other than State insurance; also State insurance extending beyond the limits of the State concerned." With the exception of Act No. 12 of 1905, "An Act relating to assurance on the lives of children by life assurance companies or societies," no legislation relating to life assurance has been passed by the Commonwealth Parliament, and life assurance companies carry on their business under State laws where such laws are in existence, or otherwise under the provisions of various companies' or special Acts.

Returns for the year 1921 have been collected from life assurance societies by the Commonwealth Statistician, with results which are in the main satisfactory. The figures refer to Australian business only.

2. **Companies Transacting Business.**—(i) *General.* The number of companies at present established in the Commonwealth is twenty, of which the full name and location of head office are set out in the table below.

#### LIFE ASSURANCE SOCIETIES OPERATING IN AUSTRALIA, 1921.

Full Name of Company or Society.	Head Office.
Australian Mutual Provident Society .. .. .	Sydney
Mutual Life and Citizens' Assurance Company Limited .. .. .	"
City Mutual Life Assurance Society Limited .. .. .	"
Australian Metropolitan Life Assurance Company Limited .. .. .	"
People's Prudential Assurance Company Limited .. .. .	"
Assurance and Thrift Association Limited .. .. .	"
Co-operative Assurance Company Limited .. .. .	"
Australian Provincial Assurance Association Limited .. .. .	"
Australian Alliance Assurance Company Limited .. .. .	Melbourne
National Mutual Life Association of Australasia Limited .. .. .	"
Victoria Life and General Insurance Company .. .. .	"
Colonial Mutual Life Assurance Society Limited .. .. .	"
Australasian Temperance and General Mutual Life Assurance Society Limited .. .. .	"
Life Insurance Company .. .. .	"
Queensland State Insurance Office .. .. .	Brisbane
Provident Life Assurance Company .. .. .	Dunedin
Liverpool and London and Globe Insurance Company .. .. .	Liverpool
Equitable Life Assurance Society of the United States .. .. .	New York
Mutual Life Insurance Society of New York .. .. .	"
New York Life Insurance Society .. .. .	"

Early in 1923 the Equitable Life Assurance Society re-insured its entire Australasian business with the National Mutual Life Association, which accepted the transfer of the whole of the assets of the Equitable consisting of property, bonds, and deposits.

Many of the Australian companies are purely mutual; the following, however, are partly proprietary, the figures in brackets representing the shareholders' capital paid up:—The Victoria Life and General (£40,000), Mutual Life and Citizens' (£200,000), Metropolitan (£11,844), Prudential (£10,000), Life Insurance Company (£71,500), Assurance and Thrift (£17,684), Co-operative Assurance (£73,639), and Australian Provincial Association (£265,900). Of foreign companies transacting business in Australia, the Liverpool and London and Globe, the Provident, and the Equitable are partly proprietary, the shareholders' capital amounting to £531,050, £21,000, and £20,550 respectively.

(ii) *Ordinary and Industrial Business.*—Of the societies enumerated in the preceding paragraph, the following seven in 1921 transacted both ordinary and industrial business :—The Australian Mutual Provident Society, the Mutual Life and Citizens' Assurance Company Limited, the Australasian Temperance and General Mutual Life Assurance Society Limited, the Australian Metropolitan Life Assurance Company Limited, the Colonial Mutual Life Assurance Society, the Life Insurance Company, and the Co-operative Assurance Company.

The People's Prudential Assurance Company Limited and the Provident Life Assurance Company formerly restricted their operations to industrial business, but have now established an ordinary department.

The remaining societies transacted ordinary life assurance business only, with the exception of those companies which have fire and accident branches, etc.

In dealing with the returns from the various companies, those relating to ordinary and industrial business have, where possible, been kept separate, while figures relating to companies whose head offices are in New Zealand or in Europe or America have been restricted to the Australian business only of those companies.

3. *Australian Business, 1921.*—(i) *Ordinary.* The subjoined table shows the ordinary life business in force at the latest dates available for the twenty societies conducting operations in Australia :—

ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS, 1921.

Society.	Policies in force exclusive of Annuities.	Amount Assured, exclusive of Bonus Addition, etc.	Annual Premium Income, exclusive of Annuities.
	No.	£	£
Australian Mutual Provident Society .. .. .	303,281	89,633,910	2,755,908
Mutual Life and Citizens' Assurance Company Limited .. .. .	104,262	20,784,570	714,224
City Mutual Life Assurance Society .. .. .	40,152	9,208,616	349,708
Australian Metropolitan Life Assurance Company .. .. .	6,558	822,454	34,570
Australian Alliance Assurance Company .. .. .	153	51,137	1,098
National Mutual Life Association of Australia .. .. .	90,332	23,732,842	865,698
Victoria Life and General Insurance Company .. .. .	33	23,400	360
Colonial Mutual Life Assurance Society .. .. .	35,146	7,644,609	277,690
People's Prudential Assurance Company .. .. .	6,499	599,571	(a) 41,388
Australasian Temperance and General Mutual Life Assurance Society .. .. .	67,651	9,881,963	373,767
Liverpool and London and Globe Insurance Company (Life Branch) .. .. .	205	70,991	2,034
Provident Life Assurance Company .. .. .	1,270	134,575	5,139
Life Insurance Company .. .. .	10,723	2,702,476	111,804
Assurance and Thrift Association Limited .. .. .	1,823	344,568	14,184
Co-operative Assurance Company .. .. .	1,940	511,181	(a) 31,172
Australian Provincial Assurance Association Limited .. .. .	27,394	5,966,570	213,128
The Queensland State Insurance Office .. .. .	23,522	4,710,861	165,312
Equitable Life Assurance Society of United States .. .. .	2,688	878,140	30,163
Mutual Life Insurance Society of New York .. .. .	2,444	924,451	19,540
New York Life Assurance Society .. .. .	3,934	2,067,183	67,488
Total .. .. .	730,010	180,694,068	6,074,375

(a) Including Industrial.

The figures for the last five years are as follows :—

**ORDINARY LIFE ASSURANCE.—AUSTRALIAN BUSINESS, 1917 to 1921,**

Year.	Policies.	Amount.	Annual Premium Income.
	No.	£	£
1917 .. ..	588,514	135,059,558	4,692,591
1918 .. ..	610,387	142,790,868	5,050,088
1919 .. ..	643,975	153,682,007	5,209,139
1920 .. ..	692,160	168,255,272	5,871,894
1921 .. ..	730,010	180,694,068	6,074,375

(ii) *Industrial.* Information in regard to the industrial business of the nine societies transacting this kind of business is given in the following table :—

**INDUSTRIAL ASSURANCE.—AUSTRALIAN BUSINESS, 1921.**

Society.	Policies in Force.	Amount Assured.	Annual Premium Income.
	No.	£	£
Australian Mutual Provident Society .. ..	242,669	10,998,041	566,942
Mutual Life and Citizens' Assurance Company ..	263,632	5,668,152	320,334
Australian Metropolitan Life Assurance Company	43,324	1,407,981	74,698
Colonial Mutual Life Assurance Society .. ..	91,270	2,823,186	162,178
People's Prudential Assurance Company .. ..	5,852	159,565	(a)
Australasian Temperance and General Mutual Life Assurance Society .. ..	296,266	8,391,981	629,753
Provident Life Assurance Company .. ..	19,206	561,562	28,502
Life Insurance Company .. ..	4,256	112,927	7,439
Co-operative Assurance Company .. ..	6,544	191,364	(a)
Total .. ..	973,019	30,314,759	1,789,846

(a) Included in ordinary.

The figures for the last five years are as follows :—

**INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN BUSINESS, 1917 to 1921.**

Year.	Policies.	Amount.	Annual Premium Income.
	No.	£	£
1917 .. ..	725,637	17,750,883	1,094,333
1918 .. ..	788,145	20,208,358	1,239,685
1919 .. ..	841,001	22,755,456	1,390,899
1920 .. ..	904,346	26,223,335	1,586,313
1921 .. ..	973,019	30,314,759	1,789,846

4. *Receipts and Expenditure.*—(i) *Ordinary Business.* The following returns refer to the Australian business of all societies doing business in Australia. The People's Prudential Assurance Company, whose accounts do not distinguish between revenue and expenditure on account of ordinary and industrial business, has been included with the companies doing industrial business.



## ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1921.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society .. ..	4,661,707	2,814,780	1,846,927
Mutual Life and Citizens' Assurance Company ..	1,084,610	780,331	304,279
City Mutual Life Assurance Society .. ..	570,483	289,265	281,218
Australian Metropolitan Life Assurance Company ..	50,353	16,838	33,515
Australian Alliance Assurance Company .. ..	4,104	15,022	(a) 10,918
National Mutual Life Association of Australasia ..	1,457,059	647,227	809,832
Victoria Life and General Insurance Company ..	4,035	6,337	(a) 2,302
Colonial Mutual Life Assurance Society .. ..	430,881	268,251	162,630
Australasian Temperance and General Mutual Life Assurance Society .. ..	478,290	234,376	243,914
Liverpool and London and Globe (Life Branch) ..	2,034	6,731	(a) 4,697
Provident Life Assurance Company .. ..	6,818	1,265	5,553
Life Insurance Company .. ..	145,383	78,047	67,336
Assurance and Thrift Association Limited .. ..	22,802	10,523	12,279
Co-operative Assurance Company(b) .. ..	35,453	23,642	11,811
Australian Provincial Assurance .. ..	265,768	159,760	106,008
Queensland State Office .. ..	204,594	100,697	103,897
Equitable Life Assurance Society .. ..	75,129	166,752	(a) 91,623
Mutual Life Insurance Society of New York ..	25,983	63,368	(a) 37,385
New York Life Insurance Society .. ..	74,380	130,202	(a) 55,822
Total .. ..	9,599,866	5,813,414	3,786,452

(a) Deficiency. (b) Including Industrial.

The figures for the last five years are as follows :—

## ORDINARY LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1917 to 1921.

Year.	Receipts.	Expenditure.	Excess Receipts.
	£	£	£
1917 .. ..	7,293,581	5,478,169	1,815,412
1918 .. ..	7,715,134	5,377,535	2,337,599
1919 .. ..	8,172,614	5,698,551	2,474,073
1920 .. ..	9,037,314	5,330,050	3,707,264
1921 .. ..	9,599,866	5,813,414	3,786,452

(ii) *Industrial Business.* Returns for the year 1921 for those societies which transact industrial business appear below. The figures for the Prudential, as stated above, are included therein.

## INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1921.

Society.	Receipts.	Expenditure.	Excess Receipts (Addition to Funds).
	£	£	£
Australian Mutual Provident Society .. ..	715,628	276,903	438,725
Mutual Life and Citizens' Assurance Company ..	412,722	261,852	150,870
Australian Metropolitan Life Assurance Company ..	95,735	57,282	38,453
Colonial Mutual Life Assurance Society .. ..	184,985	86,111	98,874
People's Prudential Assurance Company .. ..	47,144	29,855	17,289
Aust. Temperance and General Mutual Life Ass. Soc.	722,687	385,567	337,120
Provident Life Assurance Company .. ..	32,129	18,177	13,952
Life Insurance Company .. ..	12,289	7,173	5,116
Co-operative Assurance Company(a) .. ..	..	..	..
Total .. ..	2,223,319	1,122,920	1,100,399

(a) Included in Ordinary.

The figures for the last five years are as follows :—

**INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN RECEIPTS AND EXPENDITURE, 1917 to 1921.**

Year.	Receipts.	Expenditure.	Excess Receipts.
	£	£	£
1917 .. ..	1,311,782	748,070	563,712
1918 .. ..	1,466,077	884,605	581,472
1919 .. ..	1,674,700	992,974	681,726
1920 .. ..	1,929,717	1,060,622	869,095
1921 .. ..	2,223,319	1,122,920	1,100,399

5. **Liabilities and Assets, 1921.**—(i) *General.* The liabilities of the Australian societies consist mainly of their assurance funds; as already mentioned, however, some of the societies are partly proprietary, and in these cases there is a further liability on account of the shareholders' capital. The assets consist mainly of loans on mortgage and policies, Government, municipal, and similar securities, shares, freehold property, etc. As in some cases the Australian liabilities exceed the Australian assets, it may be pointed out that this table should be read in connexion with the table dealing with assets following the tables appended. Loans on personal security are granted by very few of the Australian societies.

(ii) *Ordinary Business.* The following table shows the liabilities and assets of the societies transacting ordinary life business :—

**ORDINARY LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1921.**

Society.	Liabilities.			Assets.(c)		
	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property, etc.	Total.
	£	£	£	£	£	£
Australian Mutual Provident Society (a)	39,542,629	604,139	40,146,768	13,739,373	23,199,794	36,939,167
Mutual Life and Citizens' Assurance Co.	(b)	(b)	(b)	1,817,606	6,757,035	8,574,641
City Mutual Life Assurance Society ..	1,861,232	119,413	1,980,645	1,114,435	866,210	1,980,645
Australian Metropolitan Life Assurance Company ..	170,137	1,854	171,991	13,615	158,376	171,991
Australian Alliance Assurance Company	62,256	5,835	68,091	15,198	52,893	68,091
National Mut. Life Assoc. of Australasia	(b)	(b)	(b)	4,833,257	7,011,516	11,844,773
Victoria Life and General Insurance Co.	71,858	8,717	80,575	4,896	75,679	80,575
Colonial Mutual Life Assurance Society	3,071,761	524,557	3,596,318	628,178	2,968,140	3,596,318
Australasian Temperance and General Mutual Life Assurance Society (a) ..	4,033,606	468,798	4,502,404	695,907	3,806,497	4,502,404
Liverpool and London and Globe (Life Branch) ..	..	3,558	3,558	(b)	(b)	(b)
Provident Life Assurance Company ..	21,952	56	22,008	456	24,492	24,948
Life Insurance Co. ....	275,592	173,931	449,523	43,057	406,466	449,523
Assurance and Thrift Association Ltd. .	82,124	10,684	92,808	49,122	41,846	90,968
Co-operative Assurance Company (a) ..	118,164	11,706	129,870	15,043	114,827	129,870
Australian Provincial Assur. Assocn. Ltd.	770,574	385,312	1,155,886	57,123	1,147,632	1,204,755
Queensland State Office ..	256,100	4,475	260,575	27,125	233,450	260,575
Equitable Life Assurance Society ..	..	106	106	132,127	382,851	514,978
Mutual Life Insurance Society of New York ..	(b)	(b)	(b)	103,964	54,686	158,650
New York Life Insurance Society ..	728,000	9,767	737,767	112,588	29,224	141,812
<b>Total .. ..</b>	<b>51,065,985</b>	<b>2,332,908</b>	<b>53,398,893</b>	<b>23,403,070</b>	<b>47,331,614</b>	<b>70,734,684</b>

(a) Including industrial business. As the business of these three societies is mainly ordinary life business they have been included in this table. (b) Not available. (c) Several life offices have a considerable portion of their assets invested outside Australia (see table on the next page).

The next table gives the Australian liabilities and assets for the latest five years available :—

**ORDINARY LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS,  
1917 to 1921.**

Year.	Liabilities.	Assets.
	£	£
1917 .. .. .	49,465,673	53,673,823
1918 .. .. .	52,867,942	57,469,739
1919 .. .. .	44,141,289	53,905,058
1920 .. .. .	48,829,784	65,162,009
1921 .. .. .	53,398,893	70,734,684

(iii) *Industrial Business.* As stated in the footnote to the preceding table, the Australian Mutual Provident Society, the Australasian Temperance and General Mutual Life Assurance Society, and the Co-operative Assurance Company, which transact a certain amount of industrial business, but whose business is mainly ordinary life business, have been included with those societies doing ordinary life business only. On the other hand, the People's Prudential Assurance Company, in whose case industrial business greatly predominates over ordinary life business, has been included in the following table. Incomplete as the table is, it shows that the funds appropriated to industrial business are very insignificant in comparison with those pertaining to ordinary life business.

**INDUSTRIAL LIFE ASSURANCE.—AUSTRALIAN LIABILITIES AND ASSETS, 1921.**

Society.	Liabilities.			Assets.		
	Total Funds, including Paid-up Capital.	Other Liabilities.	Total.	Loans on Mortgages and Policies.	Securities, Freehold Property etc.	Total.
	£ (b)	£ (b)	£ (b)	£	£	£
Mutual Life and Citizens' Assurance Co.				3,281	5,528,331	5,531,612
Australian Metropolitan Life Assurance Company .. .. .	155,413	20,096	175,509	2,839	172,670	175,509
Colonial Mutual Life Assurance Society .. .. .	500,275	1,249	501,524	10,652	490,872	501,524
People's Prudential Assurance Co. (a) .. .. .	130,329	615	130,944	89,636	41,308	130,944
Provident Life Assurance Company .. .. .	51,561	..	51,561	676	52,550	53,226
Total .. .. .	837,578	21,960	859,538	107,084	6,285,731	6,392,815

(a) Including ordinary business. (b) Particulars not available.

(iv) *Total Assets.* It has been thought advisable to restrict the figures relating to life assurance to business in Australia. Several of the companies whose head offices are in Australia transact, however, a large amount of business elsewhere, viz., in New Zealand, in South Africa, and in the United Kingdom, while in the case of the foreign companies, the Australian business is insignificant compared with that done elsewhere. Particulars as to this foreign business of both Australian and foreign companies will be found in "Finance Bulletin No. 13" (published by this Bureau), and a short table only is inserted here, showing the total assets of the various companies, so that the deficiencies in the Australian assets shown in the previous tables for those companies doing business elsewhere may not be misunderstood :—

## ASSURANCE COMPANIES.—TOTAL ASSETS, 1921.

Society.	Assets.	Society.	Assets.
<b>ORDINARY BUSINESS.</b>		<b>ORDINARY BUSINESS—continued.</b>	
Australasian Mutual Provident Soc. (a)	47,657,178	Co-operative Assurance Co. (a) ..	129,870
Mutual Life and Citizens' Assur. Co.	10,860,867	Aust. Provincial Assurance Asscn.	1,306,398
City Mutual Life Assurance Society	1,980,645	Queensland State Office ..	260,575
Aust. Metropolitan Life Assur. Co.	171,991	Equitable Life Assurance Society ..	134,857,358
Australian Alliance Assurance Co. ..	68,091	Mutual Life Ins. Society of New York	139,118,172
National Mutual Life Association ..	15,874,608	New York Life Insurance Society	195,782,107
Victoria Life and General Insur. Co. ..	80,575		
Colonial Mutual Life Assurance Soc.	6,206,674	<b>INDUSTRIAL BUSINESS.</b>	
Australasian Temperance and General		Mutual Life and Citizens' Assur. Co.	5,661,891
Mutual Life Assurance Soc. (a) ..	5,144,904	Australian Metropolitan Life Assur-	
Liverpool & London & Globe (Life) ..	20,191,801	ance Company ..	175,509
Provident Life Assurance Company	130,474	Colonial Mutual Life Assurance Soc.	616,043
Commonwealth Life Insurance Co. ..	449,523	People's Prudential Assur. Co. (b)	130,944
Assurance and Thrift Asscn. Ltd.	93,019	Provident Life Assurance Company	209,077

(a) Including industrial business.

(b) Including ordinary business.

Graphs illustrating the progress of Life Assurance, both Ordinary and Industrial, accompany this chapter.

## § 6. Fire, Marine and General Insurance.

1. Australian Business.—(i) *General.* Returns are available showing the revenue and expenditure, assets and liabilities, and investments of 34 insurance companies having their head offices either in Australia or in New Zealand. The names of these companies, with the location of their respective head offices, are given in the following table:—

## AUSTRALASIAN FIRE, MARINE, AND GENERAL INSURANCE COMPANIES.

Company.	Head Office.
Australian Alliance .. .. .	Melbourne
Australian Mutual Fire .. .. .	Sydney
Australian Provincial .. .. .	"
Australian Traders' .. .. .	"
Assurance and Thrift .. .. .	"
Bankers and Traders' .. .. .	"
Chamber of Manufacturers .. .. .	Melbourne
City Mutual Fire .. .. .	Sydney
Colonial Mutual Fire .. .. .	Melbourne
Commonwealth General .. .. .	Sydney
Co-operative .. .. .	Melbourne
Derwent and Tamar .. .. .	Hobart
Farmers' Co-operative, New Zealand ..	Christchurch
Farmers and Settlers' .. .. .	Sydney
Federal Mutual .. .. .	"
Insurance Office of Australia .. .. .	"
Mercantile Mutual .. .. .	"
Manufacturers' Mutual .. .. .	"
Mutual Fire Insurance Co. of Tasmania ..	Launceston
National of New Zealand .. .. .	Dunedin
New Zealand Insurance Co. .. .. .	Auckland
New Zealand State Fire Insurance Office ..	Wellington
New Zealand Government Accident .. ..	"
Pacific Insurance Co. .. .. .	Fiji
Queensland Insurance Co. .. .. .	Sydney
Queensland State Government .. .. .	Brisbane
South British .. .. .	Auckland
Standard of New Zealand .. .. .	Dunedin
Tasmanian Government .. .. .	Hobart
United .. .. .	Sydney
Victoria .. .. .	Melbourne
Victoria General .. .. .	"
Victoria State Accident .. .. .	"
Western Australian Insurance Co. ..	Perth

(ii) *Revenue and Expenditure.* The accounts given hereunder cover a period from 31st December, 1920, to 30th April, 1922. The most important items of revenue and expenditure are as follows:—

**FIRE, MARINE, AND GENERAL INSURANCE COMPANIES.—SUMMARY OF REVENUE AND EXPENDITURE, 1922.**

Heading.	Amount.
	£
Premiums, less re-insurances .. ..	6,125,445
Losses .. ..	3,342,829
Expenses, commission, and taxes .. ..	2,180,073
Trade surplus .. ..	602,543
Interest, rent, etc. .. ..	496,049
Total surplus .. ..	1,098,592
Dividends and bonuses paid .. ..	450,477
Ratio to premium income of—	%
(a) Losses .. ..	54.57
(b) Expenses, etc. .. ..	35.59
(c) Trade surplus .. ..	9.84

(iii) *Liabilities and Assets.* The liabilities and assets of the 34 offices for the same period are set out in the following tables:—

**FIRE, MARINE, AND GENERAL INSURANCE COMPANIES, 1922.**

Heading.	Amount.
<b>PAID-UP CAPITAL, RESERVES, AND LIABILITIES.</b>	
	£
Paid-up capital .. ..	4,652,348
Reserves and re-insurance funds .. ..	5,515,513
Undivided profits .. ..	493,388
Losses unsettled .. ..	809,354
Sundry creditors, etc. .. ..	1,959,083
Dividends, etc., to pay .. ..	322,257
Life assurance funds (a) .. ..	736,083
Total Liabilities .. ..	14,488,026
<b>INVESTMENTS AND OTHER ASSETS.</b>	
	£
Loans on mortgage .. ..	996,895
Government securities, etc. .. ..	7,258,920
Landed and other property .. ..	1,881,004
Fixed deposit, etc. .. ..	1,455,612
Loans on life policies (a) .. ..	17,062
Investments .. ..	93,704
Cash and bills received .. ..	760,762
Sundry debtors and other assets .. ..	2,024,067
Total assets .. ..	14,488,026

(a) Some of the companies transact Life Business.

(iv) *Marine Insurance.* Separate returns regarding this branch of insurance are not available. Act No. 11 of 1909, "An Act relating to Marine Insurance," passed by the Commonwealth Parliament, and assented to on the 11th November, 1909, altered the conditions under which marine policies had up till then been issued.

## § 7. Friendly Societies.

1. **General.**—Friendly societies are an important factor in the social life of the community, as probably one-third of the total population of Australia comes either directly or indirectly under their influence. Their total membership is about 500,000, but as certain benefits, such as medical attendance and free medicines, and in many cases funeral expenses, are granted to members' families as well as to members themselves, this figure must, even when due allowance is made for young and unmarried members, be multiplied by about four to arrive at the total number of persons more or less connected with these societies. Legislation has conferred certain privileges on friendly societies, but, on the other hand, it insists on their registration, and it is the duty of the Registrars in the various States, prior to registering a new society, to see that its rules are conformable to the law, and that the scale of contribution is sufficiently high to enable the promised benefits to be conferred on members. Societies are obliged to forward annual returns as to their membership and their finances to the Registrar, and elaborate reports are published in most of the States dealing with the returns thus received.

In the following tables the figures refer to the year 1921.

2. **Number of Societies, Lodges, and Members.**—The number of different societies and lodges, the total number of benefit members at the end of the year, and their average number during the year are shown in the following table :—

FRIENDLY SOCIETIES.—SOCIETIES, LODGES, AND MEMBERS, 1921.

State.	Number of Registered Friendly Societies.	Number of Lodges.	Benefit Members at end of year.	Average No. of Benefit Members during the year.
New South Wales .. ..	36	2,085	191,644	187,494
Victoria .. ..	56	1,464	143,820	143,421
Queensland .. ..	18	588	56,574	56,140
South Australia .. ..	18	600	70,155	70,052
Western Australia .. ..	15	268	18,945	18,810
Tasmania .. ..	19	187	23,266	23,240
Total .. ..	..	5,192	504,404	499,157

With regard to the number of registered Friendly Societies no total is given for Australia, since many of the societies operate in all the States.

3. **Sickness and Death Returns.**—Sick pay is generally granted for a number of months at full rates, then for a period at half rates, and in some societies is finally reduced to quarter rates. The following table shows the total number of members who received sick pay during the year, the number of weeks for which they received pay in the aggregate, and the average per member sick, and further the number of benefit members who died during the year, together with the proportion of deaths per thousand average members :—

FRIENDLY SOCIETIES.—SICKNESS AND DEATH RETURNS, 1921.

State.	Number of Members who received Sick Pay.	Total Number of Weeks Sick Pay Granted.	Average Number of Weeks per Member Sick.	Deaths of Benefit Members and Wives.	Proportion of Deaths to 1,000 Average Benefit Members.
New South Wales .. ..	(a)	(a)	(a)	(a)	(a)
Victoria .. ..	27,342	258,549	9.46	1,828	12.75
Queensland .. ..	9,218	71,763	7.79	410	7.30
South Australia .. ..	12,327	122,472	9.94	927	13.23
Western Australia .. ..	3,196	22,401	7.01	121	6.43
Tasmania .. ..	4,318	32,746	7.58	314	13.51
Total(b) .. ..	56,401	507,931	9.01	3,600	11.55

(a) Not available.

(b) Exclusive of New South Wales.

4. *Revenue and Expenditure.*—(i) *Revenue.* The financial returns are not prepared in the same way in each State, but an attempt has been made in the subjoined table to group the revenue under the main headings :—

FRIENDLY SOCIETIES.—REVENUE, 1921.

State.	Entrance Fees, Members' Contributions, and Levies.	Interest, Dividends, and Rents.	All other Income.	Total Revenue.
	£	£	£	£
New South Wales .. ..	661,620	142,205	94,556	898,381
Victoria .. ..	470,652	157,064	135,315	763,031
Queensland .. ..	201,935	53,673	..	255,608
South Australia .. ..	210,858	76,854	35,624	323,336
Western Australia .. ..	63,953	17,922	15,535	97,410
Tasmania .. ..	71,559	13,978	9,984	95,521
Total .. ..	1,680,577	461,696	291,014	2,433,287

(ii) *Expenditure.* The returns relating to expenditure are more complete than those relating to revenue. The figures show that the excess of revenue was £546,137 for Australia. The revenue exceeded the expenditure by rather more than one pound per average benefit member.

FRIENDLY SOCIETIES.—EXPENDITURE, 1921.

State.	Sick Pay.	Medical Attendance and Medicine.	Sums Paid at Death of Members and Members' Wives.	Adminis- tration.	All other Expendi- ture.	Total Expendi- ture.
	£	£	£	£	£	£
New South Wales .. ..	222,586	262,269	56,353	137,994	53,936	733,138
Victoria .. ..	164,628	194,958	30,492	90,697	80,884	561,659
Queensland .. ..	51,660	78,871	19,691	40,085	..	190,307
South Australia .. ..	72,264	68,942	29,232	40,367	27,783	238,588
Western Australia .. ..	16,375	22,287	3,364	16,549	20,066	78,641
Tasmania .. ..	23,610	23,504	15,439	14,483	7,781	84,817
Total .. ..	551,123	650,831	154,571	340,175	190,450	1,887,150

It appears from the above figures that sick pay averaged about 22s. per week, but, as the returns include pay at half and quarter rates, and as the proportion of these to full rates is not stated, the average given must be taken for what it is worth. Medical attendance and medicine came to about 26s. per average benefit member.

5. *Funds.*—The two foregoing tables show that the surplus of revenue over expenditure in five States amounted to £546,137 for the year, and a small surplus must, of course, result annually in every society which levies adequate contributions to enable it to meet all possible claims. These accumulations of profits are generally invested, and the subjoined table shows the division into invested and uninvested funds :—

FRIENDLY SOCIETIES.—FUNDS, 31st DECEMBER, 1921.

State.	Invested Funds.	Uninvested Funds.	Total Funds.
	£	£	£
New South Wales .. .. .	2,578,937	(a)	2,578,937
Victoria .. .. .	3,262,069	112,981	3,375,050
Queensland .. .. .	1,092,993	3,798	1,096,791
South Australia .. .. .	1,561,668	24,426	1,586,094
Western Australia .. .. .	304,770	8,361	313,131
Tasmania .. .. .	276,772	13,749	290,521
Total .. .. .	9,077,209	163,315	9,240,524

(a) Included in Invested Funds.

The total funds amounted, therefore, to about £18 10s. per member at the close of the year under review.

§ 8. Probates.

1. Probates and Letters of Administration.—The value of the estates left by deceased persons gives a fair view of the distribution of property among the general population. There were in 1921, 38,719 deaths of adult persons, while the number of probates and letters of administration granted during the same period was 15,721. It would therefore appear that about two-fifths of the adults who died during the year were possessed of sufficient property to necessitate the taking out of probate. The details for each State are shown in the table hereunder :—

PROBATES AND LETTERS OF ADMINISTRATION, 1921.

State.	Number of Estates.			Net Value of Estates.		
	Probates.	Letters of Administration.	Total.	Probates.	Letters of Administration.	Total.
				£	£	£
New South Wales .. .. .	5,461	(a)	5,461	13,895,765	(a)	13,895,765
Victoria .. .. .	4,028	1,741	5,769	12,554,865	(a)	12,554,865
Queensland .. .. .	854	276	1,130	3,469,255	570,124	4,039,379
South Australia .. .. .	1,327	457	1,784	2,909,673	205,433	3,115,106
Western Australia .. .. .	722	337	1,059	1,659,448	194,651	1,854,099
Tasmania .. .. .	421	97	518	1,131,148	76,104	1,207,252
Total .. .. .	12,813	2,908	15,721	35,620,154	1,046,312	36,666,466

(a) Included with Probates.

2. Intestate Estates.—The number of intestate estates placed under the control of the Curator during the year, and the amount of unclaimed money paid into Consolidated Revenue in each State during the year 1921, are given hereunder :—

INTESTATE ESTATES, 1921.

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Intestate estates placed under control of Curator during 1921 —							
Number .. .. .	(a)	455	1,280	237	386	259	(b) 2,617
Value .. .. . £	(a)	38,605	481,126	44,919	16,544	32,832	(b) 614,026
Unclaimed money paid into Consolidated Revenue by Curator during 1921 £	58,670	1,610	9,696	1,703	1,808	..	73,487

(a) Included with Probates.

(b) Exclusive of New South Wales.