

## CHAPTER XX.

### PUBLIC FINANCE.

**NOTE.**—The subject of "Public Finance" is dealt with in this Chapter under the two major divisions of Commonwealth Finance and State Finance. The close financial relations between the Commonwealth and States, however, particularly since the Financial Agreement has been in operation, demand also a combination of these two divisions under the heading of Commonwealth and State Finance. Under the Financial Agreement the Commonwealth assumed the liability to bondholders for the States' Debts existing at the date of the Agreement and now arranges for all borrowings for and on behalf of the Commonwealth or any State and for all conversions, renewals, redemptions and consolidations of the Public Debts of the Commonwealth and the States. In view of this it has been found convenient to deal with the Commonwealth and State Public Debt in a separate division.

The subject of income taxes is also dealt with in a separate division.

#### 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 contained in Sections 81 to 105A of the Commonwealth Constitution (*see* pages 18–22 of this Year Book). Two other sections which have a most important bearing on questions of Commonwealth finance are Sections 69 and 51.

Section 69 provides for the transfer to the Commonwealth from the States of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments. Section 87 deals with the financial relations between the Commonwealth and the States. These matters have been treated in previous issues of the Official Year Book and on pages 783–786 of this issue a summary is given of the present provisions for Commonwealth financial assistance to the States.

The majority of the tables relating to Commonwealth Finance have been compiled from the annual Budget Papers as presented to Parliament by the Treasurer of the Commonwealth.

2. **Accounts of Commonwealth Government.**—The Commonwealth Government, like the State Governments, bases its accounts upon three funds, the Consolidated Revenue Fund, the Trust Fund and the Loan Fund.

##### § 2. Commonwealth Consolidated Revenue Fund.

###### Division I.—Nature of Fund.

1. **Provisions of the Constitution.**—The provisions made for the establishment of a Commonwealth Consolidated Revenue Fund, and the means to be adopted for operating on the fund, are contained in Sections 81 to 83 of the Constitution (*see* page 18 of this Year Book).

2. **Annual Results of Transactions.**—In the early 1920's receipts and expenditure of the Consolidated Revenue Fund each ranged between £60 million and £70 million. Excess receipts in these years amounted to one or two million pounds a year, and were utilized for a variety of purposes, e.g., for debt redemption, naval construction, main

roads, science and industry investigations, prospecting for oil and precious metals, civil aviation, etc. In the later 'twenties and early 'thirties, when receipts and expenditure were each about £70 million or £80 million a year, there were annual deficiencies, which by the end of 1930-31 had accumulated to more than £17 million.

In subsequent years (receipts and expenditure each rising from about £70 million in 1931-32 to £95 million in 1938-39) there were excess receipts of up to £3.5 million a year. Approximately £1.5 million of these excess receipts were used to reduce the accumulated deficiency, and the balance for non-recurring grants to the States, post office works and the provision of defence equipment. The balance of the accumulated deficiency (£15.7 million) was funded in 1937-38.

For most of the 1939-45 War years and thereafter, the Consolidated Revenue Fund has been balanced, as all available revenue after charging expenditure on ordinary services has been used for defence, war and repatriation purposes.

During the years 1951-52 to 1953-54 the Fund was balanced after special payments of £98.5 million, £13.4 million and £56.3 million to the National Debt Sinking Fund, War Pensions Trust Account and Debt Redemption Reserve Trust Account respectively. The amounts so transferred were subsequently invested wholly or partly in special loans for State works requirements.

Receipts and expenditure increased from £95 million in 1938-39 to £377 million in 1944-45. By 1949-50 they had risen to £581 million, and then increased sharply to £842 million in 1950-51, £1,017 million in 1951-52 and £1,040 million in 1952-53. Receipts and expenditure for 1953-54 were £1,023 million.

### Division II.—Revenue.

1. General.—The following table shows details of the revenue from each source and the amount per head of population under each of the main headings during the years 1938-39 and 1949-50 to 1953-54. Taxation constitutes the main source of Commonwealth revenue e.g. 84.0 per cent. in 1953-54.

#### COMMONWEALTH CONSOLIDATED REVENUE FUND: SOURCES OF REVENUE. (£'000.)

Source.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Taxation .. .. .	74,111	518,959	777,187	934,011	895,464	900,450
Per head of population ..	£10 13 9	£64 9 5	£93 10 2	£109 7 6	£102 7 5	£101 3 4
Business Undertakings ..	17,892	42,087	48,792	64,955	70,933	75,126
Per head of population ..	£2 11 9	£5 4 7	£5 17 5	£7 12 2	£8 2 2	£8 8 10
Territories(a) .. .. .	356	926	1,150	1,558	1,779	2,195
Per head of population ..	£0 1 0	£0 2 3	£0 2 9	£0 3 8	£0 4 1	£0 4 11
Other Revenue—						
Interest, etc. .. .. .	1,144	1,889	2,756	3,795	5,475	8,797
Coinage .. .. .	128	466	499	895	310	750
Defence .. .. .	151	541	702	499	2,188	2,809
Atomic Energy Commission ..					1,174	2,791
Civil Aviation .. .. .	6	2,870	3,504	3,247	3,501	4,313
Health .. .. .	18	25	31	51	43	80
Patents, Trade Marks, etc. ..	68	124	128	143	183	187
Bankruptcy .. .. .	31	22	23	27	31	49
Wartime Trading Profits—Wool ..					42,361	
Commerce and Agriculture ..					121	106
Shipping and Transport ..	158	11	22	34	255	391
Net Profit on Australian Note Issue .. .. .	767	4,183	3,394	3,381	4,861	5,707
Surplus Balances of Trust Accounts .. .. .		6,700	1,034	179	761	4,190
Australian Shipping Board Transfer of Surplus Funds ..						4,000
Joint Coal Board—Repayment of Advances .. .. .					500	3,342
Other .. .. .	235	1,585	2,288	3,793	10,187	7,507
Total .. .. .	2,706	18,680	14,663	16,304	71,891	45,019
Per head of population ..	£0 7 9	£2 6 5	£1 15 4	£1 18 2	£8 4 4	£5 1 2
Grand Total .. .. .	95,065	580,652	841,792	1,016,828	1,040,067	1,022,790
Per head of population ..	£13 14 3	£72 2 8	£101 5 8	£119 1 6	£118 18 0	£114 18 3

(a) Excludes Railways.

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on page 793.

2. **Taxation.**—(i) *Total Collections.* (a) *Amount.* Collections under each heading for the years 1938-39 and 1949-50 to 1953-54 are shown below :—

## COMMONWEALTH TAXATION : TOTAL NET COLLECTIONS.

(£'000.)

Heading.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Customs .. .. .	31,160	77,726	91,921	113,936	70,720	94,757
Excise .. .. .	16,472	66,157	73,083	99,981	113,104	125,460
Sales Tax .. .. .	9,308	42,425	57,173	95,459	89,067	95,689
Land Tax .. .. .	1,489	4,210	3,591	6,199	1,250	221
Pay-roll Tax .. .. .	..	22,728	28,721	37,170	40,171	40,334
Income Taxes(a) .. .. .	11,883	279,654	341,957	545,179	556,966	528,120
Wool Deduction .. .. .	..	..	109,531	5,963	— 2,223	— 239
Estate Duty .. .. .	1,916	6,054	6,401	7,778	8,393	9,825
Gift Duty .. .. .	..	745	1,044	1,202	1,162	1,386
Entertainments Tax .. .. .	..	4,698	5,148	6,161	6,705	1,977
Special Industry Taxes(b) .. .. .	1,883	14,562	58,617	14,983	10,152	2,570
<b>Total Taxation .. .. .</b>	<b>74,111</b>	<b>518,959</b>	<b>777,187</b>	<b>934,011</b>	<b>895,464</b>	<b>900,450</b>

(a) Includes Social Services Contribution, War-time (Company) Tax, Super Tax and Undistributed Profits Tax. (b) Used for purposes of industries concerned. The taxes are as follows :—Flour Tax, Wool Levy, Wool Contributory Charge, Wheat Export Charge, Miscellaneous Export Charges, Stevedoring Industry Charge and Gold Tax.

NOTE.—Minus sign (—) indicates an excess of refunds.

(b) *Proportion of each Class on Total Collections.* The following table shows the proportion of the total collections represented by returns from each class of taxation for the years 1938-39 and 1949-50 to 1953-54 :—

## COMMONWEALTH TAXATION : PROPORTION OF EACH CLASS ON TOTAL NET COLLECTIONS.

(Per Cent.)

Heading.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Customs .. .. .	42.1	15.0	11.8	12.2	7.9	10.5
Excise .. .. .	22.3	12.7	9.4	10.7	12.6	13.9
Sales Tax .. .. .	12.6	8.2	7.4	10.2	10.0	10.6
Land Tax .. .. .	2.0	0.8	0.5	0.7	0.2	..
Pay-roll Tax .. .. .	..	4.4	3.7	4.0	4.5	4.5
Income Taxes(a) .. .. .	16.0	53.9	44.0	58.4	62.2	58.7
Wool Deduction .. .. .	..	..	14.1	0.6	— 0.3	..
Estate Duty .. .. .	2.6	1.2	0.8	0.8	0.9	1.1
Gift Duty .. .. .	..	0.1	0.1	0.1	0.1	0.2
Entertainments Tax .. .. .	..	0.9	0.7	0.7	0.8	0.2
Special Industry Taxes(b) .. .. .	2.4	2.8	7.5	1.6	1.1	0.3
<b>Total Taxation .. .. .</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) See note (a) to previous table.

(b) See note (b) to previous table.

(ii) *Customs Revenue.* Particulars of net customs receipts for the years 1938-39 and 1949-50 to 1953-54 are shown in the following table :—

**COMMONWEALTH CUSTOMS REVENUE : CLASSIFICATION OF NET RECEIPTS.**  
(£'000.)

Classes.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53	1953-54.
Ales, spirits and beverages ..	1,165	1,462	1,890	2,751	1,999	2,344
Tobacco and manufactures ..	3,256	17,657	20,830	24,996	19,199	18,890
Agricultural products and groceries ..	1,373	1,517	1,697	1,806	1,217	1,682
Textiles and attire ..	2,801	7,066	9,894	12,842	3,242	10,560
Metals and machinery ..	2,386	8,439	8,574	14,342	6,843	9,775
Oils, paints, etc. ..	9,927	19,274	23,720	25,915	25,601	27,222
Earthenware, etc. ..	510	1,274	1,467	2,188	666	1,613
Drugs and chemicals ..	310	397	758	941	313	655
Wood, wicker and cane ..	739	966	488	695	307	1,035
Jewellery and fancy goods ..	481	1,900	2,530	2,908	1,138	2,596
Leather and rubber ..	477	1,124	1,535	2,044	744	1,275
Paper and stationery ..	454	428	545	934	324	874
Vehicles ..	2,062	8,735	7,804	8,902	2,178	5,736
Miscellaneous articles ..	1,056	1,347	1,749	2,497	330	1,821
Primage ..	3,914	5,711	8,206	9,296	6,181	8,004
Other receipts ..	250	429	234	879	444	666
<b>Total .. ..</b>	<b>31,161</b>	<b>77,726</b>	<b>91,921</b>	<b>113,936</b>	<b>70,720</b>	<b>94,757</b>

(iii) *Excise Revenue.* Net excise receipts for the years 1938-39 and 1949-50 to 1953-54 were as follows :—

**COMMONWEALTH EXCISE REVENUE : CLASSIFICATION OF NET RECEIPTS.**  
(£'000.)

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Beer .. ..	7,289	33,402	37,243	56,941	65,826	71,060
Spirits .. ..	1,604	6,926	8,129	8,890	6,680	6,355
Tobacco .. ..	3,868	10,229	10,759	13,845	16,036	16,211
Cigars and cigarettes ..	2,419	10,192	10,662	13,848	17,890	23,081
Cigarette papers ..	531	1,002	1,166	1,085	1,019	1,072
Petrol .. ..	582	2,678	3,065	3,419	3,823	5,549
Matches .. ..	11	1,201	1,213	1,058	955	1,083
Playing cards .. ..	..	61	63	55	40	53
Coal .. ..	..	207	375	499	552	570
Miscellaneous .. ..	86	259	408	341	283	417
<b>Total .. ..</b>	<b>16,472</b>	<b>66,157</b>	<b>73,083</b>	<b>99,981</b>	<b>113,104</b>	<b>125,460</b>

(iv) *Other Taxation.* (a) *General.* Taxes other than customs and excise are, in general, assessed and collected by the Commissioner of Taxation. The organization comprises an office in each State assessing the returns of taxpayers whose interests are restricted to that State only, and a Central Office assessing taxpayers whose interests are in more than one State.

(b) *Sales Tax.* The sales tax was first imposed in August, 1930. The operation of the tax is controlled chiefly by a system of registration of taxpayers whereby all manufacturers and wholesale merchants, who are the taxpayers under the Act in respect of goods sold in Australia, must be registered with the Department. The tax on imports subject to sales tax is collected by the Customs Department at ports of entry.

Since the inception of the tax certain exemptions have been allowed. These exemptions, which have been extended from time to time, relate mainly to goods of an essential nature or for use in primary production. The most recent exemptions were those granted from 19th August, 1954.

A general rate of Sales Tax is levied on all goods other than those specified in the schedules of the Sales Tax (Exemptions and Classifications) Act 1935-1954. These

schedules set out details of goods exempt from sales tax and those subject to special rates. The general and special rates which operated from 15th November, 1946, were:—

Period.	General Rate.	Special Rates.
15th November, 1946 to 7th September, 1949 ..	10 per cent. ..	25 per cent.
8th September, 1949 to 12th October, 1950 ..	8½ per cent. ..	25 per cent.
13th October, 1950 to 26th September, 1951 ..	8½ per cent. ..	10, 25 and 33½ per cent.
27th September, 1951 to 6th August, 1952 ..	12½ per cent. ..	20, 25, 33½, 50 and 66⅔ per cent.
7th August, 1952 to 9th September, 1953 ..	12½ per cent. ..	20, 33½ and 50 per cent.
10th September, 1953 to 18th August, 1954 ..	12½ per cent. ..	16⅔ per cent.
From 19th August, 1954 ..	12½ per cent. ..	10 and 16⅔ per cent.

For particulars of rates applicable since the inception of Sales Tax in August, 1930 see Official Year Book No. 37, page 617.

Sales Tax Collections for the years 1938-39 and 1949-50 to 1953-54 were as follows:— 1938-39, £9,308,000; 1949-50, £42,425,000; 1950-51, £57,173,000; 1951-52, £95,459,000; 1952-53, £89,067,000; 1953-54, £95,689,000.

Particulars of the net amount of sales tax payable, and the sales of taxable and exempt goods in each State for 1953-54, are given in the following table. The figures are in respect of sales during the period 1st July to 30th June.

#### SALES TAX AND AMOUNT OF SALES, 1953-54.

(£'000.)

Particulars.	N.S.W. (a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	Total.
Net Sales on which Sales Tax was payable at—								
1½ per cent. ..	189,117	139,786	62,913	49,783	32,853	9,041	243	483,736
16½ per cent. ..	70,533	51,920	21,598	19,971	9,780	2,320	14	176,136
20 per cent. ..	9,183	7,809	3,018	2,626	1,284	339	6	24,265
33½ per cent. ..	1,425	804	353	210	172	42	1	3,007
50 per cent. ..	354	303	66	43	34	2		802
Total ..	270,612	200,622	87,948	72,633	44,123	11,744	264	687,946
Sales of Exempt Goods by Registered Persons ..	576,868	411,094	196,093	140,323	100,663	39,843	1,439	1,466,323
Total Sales of Taxable and Exempt Goods ..	847,480	611,716	284,041	212,956	144,786	51,587	1,703	2,154,269
Sales Tax Payable ..	37,884	28,108	12,218	10,168	6,068	1,500	34	96,079

(a) Includes Australian Capital Territory.

Sales of taxable and exempt goods and sales tax payable for Australia as a whole for the years 1938-39 and 1949-50 to 1953-54 are shown in the following table:—

#### SALES TAX AND AMOUNT OF SALES.

(£'000.)

Year.	Net Sales on which Sales Tax was Payable.	Sales of Exempt Goods by Registered Persons.	Total Sales of Taxable and Exempt Goods.	Sales Tax Payable.
1938-39 .. ..	196,491	280,656	477,147	9,363
1949-50 .. ..	455,251	866,575	1,321,826	40,789
1950-51 .. ..	552,919	1,138,887	1,691,806	54,471
1951-52 .. ..	623,390	1,321,696	1,945,086	91,332
1952-53 .. ..	555,390	1,342,279	1,897,669	86,085
1953-54 .. ..	687,946	1,466,323	2,154,269	96,079

In the foregoing tables sales include goods transferred to stock for sale by retail, goods imported by persons other than registered taxpayers, and goods used in the business of the taxpayer. Exempt sales relate to goods exempted from sales tax under the Sales Tax (Exemptions and Classifications) Act 1935-1954. The figures shown in the foregoing tables do not represent the total sales of all commodities, as vendors trading in exempt goods only are not required to be registered and consequently the volume of their sales is not included in the statistics above. In addition non-taxable sales (i.e. goods sold by one registered taxpayer to another registered taxpayer) are excluded.

(c) *Land Tax.* Commonwealth Land Tax was levied annually from 1910-11 to 1951-52 on the unimproved value of land. It was abolished from 1st July, 1952. For rates of tax payable from 1942-43 to 1951-52, see Official Year Book No. 40, 1954, page 669. Receipts for the years 1938-39 and 1949-50 to 1953-54 were as follows:—1938-39, £1,489,000; 1949-50, £4,210,000; 1950-51, £3,591,000; 1951-52, £6,199,000; 1952-53, £1,250,000; 1953-54, £221,000.

(d) *Pay-roll Tax.* The Pay-roll Tax Assessment Act 1941-1942 and the Pay-roll Tax Act 1941 imposed a pay-roll tax of 2½ per cent. on all wages and salaries in excess of £20 per week paid by an employer after 30th June, 1941. Employers who are liable for tax are required to register and to furnish a monthly return of all wages paid. These measures formed part of the Commonwealth scheme of child endowment, the revenue from the tax being designed to provide part of the money required. The exemption was increased to £80 per week (£4,160 per annum) from 1st October, 1953 and to £120 per week (£6,240 per annum) from 1st September, 1954.

Receipts from pay-roll tax for the years 1949-50 to 1953-54 were, 1949-50, £22,728,000; 1950-51, £28,721,000; 1951-52, £37,170,000; 1952-53, £40,171,000; 1953-54, £40,384,000.

(e) *Income Taxes.* Details of taxes on income are given in Division E of this Chapter.

(f) *Wool Sales Deduction.* The Wool Sales Deduction Act 1950 and the Wool Sales Deduction (Administration) Act 1950 came into operation on 2nd December, 1950 and required that a deduction be made from the sale value of wool sold or exported, the amount deducted being set off against the Income Tax and Social Services Contribution assessed in respect of the income of the year 1950-51. These Acts were repealed by the Wool Sales Deduction Legislation Repeal Act 1951 which came into operation on 17th November, 1951, and provided for the refund to producers, etc., of amounts paid on the value of wool sold or otherwise disposed of, after 30th June, 1951. The amount of deduction collected was—1950-51, £109,531,000; 1951-52, £5,963,000. In 1952-53 and 1953-54 refunds amounted to £2,223,000 and £239,000 respectively.

(g) *Estate Duty.* The Commonwealth Estate Duty was first levied in 1914. Particulars of exemptions and the rates imposed prior to October, 1953 are given in earlier issues of the Year Book (see No. 40, page 670).

Estate duty, under the Estate Duty Assessment Act 1914-1953, operative from 28th October, 1953 is assessed on the net value of the estate less a statutory exemption determined in accordance with the following formula:—(a) where the whole of the estate passes to the widow, children or grand-children of the deceased, the sum of £5,000 decreasing by £1 for every £3 by which the value exceeds £5,000 and ceasing to apply at £20,000; (b) where no part of the estate passes to the widow, children or grand-children, the sum of £2,500 decreasing by £1 for every £3 by which the value exceeds £2,500 and ceasing to apply at £10,000; and (c) where part only of the estate passes to the widow, children or grand-children, the statutory exemption is to be calculated proportionately under (a) and (b).

This Act also provides, from 27th June, 1950, for a special deduction of £5,000 from estates of persons who served in Korea or Malaya.

The rates of duty levied under the Estate Duty Act 1914-1941 increase as the value of the estate increases as follows:—£1 to £10,000, 3 per cent.; £10,001 to £20,000, 3 per cent. to 6 per cent.; £20,001 to £120,000, 6 per cent. to 26 per cent.; £120,001 to £500,000, 26 per cent. to 27.9 per cent.; over £500,000, 27.9 per cent.

Total collections for the years 1938-39 and 1949-50 to 1953-54 were as follows:—1938-39, £1,915,000; 1949-50, £6,054,000; 1950-51, £6,401,000; 1951-52, £7,778,000; 1952-53, £8,393,000; 1953-54, £9,825,000.

Particulars of the number and value of estates and duty assessed, for each of the assessment years 1938-39 and 1949-50 to 1953-54, are given in the following table:—

## ESTATE DUTY ASSESSMENTS.

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Number of Estates ..	9,081	13,982	15,680	16,209	19,003	19,621
Gross Value Assessed £'000	65,699	117,534	134,074	144,073	175,672	187,905
Deductions .. £'000	12,630	19,219	22,714	22,083	27,795	31,010
Statutory Exemption £'000	..	16,271	18,175	18,672	22,566	22,976
Dutiable Value .. £'000	53,069	82,044	93,185	103,318	125,311	133,919
Duty Payable .. £	2,002,283	5,992,700	6,933,608	7,797,967	9,248,925	10,088,841
Average dutiable value £	5,482	5,868	5,943	6,313	6,373	6,825
Average duty per estate £	207	429	442	479	470	514

(h) *Gift Duty.* The Gift Duty Assessment Act 1941-1947 and the Gift Duty Act 1941-1947 impose a gift duty on all gifts made after the 29th October, 1941. A gift has been defined as any disposition of property, which is made otherwise than by will, without adequate consideration in money or money's worth. There is a liability on both the donor and the donee to furnish a return, and both are jointly and severally liable for payment of the duty.

The following rates of duty are levied under the Gift Duty Act 1941-1947 and relate to the value of all gifts made by the donor within a period of eighteen months:—Not exceeding £2,000, nil; £2,001 to £10,000, 3 per cent.; £10,001 to £20,000, 3 per cent. to 6 per cent.; £20,001 to £120,000, 6 per cent. to 26 per cent.; £120,001 to £500,000, 26 per cent. to 27.9 per cent.; £500,001 and over, 27.9 per cent.

An amendment which operated from 3rd June, 1947 provides that gift duty will not exceed one-half of the amount by which the value of the gift exceeds £2,000.

Total receipts from gift duty for the years 1949-50 to 1953-54 were as follows:—1949-50, £745,000; 1950-51, £1,044,000; 1951-52, £1,202,000; 1952-53, £1,162,000; 1953-54, £1,386,000.

(i) *Entertainments Tax.* The Commonwealth levied an Entertainments Tax from 1st October, 1942 to 30th September, 1953. Details of rates are given in earlier issues of the Official Year Book (see No. 40, pages 672 and 673).

Entertainments tax receipts during the five years 1949-50 to 1953-54 were as follows:—1949-50, £4,698,000; 1950-51, £5,148,000; 1951-52, £6,161,000; 1952-53, £6,708,000; 1953-54, £1,977,000.

(j) *Flour Tax.* Particulars of the rates of flour tax which operated from 4th December, 1933 to 21st December, 1947 are given in Official Year Book No. 37, pages 618 and 619. Because of the rise in wheat prices the rate was declared to be nil as from 22nd December, 1947.

(k) *Wool Levy.* The Wool Tax Act 1936 and Wool Tax Assessment Act 1936 provided for a levy on all wool grown in Australia and shorn on or after 1st July, 1936. Details of this levy are given in earlier issues of the Official Year Book. This levy was suspended from 1st July, 1946 until 30th June, 1952 while the Wool Contributory Charge was imposed.

However, with the repeal of the Wool Contributory Charge, a levy on wool produced in Australia was re-introduced from 1st July, 1952. The Wool Tax Acts (Nos. 1 and 2) of 1952 provide for the payment of a levy of four shillings per bale until 30th June, 1953, after which date the rate of tax may be varied within prescribed limits. There was no variation to 30th June, 1954. The purpose of the tax is to provide funds for publicity and research previously provided by the Wool Contributory Charge. Collections during 1952-53 and 1953-54 were £675,000 and £772,000 respectively.

(l) *Wool Contributory Charge.* The Wool (Contributory Charge) Act 1945 and the Wool (Contributory Charge) Assessment Act 1945 imposed a charge on all wool produced in Australia and sold, manufactured or exported. Wool sold by the Australian Wool Realization Commission was not liable to the charge. Details of the rate of the charge are given in earlier issues of the Official Year Book (see No. 40, page 675).

The various Wool (Contributory Charge) Acts were repealed by the Wool Tax Assessment Act of 1952 and the charge superseded by the wool levy. Collections during the years 1949-50 to 1952-53 were as follows:—1949-50, £1,439,000; 1950-51, £44,844,000; 1951-52, £2,230,000, and 1952-53, £28,000.

(m) *Wheat Export Charge and Wheat Tax.* A summary of the provisions of the Wheat Export Charge Acts 1946, 1948 and 1952 is contained in previous issues of the Official Year Book (see No. 40, p. 676 and No. 41, p. 604).

The Wheat Export Charge Act 1954 repealed previous Acts and provided for an export charge on wheat and wheat products for the seasons 1953-54 to 1957-58 inclusive. The charge levied is based on the difference between the cost of production and the export price with a maximum levy of 1s. 6d. per bushel. Under the Wheat Industry Stabilization Act 1954, to which the Wheat Export Charge Act is complementary, the Commonwealth Government guarantees a return to wheat-growers of the ascertained cost of production in respect of up to 100 million bushels of wheat exported from Australia during each of the five seasons. Collections from the wheat export charge are paid into the Wheat Prices Stabilization Fund, out of which payments will be made to the Australian Wheat Board, when required, for the purpose of building up the average export price for any season to the guaranteed price. If the Fund is exhausted, additional payments shall be made from the Consolidated Revenue Fund.

Collections of wheat export charge amounted to £12,633,000 in 1949-50; £13,353,000 in 1950-51; £12,202,000 in 1951-52 and £8,139,000 in 1952-53.

(n) *Miscellaneous Export Charges.* These consist of charges levied on exports of apples and pears (Apple and Pear Export Charges Act 1938-1947), canned fruits (Canned Fruits Export Charges Act 1926-1952), dairy produce (Dairy Produce Export Charges Act 1924-1937), dried fruits (Dried Fruits Export Charges Act 1924-1929), eggs (Egg Export Charges Act 1947) and on grapes used in the manufacture of wine (Wine Grapes Charges Act 1929-1954). The collections are paid into funds to be applied for the purposes of Export Boards established under various Acts, in controlling the quantity and quality of produce exported.

Collections for the last five years were as follows:—1949-50, £89,000; 1950-51, £76,000; 1951-52, £72,000; 1952-53, £166,000 and 1953-54, £168,000.

(o) *Stevedoring Industry Charge.* The Stevedoring Industry Charge Act 1947 and the Stevedoring Industry Charge Assessment Act 1947 imposed a charge of 4½d. per man-hour on the employer of a waterside worker after 22nd December, 1947.

The amounts received are paid to the Stevedoring Industry Board for the payment of attendance money to waterside workers and for other expenses of the Board.

Since 1947 the charge has been amended as follows:—11th October, 1949 a reduction to 2½d. per man-hour; 11th December, 1951 an increase to 4d. per man-hour; 28th October, 1952 an increase to 11d. per man-hour and from 4th May, 1954 a reduction to 6d. per man-hour.

Collections during the years 1949-50 to 1953-54 were as follows:—1949-50, £499,000; 1950-51, £420,000; 1951-52, £551,000; 1952-53, £1,144,000 and 1953-54, £1,630,000.



(p) *Gold Tax.* Particulars of the Gold Tax which operated from 15th September, 1939 to 20th September, 1947 are given in Official Year Book No. 39, page 767.

3. *Business Undertakings.*—(i) *Postmaster-General's Department.* Particulars of net receipts for each of the financial years 1938-39 and 1949-50 to 1953-54 are contained in the following table :—

**POSTMASTER-GENERAL'S DEPARTMENT : NET RECEIPTS.**

(£'000.)

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Private boxes and bags ..	74	96	144	164	166	175
Commission on money orders and postal notes ..	289	441	472	327	850	887
Telegraphs ..	1,372	3,756	4,442	5,066	4,547	4,710
Telephones ..	8,040	19,168	22,667	31,059	35,177	37,113
Postage ..	6,636	13,942	16,020	20,687	21,821	22,893
Radio ..	516	(a)	(a)	(a)	(a)	(a)
Miscellaneous ..	439	946	1,032	1,568	1,824	2,020
<b>Total .. ..</b>	<b>17,366</b>	<b>38,349</b>	<b>44,777</b>	<b>59,371</b>	<b>64,398</b>	<b>67,798</b>

(a) Included under Broadcasting Services.

Further particulars of the Postmaster-General's Department's receipts to 1953-54 are given in Chapter VII.—Transport and Communication (Division I. Posts, Telegraphs, Telephones and Wireless).

(ii) *Broadcasting Services.* Following the amendment of the Australian Broadcasting Act 1942-1946 by Act No. 64 of 1948, the Broadcasting Control Board was set up on 15th March, 1949. (See also Chapter VII.—Transport and Communication).

Details of net receipts for the years 1949-50 to 1953-54 are shown in the following table :—

**BROADCASTING SERVICES : NET RECEIPTS.**

(£'000.)

Particulars.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Listeners' Licence Fees ..	1,899	1,943	2,776	3,770	3,827
Broadcasting Station Licence Fees ..	17	18	20	23	25
Miscellaneous .. ..	18	10	9	13	15
<b>Total .. ..</b>	<b>1,934</b>	<b>1,971</b>	<b>2,805</b>	<b>3,806</b>	<b>3,867</b>

(iii) *Commonwealth Railways.* The Commonwealth Government is responsible for four railways—the Trans-Australian, the Central Australia, the North Australia and the Australian Capital Territory. The following table shows the amounts paid to the credit of the Consolidated Revenue Fund on account of each of these railways for the years 1938-39 and 1949-50 to 1953-54 :—

**COMMONWEALTH RAILWAY REVENUE.**

(£'000.)

Railway.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Trans-Australian ..	331	981	1,175	1,479	1,372	1,825
Central Australia ..	138	776	816	1,241	1,290	1,553
North Australia ..	50	35	38	49	42	68
Aust. Cap. Territory ..	7	12	15	10	25	15
<b>Total .. ..</b>	<b>526</b>	<b>1,804</b>	<b>2,044</b>	<b>2,779</b>	<b>2,726</b>	<b>3,461</b>

Further particulars to 1953-54 are given in Chapter VII.—Transport and Communication (Division B. Government Railways).

4. Other Sources of Revenue.—Revenue derived by the Consolidated Revenue Fund from the Territories of the Commonwealth during 1953-54 amounted to £2,195,000 (Australian Capital Territory, £1,548,000; Northern Territory, £647,000). Of other sources of revenue, amounting in 1953-54 to £45,019,000, the following are noteworthy:—Interest, £8,797,000; Civil Aviation, £4,313,000; Net Profit on Australian Note Issue, £5,707,000; Australian Shipping Board—Transfer of Surplus Funds £4,000,000; Joint Coal Board—Repayment of Advances £3,342,000 and Surplus Balances of Trust Accounts, £4,190,000.

### Division III.—Expenditure.

1. Details of Expenditure from Consolidated Revenue.—The following table shows details of the expenditure from the Consolidated Revenue Fund during the years 1938-39 and 1949-50 to 1953-54.

#### COMMONWEALTH CONSOLIDATED REVENUE FUND : EXPENDITURE. (£'000.)

Department, etc.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Defence Services(a) .. ..	7,579	42,171	73,455	125,008	173,699	162,148
War (1914-18 and 1939-45) and Repatriation Services .. ..	19,257	93,816	129,622	105,891	117,832	120,262
Subsidies and Bounties .. ..	236	20,683	40,537	31,341	25,332	21,320
Cost of Departments .. ..	9,229	50,723	60,222	70,519	73,584	71,094
National Welfare Fund .. ..	(b) 16,428	123,288	132,680	171,709	165,511	176,565
National Debt Sinking Fund Special Payment (Surplus) .. ..	..	..	..	98,500	..	..
Business Undertakings—						
Postmaster-General .. ..	14,878	44,512	54,802	64,291	69,917	72,244
Broadcasting Services .. ..	(c) 2,872	3,591	3,591	4,135	4,556	4,684
Railways .. ..	1,351	2,792	3,381	4,025	3,944	4,137
Territories .. ..	1,100	7,294	8,260	9,746	9,815	11,133
Capital Works and Services—						
Defence and War Services .. ..	1,349	12,500	75,138	45,126	42,317	28,513
Repatriation .. ..	141	14,848	(d) 342	27,861	28,167	27,073
Postmaster-General .. ..	3,851	19,792	34,897	28,819	28,427	25,986
Broadcasting Services .. ..	(e) 157	157	212	251	262	281
Railways .. ..	142	482	1,461	2,637	4,741	3,382
Territories .. ..	739	3,161	5,085	5,153	4,821	4,511
Other .. ..	493	25,757	31,458	45,886	37,219	32,847
Payments to or for States .. ..	15,649	101,232	128,032	160,947	182,891	194,248
Other Expenditure(e) .. ..	2,015	14,572	58,617	14,983	53,687	6,091
<b>Grand Total .. ..</b>	<b>94,437</b>	<b>580,652</b>	<b>841,792</b>	<b>1,016,828</b>	<b>(f) 1,026,667</b>	<b>(g) 966,519</b>
<b>Per Head of Population .. ..</b>	<b>£ s. d.</b>	<b>£ s. d.</b>	<b>£ s. d.</b>	<b>£ s. d.</b>	<b>£ s. d.</b>	<b>£ s. d.</b>
	13 12 5	72 2 8	101 5 8	119 1 6	117 7 5	108 11 10

(a) Excludes debt charges and Defence Division of the Department of the Treasury. (b) Invalid and Age Pensions and Maternity Allowances. (c) Provided in part from Postmaster-General's Department. Votes and balance from Broadcasting Trust Account. (d) In addition, £24,911,000 was provided from Loan Fund. (e) Includes assistance to primary producers. (f) Excludes surplus £13,400,000 transferred to War Pensions Trust Account. (g) Excludes surplus £56,271,000 transferred to Debt Redemption Reserve Trust Account.

Further details of the expenditure in each section are given in paragraphs 2 to 11 following.

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on page 793. In this diagram Public Debt Charges (interest and debt redemption, etc.) are shown as a separate item, whereas in the table above these charges are included in the section to which they relate.

Details of Commonwealth expenditure on public debt charges for 1938-39 and 1949-50 to 1953-54 are shown in the following table:—

**PUBLIC DEBT CHARGES(a) : COMMONWEALTH EXPENDITURE.**  
(£'000.)

Item.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
<b>War (1914-18 and 1939-45)</b>						
Debt(b)						
Interest and Exchange ..	7,616	45,127	44,614	43,902	43,354	43,696
Debt Redemption ..	2,049	13,197	13,835	15,002	21,256	19,981
Other(c) ..	224	379	312	215	279	249
<b>Total ..</b>	<b>9,889</b>	<b>58,703</b>	<b>58,761</b>	<b>59,119</b>	<b>64,889</b>	<b>63,926</b>
<b>Business Undertakings—</b>						
<b>Postmaster-General's Department—</b>						
Interest and Exchange ..	1,758	1,281	1,454	1,437	1,349	1,207
Debt Redemption ..	1,129	2,048	2,150	2,257	2,371	2,313
Other (c) ..	..	..	..	..	..	13
<b>Total ..</b>	<b>2,887</b>	<b>3,329</b>	<b>3,604</b>	<b>3,694</b>	<b>3,720</b>	<b>3,533</b>
<b>Railways—</b>						
Interest and Exchange ..	455	375	420	415	413	406
Debt Redemption ..	75	128	134	141	148	155
Other(c) ..	11	7	1	..	1	..
<b>Total ..</b>	<b>541</b>	<b>510</b>	<b>555</b>	<b>556</b>	<b>562</b>	<b>561</b>
<b>Territories—</b>						
Interest and Exchange ..	318	241	230	219	218	238
Debt Redemption ..	58	99	105	110	115	121
Other(c) ..	4	..	3	..	..	..
<b>Total ..</b>	<b>380</b>	<b>340</b>	<b>338</b>	<b>329</b>	<b>333</b>	<b>359</b>
<b>Works and Other Purposes—</b>						
Interest and Exchange ..	3,226	2,812	2,794	3,259	4,140	5,308
Debt Redemption ..	613	640	864	791	718	705
Other(c) ..	37	75	59	46	66	133
<b>Total ..</b>	<b>3,876</b>	<b>3,527</b>	<b>3,717</b>	<b>4,096</b>	<b>4,933</b>	<b>6,149</b>
<b>Total—</b>						
Interest and Exchange ..	13,373	49,836	49,512	49,232	49,483	50,857
Debt Redemption ..	3,924	16,112	17,088	18,301	24,608	23,278
Other(c) ..	276	461	375	261	346	395
<b>Grand Total ..</b>	<b>17,573</b>	<b>66,409</b>	<b>66,975</b>	<b>67,794</b>	<b>74,437</b>	<b>74,530</b>

(a) Excludes payments to or for States under the Financial Agreement. See pages 783-86.

(b) Includes repatriation debt. (c) Redemption, conversion and loan management, etc., expenses.

2. **Defence Services.**—Details of the expenditure on Defence Services by the Departments of Defence, Navy, Army, Air, Supply and Defence Production are shown in the following table. The expenditure shown under Department of Supply includes the former Departments of Shipping and Fuel, Supply and Development, Supply and Shipping, and Munitions. This table covers expenditure by the service and associated departments only, and includes the cost of maintaining forces in Korea and at other overseas posts.

The figures represent the combined expenditures from revenue, trust and loan fund for the years 1938-39 and 1949-50 to 1953-54.

**DEFENCE SERVICES(a) : COMMONWEALTH EXPENDITURE FROM REVENUE, TRUST AND LOAN FUNDS.**

(£'000.)

Item.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Department of Defence .. ..	61	257	364	493	619	651
Department of the Navy—						
Naval Forces—Pay, maintenance, etc. ..	2,592	12,268	19,337	30,390	36,411	34,049
Naval construction and additions to the fleet ..	1,643	1,384	2,244	3,302	5,436	5,996
Buildings, works, etc. ..	433	1,121	1,659	2,812	2,510	1,665
Administrative and miscellaneous expenditure(b) ..	35	2,085	1,443	1,308	3,031	2,783
Total .. ..	4,703	16,858	24,683	37,812	47,388	45,093
Department of the Army—						
Military Forces—Pay, maintenance, etc. ..	2,941	12,975	16,977	28,615	58,441	44,908
Arms, armament, ammunition ..	1,129	1,894	5,387	17,926	26,174	15,201
Buildings, works, etc. ..	418	758	4,349	8,769	6,039	3,313
Administrative and miscellaneous expenditure(b) ..	126	—271	—180	1,036	1,296	1,407
Total .. ..	4,614	15,356	26,533	56,346	91,950	64,829
Department of Air—						
Air Force—Pay, maintenance, etc. ..	1,304	8,433	12,042	20,042	23,815	21,561
Aircraft, equipment and stores ..	1,049	2,912	13,210	23,502	25,881	22,886
Buildings, works, etc. ..	489	692	1,592	3,883	4,521	3,312
Administrative and miscellaneous expenditure(b) ..	17	—155	952	1,073	1,219	1,175
Total .. ..	2,859	11,882	27,796	48,500	55,436	48,934
Department of Supply—						
Defence research and development ..	..	5,575	6,264	6,434	6,786	7,444
Strategic stores and equipment reserve ..	..	..	57,048	10,049	..	..
Buildings, works, etc. ..	463	324	264	270	372	200
Administrative and miscellaneous expenditure(b) ..	1,212	4,419	5,629	3,090	4,279	4,203
Total .. ..	1,675	10,318	69,205	19,843	11,437	11,847
Department of Defence Production(c)	..	..	..	7,140	9,186	7,307
Defence Equipment and Supplies (d)	..	..	..	..	..	12,000
Total Defence Services—						
Consolidated Revenue Fund ..	8,927	54,671	148,593	170,134	216,016	190,661
Trust Funds .. ..	(e) 3,072	..	..	..	..	..
Loan Fund .. ..	1,913	..	—12	..	..	..
Grand Total .. ..	13,912	54,671	148,581	170,134	216,016	190,661

(a) Excludes expenditure on debt charges and on Defence Division of the Department of the Treasury.  
 (b) As a dissection is not available expenditure on War and Repatriation Services (see page 775) has been deducted from this item instead of from departmental expenditure above. (c) Included with Department of Supply prior to 1951-52. (d) Paid to credit of Defence Equipment and Supplies Trust Account. (e) Expenditure from excess receipts of previous years appropriated for Defence Equipment Trust Account.

NOTE.—Minus sign (—) indicates excess of transfers or repayments over expenditure.

3. War and Repatriation Services.—Expenditure from Consolidated Revenue and Loan Fund for War and Repatriation Services and Post-war Charges in relation to both the 1914-18 and 1939-45 Wars is shown in the following table for the years 1938-39 and 1949-50 to 1953-54. Expenditure on subsidies, which in the year 1949-50 were paid from the War and Repatriation Votes, has been excluded from this table and is

dealt with separately in paragraph 4. Expenditure on the maintenance of forces in Korea and at other oversea posts and the cost of arms and equipment is included in Defence Services (*see* paragraph 2).

# WAR AND REPATRIATION SERVICES AND POST-WAR CHARGES: COMMONWEALTH EXPENDITURE FROM CONSOLIDATED REVENUE AND LOAN FUNDS.

(£'000.)

Item.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Public Debt Charges—						
Interest and Exchange .. ..	7,616	45,127	44,614	43,902	43,354	43,695
Debt Redemption .. ..	2,049	13,197	13,835	15,002	21,256	19,981
Other .. ..	224	379	312	215	279	249
Total Public Debt Charges(a) ..	9,889	58,703	58,761	59,119	64,889	63,925
War Gratuities .. ..		9,994	30,797	42	15	
War and Service Pensions .. ..	8,228	22,023	27,532	33,566	36,577	39,425
Commonwealth Reconstruction Training Scheme .. ..		7,086	4,141	1,807	974	502
War Service Land Settlement .. ..		4,074	4,388	5,641	6,567	5,506
Re-establishment loans for agricultural purposes .. ..		1,065	296	188	140	115
Repatriation Department—						
Repatriation benefits .. ..	631	6,662	7,834	9,758	10,822	11,500
Other benefits .. ..	119	262	263	298	388	443
Administration and general expenses ..	315	2,473	3,061	3,196	3,464	3,597
Expenditure recovered(b) .. ..	-71	-1,951	-1,777	-1,615	-1,534	-1,281
Total Repatriation Department ..	994	7,446	9,381	11,637	13,141	14,259
War Service Homes—Salaries and general expenses .. ..	98	266	492	631	622	685
Defence Departments—Proportion of expenditure(c) .. ..		3,988	2,455			
Other Departments—Miscellaneous expenditure .. ..	48	1,155	438	1,243	1,386	922
International Payments(d) .. ..		11,794	81	102	48	40
Other Administrations—Recoverable expenditure(e) .. ..		-1,942	-1,849	1,071	-842	-921
Miscellaneous Credits .. ..		-2,371	-1,749	-2,853	(f)	(f)
Credits from the Disposals Commission ..		-3,982	-1,681	-1,183	(f)	(f)
Capital Works and Services—						
Repatriation Department .. ..	36	297	342	271	203	227
War Service Homes Act 1918-1949 ..	105	14,551	24,911	27,590	27,964	26,846
Total Capital Works and Services ..	141	14,848	25,253	27,861	28,167	27,073
Total, War and Repatriation Services and Post-war Charges—						
Consolidated Revenue Fund .. ..	19,398	108,664	129,963	133,752	145,999	147,335
Loan Fund .. ..		25,483	28,773	5,120	5,684	4,199
GRAND TOTAL .. ..	19,398	134,147	158,736	138,872	151,683	151,534

(a) Excludes Interest and Redemption on War (1914-18) Debt due to the United Kingdom Government, payment of which was suspended in 1931. (b) From Service Departments and Australian Soldiers' Repatriation Trust Account. (c) Represents expenditure on War and Repatriation Services by Defence Departments (*see* page 774) for which dissection is not available. (d) Excludes International Monetary Fund Charges. (e) Munitions, stores, etc., supplied to the Government of United Kingdom and other administrations. (f) Includes repayments and waiver of war-time indebtedness of other administrations. (f) Receipts credited to Defence revenue.

NOTE.—Minus sign (—) indicates excess of credits or repayments over expenditure.

4. Subsidies and Bounties.—The following table shows details, for the years 1938-39 and 1949-50 to 1953-54, of Commonwealth expenditure from revenue on subsidies, bounties and assistance to primary producers. Expenditure on special relief such as drought, frost, flood and bush fire, etc. (*see* table, p. 778, for more important items), is not included, nor is expenditure from the proceeds of certain taxes on primary products and profits from marketing schemes, which have been paid to trust funds for the purpose of price or other stabilization schemes or for distribution to producers (*see* paragraph 11). Further information relating to these schemes and other assistance to, page 783 primary producers is given in Chapter XXI—Agricultural Production.

Details of price stabilization subsidies and of various forms of assistance to primary producers for earlier years may be found on pages 414 and 1014-15 respectively of Official Year Book No. 38.

**SUBSIDIES AND BOUNTIES : COMMONWEALTH EXPENDITURE.**  
(£'000.)

Item.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53	1953-54
<b>Subsidies—</b>						
Price Stabilization—						
Tea .. .. .	..	6,986	7,129	5,577	4,683	4,180
Imports (other than Tea) .. .. .	..	572	..	..	..	..
Coal .. .. .	..	..	1,704	1,519	1,114	200
Wheat Shipped to Tasmania—Freight Subsidy .. .. .	..	..	140	143	210	192
Total .. .. .	..	7,558	8,973	7,239	6,007	4,572
<b>Assistance to Primary Production—</b>						
Dairy Industry .. .. .	..	8,008	14,998	15,743	15,719	15,400
Superphosphate .. .. .	..	3,657	263	..	..	..
Nitrogenous Fertilizers .. .. .	..	781	599	1,521	289	175
Wheat Industry .. .. .	..	622	683	..	..	..
Other .. .. .	..	2	36	9	519	..
Total .. .. .	..	13,072	16,579	19,373	16,527	15,575
<b>Total Subsidies .. .. .</b>	..	20,628	25,552	26,612	22,534	20,147
<b>Bounties—</b>						
Tractor .. .. .	..	54	90	103	38	145
Wool Products .. .. .	..	..	14,875	2,254	1	..
Wheat—for Stock Feed .. .. .	..	..	..	2,368	2,759	1,010
Other .. .. .	(b) 236	1	20	4	..	18
<b>Total Bounties .. .. .</b>	236	55	14,985	4,729	2,798	1,173
<b>Grand Total .. .. .</b>	236	20,683	40,537	31,341	25,332	21,320

(a) Dairy products.

(b) Includes Raw Cotton Bounty, £115,000 and Sulphur Bounty, £88,000.

5. **Total Cost of Departments.**—Expenditure under this heading covers expenditure by departments, other than the defence and repatriation departments and business undertakings, on administrative services and other activities. Expenditure on defence, (other than interest and debt redemption in respect of the defence departments which is included in the expenditure of the Department of the Treasury), war and repatriation services, subsidies and bounties, social services paid from the National Welfare Fund, business undertakings, Commonwealth territories and capital works and services is excluded.

Information on the functions of departments and the acts administered by the Ministers of departments was published in Official Year Book No. 37, pages 76-86, and particulars of subsequent changes in departmental structure are given in later issues.

In the following table details are given of that expenditure on the branches of each department which might be termed running expenses. Miscellaneous expenditure and debt charges, etc., are not included in this table but in the one following.

**COMMONWEALTH CONSOLIDATED REVENUE FUND : COST OF DEPARTMENTS—**  
**SALARIES, WAGES AND GENERAL EXPENDITURE.**  
(£'000.)

Department.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53	1953-54
<b>Governor-General .. .. .</b>	28	37	44	64	81	88
<b>Parliament—</b>						
Cost of Parliament .. .. .	279	647	833	1,062	1,193	1,184
Electoral Office .. .. .	105	288	344	341	441	434
Total .. .. .	384	935	1,177	1,403	1,634	1,618
<b>Prime Minister—</b>						
Department .. .. .	62	119	155	210	246	256
Audit Office .. .. .	38	210	272	289	(a)	(a)
Public Service Board .. .. .	51	289	381	405	429	440
National Library .. .. .	4	52	73	96	107	121
High Commissioner's Office—United Kingdom .. .. .	81	485	548	621	621	612
Commonwealth Grants Commission .. .. .	5	10	12	14	15	15
Office of Education .. .. .	..	226	276	200	148	149
Security Services .. .. .	..	115	208	276	331	332
Total .. .. .	241	1,506	1,925	2,111	1,897	1,925
<b>External Affairs—</b>						
Department .. .. .	20	284	380	442	427	429
Oversea representation .. .. .	..	811	965	1,160	1,301	1,280
Total .. .. .	20	1,095	1,345	1,602	1,728	1,709

For footnotes see next page.

COMMONWEALTH CONSOLIDATED REVENUE FUND: COST OF DEPARTMENTS—SALARIES, WAGES AND GENERAL EXPENDITURE—*continued*.

(£'000.)

Department.	1938-39.	1949-50.	1950-51	1951-52	1952-53	1953-54
<b>Treasury—</b>						
Department .. .. .	50	236	329	367	468	526
Taxation Branch and Boards of Review ..	616	4,119	5,323	6,117	6,668	6,678
Bureau of Census and Statistics ..	61	274	374	461	530	594
Commonwealth Superannuation Board ..	9	28	52	73	78	80
<b>Total .. .. .</b>	<b>745</b>	<b>4,667</b>	<b>6,078</b>	<b>7,018</b>	<b>7,744</b>	<b>7,878</b>
<b>Attorney-General—</b>						
Department .. .. .	20	79	123	149	187	199
Crown Solicitor .. .. .	28	140	170	205	227	237
High Court .. .. .	34	58	69	78	87	85
Bankruptcy Administration .. .. .	44	59	79	90	97	113
Court of Conciliation and Arbitration ..	24	134	130	168	175	174
Patents, Trade Marks and Designs ..	71	152	197	319	334	381
Other Branches .. .. .	37	131	231	241	233	244
<b>Total .. .. .</b>	<b>258</b>	<b>753</b>	<b>1,017</b>	<b>1,250</b>	<b>1,340</b>	<b>1,433</b>
<b>Interior—</b>						
Department .. .. .	296	803	965	1,083	1,212	1,204
Meteorological Branch .. .. .	80	292	390	440	438	515
Observatory .. .. .	7	45	55	60	67	72
Forestry Branch .. .. .	10	60	79	86	88	90
<b>Total .. .. .</b>	<b>393</b>	<b>1,200</b>	<b>1,400</b>	<b>1,669</b>	<b>1,805</b>	<b>1,881</b>
<b>Works .. .. .</b>	<b>(b)</b>	<b>1,058</b>	<b>1,504</b>	<b>1,481</b>	<b>1,384</b>	<b>1,939</b>
Civil Aviation .. .. .	90	2,115	3,166	3,571	3,788	2,511
Trade and Customs .. .. .	721	1,860	2,474	2,953	3,244	3,390
<b>Health—</b>						
Department .. .. .	135	200	207	353	405	445
Quarantine .. .. .		80	143	161	108	222
Health Services .. .. .		174	287	343	479	459
<b>Total .. .. .</b>	<b>135</b>	<b>463</b>	<b>727</b>	<b>857</b>	<b>1,082</b>	<b>1,126</b>
<b>Commerce and Agriculture—</b>						
Department .. .. .	58	240	206	333	388	407
Inspection of goods for export ..	175	446	516	582	680	740
Commercial Intelligence Services Abroad ..	47	201	241	299	334	364
Division of Agricultural Economics and Division of Agricultural Production ..		78	110	122	123	140
<b>Total .. .. .</b>	<b>280</b>	<b>965</b>	<b>1,172</b>	<b>1,336</b>	<b>1,534</b>	<b>1,651</b>
<b>Social Services—Department .. .. .</b>	<b>139</b>	<b>1,249</b>	<b>1,686</b>	<b>1,974</b>	<b>2,300</b>	<b>2,395</b>
<b>Shipping and Transport—</b>						
Department .. .. .		766	223	161	144	135
Marine Branch .. .. .	208	435	553	748	702	813
Ship Construction .. .. .		71	80	85	91	91
<b>Total .. .. .</b>	<b>208</b>	<b>1,272</b>	<b>856</b>	<b>994</b>	<b>1,027</b>	<b>1,039</b>
<b>Territories—Department .. .. .</b>	<b>(c)</b>	<b>88</b>	<b>127</b>	<b>158</b>	<b>103</b>	<b>166</b>
<b>Immigration—Department .. .. .</b>	<b>(b)</b>	<b>820</b>	<b>888</b>	<b>1,230</b>	<b>1,260</b>	<b>1,193</b>
<b>Labour and National Service—Department ..</b>	<b>..</b>	<b>1,525</b>	<b>1,845</b>	<b>1,773</b>	<b>1,795</b>	<b>1,732</b>
<b>National Development—</b>						
Department .. .. .		290	437	452	458	385
Bureau of Mineral Resources .. .. .		118	282	480	688	434
<b>Total .. .. .</b>	<b>..</b>	<b>417</b>	<b>719</b>	<b>932</b>	<b>1,146</b>	<b>819</b>
<b>Commonwealth Scientific and Industrial Research Organization—Department ..</b>	<b>195</b>	<b>1,930</b>	<b>2,477</b>	<b>2,895</b>	<b>3,260</b>	<b>3,537</b>
<b>Atomic Energy Commission .. .. .</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>6</b>	<b>..</b>	<b>253</b>
<b>Total All Departments .. .. .</b>	<b>3,837</b>	<b>23,955</b>	<b>30,816</b>	<b>35,271</b>	<b>38,247</b>	<b>38,283</b>

(a) Allocated to Departments.  
with Prime Minister's Department.

(b) Included with Department of the Interior.

(c) Included

The following table gives details of miscellaneous expenditure included in the total cost of departments. It covers such items as interest and debt redemption in respect of departments (including defence departments) which is included under expenditure by the Department of the Treasury, repairs and maintenance of buildings, and special expenditure for which the Commonwealth is committed, such as contributions to international organizations, payment of Commonwealth scholarships, etc. The costs of social services, which are paid from the National Welfare Fund, are not included in this table (see p. 780 for this information).

**COMMONWEALTH CONSOLIDATED REVENUE FUND : COST OF DEPARTMENTS—  
MISCELLANEOUS EXPENDITURE.(a)  
(£'000.)**

Department.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Governor-General .. .. .	1	3	4	10	7	6
Parliament—						
Cost of elections .. .. .	3	177	210	231	244	240
Other .. .. .	17	29	46	45	35	45
Total .. .. .	20	206	256	276	279	285
Prime Minister—						
Commonwealth Scholarship Scheme and financial assistance to University students .. .. .	..	199	425	742	864	917
Australian National University .. .. .	..	216	280	450	600	650
Bush fire and flood relief, etc. .. .. .	19	101	312	43	75	108
Other .. .. .	259	216	536	377	615	931
Total .. .. .	278	732	1,553	1,612	2,154	2,606
External Affairs—						
United Nations and Allied Organizations. . (b) 46	699	701	715	597	632	
Australian National Antarctic Research Expeditions .. .. .	..	84	119	145	152	224
International development and relief .. .. .	..	..	1,511	4,859	4,271	3,574
Contributions to other international agencies, etc. .. .. .	4	94	102	94	105	112
Total .. .. .	50	877	2,433	5,813	5,125	4,542
Treasury—						
Interest (including exchange) .. .. .	3,229	2,812	2,794	3,259	4,149	5,308
Debt Redemption(c) .. .. .	614	640	864	791	718	708
Other .. .. .	87	3,405	607	660	1,313	1,094
Total .. .. .	3,930	6,857	4,265	4,710	6,180	7,110
Attorney-General .. .. .	23	66	78	98	97	117
Interior—						
Other departments in Canberra—Transport services, fuel, light and power; oversea publicity, etc. .. .. .	..	209	262	231	302	317
Other .. .. .	123	213	267	298	366	430
Total .. .. .	123	422	529	529	668	747
Works .. .. .	(d)	129	148	138	131	158
Civil Aviation—						
Maintenance and development of civil aviation .. .. .	162	1,441	1,767	2,526	2,671	3,683
Domestic and international air services—Mails, subsidies, etc. .. .. .	56	2,444	3,041	3,274	3,968	3,572
Meteorological maintenance services and other .. .. .	8	488	503	616	684	621
Total .. .. .	226	4,373	5,311	6,416	7,323	8,076
Trade and Customs .. .. .	82	258	174	218	251	310
Health—						
Subsidy, cattle tick control .. .. .	69	253	53	53	53	53
Miscellaneous expenditure on health .. .. .	93	241	265	295	369	377
Other .. .. .	17	53	65	77	73	97
Total .. .. .	179	547	383	425	495	527
Commerce and Agriculture—						
Dairy industry—Efficiency grant .. .. .	..	101	205	293	244	238
Wool use publicity, promotion and research .. .. .	74	341	348	341	371	386
Other .. .. .	186	117	148	199	356	545
Total .. .. .	260	559	701	833	971	1,169

For footnotes see next page.



## COMMONWEALTH CONSOLIDATED REVENUE FUND: COST OF DEPARTMENTS—MISCELLANEOUS EXPENDITURE(a)—continued.

(£'000.)

Department.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Social Services—						
Compassionate allowances, etc. . . . .	} 186	{ 54	76	87	104	116
Other . . . . .						
		54	64	73	79	92
Total . . . . .	186	108	140	160	183	208
Shipping and Transport—						
Shipping subsidies, etc. . . . .	..	626	86	185	186	148
Storage services . . . . .	..	977	285	(e)	(e)	(e)
Other . . . . .	7	67	51	92	55	62
Total . . . . .	7	1,670	422	277	241	210
Territories . . . . .	(f)	3	2	2	2	6
Immigration—						
Assisted migration . . . . .	(d)	6,647	8,110	8,892	6,400	3,645
Other migration activities . . . . .	(d)	2,257	3,708	3,365	3,096	1,960
Other . . . . .	(d)	77	264	283	277	209
Total . . . . .	(d)	8,981	12,082	12,540	9,773	5,814
Labour and National Service . . . . .	..	251	148	108	102	96
National Development—						
Joint Coal Board . . . . .	..	724	636	716	1,031	621
Other . . . . .	..	25	52	259	194	73
Total . . . . .	..	749	688	975	1,225	694
Commonwealth Scientific and Industrial Research Organization—						
Miscellaneous grants to scientific bodies . . . . .	28	65	69	83	102	98
Other . . . . .	..	12	20	25	28	32
Total . . . . .	28	77	89	108	130	130
Total, All Departments . . . . .	5,393	26,868	29,406	35,248	35,337	32,811

(a) Includes rent, repairs and maintenance, pension and superannuation contributions. Interest and debt redemption in respect of the various departments is included under the Department of the Treasury. (b) League of Nations. (c) Unallocated debt charges, in respect of all departments including defence departments. (d) Included with Department of the Interior. (e) Provided under Defence Services. (f) Included with Prime Minister's Department.

6. National Welfare Fund.—The National Welfare Fund was established for the purpose of providing a fund for the payment of Commonwealth social services benefits. During the year 1949-50 an amount equivalent to the total collections of pay-roll tax and social services contribution was paid to the fund from Consolidated Revenue. During 1950-51 the social services contribution was amalgamated with the normal income tax and it became necessary to base the contributions on another formula. For the year 1950-51 the amount paid to the fund was the total of collections of pay-roll tax and social services contribution plus £30,000,000. In 1951-52 the amount paid to the fund was the amount paid in 1950-51 increased in the same proportion as collections of pay-roll tax increased over the collections of pay-roll tax in 1950-51. By an amendment to the National Welfare Fund Act 1943-1950, the amount to be paid to the fund in 1952-53

and subsequent years was changed to the amount of moneys paid out of the fund. In addition to these payments from Consolidated Revenue the fund received a small amount of interest from investments.

In the following table details are given of the income and expenditure of the National Welfare Fund and the balance in the fund at the end of each year for the years 1949-50 to 1953-54. A dissection of expenditure into the various types of benefits is given in Chapter XV.—Welfare Services (*see* pages 545 and 546).

**NATIONAL WELFARE FUND: RECEIPTS, EXPENDITURE AND BALANCES.**  
(£'000.)

Year.	Income.			Expenditure.	Balance in Fund at end of Year.
	Contribution from Consolidated Revenue.	Interest on Investments.	Total.		
1949-50 .. ..	123,288	751	124,039	92,804	131,115
1950-51 .. ..	132,680	985	133,665	114,983	149,797
1951-52 .. ..	171,709	1,129	172,838	137,608	185,027
1952-53 .. ..	165,511	1,809	167,320	165,511	186,836
1953-54 .. ..	176,565	2,094	178,659	176,565	188,930

7. **National Debt Sinking Fund.**—During 1951-52 surplus revenue of £98,500,000 was paid to the National Debt Sinking Fund for investment in a special loan raised to finance State works expenditure.

8. **Business Undertakings.**—(i) *Postmaster-General's Department.* From the beginning of 1949-50, Broadcasting Services were separated from the Postmaster-General's Department. Prior to 1949-50 part of the expenditure on these services was included with the Postmaster-General's Department. Details of the expenditure of this Department for the years 1938-39 and 1949-50 to 1953-54 are given in the following table :—

**POSTMASTER-GENERAL'S DEPARTMENT: EXPENDITURE.**  
(£'000.)

Item.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Salaries, stores and materials, mail, engineering services, etc.	11,485	39,919	49,670	58,686	64,157	66,619
Superannuation, Pensions, etc.	392	665	795	1,061	1,056	1,214
Rents, repairs, etc. . . . .	114	599	733	850	984	876
Interest and Exchange .. ..	1,758	1,281	1,454	1,437	1,349	1,220
Debt Redemption .. .. .	1,129	2,048	2,150	2,257	2,371	2,313
<b>Total Working, etc., expenses .. ..</b>	<b>14,878</b>	<b>44,512</b>	<b>54,802</b>	<b>64,291</b>	<b>69,917</b>	<b>72,244</b>
<b>Capital Works and Services ..</b>	<b>3,851</b>	<b>19,792</b>	<b>34,897</b>	<b>28,819</b>	<b>28,427</b>	<b>25,986</b>
<b>Grand Total .. .. .</b>	<b>18,729</b>	<b>64,304</b>	<b>89,699</b>	<b>93,110</b>	<b>98,344</b>	<b>98,230</b>

Further details of expenditure for 1953-54 on account of the Postmaster-General's Department appear in Chapter VII.—Transport and Communication (Division I, Poste, Telegraphs, Telephones and Wireless).

(ii) *Broadcasting Services.* Since 1949-50 all expenditure on broadcasting services has been brought together in one section. Previously these services had been financed partly by the Postmaster-General's Department and partly from the Wireless Broadcasting Trust Account. Details of expenditure for the years 1949-50 to 1953-54 are shown in the following table.

**COMMONWEALTH BROADCASTING SERVICES : EXPENDITURE.**  
(£'000.)

Item.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Australian Broadcasting Control Board	37	59	61	56	77
Australian Broadcasting Commission— Salaries, general and programme expenses .. .. .	1,539	2,010	2,254	2,497	2,590
Technical and other Services—Post- master-General .. .. .	1,290	1,509	1,807	1,988	2,006
Repairs, maintenance, etc. .. .. .	6	13	13	15	11
Total Working, etc., expenses .. .. .	2,872	3,591	4,135	4,556	4,684
Capital Works and Services .. .. .	157	212	251	202	281
Grand Total .. .. .	3,029	3,803	4,386	4,758	4,965

(iii) *Railways.* The Commonwealth Railways, previously administered by the Department of the Interior, were transferred in March, 1950 to the newly-formed Department of Fuel, Shipping and Transport which became the Department of Shipping and Transport in May, 1951. The expenditure on railways for the years 1938-39 and 1949-50 to 1953-54 is shown below.

**COMMONWEALTH RAILWAYS : EXPENDITURE.**  
(£'000.)

Item.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Working expenses—						
Trans-Australian .. .. .	494	1,165	1,457	1,540	1,285	1,352
North Australia .. .. .	55	74	69	91	115	139
Central Australia .. .. .	214	728	867	1,178	1,297	1,359
Aust. Capital Territory .. .. .	7	19	26	37	46	43
Interest and Exchange .. .. .	455	375	420	415	413	406
Debt Redemption .. .. .	75	128	135	141	148	155
Superannuation .. .. .	14	28	34	43	44	50
Freight concessions—North Australia and Central Australia Railways .. .. .	..	196	297	513	531	588
Miscellaneous (a) .. .. .	37	79	76	67	65	45
Total Working, etc., ex- penses .. .. .	1,351	2,792	3,381	4,025	3,944	4,137
Capital Works and Services .. .. .	142	482	1,461	2,637	4,746	3,382
Grand Total .. .. .	1,493	3,274	4,842	6,662	8,690	7,519

(a) Includes loans redemption and conversion expenses, 1949-50, £7,000; 1952-53, £1,000.

Additional details of the financial operations of the Commonwealth Railways to 1953-54 are given in Chapter VII.—Transport and Communication (Division B, Government Railways).

9. *Territories.*—The following table shows the expenditure on account of Commonwealth Territories for the years 1938-39 and 1949-50 to 1953-54. The Australian Capital Territory is administered by the Department of the Interior, and the Department of Territories controls the external territories and the Northern Territory. The expenditure has been grouped in one table for convenience. Information in greater detail will be found in the *Finance Bulletin* issued by this Bureau.

**COMMONWEALTH TERRITORIES : EXPENDITURE.**  
(£'000.)

Territory.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53	1953-54.
<b>Administrative and Maintenance of Services—</b>						
Australian Capital(a) ..	637	1,519	1,924	2,157	2,462	2,652
Northern (a) ..	403	1,422	1,814	2,041	2,425	2,602
Papua ..	49	4,348	4,518	5,532	4,888	5,821
New Guinea ..	6					
Norfolk Island ..	5	5	4	16	40	58
<b>Total ..</b>	<b>1,100</b>	<b>7,294</b>	<b>8,260</b>	<b>9,746</b>	<b>9,815</b>	<b>11,133</b>
<b>Capital Works and Services—</b>						
Australian Capital(a) ..	244	2,426	3,713	3,851	3,246	2,642
Northern(a) ..	495	707	1,361	1,281	1,206	1,452
Papua and New Guinea ..	..	28	11	21	369	417
<b>Total ..</b>	<b>739</b>	<b>3,161</b>	<b>5,085</b>	<b>5,153</b>	<b>4,821</b>	<b>4,511</b>

(a) Excludes Railways, see para. 8 (iii).

10. **Capital Works and Services.**—In the following table details are given of Commonwealth expenditure on capital works and services during each of the years 1938-39 and 1949-50 to 1953-54 and of the aggregate to 30th June, 1954. The table covers all expenditure on capital works and services made from the Consolidated Revenue Fund, the Loan Fund and Trust Funds.

**COMMONWEALTH EXPENDITURE ON CAPITAL WORKS AND SERVICES FROM REVENUE, TRUST AND LOAN FUNDS.**  
(£'000.)

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1901-2 to 1953-54 Total.(a)
<b>Defence and War—</b>							
Navy ..	2,076	4,318	4,357	6,415	9,847	9,248	82,440
Army ..	1,547	1,154	7,133	18,410	20,960	11,172	127,016
Air Force ..	1,538	2,266	1,592	3,883	4,521	3,312	64,684
Munitions and other ..	1,173	4,762	6,62,024	6,16,418	6,989	4,781	192,631
<b>Repatriation Services—</b>							
War Service Homes ..	105	14,551	24,911	27,590	27,964	26,846	159,924
Other ..	..	297	342	271	203	227	3,102
Postmaster-General's Department ..	3,849	19,785	34,897	28,818	28,427	25,986	260,120
Broadcasting Services ..	..	157	212	251	202	281	1,102
<b>Railways—</b>							
Commonwealth ..	142	481	1,460	2,634	4,742	3,381	27,842
Other ..	..	..	..	..	..	..	2,445
<b>Territories—</b>							
Australian Capital Territory ..	488	2,418	3,697	3,851	3,237	2,630	31,920
Northern Territory ..	244	708	1,361	1,281	1,206	1,452	10,207
Papua-New Guinea ..	..	28	11	20	369	417	1,185
Norfolk Island ..	..	..	..	..	..	..	2
<b>Other—</b>							
Ships, yards and docks ..	—300	2,000	1,462	2,413	1,786	3,494	41,111
Civil Aviation ..	419	3,805	4,845	6,424	6,096	4,933	41,002
Snowy Mountains Scheme ..	..	2,497	6,077	10,393	13,600	13,170	45,737
Immigration ..	..	7,304	7,168	7,243	2,279	558	28,998
Coal Industry Act 1946 ..	..	4,232	3,000	4,100	26	..	13,008
Health ..	35	477	679	1,224	1,709	1,788	6,871
Subscriptions to Capital(e) ..	..	527	377	..	1,049	1,000	8,248
Advances(d) ..	..	333	477	2,389	4,180	2,451	14,977
All other works, buildings, etc. ..	243	4,582	7,373	11,700	5,493	5,453	56,595
<b>Total ..</b>	<b>11,559</b>	<b>76,682</b>	<b>173,475</b>	<b>155,728</b>	<b>145,885</b>	<b>122,580</b>	<b>1,221,077</b>
<b>Source of Funds—</b>							
Consolidated Revenue Fund ..	6,715	76,697	148,593	155,733	145,899	122,593	(e)
Loan Fund ..	1,598	—15	24,882	—5	—14	—13	(e)
Trust Funds(f) ..	3,246	..	..	..	..	..	(e)
<b>Total ..</b>	<b>11,559</b>	<b>76,682</b>	<b>173,475</b>	<b>155,728</b>	<b>145,885</b>	<b>122,580</b>	<b>1,221,077</b>

(a) Includes properties transferred from the States. (b) Includes Strategic Stores and Equipment Reserve, 1950-51, £57,048,000; 1951-52, £10,049,000. (c) Excludes Amalgamated Wireless (Aust.) Ltd. and Commonwealth New Guinea Timbers Ltd. included under Postmaster-General's Department and Territories respectively. (d) Excludes Overseas Telecommunications Commission included under Postmaster-General's Department. (e) Not available. (f) From excess receipts of previous years and National Defence Contributions Trust Account.

NOTE.—Minus sign (—) indicates excess of credits or repayments over expenditure.

11. Payments to or for the States.—(i) *General.* An outline of the provisions of the Constitution requiring the Commonwealth to make payments to the States, and of the systems which followed, is given in earlier issues of the Official Year Book (*see* No. 37, pages 633 to 638). In the following paragraphs reference is made to the arrangements at present in operation.

(ii) *Amounts Paid.* (a) *Year 1953-54.* The table below shows particulars of the amounts paid to each of the States as grants for the several purposes referred to in subsequent paragraphs.

COMMONWEALTH PAYMENTS TO OR FOR THE STATES, 1953-54.(a)  
(£'000.)

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	Total.
Interest on States' Debts ..	2,918	2,127	1,096	704	473	67	7,585
Sinking Fund on States' Debts (b) ..	1,273	759	438	438	356	199	3,463
Special Grants ..	..	..	..	6,100	7,800	1,500	15,400
Tax Reimbursement Grants ..	47,733	29,352	19,257	10,384	9,623	4,066	120,415
Special Financial Assistance ..	8,819	5,622	3,438	1,853	1,718	765	21,915
Commonwealth Aid Roads (c) ..	1,641	2,863	3,160	1,810	3,160	823	16,457
(Supplementary) Trust Account (d) ..	..	..	..	..	..	..	5,000
Price Control Reimbursement ..	..	—1	7	25	6	47	84
Western Australian Waterworks Grant ..	..	..	..	..	333	..	333
Coal Mining Industry—Long Service Leave ..	461	..	78	..	31	9	579
Imported Houses—Grants ..	121	241	..	209	44	..	615
Encouragement of Meat Production ..	..	..	280	..	133	..	413
Grants to Universities ..	536	334	180	167	115	57	1,389
Total ..	66,202	41,207	27,034	21,690	23,792	7,733	193,048

(a) Excludes relief to primary producers and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Paid to Trust Fund: excludes £600,000 for road safety practices and Commonwealth strategic roads. (d) Not allocable by States.

(b) 1938-39 and 1949-50 to 1953-54. The following table shows particulars of payments by the Commonwealth to or on behalf of the States during each of these years.

COMMONWEALTH PAYMENTS TO OR FOR THE STATES.(a)  
(£'000.)

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Financial Agreement—						
Interest on States' Debts ..	7,585	7,585	7,585	7,585	7,585	7,585
Sinking Fund on States' Debts (b) ..	1,478	2,005	2,241	2,557	3,011	3,463
Special Grants ..	2,020	11,054	12,175	10,522	15,934	15,400
Tax Reimbursement—						
Grants ..	..	62,271	70,107	86,268	108,623	120,415
Additional Grants ..	..	..	5,000	..	..	..
Special Financial Assistance ..	..	..	15,000	33,577	27,146	21,915
Coal Strike Emergency Grant ..	..	8,000	..	..	..	..
Grants for Road Construction, etc. (c) ..	4,266	8,767	13,543	14,647	15,107	16,457
Commonwealth Aid Roads (Supplementary) Trust Account ..	..	..	..	..	..	5,000
Price Control Reimbursement ..	..	706	704	937	1,056	84
Local Public Works—Interest and Sinking Fund ..	100	..	..	..	..	..
Youth Employment ..	200	..	..	..	..	..
Western Australian Waterworks ..	..	37	218	289	224	333
Coal Mining Industry—Long Service Leave ..	..	207	374	490	552	579
Imported Houses—Grants ..	..	..	170	1,788	1,530	615
Encouragement of Meat Production ..	..	..	315	205	398	413
Grants to Universities ..	..	..	..	1,473	1,125	1,389
Total ..	15,649	100,632	127,432	160,347	182,291	193,648

(a) Excludes relief to primary producers and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Excludes expenditure on strategic roads and road safety practices, 1949-50 to 1953-54, £600,000.

Particulars of special Commonwealth grants for the relief of primary producers are not included in the foregoing tables. For details *see* Chapter XXI—Agricultural Production. *See also* para. 4., Subsidies and Bounties, and para. 12., Other Expenditure of this Division.

(iii) *Financial Agreement.* Details of the Financial Agreement between the Commonwealth and the States are given in Official Year Book No. 37, pages 685 to 690. Under this Agreement the Commonwealth undertook to contribute £7,584,912 per annum towards interest payable on the State Debts for a period of 58 years from 1st July, 1927. This amount is to be distributed amongst the States as follows:—New South Wales, £2,917,411; Victoria, £2,127,159; Queensland, £1,096,235; South Australia, £703,816; Western Australia, £473,432; Tasmania, £266,859.

These amounts are equal to the sums paid by the Commonwealth to each State in the year 1926–27 at the rate of 25s. per head of population, the rate at which the Commonwealth had contributed annually to the States since 1st July, 1910 as compensation for the States relinquishing, after Federation, the right to levy Customs and Excise Duties.

In addition, under the Financial Agreement, the Commonwealth agreed to make certain contributions to the National Debt Sinking Fund for redemption of State Debts. Details of these payments are given in part D of this Chapter (§ 2, page 805).

(iv) *Special Grants.* The Constitution provides in Section 96 for the granting of special financial assistance to the States. Prior to 1933 financial assistance of varying amounts was granted by the Commonwealth to South Australia, Western Australia and Tasmania. Details of this may be found in earlier issues of the Official Year Book (see No. 40, page 695).

In 1933 the Commonwealth Government appointed the Commonwealth Grants Commission of three members to inquire into and report upon claims made by any State for a grant of financial assistance and any matters relevant thereto.

Applications have been received from South Australia, Western Australia and Tasmania each year from 1933 onwards and the recommendations of the Commission in respect of the years 1938–39 and 1950–51 to 1954–55 are shown in the following table. Commencing with 1949–50 the Commission has divided the grants recommended into two parts. One part is the Commission's estimate of the indispensable need of the claimant State for the year in which the payment is to be made after allowing a sufficient margin for safety. The other part is an adjustment of this estimate for an earlier year after an examination of the audited accounts for that year. Thus the grants for 1954–55 include an estimate of the indispensable need of the claimant State for 1954–55 and an adjustment to the estimated grant for 1952–53.

**COMMONWEALTH GRANTS COMMISSION : GRANTS RECOMMENDED.**  
(£'000.)

Particulars.	1938–39.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
<b>South Australia—</b>						
Estimated grant ..	1,040	4,570	4,250	6,600	6,300	3,350
Adjustment (a) ..	..	762	308	–257	–200	–1,100
Net grant recommended ..	1,040	5,332	4,558	6,343	6,100	2,250
<b>Western Australia—</b>						
Estimated grant ..	570	4,750	5,000	8,200	7,350	7,100
Adjustment (a) ..	..	1,089	88	–159	450	350
Net grant recommended ..	570	5,839	5,088	8,041	7,800	7,450
<b>Tasmania—</b>						
Estimated grant ..	410	1,100	750	1,550	1,650	3,200
Adjustment (a) ..	..	–96	126	..	–150	–600
Net grant recommended ..	410	1,004	876	1,550	1,500	2,600
<b>Grand Total ..</b>	<b>2,020</b>	<b>12,175</b>	<b>10,522</b>	<b>15,934</b>	<b>15,400</b>	<b>12,300</b>

(a) Adjustment to estimated grant paid two years previously.

(v) *Tax Reimbursement Grants.* Details of the States Grants (Income Tax Reimbursement) Act 1942 and the States Grants (Entertainments Tax Reimbursement) Act 1942 are given in earlier issues of the Official Year Book (see No. 37, pages 635 to 637). These Acts provided for grants to the States as compensation for vacating the fields of Income Tax and Entertainments Tax. Grants under these Acts ceased after 1945–46 and were replaced by grants under the States Grants (Tax Reimbursement) Act 1946–1948.

This Act provided for reimbursement grants of certain specified amounts to be paid to the States during 1946-47 and 1947-48. For 1948-49 and subsequent years the grants were assessed on the aggregate paid in 1947-48 (£45,000,000) increased in accordance with a formula based on increases in population and average wages. Details of the formula and of the treatment of arrears of State income taxes are given in earlier issues of the Official Year Book (*see* No. 40, page 696).

In 1950-51 an amount of £5,000,000 was paid to the States under the States Grants (Additional Tax Reimbursement Act) 1950. As this was considered as a non-recurring grant the formula outlined above was not amended.

(vi) *Additional Financial Assistance, 1948-49 to 1953-54.*—(a) *Coal Strike Emergency Grant.* During 1949-50 State business undertakings suffered considerable losses as a result of the coal strike. Towards meeting these losses the Commonwealth made grants totalling £8,000,000 to the States. The amounts paid to each State were:—New South Wales, £3,261,000; Victoria, £1,830,000; Queensland, £1,309,000; South Australia, £687,000; Western Australia, £661,000; and Tasmania, £252,000.

(b) *Special Financial Assistance Grants.* During the years 1950-51 to 1953-54 there were heavy additions to the financial needs of the States and special assistance grants amounting to £15,000,000, £33,577,000, £27,146,000 and £21,915,000 respectively were made. For details of amounts paid to each State during 1953-54 *see* page 783 and for payments during 1950-51, 1951-52 and 1952-53 *see* Official Year Book No. 39, page 791, No. 40, page 698 and No. 41, page 619.

(vii) *Grants for Road Construction.* (a) *Main Roads Development Act 1923-25, Federal Aid Roads Act 1926, 1931 and 1936, Federal Aid Roads and Works Act 1937, Commonwealth Aid Roads and Works Act 1947-1949 and Commonwealth Aid Roads Act 1950.* Details of these Acts are given in earlier issues of the Official Year Book (*see* No. 38, pp. 787-8 and No. 41, p. 62) and in the *Finance Bulletins* published by this Bureau.

(b) *The Commonwealth Aid Roads Act 1954* repealed the Commonwealth Aid Roads Act 1950 and provided for payment to the States, for a period of five years from 1st July, 1954, an amount equivalent to 7d. per gallon on all petrol except aviation spirit which is entered for home consumption and which is subject to Customs and Excise duties as specified in Customs Tariff Item 229c and Excise Tariff Item 11(A) 2 and (B) 2. Out of this amount, the following grants are to be made to the States, for construction and maintenance of roads and the purchase of roadmaking plant:—

(a) Sixty per cent. of the amount, less £900,000, per annum for expenditure on roads, and

(b) Forty per cent. of the amount for expenditure on roads in rural areas other than highways, trunk or main roads.

The States may spend from the Commonwealth road grants up to £1,000,000 per annum on works connected with transport by road or water. Five per cent. of the grants is payable to Tasmania and the remainder is to be divided among the other five states three-fifths according to population and two-fifths according to area. In addition the Commonwealth may spend each year £800,000 on strategic roads and £100,000 on the promotion of road safety practices.

(viii) *Other Payments.* (a) *Price Control Reimbursement.* These grants were made from 1948-49 to 1953-54 to reimburse the States for expenditure incurred in administering prices, rents and land sales controls. An amount of £84,000 was paid by the Commonwealth to the States during the year ended 30th June, 1954 to cover certain arrears.

(b) *Western Australian Waterworks.* The Western Australia (Water Supply) Act 1948 provides for grants to Western Australia not exceeding an aggregate of £2,150,000 for the development of the agricultural areas, great southern towns and Goldfields Water Supply scheme. The amount provided by the Commonwealth is not to exceed half the total expenditure on the scheme.

(c) *Coal Mining Industry—Long Service Leave.* To provide funds for the payment for long service leave in the coal mining industry the Commonwealth imposed an excise duty of 6d. per ton on coal produced from 1st November, 1949. The rate of duty was raised to 7½d. per ton from 26th August, 1951 and to 8d. per ton from 30th May, 1952. The proceeds of this excise duty are paid to a trust fund out of which the States are reimbursed for expenditure incurred in granting long service leave to employees in the coal mining industry.

(d) *Imported Houses.* A subsidy is paid to the States for houses imported by a State or a housing authority of a State after 12th October, 1949. The amount of the subsidy is the amount by which the cost of imported houses exceeds the cost of building comparable houses from local materials. The subsidy is limited to £300 per house and in aggregate to 30,000 houses or £9,000,000.

(e) *Encouragement of Meat Production.* To develop meat production in Queensland and Western Australia grants are made to these States for the provision of improved roads and other facilities for the movement of live-stock. Provision is made for the Commonwealth to meet the cost of the construction and improvement of certain specified roads in both States and the construction of eight cattle loading and unloading points in Queensland. Provision is also made for the Commonwealth to meet half the cost of improving watering facilities on specified stock routes in both States. The amount of the grants for improving watering facilities on stock routes is limited to £75,000 in Queensland and £31,500 in Western Australia. These limits were extended as from 20th April, 1954 to £150,000 in Queensland and £50,000 in Western Australia.

(f) *Grants to Universities.* The States Grants (Universities) Act 1951, provides for grants to be made to the States for the purpose of financial assistance to Universities during the three years 1950–51 to 1952–53. This Act was superseded by the States Grants (Universities) Act 1953 which came into operation on 1st January, 1953, and which increased the assistance payable during 1952–53 and 1953–54.

**12. Other Expenditure.**—Expenditure under this item represents the proceeds of special industry taxes and profits from marketing schemes which are paid to trust funds or other authorities for the purposes of the industries concerned. Advance payments in respect of sales of uranium paid to the Atomic Energy Commission are also included.

Information relating to the taxes levied is given in Division II.—Revenue, of this section (see pages 768, 769, and 770). Details of expenditure from the trust funds are given in § 3., Commonwealth Trust Funds. Details of the price stabilization and other assistance schemes for primary industries may be found in Chapter XXI.—Agricultural Production. Details of expenditure from the Consolidated Revenue Fund during the last five years are given in the following table.

**OTHER EXPENDITURE: RECEIPTS AND EXPENDITURE FROM  
COMMONWEALTH CONSOLIDATED REVENUE FUND.  
(£'000.)**

Receipts from —	Expenditure on—	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.
<b>Taxes—</b>						
Export Charges ..	Export Control Boards (a) ..	..	..	..	166	168
Gold Tax ..	Gold Mining Industry ..	— 10	..	..	..	..
Stevedoring Industry ..	Stevedoring Industry ..					
Charge ..	Board ..	499	420	551	1,144	1,630
Wheat Export Charge	Wheat Industry Price Stabilization (b) ..	12,634	13,353	12,202	8,139	..
Wool Contributory Charge	Wool Use Promotion and Disposals Plan ..	1,439	1,654	486	28	..
Wool Tax ..	Wool Reserve Prices Fund ..	..	43,190	1,744		
Total ..	Wool Use Promotion ..	..	..	..	675	772
		14,562	58,617	14,983	10,152	2,570
<b>Other—</b>						
Advance Payments—	Atomic Energy Commission ..	..	..	..	1,174	2,791
Sales of Uranium ..	Wool Industry—Distribution of War-time Trading Profits ..	..	..	..	42,361	..
Wool Disposals Profit ..	Australian Wool Bureau ..	..	..	..	..	730
Wool Stores—Moneys paid by Wool Realization Commission	..	..	..	..	43,535	3,521
Total ..	..	..	..	..	..	..
Grand Total ..	..	14,562	58,617	14,983	53,687	6,091

(a) Paid to Apple and Pear Export Fund, Canned Fruits Export Fund, Dairy Produce Export Fund, Dried Fruits Export Fund, Egg Export Fund and Wine Export Fund. Prior to 1952–53 these charges were treated as refunds of Revenue and not shown separately. (b) Paid to Wheat Prices Stabilization Fund.



### § 3. Commonwealth Trust Funds.

1. Receipts, Expenditure and Balances, 1953-54.—The following table shows the opening and closing balances, and receipts and expenditure of some of the more important Trust Funds of the Commonwealth for the year ended 30th June, 1954.

#### COMMONWEALTH TRUST FUNDS: RECEIPTS, EXPENDITURE AND BALANCES, 1953-54.

(£'000.)

Fund.	Balance at 30th June, 1953.	Year ended 30th June, 1954.		Balance at 30th June, 1954.
		Receipts.	Expenditure.	
Australian New Guinea Production ..	1,441	(a) 47	..	1,488
Coal Mining Industry Long Service Leave .. .. .	1,014	603	785	832
Coinage .. .. .	3,891	2,531	2,531	3,891
Commonwealth Aid Roads .. .. .	1,604	17,057	17,267	1,394
Commonwealth Aid Roads (Supplementary) .. .. .	..	5,000	..	5,000
Debt Redemption Reserve .. .. .	..	56,271	..	56,271
Defence Equipment and Supplies .. .. .	..	12,000	..	12,000
Defence Forces Retirement Benefits .. .. .	5,098	1,879	858	6,119
Enemy Subjects .. .. .	1,023	234	77	1,180
Insurance Deposits .. .. .	3,956	691	166	4,481
International Development and Relief .. .. .	586	3,025	2,542	1,069
Korean Operations Pool .. .. .	10,000	19,172	18,267	10,905
Lend-Lease Settlement .. .. .	1,598	42	80	1,560
Liquid Fuel Equalization .. .. .	930	..	..	930
National Debt Sinking Fund .. .. .	167,782	68,828	46,443	190,167
National Welfare .. .. .	186,836	178,659	176,565	188,930
Parliamentary Retiring Allowances .. .. .	111	54	30	135
Public Trustee and Custodian .. .. .	2,318	1,206	3	3,521
Strategic Stores and Equipment Reserve .. .. .	48,871	..	2	48,869
Superannuation .. .. .	29,738	7,810	3,510	34,038
Temple Society .. .. .	627	13	4	636
War Gratuity .. .. .	4,351	(b) -4,000	87	264
War Service Homes .. .. .	..	28	28	..
War Service Homes—Insurance .. .. .	560	117	102	575
Wheat Industry Stabilization .. .. .	298	..	5	293
Wheat Prices Stabilization .. .. .	20,577	343	20,920	..
Wool Contributory Charge .. .. .	2,826	8	2,826	8
Wool Disposals Profit .. .. .	26,566	600	14,843	12,323
Wool Industry .. .. .	7,381	212	460	7,133
Wool Research .. .. .	688	441	569	560
Other .. .. .	35,000	391,404	374,676	52,718
Total .. .. .	566,571	764,365	683,646	647,290

(a) Surplus balance, £190,000 transferred to Consolidated Revenue Fund has been deducted.

(b) Surplus balance transferred to Consolidated Revenue Fund.

2. Summary, 1938-39 and 1949-50 to 1953-54.—In the following table the balances and total receipts and expenditure of the Trust Funds are shown for each of these years.

#### COMMONWEALTH TRUST FUNDS.

(£'000.)

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Balance brought forward .. .. .	25,609	245,194	278,647	363,051	489,729	566,571
Receipts .. .. .	84,167	410,174	622,435	725,282	709,973	764,365
Expenditure .. .. .	85,550	376,721	538,031	598,604	633,131	683,646
Balance carried forward .. .. .	24,226	278,647	363,051	489,729	566,571	647,290

### § 4. Commonwealth Loan Fund.

Brief historical notes relating to the Commonwealth Loan Fund are given in earlier issues of the Official Year Book (*see* No. 37, page 640). In the following table details are given of the net expenditure from the Commonwealth Loan Fund for the years 1938-39 and 1949-50 to 1953-54 and of the aggregate expenditure to 30th June, 1954. The figures shown represent "net" loan expenditure, i.e., after adjustments have been made for refunds of amounts expended in earlier years.

#### COMMONWEALTH NET EXPENDITURE FROM LOAN FUND. (£'000.)

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	Total to 30th June 1954.
<b>War Loans—</b>							
Defence and War (1914-18, 1939-45) Services .. ..	..	25,483	a 28,773	a 5,120	a 5,684	a 4,199	2,001,679
<b>Other Loans—</b>							
Capital Works and Services—							
Defence(b) .. ..	1,912	..	— 12	..	..	..	8,682
Repatriation Services(b)—							
War Service Homes(b) .. ..	..	..	..	..	..	..	7,329
Other .. ..	..	..	..	..	..	..	47
Postmaster-General's Department .. ..	— 1	— 8	— 1	— 1	— 1	..	40,424
Broadcasting Services .. ..	..	..	..	..	..	..	104
Railways .. ..	..	— 1	— 1	— 3	— 4	— 1	13,750
Territories(c) .. ..	— 7	— 7	— 16	— 1	— 9	— 12	8,724
Other—							
Ships, Yards and Docks .. ..	— 305	..	..	..	..	..	7,694
Civil Aviation .. ..	..	..	..	..	..	..	213
Immigration .. ..	..	..	..	..	..	..	1,681
All other works, buildings, etc.	— 1	..	..	..	..	..	4,223
<b>Other Purposes—</b>							
Assistance to States—							
Farmers' Debt Adjustment .. ..	2,000	..	..	..	..	..	7,967
Housing .. ..	..	17,215	21,640	26,547	30,000	37,200	178,209
Other .. ..	— 4	..	..	..	..	..	5,976
Wheat Bounty .. ..	..	..	..	..	..	..	3,430
<b>Total Capital Works and Services and Other Purposes</b>	<b>3,594</b>	<b>17,199</b>	<b>21,610</b>	<b>26,542</b>	<b>29,986</b>	<b>37,187</b>	<b>288,453</b>
<b>International Bank Dollar Loan(d)</b>	<b>..</b>	<b>..</b>	<b>4,044</b>	<b>23,831</b>	<b>17,935</b>	<b>21,468</b>	<b>67,278</b>
<b>Swiss Loan (e)</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>5,792</b>	<b>5,792</b>
<b>GRAND TOTAL .. ..</b>	<b>3,594</b>	<b>42,682</b>	<b>54,427</b>	<b>55,493</b>	<b>53,605</b>	<b>63,646</b>	<b>2,363,202</b>

(a) Comprises expenditure under War Service Homes Acts—1950-51, £24,911,000 and financial assistance to the States in connexion with War Service Land Settlement—1950-51, £3,862,000; 1951-52, £5,120,000; 1952-53, £5,684,000; 1953-54, £4,199,000. (b) Excludes amounts charged to War Loan Fund. (c) Includes administration and other public buildings, Australian Capital Territory.

(d) Payment to National Debt Sinking Fund. *See* pages 818 and 819. (e) Payment to Swiss Loan Trust Account. *See* page 818.

NOTE.—Minus sign (—) indicates excess of repayments to Loan Fund.

Information relating to the Public Debt of the Commonwealth is given in part D, Commonwealth and State Public Debt, of this chapter.

## B. STATE FINANCE.

### § 1. General.

1. **Functions of State Governments.**—In comparing the financial returns of the States, allowances must be made for the various functions discharged by the respective Governments, and for local conditions in each case. Direct comparisons of the revenue, expenditure and debt of the individual States are difficult, owing to the fact that functions which in one State are assumed by the Central Government are in another relegated to

municipal or semi-governmental bodies which are vested with certain defined borrowing powers and whose financial transactions are not included with those of the Central Government. Care, therefore, is needed in making comparisons, and the particulars contained in this Chapter should be read with those contained in Chapter XVIII.—Local Government. In many respects, moreover, 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 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 mainly concerned with one or other of three Funds—the “Consolidated Revenue Fund”, the “Trust Fund”, and the “Loan Fund”. All revenue (except certain items paid into special funds) collected by the State is paid into 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.

Figures in § 2 following relating to New South Wales represent the transactions of the Consolidated Revenue Fund and the business undertakings included in the annual budget papers. These latter are as follows:—Railways, Tramways and Omnibuses, and Sydney Harbour Trust Section of the Maritime Services Board. Adjustments have been made to the Budget figures, however, in order to obviate duplications caused by inter-fund payments and to maintain uniformity from year to year in the presentation of statistics. Particulars for all other States relate to the transactions of the Consolidated Revenue Fund.

The Trust Fund comprises all moneys held in trust by the Government, and includes such items as superannuation funds, road funds, insurance companies' deposits, etc.

The Loan Fund is debited with all loan moneys raised by the State, and credited with the expenditure therefrom on public works or other purposes.

3. **Inter-relation of Commonwealth and State Finances.**—A statement in some detail, covering the inter-relation of Commonwealth and State Finances during the period from the inception of Federation to the passing of the Financial Agreement Act 1928, was published in Official Year Book No. 22, pages 379–80. Changes in the financial relations between the Commonwealth and States since the passing of the Financial Agreement Act have been described in issues of the Official Year Book from year to year (*see also* pages 805–807).

## § 2. State Consolidated Revenue Funds.

### Division I.—Revenue.

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

(a) Taxation; (b) The business undertakings controlled by the State Governments; (c) Sale of and rental from crown lands; (d) Payments by Commonwealth Government under the Financial Agreement, Special Grants and Tax Reimbursement Acts, etc.; (e) Interest on advances; and (f) Miscellaneous sources, comprising fines, fees, etc.

Of these sources, that yielding the largest revenue for the States as a whole is the group of business undertakings, the principal contributors being the government railways and tramways. Next in magnitude are Commonwealth payments under the Tax Reimbursement Acts, followed in order by taxation receipts, Commonwealth special financial assistance and special grants, and lands receipts. Since the introduction in 1942–43 of the uniform tax scheme, Commonwealth payments under the Income and Entertainments Tax Reimbursement Acts and, from 1946–47, under the Tax Reimbursement Act, have replaced revenue previously received from income and entertainment taxes.

2. **Revenue Received.**—The following table shows particulars of the total amounts and the amounts per head of consolidated revenue received by the several States during the years 1938–39 and 1949–50 to 1953–54.

**STATE CONSOLIDATED REVENUE.**

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>TOTAL REVENUE.</b> (£'000.)							
1938–39 ..	51,099	26,985	19,330	12,304	10,950	3,615	124,283
1949–50 ..	106,504	55,557	37,119	26,360	26,018	7,077	258,635
1950–51 ..	128,298	63,546	44,723	31,072	28,974	7,819	304,432
1951–52 ..	167,095	81,661	55,753	37,588	33,955	10,469	386,521
1952–53 ..	180,908	96,995	63,171	44,251	38,725	12,061	436,111
1953–54 ..	186,642	106,748	69,696	48,376	43,596	13,285	468,343
<b>PER HEAD OF POPULATION.</b> £ s. d.							
1938–39 ..	18 13 7	14 8 3	19 3 6	20 13 6	23 9 0	15 4 2	17 19 5
1949–50 ..	33 11 6	25 12 0	31 18 3	38 7 7	47 13 5	25 10 3	32 5 4
1950–51 ..	39 3 9	28 8 2	37 9 10	43 14 0	50 14 3	27 3 9	36 15 11
1951–52 ..	49 15 10	35 9 7	45 13 2	51 10 9	57 8 9	35 1 3	45 9 8
1952–53 ..	52 17 11	41 1 2	50 11 8	59 0 10	63 4 0	39 0 10	50 2 3
1953–54 ..	54 16 0	44 1 2	53 11 6	61 10 10	69 2 7	42 18 8	52 17 9

(a) See § 1 para. 2, page 789.

3. **Sources of Revenue.**—(i) *General.* Classifying the revenue of the several States in the manner indicated in para. 1 above, particulars for the year 1953–54 are as follows:—

**STATE CONSOLIDATED REVENUE : SOURCES, 1953–54.**

Source of Revenue.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>TOTAL REVENUE.</b> (£'000.)							
Taxation (b) ..	19,104	17,206	8,299	6,540	3,346	3,472	57,967
Business Under- takings ..	88,616	41,163	28,952	16,753	15,271	4	190,759
Lands ..	3,644	2,683	3,967	310	964	335	11,903
Interest (n.e.i.) ..	968	3,054	1,462	2,734	1,126	1,851	11,195
Commonwealth Pay- ments—							
Tax Reimburse- ments ..	47,733	29,352	19,257	10,384	9,623	4,066	120,415
Other (c) ..	11,437	7,749	4,541	8,681	9,997	2,532	44,937
Miscellaneous ..	15,140	5,541	3,218	2,974	3,269	1,025	31,167
Total ..	186,642	106,748	69,696	48,376	43,596	13,285	468,343
<b>PER HEAD OF POPULATION.</b> (£ s. d.)							
Taxation (b) ..	5 12 3	7 2 0	6 7 7	8 6 5	5 6 1	11 4 4	6 10 11
Business Under- takings ..	26 0 4	16 19 9	22 5 1	21 6 3	24 4 3	0 0 3	21 10 10
Lands ..	1 1 4	1 2 2	3 1 0	0 7 10	1 10 7	1 1 8	1 6 11
Interest (n.e.i.) ..	0 5 8	1 5 3	1 2 6	3 9 7	1 15 9	5 19 8	1 5 3
Commonwealth Pay- ments—							
Tax Reimburse- ments ..	14 0 4	12 2 3	14 16 0	13 4 2	15 5 2	13 2 10	13 11 11
Other (c) ..	3 7 2	3 4 0	3 9 10	11 0 11	15 17 1	8 3 8	5 1 0
Miscellaneous ..	4 8 11	2 5 0	2 9 6	3 15 8	5 3 8	3 6 3	3 10 5
Total ..	54 16 0	44 1 2	53 11 6	61 10 10	69 2 7	42 18 8	52 17 9

(a) See § 1 para. 2, page 789. (b) In all States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (c) Includes payments under Financial Agreement, Special Grants, Prices Control Reimbursement Grants and Special Financial Assistance.

(ii) *Revenue from Taxation.* (a) *General.* The following table shows, for the year 1953-54, particulars of all State taxation collections irrespective of whether such moneys have been paid into the Consolidated Revenue Funds or not. For this reason the particulars hereunder differ from those shown in the tables relating to the Consolidated Revenue Funds and represent a comprehensive statement of all taxation collections by the Government in each State. In this and the succeeding statements of taxation, the collections have been grouped according to the nature of the tax rather than the method of collection. For example stamp duties on betting tickets and bookmakers' licences have been included under "Racing Tax" instead of under "Stamp Duties" and "Licences" respectively. Commonwealth payments under the State Grants (Tax Reimbursement) Act are not included.

## STATE REVENUE FROM TAXATION: TOTAL NET COLLECTIONS(a) 1953-54.

(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>Motor Taxes—</b>							
Registration Fees and Taxes .. ..	7,997	4,081	3,766	2,128	1,123	557	19,652
Drivers', etc., Licences ..	714	358	(b) 128	239	101	35	1,575
Other .. ..	1,934	1,444	912	101	114	145	4,650
<b>Total Motor ..</b>	<b>10,645</b>	<b>5,883</b>	<b>4,806</b>	<b>2,468</b>	<b>1,338</b>	<b>737</b>	<b>25,877</b>
<b>Probate and Succession</b>							
Duties .. ..	8,014	5,387	2,353	1,593	877	476	18,700
Other Stamp Duties .. ..	5,645	3,685	2,548	1,040	1,197	428	14,543
Land .. ..	2	2,016	1,080	568	297	175	4,138
Income (Arrears) .. ..	33	27	21	4	7	..	92
Liquor .. ..	2,429	1,963	472	55	268	159	5,346
Lotteries .. ..	..	..	288	..	..	1,516	1,804
Racing .. ..	2,890	2,451	297	1,087	421	174	7,320
Entertainments .. ..	..	656	..	..	165	83	906
Licences (n.e.l.) .. ..	91	232	..	54	26	8	..
Other .. ..	..	..	952	42	86	..	1,491
<b>GRAND TOTAL ..</b>	<b>29,749</b>	<b>22,300</b>	<b>12,817</b>	<b>6,911</b>	<b>4,682</b>	<b>3,758</b>	<b>80,217</b>

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue or to other funds. (b) As from October, 1952 no charge has been made for drivers' licences. Instead a driving fee is charged upon renewal of registration.

Of the total taxation collections detailed above the following were paid into special funds:—

## STATE REVENUE FROM TAXATION: PAYMENTS INTO SPECIAL FUNDS, 1953-54.

(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>Motor ..</b>	<b>10,645</b>	<b>4,827</b>	<b>3,766</b>	<b>..</b>	<b>1,250</b>	<b>286</b>	<b>20,774</b>
<b>Other Stamp Duties ..</b>	<b>..</b>	<b>155</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>155</b>
<b>Liquor ..</b>	<b>..</b>	<b>112</b>	<b>73</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>185</b>
<b>Racing ..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>371</b>	<b>..</b>	<b>..</b>	<b>371</b>
<b>Other ..</b>	<b>..</b>	<b>..</b>	<b>679</b>	<b>..</b>	<b>86</b>	<b>..</b>	<b>765</b>
<b>Total ..</b>	<b>10,645</b>	<b>5,094</b>	<b>4,518</b>	<b>371</b>	<b>1,336</b>	<b>286</b>	<b>22,250</b>

The table hereunder shows, for the year 1953-54, the proportions of collections under individual classes of tax to the total taxation revenue :—

### STATE REVENUE FROM TAXATION: PROPORTIONS OF INDIVIDUAL TAXES TO TOTAL, 1953-54.

(Per Cent.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor .. ..	35.78	26.38	37.50	35.71	28.57	19.61	32.26
Probate and Succession Duties .. ..	26.94	24.16	18.35	23.05	18.73	12.67	23.31
Other Stamp Duties .. ..	18.97	16.53	19.87	15.05	25.57	11.40	18.13
Land .. ..	0.02	9.04	8.42	8.22	6.34	4.05	5.16
Income (Arrears) .. ..	0.11	0.12	0.17	0.05	0.15	..	0.11
Liquor .. ..	8.16	8.80	3.69	0.80	5.74	4.23	6.66
Lotteries .. ..	..	..	2.25	..	..	40.35	2.25
Racing .. ..	9.71	10.99	2.32	15.73	8.98	4.62	9.12
Entertainments .. ..	..	2.94	..	..	3.53	2.27	1.14
Licences (n.e.l.) .. ..	0.31	1.04	..	0.78	0.55	0.20	..
Other .. ..	..	..	7.43	0.61	1.84	..	1.86
GRAND TOTAL ..	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(b) 1938-39 and 1949-50 to 1953-54. Prior to federation, customs and excise duties constituted the principal source of revenue from taxation. Thereafter, until the introduction of the uniform income tax scheme in 1942-43, the most productive State taxes were the various income taxes which, in 1941-42, included unemployment relief, State development and hospital taxes. Since 1941-42 the States have been reimbursed by the Commonwealth for the revenue lost by the discontinuance of these taxes. Details of the reimbursement grants are given on pp. 784 and 790. Information relating to the State income taxes which were levied prior to 1942-43 may be found in earlier issues of the Year Book.

The total amounts and the amounts per head raised from all sources of taxation by the several State Governments, including amounts not paid into the Consolidated Revenue Fund, during the years 1938-39 and 1949-50 to 1953-54, are shown in the following table :—

### STATE REVENUE FROM TAXATION: TOTAL NET COLLECTIONS.(a)

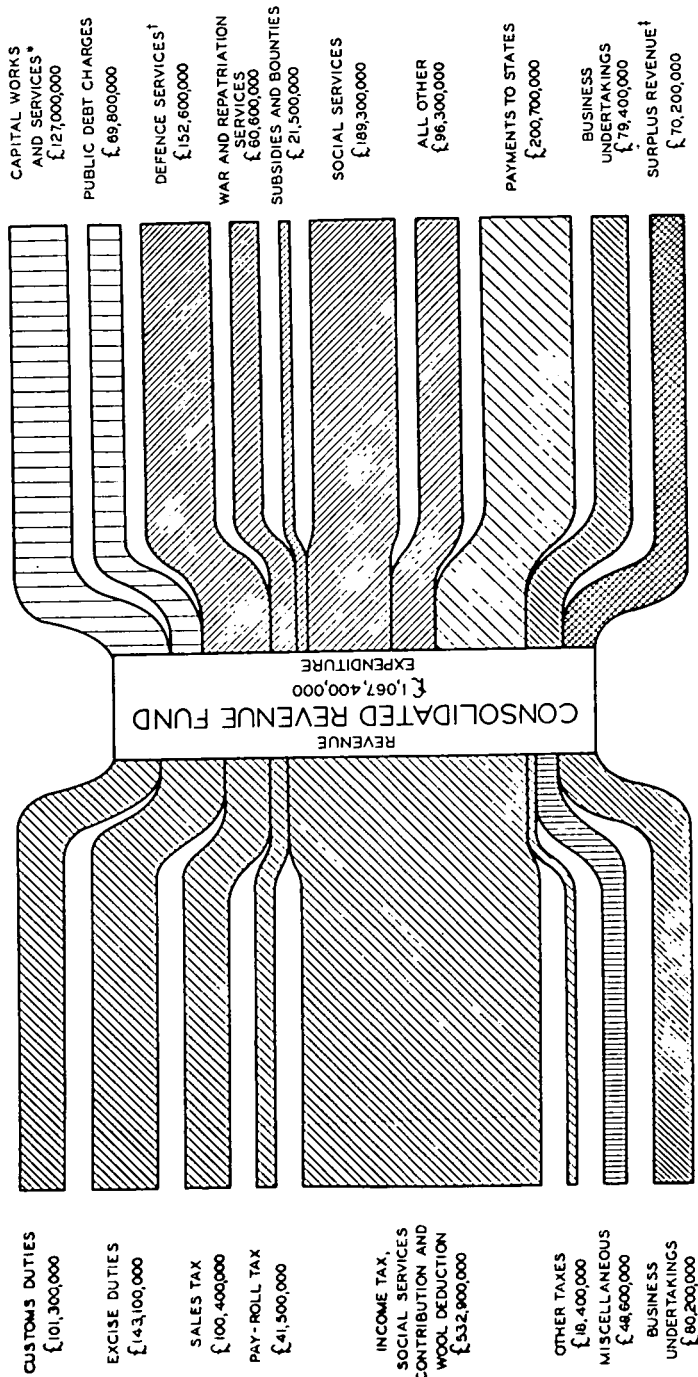
Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL NET COLLECTIONS. (£'000.)							
1938-39(b)	20,263	12,023	8,657	4,199	3,597	1,779	50,518
1949-50 ..	16,584	10,814	6,172	3,475	2,518	2,323	41,886
1950-51 ..	20,850	13,226	7,755	4,347	2,977	2,644	51,799
1951-52 ..	24,840	16,943	9,672	5,151	3,455	2,949	63,010
1952-53 ..	27,678	19,157	11,603	5,341	3,912	3,296	70,987
1953-54 ..	29,749	22,300	12,817	6,911	4,682	3,758	80,217

### PER HEAD OF POPULATION. (£ s. d.)

1938-39(b)	7 8 2	6 8 5	8 11 6	7 1 1	7 14 1	7 9 8	7 6 1
1949-50 ..	5 4 7	4 19 8	5 6 2	5 1 2	4 12 3	8 7 6	5 4 6
1950-51 ..	6 7 4	5 18 3	6 10 1	6 2 3	5 4 2	9 3 10	6 5 2
1951-52 ..	7 8 0	7 7 3	7 18 5	7 1 3	5 16 10	9 17 6	7 8 3
1952-53 ..	8 1 10	8 2 2	9 5 10	7 2 6	6 7 8	10 13 5	8 3 1
1953-54 ..	8 14 8	9 4 4	9 17 2	8 15 8	7 8 6	12 2 10	9 1 2

(a) Excluding Commonwealth Tax Reimbursements.

(b) Includes Income Taxes.

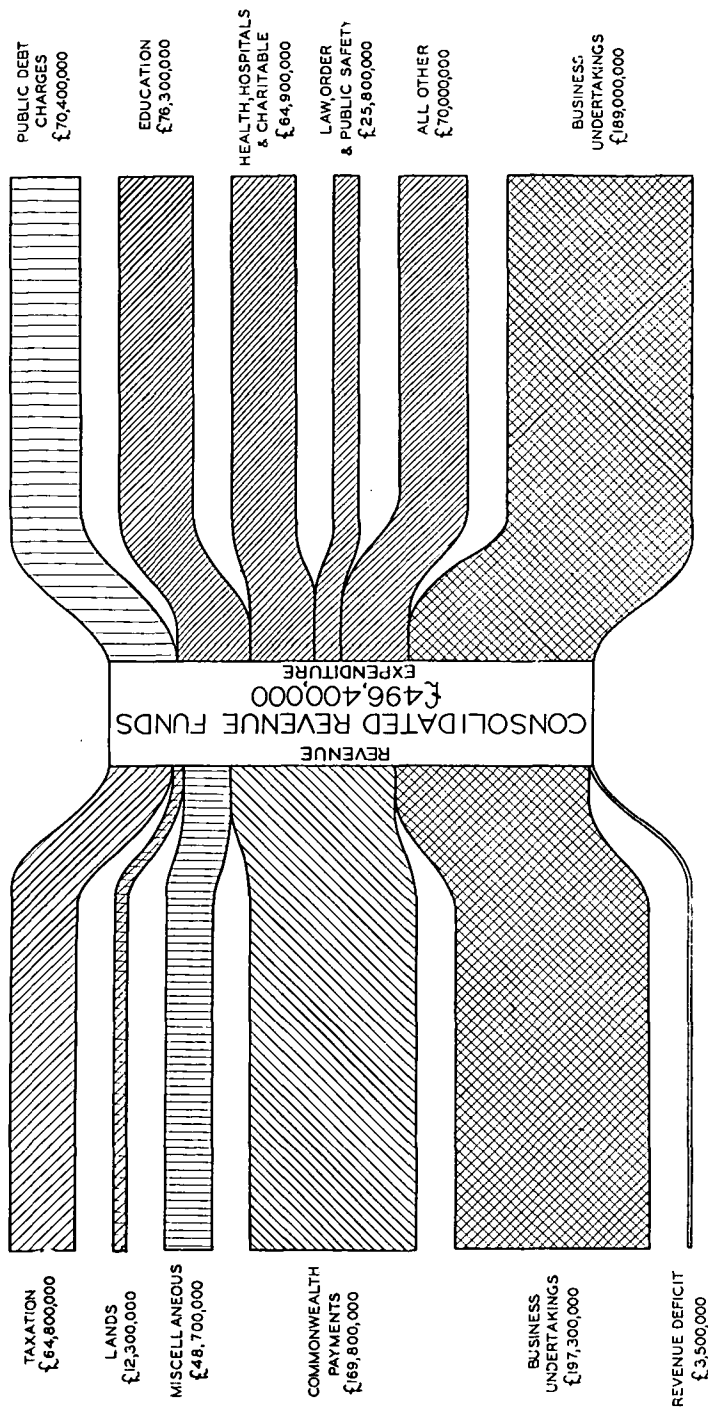
COMMONWEALTH CONSOLIDATED REVENUE FUND, YEAR ENDED 30<sup>TH</sup> JUNE, 1955

\* INCLUDES DEFENCE WORKS AND SERVICES £33,000,000

† INCLUDES WAR DEBT CHARGES £30,900,000

‡ PAID TO DEBT REDEMPTION RESERVE TRUST ACCOUNT

# STATE CONSOLIDATED REVENUE FUNDS, YEAR ENDED 30<sup>TH</sup> JUNE, 1955





The following table shows, for the years 1938-39 and 1949-50 to 1953-54, the aggregate amounts collected by the several State Governments, under the various forms of State taxation and includes amounts paid to funds other than Consolidated Revenue.

**STATE REVENUE FROM TAXATION : TOTAL NET COLLECTIONS.(a)**  
(£'000.)

Tax.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Motor	6,961	12,038	15,579	20,523	23,321	25,877
Probate and Succession Duties	5,000	10,600	13,004	15,394	17,756	18,700
Other Stamp Duties	3,466	9,431	11,961	12,228	12,297	14,543
Land	1,408	1,201	1,362	2,511	3,416	4,158
Income Taxes	29,796	(b) 267	(b) 291	(b) 155	(b) 132	(b) 92
Liquor	1,045	2,432	2,726	3,681	4,429	5,346
Lotteries	532	1,353	1,502	1,642	1,756	1,804
Racing	1,251	3,739	4,428	5,850	6,623	7,320
Entertainments	633	..	..	..	..	906
Licences and all other	426	825	946	1,026	1,257	1,491
Total	50,518	41,886	51,799	63,010	70,987	80,217

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue or to other funds. Excludes Commonwealth Tax Reimbursements. (b) Arrears of State income taxes.

Details of taxation collections paid into special funds and included in the above table are shown below :—

**STATE REVENUE FROM TAXATION : PAYMENTS INTO SPECIAL FUNDS.**  
(£'000.)

Tax.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Unemployment Relief	1,119	..	..	..	..	..
Hospital	264	..	..	..	..	..
Motor	5,858	10,037	13,309	16,934	19,316	20,774
Other Stamp Duties	..	106	125	137	122	155
Liquor	92	136	137	149	173	185
Racing	83	371	450	448	349	371
Other	173	176	294	357	638	765
Total	7,589	10,826	14,315	18,025	20,598	22,250

(iii) *Business Undertakings.* (a) 1953-54. A very large proportion of State gross revenues is made up of receipts from business undertakings under the control of the Governments. The principal of these are railways and tramways, harbour works, water supply and sewerage, and electricity supply and, in addition, State batteries for the treatment of auriferous ores in Western Australia and various minor revenue-producing services rendered by the Governments of all States are included. For the year 1953-54 the revenue from these sources was £190,759,000 or 40.7 per cent. of the revenue from all sources. Details of revenue are as follows :—

**STATE REVENUE FROM BUSINESS UNDERTAKINGS, 1953-54.**  
(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.(a)	Total.
Railways (b)	74,569	(c) 35,841	28,952	12,806	11,377	..	163,545
Tramways and Omnibuses	11,575	..	..	..	1,027	..	12,602
Harbours, Rivers, Lights	2,472	(d) 470	..	1,375	465	..	4,782
Water Supply, Sewerage, Irrigation and Drainage	..	2,671	..	2,352	2,112	..	6,535
Electricity Supply	..	1,683	..	..	..	4	1,687
Other	..	1,098	..	220	290	..	1,608
Total	88,616	41,163	28,952	16,753	15,271	4	190,759

(a) Tasmanian transport services are under the separate control of the Transport Commission. (b) The following contributions to Railways revenue from Consolidated Revenue Fund are excluded—New South Wales, £1,000,000; Victoria, £1,035,000; South Australia, £4,000,000. (c) Includes electric tramways operated by the Railways Department. (d) Includes Harbour Trust Fund contribution, £344,000.

(b) 1938-39 and 1949-50 to 1953-54. The total revenue from Business Undertakings and the revenue per head in each State are shown in the following table :—

### STATE REVENUE FROM BUSINESS UNDERTAKINGS.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL REVENUE.							
(£'000.)							
1938-39 ..	24,676	11,649	7,642	4,957	5,633	(a) 511	55,068
1949-50 ..	50,879	23,834	15,460	9,133	8,822	4	108,132
1950-51 ..	61,675	22,646	18,876	10,120	9,782	4	123,103
1951-52 ..	82,454	29,180	22,391	12,938	12,430	4	159,397
1952-53 ..	86,223	36,845	24,868	15,366	11,475	4	174,781
1953-54 ..	88,616	41,163	28,952	16,753	15,271	4	190,759

### PER HEAD OF POPULATION.

(£ s. d.)							
1938-39 ..	9 0 5	6 2 6	7 11 7	8 6 6	12 1 4	(a) 2 3 0	7 19 3
1949-50 ..	16 0 10	10 19 8	13 5 10	13 6 0	16 3 4	0 0 4	13 9 10
1950-51 ..	18 16 9	10 2 6	15 16 5	14 4 8	17 2 5	0 0 4	14 17 7
1951-52 ..	24 11 5	12 13 7	18 6 9	17 14 9	21 0 6	0 0 3	18 15 2
1952-53 ..	25 4 3	15 11 11	19 18 3	20 10 0	18 14 7	0 0 3	20 1 8
1953-54 ..	26 0 4	16 18 9	22 5 1	21 6 4	24 4 8	0 0 3	21 11 10

(a) Includes Tasmanian transport services which were subsequently placed under the control of the Transport Commission.

In the table below, particulars of total State revenue from Business Undertakings for the various types of undertakings are shown for the years 1938-39 and 1949-50 to 1953-54 :—

### STATE REVENUE FROM BUSINESS UNDERTAKINGS.

(£'000.)

Source.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Railways, Tramways and Omnibuses ..	48,154	98,289	112,396	146,720	161,479	176,147
Harbour Services ..	2,357	3,627	3,939	4,569	4,058	4,782
Water Supply, Sewerage, Irrigation and Drainage ..	2,543	4,338	4,745	5,568	6,142	6,535
Other ..	2,014	1,878	2,023	2,540	3,102	3,295
Total ..	55,068	108,132	123,103	159,397	174,781	190,759

(iv) *Lands.* The revenue from the sale and rental of crown lands has, with few exceptions, been treated from the earliest times as forming part of the Consolidated Revenue Funds, and has been applied to meet ordinary expenses. The following table shows the revenue from sales and rentals of crown lands for the year 1953-54.

STATE LAND REVENUE, 1953-54.  
(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Sales ..	90	117	..	47	76	} 12	820
Conditional Purchases	311	..	..	3	173		
Rentals(a) ..	2,002	231	2,340	260	167		
Forestry ..	1,183	2,244	1,524	..	548	20	5,020
Other ..	58	91	103	..	..	303	5,802
Total ..	3,644	2,683	3,967	310	964	335	11,003

(a) Includes mining royalties, rents, etc.

The total land revenue for all States for the years 1938-39 and 1949-50 to 1953-54 respectively was:—£4,144,000, £7,004,000, £7,917,000, £11,792,000, £12,659,000, and £11,903,000.

(v) *Commonwealth Payments.* Commonwealth payments to the States represent a considerable proportion of the States' Revenue. In 1953-54 the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was £165,351,000 (35.3 per cent.). This was made up of the contribution towards interest on States' debts under the Financial Agreement, £7,585,000, special grants to the States of South Australia, Western Australia and Tasmania, £15,400,000, prices control reimbursement £37,000, special financial assistance, £21,915,000 and tax reimbursement grants, £120,415,000.

In addition to these, the States receive a number of other payments which are paid to trust funds. The main items in this class are the contribution towards the sinking fund on States' debts (£3,463,000 in 1953-54) paid to the National Debt Sinking Fund and grants for Commonwealth Aid Roads (£23,457,000 in 1953-54) paid to State trust funds.

More detailed information concerning Commonwealth payments to the States is given in § 2 of part A of this Chapter (page 783).

(vi) *Interest and Miscellaneous.* In addition to the foregoing, there are in each State several miscellaneous sources of revenue, including such items as interest, fines, fees, etc. In 1953-54 interest, mainly from loans to local governing bodies, on public account balances and for soldier land settlement amounted to £11,195,000, whilst "Miscellaneous" revenue, which includes fines of the courts and fees for services, amounted to £31,028,000,

## Division II.—Expenditure.

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

(a) Interest, exchange and debt redemption charges in connexion with public debt; (b) Working expenses of railways, tramways and other business and industrial undertakings; (c) Education; (d) Health and charitable expenditure; (e) Justice; (f) Police; (g) Penal establishments; and (h) all other expenditure, under which heading is included public works, lands and surveys, agriculture and forestry, legislative and general administration, pensions and miscellaneous.

In earlier years the working expenses of railways and tramways were the most important item of State Governmental expenditure, but, for a period prior to 1941-42, public debt charges were the heaviest item. Since then, however, railways and tramways expenditure has again taken the major place. In the year 1953-54 the working expenses of the railways, tramways and omnibuses were 36.6 per cent. of the total expenditure from the State Consolidated Revenue Funds; next in importance were education, 14.4 per cent.; charitable, public health and hospitals, 11.5 per cent.; public debt charges, 13.2 per cent.; and law, order and public safety, 5.2 per cent.

2. **Total Expenditure.**—The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1938-39 and 1949-50 to 1953-54 are shown in the following table :—

**STATE EXPENDITURE : CONSOLIDATED REVENUE FUNDS.**

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>TOTAL EXPENDITURE.</b> (£'000.)							
1938-39 ..	53,558	27,773	19,316	12,701	11,170	3,641	128,159
1949-50 ..	107,681	55,816	37,090	26,550	25,994	7,344	260,475
1950-51 ..	128,265	63,889	44,625	30,842	28,814	8,066	304,501
1951-52 ..	166,997	84,067	55,708	37,499	34,547	10,871	389,689
1952-53 ..	180,811	97,360	62,980	44,226	39,233	11,763	436,373
1953-54 ..	186,514	106,037	69,353	46,566	43,699	13,270	465,439
<b>PER HEAD OF POPULATION.</b> (£ s. d.)							
1938-39 ..	19 11 7	14 16 8	19 3 3	21 6 10	23 18 5	15 6 5	18 10 8
1949-50 ..	33 18 11	25 14 5	31 17 9	38 13 1	47 12 7	26 9 6	32 9 11
1950-51 ..	39 3 6	28 11 3	37 8 2	43 7 7	50 8 8	28 0 11	36 16 1
1951-52 ..	49 15 2	36 10 6	45 12 5	51 8 3	58 8 10	36 8 3	45 17 2
1952-53 ..	52 17 4	41 4 3	50 8 8	59 0 2	64 0 7	38 1 6	50 2 10
1953-54 ..	54 15 3	43 15 3	53 6 6	59 4 8	69 5 10	42 17 8	52 11 2

(a) See § 1, para. 2, page 789.

3. **Details of Expenditure.**—(i) 1953-54. The following table shows the total expenditure and expenditure per head for each of the principal items :—

**STATE EXPENDITURE : DETAILS, 1953-54.**

Particulars.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.(b)	Total.
<b>TOTAL EXPENDITURE.</b> (£'000.)							
Public Debt (interest, exchange, debt redemption, etc.) ..	19,817	14,327	8,965	8,237	6,488	3,391	61,225
Railways ..	64,182	34,607	28,303	14,160	14,357	..	155,609
Tramways and Omnibuses ..	13,446	..	..	..	1,154	..	14,600
Harbours and Rivers, etc. ..	1,705	422	83	1,291	415	..	3,916
Water Supply, Sewerage, Irrigation and Drainage ..	..	2,590	..	1,969	1,879	..	6,438
Other Business and Industrial Undertakings ..	..	1,169	328	199	913	913	3,522
Education ..	27,805	17,391	8,082	5,589	5,544	2,810	67,221
Health and Charitable ..	21,767	15,625	9,232	4,710	4,750	2,348	58,432
Justice ..	2,227	1,297	719	297	348	183	5,071
Police ..	5,864	4,073	2,733	1,231	1,243	544	15,688
Penal establishments ..	1,482	541	202	252	170	100	2,747
Public safety ..	325	94	265	52	93	38	867
Adjustment of surplus of previous years(c) ..	..	..	..	..	450	-150	300
All other expenditure ..	27,894	13,901	10,441	8,579	5,895	3,093	69,803
<b>Total ..</b>	<b>186,514</b>	<b>106,037</b>	<b>69,353</b>	<b>46,566</b>	<b>43,699</b>	<b>13,270</b>	<b>465,439</b>

(a) See § 1, para. 2, page 789.

(b) Tasmanian transport services are under the separate control

of the Transport Commission. (c) Balance of Special Grant, 1951-52. The Special Grant for 1953-54 was brought into the Western Australian Consolidated Revenue Fund as £7,350,000, although the Commonwealth payment was £7,800,000. The Special Grant for 1953-54 taken into Tasmanian Consolidated Revenue Fund was £1,650,000, although the Commonwealth payment was £1,500,000. The difference was offset in the Tasmanian accounts against the adjusted surplus for 1951-52.

## STATE EXPENDITURE: DETAILS, 1953-54—continued.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
PER HEAD OF POPULATION. (£ s. d.)							
Public Debt (interest, exchange, debt redemption, etc.)	5 16 4	5 18 3	6 17 10	10 9 7	10 5 9	10 19 2	6 18 7
Railways ..	18 16 11	14 5 8	21 15 1	18 0 3	22 15 4	..	17 11 6
Tramways and Omnibuses ..	3 18 11	..	..	..	1 16 7	..	1 13 0
Harbours and Rivers, etc.	0 10 0	0 3 6	0 1 4	1 12 10	0 13 2	..	0 8 10
Water Supply, Sewerage, Irrigation and Drainage ..	..	1 1 4	..	2 10 1	2 19 7	..	0 14 6
Other Business and Industrial Undertakings ..	..	0 9 8	0 5 2	0 5 1	1 9 0	2 19 0	0 7 11
Education ..	8 3 3	7 3 6	6 4 3	7 2 3	8 15 10	9 1 8	7 11 10
Health and Charitable ..	6 7 10	6 8 11	7 1 11	5 19 10	7 10 7	7 11 9	6 11 11
Justice ..	0 13 1	0 10 9	0 11 2	0 7 6	0 11 0	0 11 10	0 11 6
Police ..	1 14 5	1 13 8	2 2 0	1 11 3	1 19 5	1 15 2	1 15 3
Penal establishments	0 8 8	0 4 6	0 3 2	0 6 5	0 5 5	0 6 5	0 6 2
Public safety ..	0 1 11	0 0 9	0 4 1	0 1 4	0 3 0	0 2 5	0 1 10
Adjustment of surplus of previous years ..	..	..	..	..	0 14 3	-0 9 8	0 0 8
All other expenditure	8 3 11	5 14 9	8 0 6	10 18 3	9 6 11	9 19 11	7 17 8
Total ..	54 15 3	43 15 3	53 6 6	59 4 8	69 5 10	42 17 8	52 11 2

(ii) 1938-39 and 1949-50 to 1953-54. Expenditure by the several States for these years on principal items is shown in the following table:—

STATE EXPENDITURE.  
(£'000.)

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Public Debt (interest, exchange, debt redemption, etc.) ..	40,158	43,999	46,231	50,545	54,449	61,225
Railways, Tramways and Omnibuses (working expenses) ..	38,138	99,230	115,366	151,710	165,863	170,209
Harbours and Rivers, etc. ..	680	1,789	2,155	3,067	3,155	3,916
Water Supply, Sewerage, Irrigation and Drainage ..	1,076	3,363	4,137	5,233	6,151	6,438
Other Business and Industrial Undertakings ..	1,035	2,340	2,319	2,809	3,405	3,522
Education ..	12,639	32,786	39,973	51,025	61,758	67,221
Health and Charitable ..	15,307	27,739	34,817	48,396	54,641	58,432
Justice ..	1,323	2,851	3,376	4,240	4,731	5,071
Police ..	3,733	8,257	9,831	12,575	14,837	15,688
Penal establishments ..	646	1,490	1,731	2,338	2,537	2,747
Public safety ..	297	657	711	962	930	867
Reduction of previous deficits or adjustment of surpluses ..	..	1,012	1,196	126	-159	300
All other expenditure ..	13,127	34,962	42,658	56,663	64,075	69,803
Total ..	128,159	260,475	304,501	389,689	436,373	465,439

**Division III.—Surplus Revenue.**

The following table shows for each of the years 1938-39 and 1949-50 to 1953-54 the total amount and amount per head of the surplus or deficit of each State :—

**STATE SURPLUS REVENUE.**

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL AMOUNT. (£'000.)							
1938-39 ..	-2,459	- 787	14	-397	-221	- 26	-3,876
1949-50 ..	-1,177	- 259	29	-190	24	-267	-1,840
1950-51 ..	33	- 343	98	230	160	-247	- 69
1951-52 ..	98	-2,406	45	89	-592	-402	-3,168
1952-53 ..	97	- 365	191	25	-508	298	- 262
1953-54 ..	128	711	343	1,810	-103	15	2,904

**PER HEAD OF POPULATION.  
(£ s. d.)**

1938-39 ..	-0 18 0	-0 8 5	0 0 3	-0 13 4	-0 9 5	-0 2 3	-0 11 3
1949-50 ..	-0 7 5	-0 2 5	0 0 6	-0 5 6	0 0 10	-0 19 3	-0 4 7
1950-51 ..	0 0 3	-0 3 1	0 1 8	0 6 5	0 5 7	-0 17 2	-0 0 2
1951-52 ..	0 0 8	-1 0 11	0 0 9	0 2 6	-1 0 1	-1 7 0	-0 7 6
1952-53 ..	0 0 7	-0 3 1	0 3 0	0 0 8	-0 16 7	0 19 4	-0 0 7
1953-54 ..	0 0 9	0 5 11	0 5 3	2 6 1	0 3 0	0 1 0	0 6 7

(a) See § 1, para. 2, page 789.

NOTE.—Minus sign (—) indicates deficit.

**§ 3. State Trust Funds.**

In addition to the moneys received as revenue and paid to the credit of the Consolidated Revenue Funds, considerable sums are held by the State Governments in trust for various purposes. The balances of trust funds held at 30th June of the years 1939 and 1950 to 1954 were as follows :—

**STATE TRUST FUND BALANCES.  
(£'000.)**

At 30th June—	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1939 .. ..	15,684	8,189	3,062	1,448	3,744	530	32,657
1950 .. ..	32,922	16,468	30,382	3,162	10,929	390	94,253
1951 .. ..	43,169	18,725	33,907	6,184	12,090	360	114,435
1952 .. ..	39,419	20,084	35,097	1,896	10,537	625	107,658
1953 .. ..	53,240	22,456	38,652	2,573	11,646	1,320	129,887
1954 .. ..	63,284	29,023	47,518	4,131	12,957	1,671	158,584

(a) Special Deposits Account and Special Accounts.

**§ 4. State Loan Funds.**

1. **General.**—As far back as 1842 revenue collections were supplemented by borrowed moneys, the earliest loan being raised 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  $4\frac{1}{2}$  per cent. to 8 per cent. per annum. Australian public borrowing, however, is mainly due to the fact that the State Governments, in addition to ordinary administrative duties, undertake functions which in other countries are usually entrusted to local authorities or left to private enterprise. Foremost amongst these are the construction and control of the railway systems. Loan moneys have also been largely used for improvements to harbours and rivers, and for the construction of roads, water supply and sewerage works. The State loan expenditure and public debt thus differ very materially from those of most European countries, and from those of the Commonwealth, where such expenditure was very largely incurred for defence or war purposes. As shown above, 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.

Statements relating to "gross" loan expenditure are shown below. The gross expenditure represents the amounts disbursed during each year. Details of "net" loan expenditure, i.e., gross expenditure less any credits to the Loan Fund during the year on account of repayments of advances to local governing bodies, settlers, etc., the sale of assets and transfers from other funds may be found in *Finance Bulletin* No. 45, 1953-54. Such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made. See also following page.

2. Gross Loan Expenditure.—(i) 1953-54. Particulars of gross loan expenditure on works, services, etc., are shown in the following table:—

## STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1953-54.

(£'000.)

Head of Expenditure.	N.S.W.	Vic.(a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Public Works and Services—							
Railways .. .. .	13,000	8,839	5,572	1,508	6,588	491	35,998
Tramways and Omnibuses .. .. .	815	..	..	600	32	..	1,447
Roads .. .. .	400	{ 1,538 }	172	..	..	..	..
Bridges .. .. .	..	..	..	..	..	..	..
Harbours and Rivers .. .. .	1,510	247	..	743	1,412	795	6,817
Lights and Lighthouses .. .. .	..	..	..	..	..	..	..
Water Supply .. .. .	3,610	{ 8,475 }	2,679	4,571	1,475	350	22,333
Sewerage .. .. .	..	96	..	716	361	..	..
Electricity Supply .. .. .	16,500	6,000	..	5,000	703	8,291	36,194
Public Buildings .. .. .	11,361	10,988	2,174	1,707	1,580	1,578	29,388
Loans and Grants to Local Bodies .. .. .	..	..	..	..	..	..	..
Unemployment Relief Works .. .. .	284	132	6,250	..	..	..	6,666
Housing(b) .. .. .	1,070	41	560	3,847	1,123	2,798	9,430
Other Public Works, etc. .. .. .	506	313	..	137	356	395	1,707
Primary Production—							
Soldier Settlement .. .. .	4,268	4,923	268	2	..	93	9,554
Land for Settlement .. .. .	..	..	91	29	53	16	189
Advances to Settlers .. .. .	..	..	..	334	..	183	517
Water Conservation .. .. .	..	..	..	248	104	..	..
Irrigation and Drainage .. .. .	5,094	..	1,121	{ 583 }	60	..	7,215
Rabbit-proof Fencing .. .. .	..	2	1	(c)	..	..	3
Agriculture .. .. .	331	250	576	..	31	..	1,188
Agricultural Bank .. .. .	..	..	..	..	..	..	..
Forestry .. .. .	178	900	1,063	1,075	78	..	3,523
Mines and Mineral Resources .. .. .	409	1	103	3,817	215	..	4,548
Other .. .. .	695	75	..	8	..	..	769
Other Purposes .. .. .	..	(d) 2,842	..	522	1,653	..	5,153
Total Public Works, Services, etc. .. .. .	60,021	45,665	10,630	25,452	15,924	15,356	187,948
Per Head of Population .. .. .	£17 12 6	£18 16 11	£15 17 3	£32 7 7	£25 1 10	£49 12 6	£20 13 2

(a) Expenditure from Loan Funds and on account of Loans; includes expenditure from Loan Funds, from Treasurer's Advance Account and from State Loans Repayment Fund. (b) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (c) Included with Advances to Settlers.

(d) Includes Gas and Fuel Corporation advances and share capital, £1,995,000, and Rural Finance Corporation, for advances to rural industries, £700,000.

(ii) 1938-39 and 1949-50 to 1953-54. Particulars of gross loan expenditure on works, etc., for these years are shown in the following table :—

### STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.

Year.	N.S.W.	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
GROSS LOAN EXPENDITURE. (£'000.)							
1938-39 .. ..	8,789	3,218	3,393	2,529	1,783	1,687	21,399
1949-50 .. ..	27,219	20,325	9,035	12,122	8,351	5,783	82,835
1950-51 .. ..	41,168	35,309	17,698	20,601	11,404	15,200	141,380
1951-52 .. ..	65,354	55,084	23,662	31,198	18,758	16,882	210,938
1952-53 .. ..	54,551	41,575	21,854	25,393	19,012	19,830	182,215
1953-54 .. ..	60,021	45,665	20,630	25,452	15,824	15,356	182,948

### PER HEAD OF POPULATION.

(£ s. d.)

1938-39 ..	3	4	3	1	14	5	3	7	4	4	5	0	3	16	4	7	2	0	3	1	11
1949-50 ..	8	11	7	9	7	4	7	15	4	17	13	0	15	6	0	20	17	0	10	6	8
1950-51 ..	12	11	6	15	15	9	14	16	9	28	19	6	19	19	2	52	17	1	17	1	9
1951-52 ..	19	9	6	23	18	8	19	7	7	42	15	6	31	14	7	56	10	11	24	16	6
1952-53 ..	15	19	0	17	12	0	17	10	0	33	17	7	31	0	7	64	3	9	20	18	9
1953-54 ..	17	12	6	18	16	11	15	17	3	32	7	7	25	1	10	49	12	6	20	13	2

(a) See footnote (a) to previous table.

The above tables do not include particulars of expenditure on loan discounts and flotations, the funding of deficits, the retirement of treasury bills, and similar items of a nature other than works, services, etc. Summaries of the gross and net expenditure and repayments in respect of all loan purposes for the years 1951-52 to 1953-54 are shown in paragraph 3 following.

3. Total Loan Expenditure, 1951-52 to 1953-54.—The following table shows particulars, in summary form, of the total loan expenditure in each State during each of these years.

### STATE LOAN EXPENDITURE : SUMMARY.

(£'000.)

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1951-52.							
Works and Services—							
Gross Expenditure ..	65,354	55,084	23,662	31,198	18,758	16,882	210,938
Net Expenditure ..	63,433	51,573	22,070	27,795	17,758	15,008	197,637
Repayments ..	1,921	3,511	1,592	3,403	1,000	1,874	13,301
Other than Works, etc.(a)—							
Gross Expenditure ..	188	2,183	150	7	20	142	2,690
Net Expenditure ..	188	2,183	150	7	13	141	2,682
Repayments ..	..	..	..	..	(b) 7	1	8
Total Loan Expenditure—							
Gross ..	65,542	57,267	23,812	31,205	18,778	17,024	213,628
Net ..	63,621	53,756	22,220	27,802	17,771	15,149	200,319
Repayments ..	1,921	3,511	1,592	3,403	1,007	1,875	13,309

For footnotes see next page.



**STATE LOAN EXPENDITURE: SUMMARY—continued.**  
(£'000.)

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>1952-53.</b>							
<b>Works and Services—</b>							
Gross Expenditure ..	54,551	41,575	21,854	25,393	19,012	19,830	152,215
Net Expenditure ..	51,547	37,763	19,382	21,981	17,626	12,822	161,101
Repayments ..	3,004	3,812	2,472	3,412	1,406	7,008	21,114
<b>Other than Works, etc.(a)—</b>							
Gross Expenditure ..	596	2,510	150	9	42	247	3,554
Net Expenditure ..	596	2,510	150	9	36	247	3,548
Repayments ..	..	..	..	..	(b) 6	..	6
<b>Total Loan Expenditure—</b>							
Gross ..	55,147	44,085	22,004	25,402	19,054	20,077	185,769
Net ..	52,145	40,273	19,532	21,990	17,642	13,069	164,649
Repayments ..	3,004	3,81	2,472	3,41	1,412	7,008	21,120
<b>1953-54.</b>							
<b>Works and Services—</b>							
Gross Expenditure ..	60,021	45,665	20,630	25,452	15,824	15,356	182,948
Net Expenditure ..	56,727	42,510	18,451	22,061	14,194	13,437	167,380
Repayments ..	3,294	3,155	2,179	3,391	1,630	1,919	15,568
<b>Other than Works, etc.(a)—</b>							
Gross Expenditure ..	367	139	..	61	111	552	1,230
Net Expenditure ..	367	139	..	61	101	335	1,003
Repayments ..	..	..	..	..	(b) 10	217	227
<b>Total Loan Expenditure—</b>							
Gross ..	60,388	45,804	20,630	25,513	15,935	15,908	184,178
Net ..	57,094	42,649	18,451	22,122	14,295	13,772	168,383
Repayments ..	3,294	3,155	2,179	3,391	1,640	2,136	15,795

(a) Includes exchange, discounts and flotation expenses, revenue and general cash deficits.  
(b) From Consolidated Revenue Fund.

Information relating to the State Public Debt is given in part D. Commonwealth and State Public Debt (pages 807 and 809).

### C. COMMONWEALTH AND STATE FINANCE.

1. Revenue and Expenditure.—(i) *Consolidated Revenue Funds.* The following tables show the aggregate revenue and expenditure of the Consolidated Revenue Funds of the Commonwealth and States for each of the years 1938-39 and 1949-50 to 1953-54. In these tables the combined Commonwealth and State totals have been adjusted to exclude major duplications, but the separate Commonwealth and State figures are as shown in other sections of this Chapter. The items excluded from the total figures are:—payments made by the Commonwealth to the States on account of tax reimbursements, interest under the Financial Agreement, special grants, special financial assistance, coal strike emergency grants, price control reimbursements and estimated payments of pay-roll tax by the States to the Commonwealth.

#### COMMONWEALTH AND STATES: REVENUE AND EXPENDITURE.

Year ended 30th June—		Revenue.			Expenditure.		
		Commonwealth.	States.	Total.	Commonwealth.	States.	Total.
		£'000.	£'000.	£m.	£'000.	£'000.	£m.
1939	..	95,064	124,283	209.6	94,437	128,159	212.8
1950	..	580,652	258,635	746.6	580,652	260,475	748.4
1951	..	841,792	304,432	1,032.0	841,792	304,501	1,032.0
1952	..	1,016,828	386,521	1,260.1	1,016,828	389,689	1,263.3
1953	..	1,040,067	436,111	1,310.7	1,026,667	436,373	1,297.6
1954	..	1,022,790	468,343	1,320.3	966,519	465,439	1,261.1

(ii) *Loan Expenditure.* The aggregate gross loan expenditures of the Commonwealth and States on works and services for the years 1938-39 and 1949-50 to 1953-54 are shown in the following table:—

**COMMONWEALTH AND STATE GROSS LOAN EXPENDITURE : WORKS AND SERVICES.(a)**  
(£'000.)

Gross Loan Expenditure.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Commonwealth(b) ..	3,913	42,698	50,413	31,667	35,684	41,399
State .. .. .	21,399	82,835	141,380	210,938	182,215	182,948
<b>Total .. .. .</b>	<b>25,312</b>	<b>125,533</b>	<b>191,793</b>	<b>242,605</b>	<b>217,899</b>	<b>224,347</b>

(a) Excludes expenditure on loan flotations, funding deficits, etc. (b) Includes expenditure on Defence, War (1939-45) and Repatriation Services. Excludes payments to National Debt Sinking Fund from proceeds of loan from International Bank of Reconstruction and Development (*see* page 819).

2. *Taxation.*—The following table shows the combined Commonwealth and State taxation, and the amount per head of population, for the years 1938-39 and 1949-50 to 1953-54. Taxation collections by the State Governments which are not paid into the Consolidated Revenue Funds have been included.

**COMMONWEALTH AND STATE TAXATION : TOTAL NET COLLECTIONS.(a)**

Particulars.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53	1953-54
<b>NET COLLECTIONS.</b> (£'000.)						
Customs and Excise Duties ..	47,632	143,883	165,004	213,917	183,824	220,217
Sales Tax .. .. .	9,308	42,425	57,173	95,459	89,067	95,669
Land Tax .. .. .	2,897	5,411	4,953	8,710	4,666	4,350
Pay-roll Tax .. .. .	..	22,728	28,721	37,170	40,171	40,384
Income Taxes(b) .. .. .	41,679	279,921	451,779	551,297	551,869	528,273
Probate and Succession Duties	6,916	16,654	19,405	23,172	26,149	28,525
Stamp Duties n.e.i. .. ..	3,466	9,431	11,961	12,228	12,297	14,543
Motor Taxes .. .. .	6,961	12,038	15,579	20,523	23,321	25,877
Liquor Taxes .. .. .	1,045	2,432	2,726	3,681	4,429	5,346
Racing .. .. .	1,251	3,739	4,428	5,850	6,623	7,320
Entertainments Tax .. ..	633	4,698	5,148	6,161	6,708	2,883
Licences n.e.i. and other Taxes	2,841	17,485	62,109	18,853	14,327	7,251
<b>Total .. .. .</b>	<b>124,629</b>	<b>560,845</b>	<b>828,986</b>	<b>997,021</b>	<b>966,451</b>	<b>980,667</b>

**PER HEAD OF POPULATION.**  
(£ s. d.)

	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
Customs and Excise Duties ..	6 17 5	17 17 5	19 17 0	25 1 0	21 0 4	24 14 10
Sales Tax .. .. .	1 6 10	5 5 5	6 17 7	11 3 7	10 3 8	10 15 0
Land Tax .. .. .	0 8 4	0 13 5	0 11 11	1 0 4	0 10 5	0 9 10
Pay-roll Tax .. .. .	..	2 16 6	3 9 1	4 7 1	4 11 10	4 10 9
Income Taxes(b) .. .. .	6 0 3	34 15 6	54 7 2	64 11 2	63 8 8	59 7 0
Probate and Succession Duties	0 19 11	2 1 5	2 6 8	2 14 3	2 19 10	3 4 1
Stamp Duties n.e.i. .. ..	0 10 0	1 3 5	1 8 10	1 8 8	1 8 1	1 12 8
Motor Taxes .. .. .	1 0 1	1 9 11	1 17 6	2 8 1	2 13 4	2 18 5
Liquor Taxes .. .. .	0 3 0	0 6 1	0 6 7	0 8 7	0 10 1	0 12 1
Racing .. .. .	..	0 9 3	0 10 8	0 13 9	0 15 2	0 16 5
Entertainments Tax .. ..	0 5 6	0 11 8	0 12 5	0 14 5	0 15 4	0 6 6
Licences n.e.i. and other Taxes	0 8 1	2 3 6	7 9 5	2 4 2	1 12 9	0 16 0
<b>Total .. .. .</b>	<b>17 19 5</b>	<b>69 13 6</b>	<b>99 14 10</b>	<b>116 15 1</b>	<b>110 9 9</b>	<b>110 3 7</b>

(a) For separate details of Commonwealth and State taxation collections, *see* pages 765 and 791.  
(b) Includes Wool Deduction, 1950-51, £109,531,000 (£13 3s. 7d. per head); 1951-52, £5,963,000 (14s. od. per head); 1952-53, —£2,223,000 (—5s. 1d. per head); 1953-54, —£239,000 (—6d. per head).

**D. COMMONWEALTH AND STATE PUBLIC DEBT.****§ 1. General.**

Under the Financial Agreement between the Commonwealth and the States in 1927 the Commonwealth and State Public Debts were amalgamated and the Commonwealth Government accepted responsibility for the State Public Debts. The Commonwealth is reimbursed by the States for interest, exchange, etc., paid on their behalf and the debt is redeemed from the National Debt Sinking Fund to which both the Commonwealth and the States make contributions. Under the agreement the Commonwealth arranges for all borrowings on behalf of the Commonwealth and the States, and Commonwealth securities are issued for all money borrowed.

In the statistical tables relating to Public Debt the units of currency for debt outstanding and interest payable, with the exception referred to below, are :—Debt in Australia—£ Australian ; Debt in London—£ Sterling ; Debt in New York—£ (converted from dollars at the rate of \$4.8665 to £1); Debt in Switzerland—£ (converted from Swiss francs at the rate of 1,000 Swiss francs = £102 18. 10d.).

The totals shown represent the total "face" or "book" value of the debt without adjustment on account of the differences in currency mentioned above.

In § 3, para. 5 only, details of the debt for the Commonwealth and each State are given in Australian currency.

**§ 2. The Financial Agreement between the Commonwealth and the States.**

1. **General.**—Full details of the Financial Agreement between the Commonwealth and the States are given in earlier issues of the Official Year Book (*see* No. 37, pages 685 to 690). In this issue a summary of the main provisions only is given.

2. **Australian Loan Council.**—The Australian Loan Council was set up to co-ordinate the public borrowings of the Commonwealth and the States. It consists of the Prime Minister of the Commonwealth, or another Minister nominated by him in writing, as Chairman and the Premier of each State, or Ministers nominated by them in writing. Each year the Loan Council examines the loan programmes of the Commonwealth and the States and determines the total amount to be borrowed during the year. Borrowings by the Commonwealth for defence purposes are not subject to decisions of the Loan Council.

3. **Loan Raisings for the Commonwealth and States.**—Subject to the decisions of the Loan Council, the Commonwealth arranges for all borrowings for or on behalf of the Commonwealth or any State, and for all conversions, renewals, redemptions, and consolidations of the Public Debts of the Commonwealth and of the States.

If the Loan Council unanimously decides, however, a State may borrow outside Australia in the name of the State, and may issue securities for the amount so borrowed. The Commonwealth then guarantees that the State will fulfil all its obligations to bond-holders in respect of the money so borrowed and the money is deemed to be borrowed by the Commonwealth for and on behalf of the State.

Subject to any maximum limits decided upon by the Loan Council for interest, brokerage, discount and other charges, the Commonwealth or any State may—

- (i) borrow within its own territory, for any purpose, money from any authorities, bodies, funds or institutions (including Savings Banks) constituted or established under Commonwealth or State law or practice ;
- (ii) borrow from the public by means of counter sales of securities ; and
- (iii) use any available public moneys.

However, any securities issued for money so borrowed or used must be Commonwealth securities on terms approved by the Loan Council.

4. **Taking over of State Public Debts.**—The Commonwealth took over on 1st July, 1929—

- (a) the balance then unpaid of the gross public debt of each State existing on 30th June, 1927 ; and
- (b) all other debts of each State existing on 1st July, 1929 for money borrowed by that State deemed by the Agreement to be money borrowed by the Commonwealth for and on behalf of the State,

and in respect of these debts assumed, as between the Commonwealth and the States, the liabilities of the States to bond holders.

5. *Transferred Properties.*—In relation to State properties transferred to the Commonwealth under Section 85 of the Constitution, the States, as from 1st July, 1929, were discharged from any liability in respect of principal, interest or debt redemption on so much of the debts bearing interest at 5 per cent. per annum, taken over by the Commonwealth, as amounted to the agreed value of these properties, namely £10,924,323.

6. *Payment of Interest.*—For a period of 58 years from 1st July, 1927 the Commonwealth agreed to contribute the sum of £7,584,912 each year towards the interest payable on the State debts. The balance of the interest payable on the State debts is paid to the Commonwealth by the States.

7. *Sinking Fund.*—(i) *State Public Debt existing at 30th June, 1927.* A sinking fund at the rate of 7s. 6d. per annum for each £100 of the net public debts of the States existing on 30th June, 1927, and conversions thereof, was established under the terms of the Agreement. The Commonwealth contributes annually from revenue 2s. 6d. per cent. on the net public debts of the States existing at 30th June, 1927 and each State contributes annually 5s. per cent. on the net public debt of such State at 30th June, 1927. The payments of the Commonwealth and of all States except New South Wales will continue for a period of 58 years from 1st July, 1927, and those of New South Wales for a similar period from 1st July, 1928.

(ii) *New Borrowings.* On new borrowings after 1st July, 1927 (except those for redemptions or conversions, or funding a State deficit) a sinking fund at the rate of 10s per cent. per annum was established and the State and the Commonwealth contribute from revenue equal shares for a period of 53 years from the date of raising. (New South Wales did not commence sinking fund contributions in respect of new loans raised in the financial year 1927–28 until 1st July, 1928.)

(iii) *Loans raised to meet a Revenue Deficit.* In respect of any loan (except any of the loans referred to in para. (iv) below) raised after 30th June, 1927 by a State to meet a revenue deficit accruing after that date, no sinking fund contribution is made by the Commonwealth, but the State makes a sinking fund contribution at the rate of not less than 4 per cent. per annum of the loan for a period sufficient to provide for the redemption of the loan, the contributions being deemed to accumulate at the rate of 4½ per cent. per annum compound interest.

(iv) *Loans raised to meet Revenue Deficits between 30th June, 1927 and 1st July, 1935.* In respect of loans raised by a State or by the Commonwealth on behalf of a State, on the security of Commonwealth Treasury Bills, to meet a revenue deficit accruing after 30th June, 1927 and before 1st July, 1935, special contributions are payable. Details of these contributions are given in Official Year Book No. 37, pages 688 and 689.

(v) *National Debt Commission.* The sinking funds established are controlled by the National Debt Commission, which may arrange with any State to act as its agent in connexion with payments due to bond holders. Except where the conditions relating to sinking funds, redemption funds, and funds of a like nature held by a State on 30th June, 1929, precluded such transfer, all such funds were transferred to the National Debt Commission.

(vi) *Operation of Sinking Fund.* Sinking fund contributions made in respect of the debts of a State, and funds of that State transferred to the National Debt Commission, are not accumulated but must be applied, whenever expedient, to the redemption and repurchase of loan securities. When such a loan security is repurchased or redeemed by the National Debt Commission, it is cancelled, and the State, in addition to sinking fund contributions otherwise payable, pays a further annual sinking fund contribution at the rate of 4½ per cent. on the face value of the cancelled security.

(vii) *Oversea Debt.* Sinking fund contributions in respect of oversea debt shall be calculated at the mint par of exchange prevailing on 1st July, 1927.

8. **Borrowing by Semi-Governmental Authorities.**—It was realized at the inception of the Loan Council that, in the interests of co-ordinated borrowing, the Council should be advised of borrowing of large amounts by semi-governmental authorities. In May, 1936, all resolutions passed by the Loan Council in connexion with semi-governmental borrowings were consolidated into one set of rules, which superseded all previous resolutions. This set of rules provides, *inter alia* for the submission of annual loan programmes, in respect of semi-governmental authorities proposing to raise £100,000 or more in a year, for the consideration of such programmes in conjunction with the loan programme of the Government concerned, and for the fixing of the terms of individual semi-governmental loans coming within the scope of the annual programme.

### § 3. Commonwealth and State Public Debt Outstanding.

1. **Public Debt, Annual Interest Payable and Average Rate of Interest at 30th June, 1954.**—In the following table details are given of the Commonwealth and State Public Debt, annual interest payable and average rate of interest at 30th June, 1954.

#### COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1954.

Particulars.	Maturing in—				Total.
	Australia.	London.	New York.	Switzerland.	
DEBT.					
Commonwealth Debt—	£A.'000.	£ Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)
War (1914-18) Debt (b)—					
Stock and Bonds .. .. .	138,318	7,534	..	..	145,852
Other Debt(c) .. .. .	112	..	..	..	112
Total War (1914-18) Debt .. .. .	138,430	7,534	..	..	145,964
War (1939-45) Debt—					
Stock and Bonds .. .. .	1,034,239	5,775	..	..	1,040,014
Treasury Bills, Internal .. .. .	194,390	..	..	..	194,390
Treasury Bills, Public .. .. .	190,000	..	..	..	190,000
Other Debt(d) .. .. .	40,363	..	..	..	40,363
Total War (1939-45) Debt .. .. .	1,458,992	5,775	..	..	1,464,767
Works and Other Purposes—					
Stock and Bonds .. .. .	198,777	49,008	10,944	6,126	264,855
Treasury Bills and Debentures .. .. .	..	470	..	..	470
Treasury Bills, Internal .. .. .	10,810	..	..	..	10,810
International Bank Dollar Loan .. .. .	..	..	30,989	..	30,989
Total Works and Other Purposes .. .. .	209,587	49,478	41,933	6,126	307,124
Total Commonwealth Debt .. .. .	1,807,009	62,787	41,933	6,126	1,917,855
State Debt—					
Stock and Bonds .. .. .	1,341,287	258,078	21,537	..	1,620,902
Debentures .. .. .	37,732	1,491	..	..	39,223
Treasury Bills and Debentures—Short-term .. .. .	..	21,377	..	..	21,377
Balance of Debts of States taken over by Commonwealth and still represented by State Securities .. .. .	..	7,446	..	..	7,446
Total State Debt .. .. .	1,379,019	288,392	21,537	..	1,688,948
Grand Total Commonwealth and State Debt .. .. .	3,186,028	351,179	63,470	6,126	3,606,803

(a) See §1, page 805. (b) Excludes War (1914-18) Debt due to United Kingdom Government (£79,724,220). Repayment of this debt and interest thereon (£3,919,774) was suspended in 1931.  
 (c) War and Peace Savings Certificates and Stamps and War Gratuity Bonds. (d) Advance Loan Subscriptions, National Savings Bonds, War Savings and Savings Certificates, War Savings and National Savings Stamps.

**COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST  
PAYABLE AT 30TH JUNE, 1954—continued.**

Particulars.	Maturing in— <sup>c</sup>				Total.
	Austral...	London.	New York.	Switzer- land.	

**DEBT PER HEAD OF POPULATION**

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
Commonwealth Debt—					
War (1914-18) Debt (b) .. ..	15 8 1	0 16 9	..	..	16 4 10
War (1939-45) Debt .. ..	162 6 11	0 12 10	..	..	162 19 9
Works and Other Purposes .. ..	23 6 5	5 10 1	4 13 4	0 13 8	34 3 6
Total Commonwealth Debt ..	201 1 5	6 19 8	4 13 4	0 13 8	213 8 1
Total State Debt .. ..	154 5 0	32 5 2	2 8 2	..	188 18 4
Grand Total Commonwealth and State Debt .. ..	350 10 5	39 1 6	7 1 3	0 13 8	401 6 10

**ANNUAL INTEREST PAYABLE.**

	£A.'000.	£ Stg.'000.	£'000.(a)	£'000.(a)	£'000.(b)
Commonwealth Debt—					
War (1914-18) Debt (b) .. ..	4,623	228	..	..	4,851
War (1939-45) Debt .. ..	38,527	231	..	..	38,758
Works and Other Purposes .. ..	6,770	1,648	1,827	245	10,490
Total Commonwealth Debt ..	49,920	2,107	1,827	245	54,099
Total State Debt .. ..	45,004	9,246	772	..	55,022
Grand Total Commonwealth and State Debt .. ..	94,924	11,353	2,599	245	109,121

**ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION.**

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
Commonwealth Debt—					
War (1914-18) Debt (b) .. ..	0 10 3	0 0 7	..	..	0 10 10
War (1939-45) Debt .. ..	4 5 9	0 0 6	..	..	4 6 3
Works and Other Purposes .. ..	0 15 1	0 3 7	0 4 1	0 0 7	1 3 4
Total Commonwealth Debt ..	5 11 1	0 4 8	0 4 1	0 0 7	6 0 5
Total State Debt .. ..	5 0 8	1 0 8	0 1 9	..	6 3 1
Grand Total Commonwealth and State Debt .. ..	10 11 3	1 5 3	0 5 10	0 0 7	12 2 10

**AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).**

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
Commonwealth Debt—					
War (1914-18) Debt (b) .. ..	3 6 10	3 0 5	..	..	3 6 6
War (1939-45) Debt .. ..	2 12 10	4 0 0	..	..	2 12 11
Works and Other Purposes .. ..	3 4 7	3 6 7	4 7 2	4 0 0	3 8 4
Total Commonwealth Debt ..	2 15 3	3 7 2	4 7 2	4 0 0	2 16 5
Total State Debt .. ..	3 5 3	3 4 2	3 11 9	..	3 5 2
Grand Total Commonwealth and State Debt .. ..	2 19 7	3 4 8	4 1 11	4 0 0	3 0 6

(a) See §1, page 805. (b) Excludes War (1914-18) Debt due to United Kingdom Government (£79,724,220). Repayment of this debt and interest thereon (£3,919,774) was suspended in 1931.

2. Public Debt and Annual Interest Payable, 1939 and 1950 to 1954.—In the following table details are given of the Public Debt and annual interest payable, including the average rate of interest, at 30th June, 1939 and 1950 to 1954. A dissection of debt for these years into debt payable in Australia, London and New York may be found in the *Finance Bulletins* issued by this Bureau.

COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST PAYABLE  
AT 30th JUNE.

Particulars.	1939.	1950.	1951.	1952.	1953.	1954.
DEBT. (£'000.) (a)						
Commonwealth Debt—						
War (1914-18) Debt ..	186,214	165,063	157,360	156,095	152,333	145,964
War (1939-45) Debt ..	..	1,497,251	1,505,176	1,484,915	1,472,777	1,404,767
Works and Other Purposes ..	131,313	168,313	189,613	227,309	263,10*	307,124
Total Commonwealth Debt	317,527	1,830,627	1,852,149	1,868,319	1,888,215	1,917,855
State Debt ..	897,772	1,078,809	1,208,338	1,395,676	1,543,64*	1,688,94*
Grand Total, Commonwealth and State Debt	1,215,299	2,909,436	3,060,487	3,264,495	3,431,86*	3,606,8*

ANNUAL INTEREST PAYABLE.  
(£'000.) (a)

Commonwealth Debt—						
War (1914-18) Debt ..	7,376	6,001	5,043	5,022	4,884	4,851
War (1939-45) Debt ..	..	40,004	38,284	37,509	38,853	38,758
Works and Other Purposes ..	5,150	5,391	6,017	7,159	8,507	10,490
Total Commonwealth Debt	12,526	51,396	49,344	49,690	52,244	54,099
State Debt ..	33,644	34,181	37,100	41,631	48,140	55,022
Grand Total Commonwealth and State Debt	46,170	85,577	86,444	91,321	100,384	109,121

AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).  
(£ s. d.) (a)

Commonwealth Debt—						
War (1914-18) Debt ..	3 19 3	3 12 9	3 4 5	3 4 5	3 4 2	3 6 0
War (1939-45) Debt ..	..	2 13 6	2 10 11	2 10 7	2 12 6	2 12 11
Works and Other Purposes ..	3 18 5	3 4 1	3 3 6	3 2 11	3 4 8	3 6 1
Total Commonwealth Debt	3 18 11	2 16 2	2 13 4	2 13 3	2 15 4	2 16 5
State Debt ..	3 14 11	3 3 4	3 1 5	2 19 8	3 2 4	3 5 2
Grand Total Commonwealth and State Debt	3 16 0	2 18 10	2 16 6	2 16 0	2 18 6	3 0 6

(a) See §1, page 805.

3. State Public Debt and Annual Interest Payable at 30th June, 1954.—In paragraphs 1 and 2, totals only of the States' Public Debt are given. In the following table the total debt of each State and the amounts outstanding per head of population at 30th June, 1954, the annual interest payable and the average rate of interest payable are shown according to the place of flotation.

## STATE PUBLIC DEBT AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1954.

State.	Maturing in Australia.	Maturing Oversea.			Grand Total.
		London.	New York.	Total Overseas.	
DEBT.					
	£A'000.	£Stg.'000.	£'000. (a)	£'000. (a)	£'000. (a)
New South Wales ..	481,611	122,281	10,603	132,884	614,495
Victoria ..	328,456	44,908	3,600	48,508	376,964
Queensland ..	172,165	43,878	4,353	48,231	220,396
South Australia ..	177,720	34,502	1,397	35,899	213,619
Western Australia ..	128,604	35,819	1,360	37,179	165,783
Tasmania ..	90,463	7,004	224	7,228	97,691
Total ..	1,379,019	288,392	21,537	309,929	1,688,948

## DEBT PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
New South Wales ..	140 13 5	35 14 4	3 1 11	38 16 3	179 9 8
Victoria ..	133 18 9	18 6 3	1 9 4	19 15 7	153 14 4
Queensland ..	130 11 9	33 5 8	3 6 0	36 11 8	167 3 5
South Australia ..	222 18 10	43 5 7	1 15 1	45 0 8	267 19 6
Western Australia ..	201 0 8	55 19 10	2 2 6	58 2 4	259 3 0
Tasmania ..	292 19 4	22 13 8	0 14 6	23 8 2	316 7 6
Total ..	154 5 0	32 5 2	2 8 2	34 13 4	188 18 4

## ANNUAL INTEREST PAYABLE.

	£A.'000.	£Stg.'000.	£'000. (a)	£'000. (a)	£'000. (a)
New South Wales ..	15,493	3,921	357	4,278	19,771
Victoria ..	10,874	1,453	138	1,591	12,465
Queensland ..	5,621	1,456	156	1,612	7,233
South Australia ..	5,814	1,084	54	1,138	6,952
Western Australia ..	4,172	1,100	60	1,160	5,332
Tasmania ..	3,030	232	7	239	3,269
Total ..	45,004	9,246	772	10,018	55,022

## AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
New South Wales ..	3 4 4	3 4 2	3 7 4	3 4 5	3 4 4
Victoria ..	3 6 3	3 4 8	3 17 1	3 5 7	3 6 2
Queensland ..	3 5 4	3 6 5	3 11 4	3 6 10	3 5 8
South Australia ..	3 5 5	3 2 11	3 17 2	3 3 5	3 5 1
Western Australia ..	3 4 11	3 1 5	4 7 11	3 2 5	3 4 4
Tasmania ..	3 7 0	3 6 2	3 7 6	3 6 2	3 6 11
Total ..	3 5 3	3 4 2	3 11 9	3 4 8	3 5 2

(a) See §1, page 8.5.

4. State Public Debt, 1939 and 1950 to 1954.—In the following table the debt of each State and the amounts outstanding per head of population at 30th June, 1939 and 1950 to 1954 are shown.



## STATE PUBLIC DEBT.

30th June—	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
DEBT. (£'000.)(a)							
1939 .. ..	359,844	179,698	127,503	108,887	95,473	26,367	897,772
1950 .. ..	425,289	217,413	150,662	133,174	109,550	42,721	1,078,809
1951 .. ..	462,241	250,933	166,157	148,388	123,186	57,433	1,208,338
1952 .. ..	522,491	302,499	187,310	173,436	138,288	71,652	1,395,676
1953 .. ..	568,923	339,520	204,255	193,750	153,072	84,128	1,541,648
1954 .. ..	614,495	376,961	220,396	213,619	165,733	97,691	1,688,948
DEBT PER HEAD OF POPULATION. (£ s. d.)(a)							
1939 .. ..	130 18 7	95 13 3	125 4 11	182 10 6	203 2 4	111 1 2	129 3 11
1950 .. ..	131 17 3	98 13 11	127 5 5	190 3 7	196 7 1	152 18 3	132 7 7
1951 .. ..	139 6 11	110 11 7	137 3 7	206 1 8	211 17 0	197 9 6	144 0 5
1952 .. ..	154 4 0	129 10 6	151 5 0	234 10 3	229 19 11	237 3 5	162 3 9
1953 .. ..	165 5 4	142 7 11	161 7 10	255 17 7	245 0 4	270 9 2	175 15 2
1954 .. ..	179 9 8	153 14 4	167 3 5	267 19 6	259 3 0	316 7 6	188 18 4

(a) See §1, page 8c5.

In some States certain public utilities such as tramways, water supply and sewerage, harbour services, etc., are controlled by boards or trusts, which, in addition to receiving advances from the central Government, raise loans by public borrowing on their own behalf, while in other States these services are controlled by the central Government. Comparison of the debts of the States is therefore difficult, but on page 814 figures showing the aggregate debts of the States, including these local and semi-governmental authorities, are shown for the years 1938-39 and 1949-50 to 1953-54.

5. *Public Debt and Interest Payable in Australian Currency.*—In the foregoing tables relating to Commonwealth and State public debt the debt outstanding in London is expressed in sterling, debt outstanding in New York is expressed in pounds converted from dollars at the rate of \$4.8665 to £1 and debt outstanding in Switzerland is expressed in pounds converted from Swiss francs at the rate of 1,000 Swiss francs = £A102 1s. 10d. This method of showing the debt gives no indication to the amount that the Australian Governments would have to find to repay the debt. In the following tables the public debt and the interest payable are shown in terms of Australian currency throughout. Debt in London, New York and Switzerland has been converted to Australian currency at the selling rate of exchange on 30th June, 1954.

COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE  
AT 30th JUNE, 1954 : AUSTRALIAN CURRENCY.  
(£A.'000.)

Particulars.	Maturing in—				Total.
	Australia.	London (a)	New York (b)	Switzer- land. (c)	
DEBT.					
Commonwealth Debt—					
War (1914-18) Debt .. ..	138,430	9,455	..	..	147,885
War (1939-45) Debt .. ..	1,458,992	7,247	..	..	1,466,239
Works and Other Purposes .. ..	209,587	62,095	90,993	6,187	368,862
Total Commonwealth Deb	1,807,009	78,707	90,993	5,187	1,982,986
State Debt—					
New South Wales .. ..	481,611	153,463	23,007	..	658,081
Victoria .. ..	328,456	56,359	7,812	..	392,627
Queensland .. ..	172,165	55,067	9,447	..	236,679
South Australia .. ..	177,720	43,299	3,032	..	224,051
Western Australia .. ..	128,604	44,954	2,950	..	176,508
Tasmania .. ..	90,463	8,700	484	..	99,737
Total State Debt	1,279,019	361,932	46,732	..	1,787,683
Commonwealth and State Debt—					
Short-term Debt .. ..	395,200	29,239	..	..	424,489
Other Debt .. ..	2,790,828	411,440	137,725	6,187	3,346,180
Grand Total Commonwealth and State Debt .. ..	3,186,028	440,729	137,725	6,187	3,770,609

(a) Converted at rate of £ s12. 100 = £A. 125 10s.

(b) Converted at rate of \$2.2395 = £A. 1.

(c) Converted at rate of 9.698 francs = £A. 1.

**COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE**  
**AT 30th JUNE, 1954: AUSTRALIAN CURRENCY—continued.**  
 (£A.'000.)

Particulars.	Maturing in—				Total.
	Australia.	London. (a)	New York. (b)	Switzer- land. (c)	
ANNUAL INTEREST PAYABLE.					
Commonwealth Debt—					
War (1914-18) Debt .. .. .	4,623	286	..	..	4,909
War (1939-45) Debt .. .. .	38,527	290	..	..	38,817
Works and Other Purposes .. ..	6,770	2,068	3,964	247	13,049
Total Commonwealth Debt .. ..	49 920	2,644	3,964	247	56,775
State Debt—					
New South Wales .. .. .	15,493	4,921	775	..	21,189
Victoria .. .. .	10,874	1,823	301	..	12,998
Queensland .. .. .	5,621	1,828	337	..	7,786
South Australia .. .. .	5,814	1,361	117	..	7,292
Western Australia .. .. .	4,172	1,380	130	..	5,682
Tasmania .. .. .	3,030	291	16	..	3,337
Total State Debt .. .. .	45,004	11,604	1,676	..	58,284
Grand Total Commonwealth and State Debt .. .. .	94,924	14,248	5,640	247	115,059

(a) Converted at rate of £ stg. 100 = £A. 125 10s.

(b) Converted at rate of \$2.2395 = £A. 1.

(c) Converted at rate of 9.698 francs = £A. 1.

6. Public Debt at each Rate of Interest.—The following table shows particulars of the amounts of debt for Commonwealth and State purposes at 30th June, 1954, at each rate of interest :—

**COMMONWEALTH AND STATE PUBLIC DEBT AT 30TH JUNE, 1954 : AMOUNTS**  
**AT EACH RATE OF INTEREST.**

Rate of Interest.	Maturing in—							Total.	
	Australia.		London.		New York.		Switzer- land.		
	Com- mon- wealth.	State.	Com- mon- wealth. (a)	State.	Com- mon- wealth.	State.	Com- mon- wealth.	Com- mon- wealth.	State.
Per cent.	£A.'000.	£A.'000.	£stg'000.	£stg'000.	£'000.(b)	£'000.(b)	£'000.(b)	£'000.(b)	£'000.(b)
5.0 .. .. .	..	..	..	1	5,415	2,728	..	5,415	2,729
4.75 .. .. .	..	..	..	..	10,440	..	..	10,440	..
4.5 .. .. .	82,074	263,258	..	11,790	..	..	..	82,074	275,048
4.25 .. .. .	..	..	..	..	20,549	..	..	20,549	..
4.0 .. .. .	..	573	5,775	21,937	..	..	6,126	11,001	22,510
3.875 .. .. .	31,469	56,836	..	..	..	..	..	31,469	56,836
3.75 .. .. .	10,162	72,817	6,951	..	..	..	..	26,113	72,817
3.625 .. .. .	..	107	..	..	..	..	..	..	107
3.5 .. .. .	..	1,752	5,935	49,660	1,123	7,244	..	7,058	58,656
3.4875 .. .. .	..	4	..	..	..	..	..	..	4
3.375 .. .. .	130	..	..	..	3,280	5,250	..	3,410	5,250
3.25 .. .. .	869,067	159,769	33,866	57,074	1,126	6,315	..	904,059	223,158
3.2391 .. .. .	20,008	..	..	..	..	..	..	20,008	..
3.125 .. .. .	269,585	480,682	..	..	..	..	..	269,585	480,682
3.1 .. .. .	..	3,901	..	..	..	..	..	..	3,901
3.0 .. .. .	54,343	140,140	9,790	90,670	..	..	..	64,133	230,810
2.8347 .. .. .	10,302	..	..	..	..	..	..	10,302	..
2.75 .. .. .	..	..	470	37,326	..	..	..	470	37,326
2.7125 .. .. .	..	418	..	..	..	..	..	..	418
2.5 .. .. .	..	1	..	19,932	..	..	..	..	19,933
2.325 .. .. .	..	1,730	..	..	..	..	..	..	1,730
2.0 .. .. .	55,180	155,653	..	..	..	..	..	55,180	155,653
1.5 .. .. .	..	3,646	..	..	..	..	..	..	3,646
1.0 .. .. .	395,200	37,732	..	..	..	..	..	395,200	37,732
Miscellaneous (c) .. .. .	489	..	..	2	..	..	..	489	..
Total Debt .. .. .	1,807,009	1,379,019	62,787	288,392	41,933	21,537	6,126	1,917,855	1,688,948

(a) Excludes War (1914-18) Debt due to United Kingdom Government, £70,724,000 (rate of interest 4.91667 per cent.). (b) See §1, page 805. (c) Consists of overdue debt, War (1914-18) and (1939-45) Savings Stamps and National Savings Stamps, etc.

7. Dates of Maturity.—(i) *Commonwealth.* In the following table the Commonwealth Public Debt at 30th June, 1954 is classified according to the earliest and the latest years of maturity.

**COMMONWEALTH PUBLIC DEBT AT 30th JUNE, 1954(a) : CLASSIFIED ACCORDING TO EARLIEST AND LATEST YEARS OF MATURITY.**

	Earliest Year.					Latest Year.				
Year of Maturity	Maturing in—				Total.	Maturing in—				Total.
	Aus- tralia.	Lon- don.	New York.	Switzer- land.		Aus- tralia.	Lon- don.	New York.	Switzer- land.	
	£A.'000.	£Stg. '000.	£'000.(b)	£'000.(b)		£'000.(b)	£A.'000.	£Stg. '000.	£'000.(b)	
	£A.'000.	£Stg. '000.	£'000.(b)	£'000.(b)	£'000.(b)	£A.'000.	£Stg. '000.	£'000.(b)	£'000.(b)	
Before 30th June										
1954 ..	780,443	6,951	5,415	..	792,809	..	..	..	..	..
1954-55(c) ..	450,379	470	1,126	..	451,975	484,949	470	..	..	485,419
1955-56 ..	164,689	16,166	..	..	180,855	41,494	..	5,415	..	46,909
1956-57 ..	90,356	..	4,403	..	94,759	52,121	6,951	1,126	..	60,198
1957-58 ..	10,483	..	..	..	10,483	43,517	..	..	..	43,517
1958-59 ..	..	..	..	..	..	238,954	..	..	..	238,954
1959-60 ..	..	..	..	..	..	242,107	..	..	..	242,107
1960-61 ..	73,821	5,775	..	..	79,596	234,398	16,166	..	..	250,564
1961-62 ..	73,904	5,935	..	..	79,839	165,271	..	3,280	..	168,551
1962-63 ..	79,567	..	..	..	79,567	65,259	..	..	..	65,259
1963-64 ..	..	..	..	..	..	73,821	5,775	..	..	79,596
1964-65 ..	..	292	..	..	292	67,444	..	..	..	67,444
1965-66 ..	..	17,408	..	6,126	23,534	14,307	..	..	..	14,307
1966-67 and later ..	52,356	9,790	..	..	62,146	52,356	33,425	1,123	6,126	93,030
Miscellaneous (d) ..	31,011	..	630,980	..	62,000	31,011	..	630,980	..	62,000
Total ..	1,807,009	62,787	41,933	6,126	1,917,855	1,807,009	62,787	41,933	6,126	1,917,855

(a) See note (a) to previous table. (b) See §1, page 805. (c) Includes Short-term Debt. (d) Consists of advance loan subscriptions, overdue debt, debt repayable in half-yearly instalments War Savings and Savings Certificates, War Savings Stamps, National Savings Stamps and Peace Savings Certificates. (e) International Bank Dollar Loans to be repaid in half-yearly instalments from 1st September, 1955 to 1st September, 1975 and from 1st June, 1957 to 1st September, 1972.

(ii) *States.* Particulars of State Public Debt at 30th June, 1954 have been classified in the following table according to the earliest and the latest years of maturity.

**STATE PUBLIC DEBT AT 30th JUNE, 1954 : CLASSIFIED ACCORDING TO EARLIEST AND LATEST YEARS OF MATURITY.**

Year of Maturity.	Earliest Year.				Total.	Latest Year.			
	Maturing in—			Total.		Maturing in—			Total.
	Aus- tralia.	London.	New York.			Aus- tralia.	London.	New York.	
	£A.'000.	£Stg. '000.	£'000.(a)			£'000.(a)	£A.'000.	£ Stg. '000.	
Before 30th June, 1954	200,556	25,854	2,728	229,138	..	..	..	..	
1954-55 .. .. .	157,100	(b)42,959	6,315	206,374	197,958	(a)26,073	..	224,031	
1955-56 .. .. .	83,985	15,644	..	99,629	95,791	..	2,728	98,519	
1956-57 .. .. .	85,855	..	12,494	98,349	40,831	..	6,315	47,146	
1957-58 .. .. .	38,979	..	..	38,979	37,121	20,091	..	57,212	
1958-59 .. .. .	1,665	13,935	..	15,603	34,914	20,809	..	55,723	
1959-60 .. .. .	2,732	..	..	2,732	75,317	..	..	75,317	
1960-61 .. .. .	108,398	11,790	..	120,188	64,724	18,438	..	83,162	
1961-62 .. .. .	197,106	23,806	..	220,912	48,506	..	5,250	53,756	
1962-63 .. .. .	267,503	12,871	..	280,374	159,983	11,790	..	171,773	
1963-64 .. .. .	4,077	10,000	..	14,076	108,195	..	..	108,195	
1964-65 .. .. .	1,564	12,806	..	14,360	178,661	12,870	..	191,531	
1965-66 .. .. .	1,084	65,321	..	66,405	108,605	10,000	..	118,605	
1966-67 .. .. .	63,100	..	..	63,100	63,100	23,806	7,244	94,150	
1967-68 .. .. .	86,519	15,949	..	102,468	86,519	25,646	..	112,165	
1968-69 .. .. .	2,455	..	..	2,455	2,455	..	..	2,455	
1969-70 .. .. .	3,242	18,441	..	21,683	3,242	41,516	..	44,758	
1970-71 .. .. .	2,360	..	..	2,360	2,360	11,141	..	13,501	
1971-72 .. .. .	2,177	12,175	..	14,352	2,177	15,949	..	18,126	
1972-73 .. .. .	2,711	..	..	2,711	2,711	..	..	2,711	
1973-74 .. .. .	3,336	..	..	3,336	3,336	12,175	..	15,511	
1974-75 .. .. .	4,378	..	..	4,378	4,378	31,337	..	35,715	
1975-76 .. .. .	7,338	4,351	..	11,689	7,338	..	..	7,338	
1976-77 and later	28,151	..	..	28,151	28,151	4,351	..	32,502	
Miscellaneous (c)	22,637	2,400	..	25,037	22,637	2,400	..	25,037	
Total .. .. .	1,370,019	288,301	21,537	1,679,857	1,370,019	288,302	21,537	1,688,048	

(a) See §1, page 805. (b) Includes short-term debt, £22,868,000. (c) Consists of overdue, indefinite and interminable debt, debt due at Treasurer's option and half-yearly drawings.

8. *Short-term Debt.*—(i) *Amount.* Particulars of the short-term debt (Treasury Bills and Debentures) of the Commonwealth and States in London and in Australia at 30th June, 1939 and at intervals from 30th June, 1950 to 30th June, 1954 are shown in the following table. This debt is included in the public debt as shown elsewhere.

## COMMONWEALTH AND STATE SHORT-TERM DEBT.(a)

Date.	Maturing in Australia. (£A.'000.)			Maturing in London. (£Stg.'000.)		
	Commonwealth.	States.	Total.	Commonwealth.	States.	Total.
30th June, 1939 ..	..	50,228	50,228	4,220	23,155	27,375
" " 1950 ..	108,280	..	108,280	1,470	22,868	24,338
" " 1951 ..	108,280	2,400	110,680	1,220	22,868	24,088
" " 1952 ..	153,280	..	153,280	970	22,868	23,838
30th June, 1953 ..	225,000	..	225,000	720	22,868	23,588
30th September, 1953	205,000	1,000	206,000	720	22,868	23,588
31st December, 1953	245,000	1,000	246,000	470	22,868	23,338
31st March, 1954 ..	205,000	1,000	206,000	470	22,868	23,338
30th June, 1954 ..	190,000	..	190,000	470	22,868	23,338

(a) Excludes Overdrafts and Internal Treasury Bills.

(ii) *Interest Rates.* (a) *London.* The rates of interest payable on Treasury Bills and Debentures in London during the following periods were: 1938-39—minimum rate, 2 per cent., maximum rate,  $2\frac{1}{4}$  per cent.; 1949-50 to 1950-51—minimum rate, 2 per cent., maximum rate,  $2\frac{1}{4}$  per cent. On 8th November, 1951 the rates were increased to—minimum rate,  $2\frac{1}{2}$  per cent., maximum rate,  $2\frac{3}{4}$  per cent.

(b) *Australia.* The Treasury Bill rates in Australia were as follows:— $1\frac{3}{4}$  per cent. from 1st January, 1935;  $1\frac{1}{2}$  per cent. from 1st May, 1940;  $1\frac{1}{4}$  per cent. from 1st May, 1943; 1 per cent. from 1st March, 1945;  $\frac{3}{4}$  per cent. from 1st May, 1949; 1 per cent. from 1st August, 1952.

9. *State and Municipal and Semi-Governmental Authority Public Debt.*—For the reasons indicated on page 811 direct comparisons of the debts of the several States should be made with caution. The table following shows, for 1938-39 and 1949-50 to 1952-53, particulars of the debts of the States and the debts due to the public by municipal and semi-governmental authorities in each State.

## STATE AND MUNICIPAL AND SEMI-GOVERNMENTAL AUTHORITY PUBLIC DEBT.

State.	State.	Municipal. (a)	Semi-Governmental. (a)	Total.	
DEBT. (£'000.) (b).					
1952-53.					
New South Wales .. .. .	568,923	48,350	139,362	756,635	
Victoria .. .. .	339,520	20,340	193,269	553,129	
Queensland .. .. .	204,255	47,529	22,362	274,146	
South Australia .. .. .	193,750	1,243	17,540	212,533	
Western Australia .. .. .	153,072	3,433	3,345	159,850	
Tasmania .. .. .	84,128	6,145	6,002	96,275	
Total {	1952-53 ..	1,543,648	127,040	381,880	2,052,568
	1951-52 ..	1,395,676	112,176	316,191	1,824,043
	1950-51 ..	1,208,338	98,201	257,887	1,564,426
	1949-50 ..	1,078,809	84,445	206,622	1,369,876
	1938-39 ..	897,772	78,126	120,512	1,096,410

(a) Due to the public and excludes amounts due to Central Government. Includes bank overdrafts.  
(b) See §1, page 805.

STATE AND MUNICIPAL AND SEMI-GOVERNMENTAL AUTHORITY  
PUBLIC DEBT—*continued.*

State.	State.	Municipal. (a)	Semi-Gov- ernmental. (a)	Total.	
DEBT PER HEAD OF POPULATION. (£.) (b). 1952-53.					
New South Wales .. .. .	165.2	14.0	40.5	219.7	
Victoria .. .. .	142.4	8.5	81.1	232.0	
Queensland .. .. .	161.4	37.6	17.6	216.6	
South Australia .. .. .	255.9	1.6	23.2	280.7	
Western Australia .. .. .	246.0	5.5	5.4	256.9	
Tasmania .. .. .	270.5	19.8	19.2	309.5	
Total {	1952-53 .. .. .	175.8	14.4	43.5	233.7
	1951-52 .. .. .	162.2	13.0	36.7	211.9
	1950-51 .. .. .	144.0	11.7	30.8	186.5
	1949-50 .. .. .	132.4	10.4	25.3	168.1
	1938-39 .. .. .	129.2	11.2	17.4	157.8

(a) Due to the public and excludes amounts due to Central Government. Includes bank overdrafts.  
(b) See §1, page 805.

## § 4. Commonwealth Loan Raisings.

1. New Loans Raised, 1951-52 to 1953-54.—Under the Financial Agreement between the Commonwealth and the States, the Commonwealth is responsible for raising all loan moneys required by both the Commonwealth and the State Governments. Details of loan transactions given in this section relate, therefore, to all loans raised for the Commonwealth and the States. The following table shows details of new loans raised in Australia by the Commonwealth during the three years 1951-52 to 1953-54. No new loans were raised in London during this period, and the only new loans raised in New York were those from the International Bank for Reconstruction and Development. Details of these loans are given in para. 3, below.

## COMMONWEALTH NEW LOANS(a) RAISED IN AUSTRALIA.

Month of Raising.	Amount Invited.	Amount Sub- scribed.	Rate of In- terest per annum.	Year of Maturity.	Price of Issue per £100.	Allocation of Proceeds.		
						Commonwealth.		States.
						War (1939- 45) etc.	Other Pur- poses.	
	£'000.	£'000.	%		£	£'000.	£'000.	£'000.
1951-52—								
August (Thirteenth Security Loan) .. .. .	40,000	8,911	2	1954	100	..	3,840	28,660
November (Fourteenth Security Loan) .. .. .	13,233	2,794	2	1954	100	..	1,470	12,076
March (Fifteenth Security Loan) .. .. .	30,533	10,752	3½	1962-65	100	..	1,787	15,862
June(b) .. .. .	160,000	5,277	2	1955	100	7,135	16,367	136,498
1952-53—								
November (Sixteenth Security Loan) .. .. .	20,000	12,282	3½	1962-65	100	..	2,459	17,510
March (Seventeenth Security Loan) .. .. .	29,789	160,000	4½	1955	100	..	3,595	28,331
June(b) .. .. .	123,000	13,981	3	1955	99 108.	..	15,327	107,673
1953-54—								
September (Eighteenth Security Loan) .. .. .	50,000	18,037	4½	1962	100	..	6,849	59,160
March (Nineteenth Security Loan) .. .. .	35,000	35,000	3	1955	99 108.	..	70	52,000
June (b) .. .. .	80,000	43,467	4½	1957	100	5,407	30,475	44,118

(a) Includes loans raised for redemption of Treasury Bills, but excludes conversion loans, loans for redemption of debt maturing in London, short-term debt and certain miscellaneous debt (see below).  
(b) Special Issue. For details see following paragraph.

The loans of £160,000,000, £123,000,000 and £80,000,000 issued in June, 1952, 1953 and 1954 respectively were for the purpose of fulfilling an undertaking given by the Commonwealth that the States would have access to loan funds for their works programmes up to the approved Loan Council borrowing programmes. These programmes totalled £225,287,000 in 1951-52, £190,182,000 in 1952-53 and £200,000,000 in 1953-54. Subscriptions to these special loans came from the following sources :—

	1951-52.	1952-53	1953-54.
	£	£	£
National Debt Commission—			
Investment of surplus received from Commonwealth Revenue .. ..	98,500,000	..	..
Investment of Australian currency proceeds of International Bank Loan .. ..	27,000,000	18,500,000	18,000,000
Swiss Loan Trust Account .. ..	..	..	5,750,000
Commonwealth Trust Moneys—Investment	34,500,000	104,500,000	56,250,000
Total ..	160,000,000	123,000,000	80,000,000

Finance for the approved Loan Council programmes in 1952-53 and 1953-54 was provided from the following sources—

	1951-52.	1952-53.	1953-54.
	£	£	£
Public Loans, domestic raisings, etc. ..	72,422,000	67,357,000	125,647,000
Special Commonwealth Loan .. ..	152,865,000	122,825,000	74,353,000
Total ..	225,287,000	190,182,000	200,000,000

In addition to the new loans raised shown in the foregoing table, and the redemption and conversion loans shown in the following table, there were other miscellaneous debt operations during 1953-54, namely :—Savings Certificates and War Saving Certificates (Five and Seven Years' Series), decrease of £5,192,000 ; War Savings and Savings Stamps, decrease of £1,000 ; National Savings Bonds and Stamps, decrease of £13,000 ; "Over the Counter Sales" (small amounts borrowed by virtue of certain statutory rights) £1,312,000. Advance loan subscriptions in hand increased from £4,280,000 at the end of 1952-53 to £9,894,000 at the end of 1953-54.

2. Conversion and Redemption Loans, 1951-52 to 1953-54.—(i) *Australia*. Particulars of conversion loans raised in Australia during the three years 1951-52 to 1953-54 are given in the following table :—

#### COMMONWEALTH CONVERSION AND REDEMPTION LOANS RAISED IN AUSTRALIA.

Month of Raising.	Old Loan.		New Loan.				Increase in Annual Liability for Interest.
	Amount.	Rate of Interest per annum.	Amount.	Rate of Interest per annum.	Price of Issue per £100.	Year of Maturity.	
	£A.'000.	%	£A.'000.	%	£		£A.'000.
1951-52—							
November ..	26,767	3½	{ 5,077 21,690	{ 2 3½	{ 100 100	{ 1954 1962-65	{ - 89
March ..	44,467	2	{ 33,744 10,723	{ 2 3½	{ 100 100	{ 1955 1962-65	{ 189
1952-53—							
March ..	47,211	2	{ 30,196 17,015	{ 3 4½	{ 99½ 100	{ 1955 1962	{ 727
1953-54—							
September ..	32,926	2	{ 12,235 16,739	{ 3 4½	{ 100 100	{ 1955 1966	{ 541
March ..	15,188	2	{ 6,563 7,625	{ 3 1½	{ 98½ 100	{ 1957 1967	{ 256

NOTE.—Minus sign (—) indicates a reduction in the annual liability for interest and exchange.

(ii) *London.* The following table shows particulars of loans raised in Australia and London during the years 1952-53 and 1953-54 for the purpose of redeeming and converting London loans. There were no loans raised for this purpose in 1951-52.

COMMONWEALTH LOANS RAISED FOR THE CONVERSION AND REDEMPTION OF LOANS MATURING IN LONDON.

Month of Raising.	Old Loan.		New Loan.				Increase in Annual Liability for Interest and Exchange. (a)
	Amount.	Rate of Interest per annum.	Amount raised in—		Rate of Interest per annum.	Price of Issue per £100.	Year of Maturity.
			Australia.	London.			
	£ Stg. '000.	%	£A. '000.	£ Stg. '000.	%	£	£A. '000.
1952-53—							
July ..	11,790	3½	..	11,790	4½	98	148
1953-54—							
November ..	10,796	3½	..	10,796	4	99½	68

(a) No account has been taken of cost of issuing the conversion loans at a discount. Exchange calculated at £A. 125.375 = £ stg. 100.

(iii) *New York.* During 1946-47 four loans totalling \$128,000,000 were raised in New York to redeem loans which became due for redemption or which the Commonwealth had the option of redeeming. No further loans were raised in New York for this purpose up to the end of 1954.

3. *International Bank for Reconstruction and Development Loans.*—To provide dollar funds for the purchase of certain types of capital equipment and plant which were indispensable to the furtherance of development in Australia and which could be obtained only in the United States of America and Canada, the Commonwealth Government, in August, 1950, arranged a loan of \$100,000,000 from the International Bank for Reconstruction and Development. The loan is for a term of 25 years with interest at 4½ per cent. per annum on the amount of the loan withdrawn and outstanding from time to time. In addition there is a commitment charge of ¾ per cent. per annum on the amount of the loan not withdrawn from time to time. Repayment of the loan is to be made in half-yearly instalments commencing on 1st September, 1955. The last instalment is payable on 1st September, 1975. At the 31st December, 1953, the whole of the loan had been drawn.

In July, 1952, a further loan of \$50,000,000 was arranged. This loan is for a term of 20 years with interest at 4½ per cent. per annum on the amount of the loan withdrawn and outstanding from time to time. There is also a commitment charge of ¾ per cent. per annum similar to that of the previous loan. Repayment of the loan is to be made in half-yearly instalments from 1st June, 1957 to 1st December, 1972. Up to 30th June, 1954, \$44,706,057 had been drawn on the loan.

In March, 1954 a third loan of \$54,000,000 was arranged. The loan is for a term of 15 years with interest and commitment charges similar to those for the previous loan for \$50,000,000. Repayment of the loan will be made in half-yearly instalments from 1st March, 1957 to 1st March, 1969. Up to 30th June, 1954, \$6,418,978 had been drawn on the loan.

In March, 1955, a fourth loan of \$54,500,000 was arranged. This loan is for a term of 15 years with interest at 4½ per cent. per annum. There is also a commitment charge of ¾ per cent. per annum similar to that of previous loans. Repayment is to be made in half-yearly instalments from 15th March, 1958 to 15th March, 1970.

The capital equipment and plant purchased from the proceeds of these loans are made available to Commonwealth and State Government departments and agencies and private firms and individuals for use in the development of Australian resources. Subject to a special import licence being obtained, the goods are imported and distributed through normal channels and payment made through the Australian banking system. Periodically, schedules of dollar payments for goods imported against loan licences are submitted to the International Bank for Reconstruction and Development. These

schedules form the basis for periodical drawings by the Commonwealth against the loan. The amounts drawn are paid to the Commonwealth Bank to replace the dollar funds used in making the purchases. In return, the Commonwealth Government receives Australian currency from the Commonwealth Bank. This is paid to the Commonwealth National Debt Sinking Fund, out of which the loans will subsequently be redeemed.

4. **Swiss Loan.**—To foster industrial development in Australia and to stimulate trade relations between the two countries, the Commonwealth Government arranged for the issue in Switzerland in November, 1953 and February, 1955, of two public loans each of 60,000,000 Swiss francs. The loans were underwritten by a Swiss banking group headed by the Swiss Bank Corporation, the Credit Suisse and the Union Bank of Switzerland. Certain Swiss taxes connected with the issue and servicing of the loan were paid on an agreed basis by the Australian Government.

The first loan was for a period of 15 years with an option on the part of the Australian Government to repay the loan in whole or in part after 12 years. The rate of interest was 4 per cent. and the issue price £99. Bondholders have the option of requiring payment either in Australian pounds or in the foreign currency equivalent of Australian pounds.

The second Swiss loan was for a period of 15 years with an option to redeem after 10 years. The rate of interest was  $3\frac{1}{2}$  per cent. and the issue price £99 10s. Bonds and interest are payable only in Swiss francs.

The loans were both fully subscribed and Swiss franc proceeds, after deducting borrowing expenses, were sold by the Commonwealth Government to the Commonwealth Bank in return for an equivalent amount of Australian currency. A trust account, named the Swiss Loan Trust Account, was opened and the proceeds from the two loans were transferred to this account and were used in assisting the Loan Council borrowing programmes for the 1953-54 and 1954-55 financial years. The Swiss Loan Trust Account will also be used as a sinking fund for the loans, and, when the time comes for repayment, the trust account investments can be realized. The provisions of the National Debt Sinking Fund Act do not apply to the loans.

5. **Summary of Loan Transactions, 1949-50 to 1953-54.**—The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the five years 1949-50 to 1953-54.

#### COMMONWEALTH LOAN TRANSACTIONS : SUMMARY.

Year ended 30th June.	New Loans.				Net Increase in Short-term Debt in Australia.		Loans Raised for Con- version or Redemption of Existing Debt Maturing in—		
	New Loans (a) Raised in—			Miscel- laneous Debt in Aus- tralia.(b)			Aus- tralia.	London.	
								Raised in—	
								Aus- tralia.	New York.
	£A.'000	\$'000.	Francs '000.	£A.'000.	£A.'000.	£A.'000.	£A.'000.	£ Stg. '000.	
1950 .. ..	105,844	..	..	13,978	— 15,000	19,000	93,213	7,000	..
1951 .. ..	127,567	(c) 9,059	..	— 16,443	2,400	87,000	153,928	11,781	..
1952 .. ..	223,695	(c) 53,310	..	7,402	42,600	— 37,000	71,234	..	..
1953 .. ..	175,287	(c) 10,223	..	24,510	71,721	— 75,610	47,211	..	11,790
1954 .. ..	198,390	(c) 48,114	60,000	13,273	— 35,000	29,000	43,171	..	10,796

(a) Includes loans raised for redemption of Treasury Bills. No new loans were raised in London during this period.

(b) "Over the Counter Sales". Instalment Stock, National Savings Bonds, War Savings and Savings Certificates and net increase in debt on account of War Savings and Savings Stamps, National Savings Stamps and advance loan subscriptions. (c) Amounts drawn of \$100,000,000, \$50,000,000, \$51,000,000 and \$54,500,000 loans from International Bank for Reconstruction and Development.

NOTE.—Minus sign (—) denotes a decrease in debt.



## § 5. National Debt Sinking Fund.

1. *Commonwealth Public Debt.*—Particulars relating to the creation of sinking funds are included in issues of the Official Year Book prior to No. 23.

The old sinking funds were merged in the National Debt Sinking Fund on 11th August, 1923. Particulars of receipts and expenditure of the Commonwealth Account for the years 1938-39 and 1949-50 to 1953-54 were as follows:—

## NATIONAL DEBT SINKING FUND: COMMONWEALTH ACCOUNT.

(£'000.)

Items.	1938-39.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.
<b>Receipts—</b>						
From Consolidated Revenue	3,918	16,146	17,225	(a) 116,928	18,471	18,154
Loans and Advances Repaid	17	580	4,381	2,094	2,508	2,276
War Service Homes Money Repaid	629	2,156	3,147	4,046	4,050	5,326
Half Net Profit Commonwealth Bank	321	1,116	1,140	1,336	1,764	2,127
Reparation Monies	..	500	..	..	..	..
Interest on Investments	32	104	70	76	(b) 2,144	(c) 3,371
Loan (International Bank for Reconstruction and Development) Act	..	..	4,044	23,831	17,935	21,467
Other Contributions	14	12	12	12	10	6
<b>Total Receipts</b>	<b>4,931</b>	<b>20,614</b>	<b>30,019</b>	<b>148,323</b>	<b>46,882</b>	<b>52,727</b>
<b>Expenditure—</b>						
Securities Repurchased and Redeemed in—						
Australia	4,230	26,916	28,762	25,382	16,011	16,993
London	608	610	1,688	411	436	722
New York	214	118	449	448	455	8,996
<b>Total Expenditure</b>	<b>5,052</b>	<b>27,644</b>	<b>30,899</b>	<b>26,241</b>	<b>16,902</b>	<b>26,713</b>
Balance at 30th June	1,131	10,877	9,997	132,079	162,059	188,073
<b>Face Value of Securities Repurchased and Redeemed in—</b>						
Australia	4,199	26,872	28,828	26,882	16,860	18,561
London	498	496	1,409	335	363	593
New York	167	68	210	211	212	4,152
<b>Total Face Value</b>	<b>4,864</b>	<b>27,436</b>	<b>30,447</b>	<b>27,428</b>	<b>17,435</b>	<b>23,306</b>

(a) Includes £28,500,000 Consolidated Revenue Fund surplus. (b) Includes £1,562,000 interest received under National Debt Sinking Fund (Special Payment) Act 1951. (c) Includes £1,970,000 interest received under National Debt Sinking Fund (Special Payment) Act 1951.

2. *State Public Debt.*—(i) *States, 1953-54.* A sinking fund for the redemption of the debt of the States was established under the Financial Agreement. Details of contributions to be made to this fund are given on page 806. Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1953-54 are shown below.

## NATIONAL DEBT SINKING FUND: STATE ACCOUNT, 1953-54.

(£'000.)

Items.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>Receipts—</b>							
Contributions under Financial Agreement—							
Commonwealth	1,273	759	438	438	356	199	3,463
States	4,523	2,891	1,637	1,509	1,203	534	12,357
Interest from States on cancelled Securities	24	6	6	5	1	3	45
Special Contributions by States	140	37	..	19	1	6	203
Interest on Investments, etc.	18	4	4	3	3	1	33
<b>Total Receipts</b>	<b>5,978</b>	<b>3,697</b>	<b>2,085</b>	<b>2,034</b>	<b>1,564</b>	<b>743</b>	<b>16,101</b>
<b>Expenditure—</b>							
Securities Repurchased and Redeemed in—							
Australia	6,769	2,224	1,656	1,572	507	848	13,576
London	498	133	276	248	169	38	1,362
New York	177	1,785	720	700	1,407	3	4,792
<b>Total Expenditure</b>	<b>7,444</b>	<b>4,142</b>	<b>2,652</b>	<b>2,520</b>	<b>2,083</b>	<b>889</b>	<b>19,730</b>
Balance at 30th June, 1954	557	593	266	234	411	33	2,094
<b>Face Value of Securities Repurchased and Redeemed in—</b>							
Australia	7,310	2,336	1,756	1,650	506	887	14,445
London	408	115	239	209	151	32	1,154
New York	84	824	333	323	649	1	2,214
<b>Total Face Value</b>	<b>7,802</b>	<b>3,275</b>	<b>2,328</b>	<b>2,182</b>	<b>1,306</b>	<b>920</b>	<b>17,813</b>

(ii) *All States, 1938-39 and 1949-50 to 1953-54.* The following table is a summary of the transactions of the National Debt Sinking Fund (State Account) for the years 1938-39 and 1949-50 to 1953-54 :—

NATIONAL DEBT SINKING FUND : STATE ACCOUNT.

(£'000.)

Items.	1938-39.	1949-50.	1950-51.	1951-52	1952-53.	1953-54.
<b>Receipts—</b>						
Contributions under Financial Agreement—						
Commonwealth .. .. .	1,478	2,006	2,241	2,357	3,011	3,463
States .. .. .	4,327	8,747	9,418	10,325	11,362	12,357
Interest from States on cancelled Securities ..	15	27	25	41	49	45
Commonwealth Contributions under Federal Aid Roads and Works Act ..	69	..	..	..	..	..
Special Contributions by States .. .. .	61	142	147	151	155	203
Interest on Investments, etc.	56	6	8	4	25	33
<b>Total Receipts ..</b>	<b>6,006</b>	<b>10,928</b>	<b>11,839</b>	<b>13,078</b>	<b>14,602</b>	<b>16,101</b>
<b>Expenditure—</b>						
Securities Repurchased and Redeemed in—						
Australia .. .. .	4,008	6,509	8,877	9,280	10,602	13,576
London .. .. .	1,722	1,449	5,307	474	973	1,362
New York .. .. .	347	393	462	430	483	4,792
<b>Total Expenditure ..</b>	<b>6,077</b>	<b>8,351</b>	<b>14,646</b>	<b>10,184</b>	<b>12,058</b>	<b>19,730</b>
<b>Balance at 30th June ..</b>	<b>1,885</b>	<b>3,092</b>	<b>285</b>	<b>3,179</b>	<b>5,723</b>	<b>2,094</b>
<b>Face Value of Securities Repurchased and Redeemed in—</b>						
Australia .. .. .	3,996	6,480	8,859	9,661	11,644	14,445
London .. .. .	1,561	1,182	4,345	420	838	1,154
New York .. .. .	285	223	229	220	241	2,214
<b>Total Face Value ..</b>	<b>5,842</b>	<b>7,885</b>	<b>13,433</b>	<b>10,301</b>	<b>12,723</b>	<b>17,813</b>

E. TAXES ON INCOME.

**NOTE.**—The following section contains details of taxes on individuals and companies for the 1955-56 financial year.

1. **General.**—A description of the development of income taxes in Australia appeared in Official Year Book No. 35, p. 926. Since July, 1942, the Commonwealth, under the uniform tax arrangement, has been the only authority imposing taxes on income. Taxes on income are assessed and imposed under the Income Tax and Social Services Contribution Assessment Act 1936-1955 and the Income Tax and Social Services Contribution Act 1955. The latter Act is an annual measure and its primary purpose is to declare the rates of tax and contribution payable for the financial year. The rates for the financial year are levied, in the case of individuals, on the income of that year and, in the case of companies, on the income of the preceding year. Thus tax for the financial year 1955-56 is levied on the income of individuals in 1955-56 and on the income of companies in 1954-55.

2. **Present Taxes.**—For individuals, a single tax known as the Income Tax and Social Services Contribution is levied. All companies are liable for primary income tax and in addition, private companies are subject to tax on undistributed income.

3. **Assessable Income.**—Income taxes in Australia are levied, primarily, on all income derived from Australian sources by any person, rather than on income derived from all sources by Australian residents. Thus a non-resident is taxed on income derived in Australia, while a resident is, in general, not taxed on income other than dividends derived from overseas if the income is taxed in the country in which it is derived.

Certain types of Australian income are exempt from tax in Australia, the more important being (i) pensions, child endowment and other payments under the Social Services Act 1947-1955 and the Tuberculosis Act 1948, (ii) income from gold-mining and uranium mining, (iii) twenty per cent. of certain mining profits, (iv) dividends paid out of exempt mining profits, (v) pay and allowances earned by a member of the Defence Forces while serving in Korea after 26th June, 1950 and Malaya after 28th June, 1950 and (vi) income received from a scholarship, bursary or other education allowance.

No amount is included in assessable income on account of a house occupied by its owner. Profits derived from the sale of property are not assessable income if such property was not purchased with a view to resale at a profit.

Assessable income is divided into two main groups—personal exertion and property. Personal exertion income includes all wage, salary, business and professional incomes, while property income includes all rents, dividends and interest. No distinction between personal exertion and property income is made for companies. The further tax on property income imposed on individuals in cases where the total taxable income exceeded £400 and the amount of property income exceeded £100 was discontinued from the 1953-54 financial year.

Expenses incurred in earning income, certain subscriptions to business associations and trade union dues, are allowable deductions. Losses incurred in previous years may be carried forward as a deduction.

Because of uncongenial climatic conditions, isolation and high cost of living, taxpayers living in certain areas are allowed an additional deduction. Two zones have been prescribed, and the allowances are Zone A, £120 and Zone B, £20.

Income Tax and Social Services Contribution is levied on the taxable income remaining after making these deductions and the concessional deductions to which reference is made in paragraph 4 following.

4. **Concessional Deductions.**—Concessional allowances for dependants, medical expenses, life assurance and superannuation contributions, etc., are made by way of a deduction from income. The maximum deduction allowed for each dependant, parent or a housekeeper employed by the taxpayer for the financial year 1955-56 is shown in the following table.

#### CONCESSIONAL DEDUCTIONS FOR DEPENDANTS, ETC.

(£.)

Dependant, etc. (Resident).	Maximum Deduction. (a)
Spouse .. .. .	130
Daughter-housekeeper (b) .. .. .	130
Housekeeper (b) having care of taxpayer's children under 16 years of age .. .. .	130
Parent .. .. .	130
One child under 16 years of age .. .. .	78
Other children under 16 years of age .. .. .	52
Invalid relative(c) .. .. .	78
Child 16 to 21 years receiving full-time education (d) .. .. .	78

(a) These deductions are allowed only if the dependant or parent is a resident of Australia. If the dependant is maintained for part only of the year a partial deduction is allowed. (b) Of a widower or widow. (c) Child, step-child, brother or sister over 16 years of age. The amount of the deduction is reduced by any invalid pension received. (d) The amount of the deduction is reduced by the value of any assistance provided by the Commonwealth or a State.

When the dependant or person maintained derives separate income, the amount of the concessional deduction allowable is reduced as follows :—

In the case of a spouse or daughter-housekeeper, by £2 for every £1 by which the separate net income exceeds £65 ; for each parent maintained, by £1 for each £1 of separate income ; and for each dependent child or invalid relative, by £2 for every £1 by which the separate net income exceeds £52.

For the 1955-56 financial year, medical expenses paid by a taxpayer who is a resident, in respect of himself or dependants, including children under 21 years of age, up to £150 for each person, are allowed as a concessional deduction. Medical expenses include payments made to a legally qualified medical practitioner, nurse or chemist, or a hospital, in respect of an illness or operation, payments for dental services not exceeding £30 for any one person, payment for therapeutic treatment and eye tests, expenditure on medical or surgical appliances, artificial limbs or eyes, hearing aids and spectacles, and the remuneration of an attendant of a person who is blind or confined to bed or invalid chair.

Other concessional deductions allowed to resident taxpayers include (i) payments of life, etc., insurance premiums and contributions to superannuation, medical, hospital and similar funds and friendly societies, not exceeding an aggregate of £200, (ii) funeral expenses of a dependant not exceeding £30 and (iii) expenditure incurred for the full-time education of dependants who are less than 21 years of age (maximum £75 per dependant).

In addition to concessional deductions, all taxpayers (residents and non-residents) are allowed a deduction from income of rates and taxes on land which are annually assessed, gifts to charitable, benevolent or patriotic funds and one-third of amounts paid as calls to certain mining, forestry and oil-prospecting companies.

5. **Effective Exemptions from Tax.**—For the financial years 1950-51 to 1955-56 resident taxpayers without dependants were exempt from Income Tax and Social Services Contribution if their income did not exceed £104. The effect of the deductions for dependants was to exempt taxpayers up to the incomes shown hereunder.

#### RESIDENT TAXPAYERS : EFFECTIVE EXEMPTIONS FROM TAX.

( £. )

Taxpayer with—						Income Tax and Social Services Contribution— Financial Years 1950-51 to 1952-53.	Income Tax and Social Services Contribution— Financial Years 1953-54 to 1955-56.
No dependants	..	..	..	..	..	104	104
Wife	..	..	..	..	..	208	234
„ and one child	..	..	..	..	..	286	312
„ „ two children	..	..	..	..	..	338	364
„ „ three children	..	..	..	..	..	390	416
„ „ four children	..	..	..	..	..	442	468

For the 1955-56 financial year an aged person (i.e., a man who has attained the age of 65 years or a woman who has attained the age of 60 years) is exempt from Income Tax and Social Services Contribution if his net income (i.e., gross income less

expenses of earning that income) does not exceed £390. A married couple both of whom qualify by age for the concession, are exempt from tax if their combined net incomes do not exceed £780.

6. Rates of Income Tax and Social Services Contribution on Individuals.—The following table shows the rates of income tax and social services contribution for the financial years 1953-54 to 1955-56.

**INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—INDIVIDUALS: RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—1953-54 TO 1955-56.**

Total Taxable Income.		1953-54.		1954-55 and 1955-56.	
Column 1.	Column 2.	Tax and Contribution on Amount in Column 1.	Tax and Contribution on each £1 of Balance of Income.	Tax and Contribution on Amount in Column 1.	Tax and Contribution on each £1 of Balance of Income.
Exceeding—	Not Exceeding—				
£	£	£ s. d.	d.	£ s. d.	d.
Nil	100	Nil	1	Nil	1
100	150	0 8 4	4	0 8 4	3
150	200	1 5 0	9	1 0 10	7
200	250	3 2 6	13	2 10 0	11
250	300	5 16 8	17	4 15 10	15
300	400	9 7 6	22	7 18 4	20
400	500	18 10 10	28	16 5 0	26
500	600	30 4 2	33	27 1 8	30
600	700	43 19 2	38	39 11 8	34
700	800	59 15 10	42	53 15 0	38
800	900	77 5 10	46	69 11 8	42
900	1,000	96 9 2	50	87 1 8	46
1,000	1,200	117 5 10	56	106 5 0	52
1,200	1,400	163 19 2	64	149 11 8	59
1,400	1,600	217 5 10	71	198 15 0	65
1,600	1,800	276 9 2	78	252 18 4	71
1,800	2,000	341 9 2	85	312 1 8	77
2,000	2,400	412 5 10	93	376 5 0	85
2,400	2,800	567 5 10	100	517 18 4	92
2,800	3,200	733 19 2	107	671 5 0	99
3,200	3,600	912 5 10	114	836 5 0	105
3,600	4,000	1,102 5 10	121	1,011 5 0	111
4,000	4,400	1,303 19 2	128	1,196 5 0	117
4,400	5,000	1,517 5 10	136	1,391 5 0	124
5,000	6,000	1,857 5 10	144	1,701 5 0	132
6,000	8,000	2,457 5 10	151	2,251 5 0	139
8,000	10,000	3,715 12 6	158	3,409 11 8	145
10,000	16,000	5,032 5 10	165	4,617 18 4	152
16,000	upwards	9,157 5 10	168	8,417 18 4	160

For primary producers, the rate of Income Tax and Social Services Contribution for the current year is determined by the average of the taxable income for the five years up to and including the current year. A taxpayer may elect not to have these averaging provisions applied to his assessment, but the election once made, is irrevocable. The application of the averaging provisions is limited to that part of the taxable income which does not exceed £4,000, and when the taxable income exceeds £4,000, the balance is taxed at ordinary rates. When the taxable income is less than £4,000, the rate of tax for averaging purposes is limited to the rate on a taxable income of £4,000.

Commencing with 1953-54, the taxable income, including any abnormal receipts, of actors, artists, composers and inventors, is taxed at the rate appropriate to the normal taxable income plus one-third of the abnormal receipts.

Interest on Commonwealth Loans issued prior to 1st January, 1940 is subject to the condition that it shall not be taxed at rates higher than those for 1930-31. Interest on Commonwealth Loans issued after 1st January, 1940 and interest on certain State semi-governmental loans issued free of State income tax receive a rebate of 2s. in the £1.

The minimum amount of Income Tax and Social Services Contribution payable is 10s. and the amounts payable and rebates are calculated to the nearest shilling.

7. **The Income Tax (International Agreements) Act 1953.**—This Act provided for relief from double taxation of incomes flowing between Australia and the United States of America. It also provided similar relief in respect of the United Kingdom, which had been covered by the Income Tax Assessment Act since 1947.

8. **Taxes on Specified Incomes.**—The following table shows the Income Tax and Social Services Contribution payable by taxpayers, with various incomes and numbers of dependants, on income derived in each year from 1950-51 to 1955-56 :—

### COMMONWEALTH TAXES ON INCOME.

(£.)

Income.	Income Tax and Social Services Contribution.				
	1950-51 Financial Year.	1951-52 Financial Year.	1952-53 Financial Year.	1953-54 Financial Year.	1954-55 and 1955-56 Financial Years.
<b>INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH NO DEPENDANTS.</b>					
150 .. .. .	1.65	1.80	1.65	1.25	1.05
200 .. .. .	3.95	4.35	3.95	3.10	2.50
250 .. .. .	7.30	8.05	7.30	5.85	4.80
300 .. .. .	11.65	12.80	11.65	9.35	7.90
350 .. .. .	17.10	18.80	17.10	13.95	12.10
400 .. .. .	22.50	24.75	22.50	18.55	16.25
500 .. .. .	35.85	39.45	35.85	30.20	27.10
600 .. .. .	51.65	56.80	51.65	43.95	39.60
800 .. .. .	90.00	99.00	90.00	77.30	69.60
1,000 .. .. .	135.00	148.50	135.00	117.30	106.25
1,500 .. .. .	281.65	309.80	281.65	246.85	225.85
2,000 .. .. .	468.35	515.20	468.35	412.30	376.25
3,000 .. .. .	928.35	1,021.20	928.35	823.10	753.75
5,000 .. .. .	2,088.35	2,297.20	2,088.35	1,857.30	1,701.25
<b>INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE.</b>					
150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	1.55	1.70	1.55	0.75	0.65
300 .. .. .	3.75	4.10	3.75	2.00	1.60
350 .. .. .	7.00	7.70	7.00	4.20	3.60
400 .. .. .	11.30	12.45	11.30	7.25	6.05
500 .. .. .	22.05	24.25	22.05	15.80	13.75
600 .. .. .	35.30	38.85	35.30	26.70	23.85
800 .. .. .	69.25	76.15	69.25	55.05	49.50
1,000 .. .. .	110.80	121.90	110.80	90.70	81.85
1,500 .. .. .	247.15	271.85	247.15	209.30	191.35
2,000 .. .. .	426.75	469.40	426.75	366.25	334.55
3,000 .. .. .	876.35	964.00	876.35	765.15	700.10
5,000 .. .. .	2,022.45	2,224.70	2,022.45	1,783.60	1,634.10

COMMONWEALTH TAXES ON INCOME—*continued.*  
(£.)

Income.	Income Tax and Social Services Contribution.				
	1950-51 Financial Year.	1951-52 Financial Year.	1952-53 Financial Year.	1953-54 Financial Year.	1954-55 and 1955-56 Financial Years.
<b>INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD.</b>					
150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	..	..	..	..	..
300 .. .. .	0.85	0.95	0.85	..	..
350 .. .. .	2.50	2.75	2.50	1.10	0.95
400 .. .. .	5.15	5.65	5.15	2.80	2.25
500 .. .. .	13.60	14.95	13.60	8.80	7.40
600 .. .. .	24.90	27.40	24.90	17.80	15.60
800 .. .. .	54.95	60.45	54.95	42.85	38.60
1,000 .. .. .	93.90	103.30	93.90	75.90	68.30
1,500 .. .. .	223.75	246.10	223.75	188.50	172.20
2,000 .. .. .	395.55	435.10	395.55	338.85	309.70
3,000 .. .. .	837.35	921.10	837.35	730.60	668.20
5,000 .. .. .	1,973.05	2,170.35	1,973.05	1,739.40	1,593.80

**INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN.**

150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	..	..	..	..	..
300 .. .. .	..	..	..	..	..
350 .. .. .	0.80	0.90	0.80	..	..
400 .. .. .	2.40	2.65	2.40	1.10	0.90
500 .. .. .	8.70	9.55	8.70	5.30	4.35
600 .. .. .	18.80	20.70	18.80	13.05	11.25
800 .. .. .	46.30	50.90	46.30	35.70	32.10
1,000 .. .. .	83.20	91.50	83.20	66.80	60.10
1,500 .. .. .	208.15	228.90	208.15	174.60	159.40
2,000 .. .. .	375.85	413.45	375.85	321.95	294.35
3,000 .. .. .	812.45	893.70	812.45	708.95	648.25
5,000 .. .. .	1,940.15	2,134.15	1,940.15	1,709.95	1,566.90

**INCOME FROM PROPERTY.—TAXPAYER WITH NO DEPENDANTS.**

150 .. .. .	1.65	1.80	1.65	1.25	1.05
200 .. .. .	3.95	4.35	3.95	3.10	2.50
250 .. .. .	7.30	8.05	7.30	5.85	4.80
300 .. .. .	11.65	12.80	11.65	9.35	7.90
350 .. .. .	17.10	18.80	17.10	13.95	12.10
400 .. .. .	22.50	24.75	22.50	18.55	16.25
500 .. .. .	40.85	44.95	40.85	30.20	27.10
600 .. .. .	61.65	67.80	61.65	43.95	39.60
800 .. .. .	110.00	121.00	110.00	77.30	69.60
1,000 .. .. .	165.00	181.50	165.00	117.30	106.25
1,500 .. .. .	345.00	379.50	345.00	246.85	225.85
2,000 .. .. .	565.00	621.50	565.00	412.30	376.25
3,000 .. .. .	1,091.70	1,200.85	1,091.70	823.10	753.75
5,000 .. .. .	2,351.70	2,586.85	2,351.70	1,857.30	1,701.25

9. *Pay-as-you-earn.*—Individual taxpayers pay tax on a pay-as-you-earn basis. A similar scheme does not operate for companies.

(a) *Salary and Wage Earners.* Salary and wage earners are subject to instalment deductions for payment of tax at current rates out of weekly (or fortnightly) earnings. Employers are required to deduct tax and contribution from each payment of wages and salary to an employee at the appropriate rate in accordance with a prescribed instalment scale. This scale shows the amount to be deducted according to the income and number of dependants of the employee.

Under the group scheme of deduction, which covers most employers of more than ten persons, the amount deducted is remitted to the Taxation Department, and after 30th June each year each employee is given a group certificate by his employer showing the amount of deductions made during the year. This certificate is forwarded to the Taxation Department with the employee's return of income for the year. If the tax assessed on the basis of this return is less than the amount shown on the group certificate a refund is forwarded to the employee with his assessment. If the tax assessed is greater than the amount shown on the group certificate the employee is required to pay the balance.

Under the stamp scheme, used by small employers, a stamp deduction sheet in two parts is used. Each four weeks the employer purchases stamps (also in two parts) for the amount of the deductions made each pay day and sticks one part on each half of the sheet. At the end of the year the employer gives the employee one half of the sheet and sends the other half to the Taxation Department. The employee's half is then used in the same way as a group certificate.

(b) *Taxpayers with Income other than Salary and Wages.* These taxpayers pay provisional tax in respect of income other than salary and wages. Collection of tax and contribution for the current year is made at the same time as collection and assessment for the previous year is adjusted. The notice of assessment shows an amount of provisional tax and contribution for the current year. This provisional amount is an approximation to the tax and contribution which will be payable after the return of income for the current year has been lodged. It is ascertained by assuming that the income of the current year will be the same as that for the previous year (for which a return has already been lodged) but the rates for the current year are applied to the income and not the rates for the year in which it was derived. The assessment notice shows the provisional tax and contribution paid in the previous year as a credit against the tax and contribution assessed on the basis of the return for that year. On receipt of his assessment the taxpayer may elect to substitute his estimate of income for the current year and pay tax on the basis of this estimate. To protect the revenue, a penalty is imposed if the taxpayer elects to pay provisional tax on an estimate of income more than 20 per cent. lower than the income of the previous year and he underestimates his income by more than 20 per cent.

Employees with income of £100 or more from sources other than salaries and wages are required to pay provisional tax in respect of that income.

10. *Lodgment of Returns and Assessment of Tax.*—All persons with assessable income in excess of £104 are required to lodge returns by the 31st July each year (31st August for business incomes). Income Tax and Social Services Contribution payable is assessed, and assessment notices showing the amount payable are issued during the year following the year of income (in most cases from September to June following the lodgment of the return). The approximate amount payable, however, has already been collected during the income year—from employees by deductions from wages and from non-employees by a provisional tax. The amount shown on the assessment notice is therefore adjusted against the amount already collected and any difference either collected or refunded.

11. *Company Income Taxes.*—(i) *General.* For taxation purposes, companies are divided into two main groups—public and private. A private company is defined as a company in which all the issued shares are held by not more than twenty persons or which is capable of being controlled by not more than seven persons, and which is not a company in which the public is substantially interested or a subsidiary of a public



company. All other companies are regarded as public companies. Both public and private companies pay primary Income Tax and Social Services Contribution assessed on a taxable income ascertained by the same principles as for individuals.

Dividends received are assessable income, but resident companies receive a rebate at the average rate on the amount of dividends included in the taxable income. This rebate is not allowed to non-resident companies.

(ii) *Rates of Tax.* The rates of Primary Tax, in the case of public companies, and Primary and Additional Tax for private companies, for the financial years 1953-54 to 1955-56, are shown in the table below.

Super Tax and Undistributed Income Tax ceased to be levied on public companies in the 1951-52 financial year and Additional Income Tax and Social Services Contribution ceased in the 1953-54 financial year. For details see Official Year Book No. 39, p. 846 and No. 40, p. 743.

### RATES OF TAX : COMPANIES, 1953-54 TO 1955-56 FINANCIAL YEARS.

(Pence per £.)

Type of Company.	Rate of Tax—		
	On Taxable Income.		Undistributed Amount—Additional Tax.
	Up to £5,000.	On Remainder of Taxable Income.	
Private .. .. .	48	72	120
Co-operative and Non-profit(a) .. .. .	60	84	..
Life Assurance—			
Mutual .. .. .	48	72	..
Other—			
(1) Mutual Income .. .. .	48	72	..
(2) Other Income(b) .. .. .	(c) 72	84	..
Other .. .. .	(c) 72	84	..
Interest paid to a Non-resident(d) .. .. .	84	84	..

(a) Non-profit companies with taxable incomes not exceeding £104 are exempted from tax and if the taxable income does not exceed £208 the tax may not exceed one-half of the amount by which the taxable income exceeds £104. (b) The rate of 72d. is levied on the amount by which the £5,000 exceeds the mutual income. (c) For non-resident companies dividends included in this part of taxable income are taxed at 60d. per £1. (A resident company is allowed a rebate of tax in respect of dividends received.) (d) If the non-resident is not a company, tax is paid only on income in excess of £104.

A private company incurs liability for additional tax on its undistributed income if it fails to make a sufficient distribution of income within a specified period after the close of the year of income. The tax is levied on the undistributed amount which, for practical purposes, is the taxable income less—

- (a) Primary income tax and social services contribution payable;
- (b) Retention allowance (i.e., the proportion of the reduced distributable income which a company may retain without incurring liability for undistributed income tax); and
- (c) Certain dividends paid by the company.

For the financial years 1953-54 to 1955-56 the retention allowance is the following proportion of the reduced distributable income :—

On first £1,000 or part, 50 per cent.

On next £1,000 or part, 40 per cent.

On next £1,000 or part, 35 per cent.

On next £1,000 or part, 30 per cent.

On balance, 25 per cent., and

Ten per cent. of distributable income from property, except dividends from other private companies.

For the financial years 1953-54 to 1955-56, the reduced distributable income is calculated by deducting from the taxable income the primary tax payable and the amount of all property income included in taxable income. The additional tax imposed on undistributed income was imposed at a flat rate of 10s. in the £1 on the undistributed amount.

12. Yield of Income Taxes.—(i) *Collections from Income Taxes.* The following table shows the collections of taxes imposed on income for the years 1938-39 and 1949-50 to 1953-54 :—

### INCOME TAX COLLECTIONS.

(£'000.)

Year.	Total.		
	Common-wealth.	State.	Total.
1938-39 .. .. .	11,883	29,796	41,679
1949-50 .. .. .	279,654	267	279,921
1950-51 .. .. .	341,957	291	342,248
1951-52 .. .. .	545,179	155	545,334
1952-53 .. .. .	556,960	132	557,092
1953-54 .. .. .	528,420	92	528,512

(ii) *Commonwealth Income Tax Assessed.* The amounts of Commonwealth taxes assessed on the income of recent years are shown in the following table. The amounts are shown under the year in which most of the assessments were made, i.e., the year following the income year. Income taxes assessed on income for past years and for the years shown, after the close of the normal assessing period, are not included.

### COMMONWEALTH INCOME TAXES ASSESSED.

(£'000.)

Tax.	1939-40.	1949-50.	1950-51.	1951-52.(a)	1952-53.	1953-54.
Individuals—						
Income Tax .. ..	7,423	692,614	80,712	} 332,956	340,175	351,147
Social Services Contribution ..	..	692,672	92,588			
Companies—						
Income Tax .. ..	8,041	63,467	74,770	156,163	151,246	119,348
Super Tax .. ..	..	5,943	7,040	..	..	..
Undistributed Income Taxes(c)						
Private Companies ..	688	7,098	8,253	11,219	5,824	4,266
Non-Private Companies ..	..	4,308	4,847	..	..	..
Total .. ..	16,152	266,102	268,210	500,338	497,245	474,761

(a) Income Tax and Social Services Contribution were consolidated in 1951-52. assessments issued to 30th June, 1953.

(c) Approximate.

(b) Includes

(iii) *Commonwealth Income Tax and Social Services Contribution, 1953-54 Assessment Year.* The following table shows, for the 1953-54 assessment year, particulars for individual taxpayers, income, and tax assessed, according to grade of actual income and State, etc., of assessment.

**COMMONWEALTH INCOME TAX AND SOCIAL SERVICES CONTRIBUTION: 1953-54 ASSESSMENT(a)—NUMBER OF TAXPAYERS, TAXABLE INCOME AND NET INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSED—INDIVIDUALS.**

(Incomes derived in year 1952-53.)

Grade of Actual Income(b) and State or Territory of Assessment.		Number of Taxpayers.			Actual Income.	Taxable Income.				Net Income Tax and Social Services Contribution As- sessed.
						Personal Exertion.		Pro- perty.	Total.	
		Males.	Fe- males.	Total.	Total.	Salary and Wages.	Total.			
£	£	No.	No.	No.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
105- 200 ..	64,516	107,026	171,542	26,629	21,165	23,590	2,045	25,635	333	
201- 300 ..	100,549	135,636	236,185	59,536	45,582	51,566	3,840	55,406	1,545	
301- 400 ..	123,166	144,432	267,595	93,910	70,545	80,672	4,793	85,465	3,790	
401- 500 ..	138,983	170,528	309,511	140,126	105,559	120,113	4,863	124,976	7,403	
501- 600 ..	173,049	165,450	338,499	185,833	138,419	157,461	4,896	162,357	11,574	
601- 700 ..	310,334	75,976	386,310	252,814	181,375	203,524	4,761	208,285	16,830	
701- 800 ..	476,546	36,162	512,708	384,575	278,155	301,525	4,876	306,401	27,291	
801- 900 ..	369,478	17,671	387,149	327,948	229,018	252,755	4,647	257,402	25,140	
901- 1,000 ..	237,985	10,614	248,599	235,311	157,152	179,634	4,259	183,893	19,636	
1,001- 1,250 ..	276,770	13,889	290,659	320,242	190,760	241,931	8,771	250,702	30,365	
1,251- 1,500 ..	99,074	7,287	106,361	144,498	65,806	109,398	6,993	116,391	16,915	
1,501- 2,000 ..	78,282	8,283	86,565	148,087	43,052	113,755	10,401	124,156	22,042	
2,001- 3,000 ..	58,446	7,419	65,865	159,143	24,559	125,601	13,871	139,472	32,713	
3,001- 4,000 ..	24,609	3,113	27,722	95,314	10,327	76,790	9,176	85,966	25,628	
4,001- 5,000 ..	12,437	1,440	13,877	61,738	6,247	49,829	6,570	56,399	19,983	
5,001-10,000 ..	15,393	2,134	17,527	115,555	10,209	92,292	14,730	107,022	49,956	
10,001-15,000 ..	2,225	399	2,624	31,250	2,222	24,086	4,980	29,066	17,022	
15,001 and over ..	1,311	254	1,565	37,103	1,784	26,190	6,737	32,927	21,889	
<hr/>										
Total Residents ..		2,563,153	907,713	3,470,866	2,819,612	1,581,936	2,230,712	121,209	2,351,921	350,053
<hr/>										
Central Office ..	7,861	4,785	12,646	37,310	4,833	23,020	10,694	33,714	15,168	
New South Wales ..	955,206	351,355	1,306,561	1,064,893	628,420	845,982	41,364	887,346	128,890	
Victoria ..	721,304	281,643	1,002,947	790,846	461,341	626,383	36,745	663,128	92,400	
Queensland ..	359,883	108,841	468,724	363,585	186,902	285,852	10,702	296,554	43,208	
South Australia ..	238,707	76,737	315,444	271,120	138,159	217,563	11,586	229,149	35,583	
Western Australia ..	180,457	54,206	234,663	193,201	101,671	154,028	6,705	160,733	24,582	
Tasmania ..	84,646	25,699	110,345	81,428	48,881	64,029	2,928	66,957	8,113	
Northern Territory ..	4,271	963	5,234	4,549	3,043	3,566	49	3,615	445	
Aust. Cap. Terr. ..	10,818	3,484	14,302	12,680	8,686	10,289	376	10,665	1,666	
<hr/>										
Total Residents ..		2,563,153	907,713	3,470,866	2,819,612	1,581,936	2,230,712	121,209	2,351,921	350,053
Total Non-residents		2,012	2,044	4,056	4,215	154	838	3,072	3,910	1,092
<hr/>										
Grand Total ..		2,565,165	909,757	3,474,922	2,823,827	1,582,090	2,231,550	124,281	2,355,831	351,147

(a) Assessment in respect of 1952-53 income issued to 30th September, 1954. Assessments issued after that date have been excluded. (b) Actual income is the total income (less any expenses of earning the income) and includes any exempt income and any concessional deductions or expenses of a capital nature which are allowed as a deduction for the purpose of assessing taxable income.

(iv) *Commonwealth Income Tax on Residents—Grades of Income.* Individual income taxes assessed on residents are distributed according to grades of actual income in the following table. The year shown in each case refers to the year in which assessment was made, i.e., the year following the income year. The figures relate only to assessments made on the income of the previous year during the normal assessing period. Assessments issued after the normal assessing period are excluded.

COMMONWEALTH INCOME TAXES ON RESIDENT INDIVIDUALS IN GRADES  
OF ACTUAL INCOME.

Grade of Actual Income.(b)	1939-40.		1950-51.(a)		1951-52.(a)		1952-53.(a)		1953-54.(a)	
	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.
£        £		£'000.		£'000.		£'000.		£'000.		£'000.
105- 200	..	..	345,054	1,081	266,134	517	200,711	434	171,542	333
201- 300	(c) 47,732	27	455,284	3,655	351,062	2,282	270,729	1,985	236,185	1,545
301- 400	104,210	126	459,219	6,419	412,396	5,778	307,080	4,866	267,598	3,790
401- 500	68,168	182	613,437	12,176	440,555	9,176	363,271	9,569	309,511	7,403
501- 600	38,939	197	475,486	13,298	553,803	15,008	371,461	13,356	338,499	11,574
601- 700	} d 29,912	294	248,498	9,770	427,288	15,406	486,388	22,031	386,310	16,830
701- 800			130,579	6,935	262,954	12,398	434,711	24,955	512,708	27,291
801- 900	} e 23,070	460	72,272	5,012	145,231	8,721	306,206	21,846	387,149	25,140
901- 1,000			45,399	3,960	83,028	6,340	196,872	17,093	248,599	19,636
1,001- 1,250	10,922	372	62,573	7,511	101,209	10,921	214,482	25,203	290,659	30,365
1,251- 1,500	6,281	306	33,790	5,982	48,123	7,823	80,306	14,657	106,361	16,915
1,501- 2,000	7,987	691	38,430	10,390	49,840	12,618	72,535	21,019	86,565	22,042
2,001- 3,000	4,549	686	34,940	17,176	47,681	22,152	56,460	31,511	65,865	32,713
3,001- 4,000	2,045	615	14,277	12,393	24,374	19,662	23,868	24,598	27,722	25,628
4,001- 5,000	984	484	6,981	9,134	14,102	17,761	12,018	19,168	13,877	19,983
5,001-10,000	1,298	1,321	9,494	22,991	23,366	66,729	15,086	47,391	17,527	49,956
10,001-15,000	205	504	1,752	9,461	4,917	33,056	2,354	17,027	2,624	17,022
15,001-30,000	(f) 92	393	954	10,060	3,124	38,841	1,091	14,357	1,302	15,094
30,001-50,000	(g) 39	316	155	3,385	612	15,235	164	4,196	200	4,383
50,001 and over	8	141	39	1,773	216	11,263	68	3,686	63	2,412
Total ..	346,441	7,115	3,048,613	172,592	3,260,015	331,707	3,415,861	338,930	3,470,866	350,555

(a) Includes Social Services Contribution. (b) See note (b) to previous table. (c) Grade £251-£300.  
 (d) Grade £601-£750. (e) Grade £751-£1,000. (f) Grade £15,001-£25,000. (g) Grade £25,001-£50,000.