

CHAPTER 19

PUBLIC FINANCE

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' securities 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 such securities. In view of this it is convenient to deal with the Commonwealth and State Government securities on issue in a separate division of this chapter (page 781). The subject of income taxes is also dealt with in a separate division at the end of this chapter (page 797).

For further detailed information on the subjects covered by this chapter see the annual bulletins published by this Bureau: *Australian National Accounts*, *National Income and Expenditure*; *Commonwealth Finance*; *State, Territory and Local Government Authorities' Finance and Government Securities*; and *Commonwealth Taxation Assessments*. Current information in summarised form is contained in the *Quarterly Summary of Australian Statistics*, the *Monthly Review of Business Statistics*, and the *Digest of Current Economic Statistics*. A mimeographed statement *Commonwealth, State and Territory Taxation Collections* is issued annually as soon as possible after the relevant information has been assembled.

COMMONWEALTH FINANCE

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 16–19 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 from the States to the Commonwealth of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments. Sections 87 and 96 deal with the financial relations between the Commonwealth and the States. These matters have been treated in previous issues of the Year Book, and on pages 737–46 of this issue a summary is given of the present provisions for Commonwealth financial assistance to the States.

The *Audit Act* 1901–1966 lays down the procedure which must be followed in accounting for the receipt and disbursement of public funds. The general administration of Commonwealth finances is the responsibility of the Treasurer of the Commonwealth.

Commonwealth Public Account

Nature of account

The Commonwealth Public Account includes the Consolidated Revenue Fund, the Trust Fund and the Loan Fund. Ordinary revenues from taxation and other sources are paid into the Consolidated Revenue Fund, from which the main expenditures are for defence, war and repatriation services, social services, payments to the States, Commonwealth business undertakings (mostly postal, telephone and telegraph), and administration. The Trust Fund covers special transactions outside the ordinary operations of departmental expenditures, such as pension funds and moneys held for expenditure by the Commonwealth at some future time. The Loan Fund receives its funds from the sale of Commonwealth securities, and expenditures from the Fund are made in accordance with the purpose of issue of each loan. The main disbursements from the Loan Fund are to the States, either by way of distribution of the proceeds of loans raised by the Commonwealth on their behalf or in accordance with the provisions of the Commonwealth and State Housing Agreements, and the remaining disbursements are for Commonwealth purposes such as defence or war service land settlement.

Summary of receipts and expenditure

A summary of transactions on the Commonwealth Public Account for 1966-67 and the four preceding years is given in the table which follows. The transactions are recorded on a cash basis.

COMMONWEALTH PUBLIC ACCOUNT: SUMMARY OF TRANSACTIONS
1962-63 TO 1966-67
(\$ million)

	1962-63	1963-64	1964-65	1965-66	1966-67
Expenditure(a)(b)	3,987.7	4,389.1	4,784.6	5,379.7	5,922.5
Receipts(b)	3,565.3	3,993.3	4,627.9	5,128.6	5,387.8
<i>Excess of expenditure over receipts— borrowing requirement.</i>	422.4	395.8	156.8	251.1	534.6
Borrowings—					
Overseas loan proceeds(c)	139.3	73.3	43.1	37.6	52.8
Less redemptions, etc.	38.5	47.3	80.1	77.4	134.7
Net proceeds	100.9	26.0	-37.0	-39.8	-81.9
Australian loan proceeds(d)	518.7	578.4	501.7	546.2	646.3
Less redemptions, etc.	165.1	153.4	270.2	254.5	258.5
Net proceeds	353.6	425.1	231.5	291.6	387.8
Total net loan proceeds	454.5	451.1	194.5	251.8	305.9
Credit arrangements for defence purchases in the United States of America . . . . .	..	..	..	..	90.6
Less repayments . . . . .	..	..	..	..	..
Net credit arrangements, etc.; U.S.A. . . . .	..	..	..	..	90.6
Residual financing—					
Borrowings from Reserve Bank	-170.0	-68.0	+38.0	-36.0	+165.0
Treasury Notes (Issue +, Redemption -)	+139.0	+13.6	-72.1	+35.7	-25.9
Cash balances (Increase -, Decrease +)	-1.1	-0.9	-3.6	-0.4	-0.9
Total residual financing	-32.1	-55.3	-37.7	-0.7	+138.2
<i>Total borrowings.</i>	422.4	395.8	156.8	251.1	534.6

(a) Excludes payments to Loan Consolidation and Investment Reserve: 1962-63, \$52.8 million; 1963-64, \$29.8 million; 1964-65, \$222.7 million; 1965-66, \$210.5 million; and 1966-67, \$227.7 million. (b) Comparisons between these figures are affected by accounting changes. (c) Overseas refinancing operations are treated as adding to both loan proceeds and redemptions where they involve receipts into and expenditures from Loan Fund. (d) Excludes State domestic raisings and loans raised on behalf of Qantas Empire Airways and Australian National Airlines Commission.

Minus sign (-) denotes decrease.

All Commonwealth funds: summary of receipts and expenditure

The following table represents a reclassification of Commonwealth Government receipts and expenditure in a national accounts form. It includes the Commonwealth Government components (with slight re-arrangement) of Tables 57 and 60 in *Australian National Accounts, National Income and Expenditure 1953-54 to 1966-67*. Advances to semi-governmental business undertakings are included in 'Other advances', but grants to other semi-governmental bodies (National Capital Development Commission, Australian National University, Stevedoring Industry Authority, etc.) are classified according to the final expenditure of the authority concerned.

ALL COMMONWEALTH FUNDS: RECEIPTS AND EXPENDITURE, 1962-63 TO 1966-67
(\$ million)

	1962-63	1963-64	1964-65	1965-66	1966-67
EXPENDITURE					
Current expenditure on goods and services	753	841	1,003	1,236	1,421
Capital expenditure on new assets and stocks	209	224	280	312	354
Purchases of existing assets	4	4	4	5	5
Subsidies	71	101	86	127	146
Interest	66	75	81	74	46
Cash benefits to persons	937	1,029	1,080	1,156	1,246
Grants towards private capital expenditure	9	9	26	47	45
Overseas grants and contributions	73	86	106	128	150
Grants to States	852	895	958	1,076	1,183
Advances to States	130	136	142	173	166
Other advances	161	192	209	159	216
Total expenditure	3,264	3,592	3,974	4,492	4,978
RECEIPTS					
Taxation	2,882	3,220	3,788	4,188	4,455
Interest, rent and dividends	90	92	103	116	99
Net revenue and business undertakings	111	123	147	153	150
Fees and charges for goods and services	40	52	55	63	64
Sales of existing assets	8	12	17	13	8
Repayments of advances to States	21	21	22	28	30
Repayments of other advances	32	34	37	36	40
Other net receipts ^(a)	80	38	-196	-106	132
Total receipts	3,264	3,592	3,974	4,492	4,978

(a) Includes borrowing on treasury bills and Commonwealth bonds and net decrease in cash balances.

Minus sign (-) denotes decrease.

All Commonwealth funds: expenditure, economic type and function

In the following two tables particulars of expenditure for 1966-67 shown in the previous table have been reclassified to a 'net' basis by taking account of the relevant items shown as receipts in that table, e.g. fees and charges for goods and services, sales of existing assets, etc., and the resulting totals have been classified by economic type and by function.

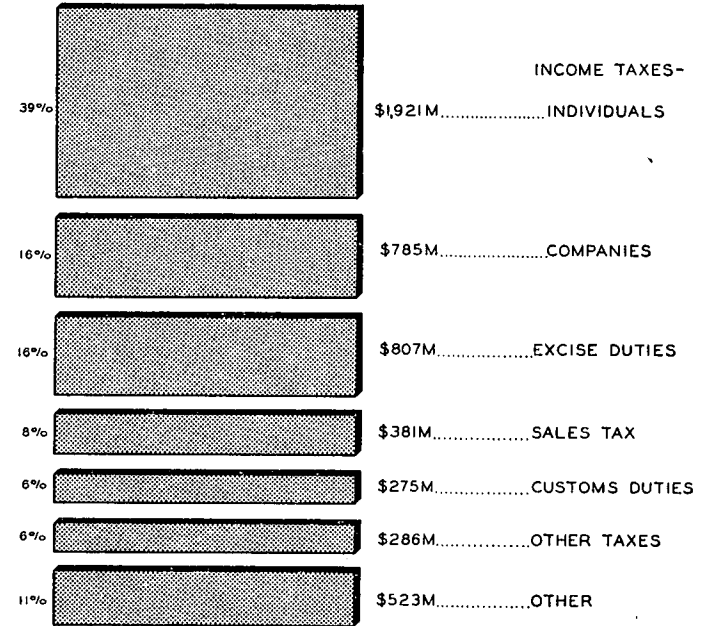
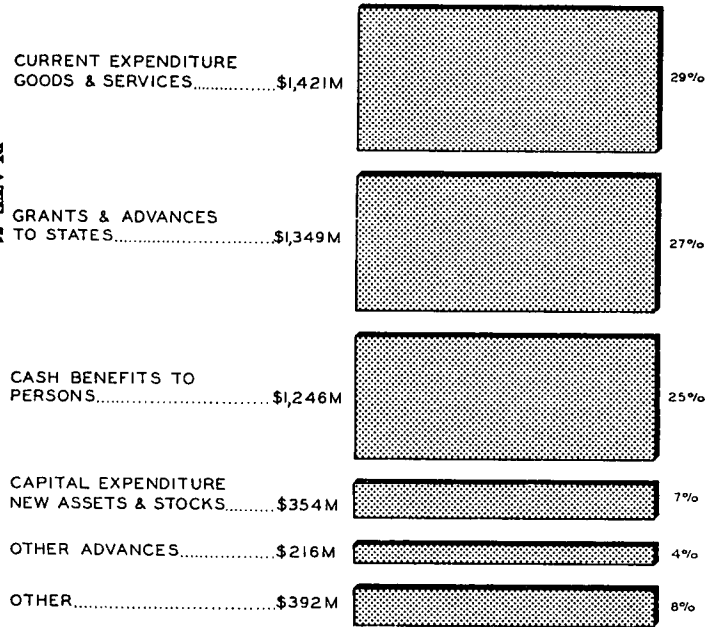
ALL COMMONWEALTH FUNDS

1966-67

EXPENDITURE

RECEIPTS

PLATE 51



TOTAL EXPENDITURE: \$4,978 MILLION

TOTAL RECEIPTS: \$4,978 MILLION

ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY ECONOMIC TYPE AND FUNCTION, 1966-67

(\$ million)

NET CURRENT EXPENDITURE

	<i>Expen- diture on goods and services</i>	<i>Cash benefits</i>	<i>Sub- sidies</i>	<i>Over- seas grants</i>	<i>Grants to States</i>	<i>Interest</i>	<i>Grants towards private capital expen- diture</i>	<i>Total</i>
Law, order and public safety	9	..	..	..	..	..	..	9
Education	24	27	..	..	39	..	..	91
Cultural and recrea- tional facilities	7	..	..	1	..	..	..	7
Public health	24	247	..	1	..	..	..	272
Welfare	17	770	..	..	..	..	10	797
War and defence	840	..	..	37	..	..	..	878
Repatriation	68	193	..	..	..	..	6	267
Development of re- sources and assistance to industry	115	..	121	2	26	..	..	263
Transport and com- munication	30	..	2	5	..	..	..	37
Legislature and general administration	140	..	..	1	..	..	..	142
External affairs	19	..	..	32	..	..	..	51
Immigration	35	5	..	1	..	..	..	41
Regulation of trade and industry	9	4	22	..	..	..	..	35
Housing	4	..	..	..	..	..	12	16
Other	3	..	..	70	..	..	16	90
Not allocated to function	12	..	..	..	901	..	..	912
Total net current expenditure	1,357	1,246	146	150	966	..	45	3,909

NET CAPITAL EXPENDITURE

	<i>Expenditure on new assets and stocks</i>	<i>Net purchases of existing assets</i>	<i>Grants to States</i>	<i>Net advances to States</i>	<i>Other net advances</i>	<i>Total</i>
Education	11	..	40	..	..	51
Cultural and recrea- tional facilities	9	..	..	..	2	11
Public health	2	..	6	..	..	8
War and defence . . . . .	..	2	..	..	32	34
Development of re- sources and assistance to industry	21	..	3	6	..	30
Transport and communi- cation—						
Post office	205	1	..	..	..	206
Civil aviation	29	..	..	..	19	48
Roads	14	..	155	2	..	172
Other	13	..	12	11	3	39
Power, fuel and light . . . . .	..	..	..	..	47	47
Housing	14	-8	..	117	36	158
Other	32	1	2	1	4	39
Not allocated to function	5	..	..	-1	33	37
Total net capital outlay	354	-3	218	136	176	880

The following table shows net expenditure from all Commonwealth funds for the years 1962-63 to 1966-67, classified according to function.

ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY FUNCTION
1962-63 TO 1966-67

(\$ million)

	1962-63	1963-64	1964-65	1965-66	1966-67
NET CURRENT EXPENDITURE					
Law, order and public safety	4	5	6	7	9
Education	40	46	64	75	91
Cultural and recreational facilities	3	4	5	5	7
Public health	188	202	220	250	272
Welfare	603	665	696	721	797
War and defence	421	451	551	748	878
Repatriation	216	235	240	268	267
Development of resources and assistance to industry	126	162	166	217	263
Transport and communication	30	33	37	40	37
Legislature and general administration	74	88	102	116	142
External affairs	27	31	41	46	51
Immigration	24	29	36	38	41
Regulation of trade and industry	14	16	18	28	35
Housing	3	3	15	18	16
Other	46	60	69	89	90
Not allocated to function	720	760	781	855	912
Total net current expenditure	2,539	2,790	3,047	3,521	3,909
NET CAPITAL EXPENDITURE					
Education	19	21	42	43	51
Cultural and recreational facilities	12	9	12	11	11
Public health	6	5	7	9	8
War and defence	-3	45	17	-38	34
Development of resources and assistance to industry	7	12	18	28	30
Transport and communication—					
Post office	123	128	165	185	206
Civil aviation	4	3	42	42	48
Roads	122	131	147	162	172
Other	34	35	31	43	39
Power, fuel and light	45	48	45	42	47
Housing	155	146	154	165	158
Other	2	28	19	27	39
Not allocated to function	51	19	39	52	37
Total net capital expenditure	577	631	738	771	880

This table classifies by function the expenditure on goods and services (reclassified to a net basis) shown in the table on page 731.

ALL COMMONWEALTH FUNDS: NET EXPENDITURE ON GOODS AND SERVICES
BY FUNCTION(a), 1962-63 TO 1966-67
(\$ million)

	1962-63	1963-64	1964-65	1965-66	1966-67
NET CURRENT EXPENDITURE					
Law, order and public safety	5	5	6	7	9
Education	12	15	19	21	24
Cultural and recreational facilities	3	4	5	5	7
Public health	15	14	16	20	24
Welfare	13	14	15	14	17
War and defence	413	447	540	722	840
Repatriation	49	53	56	62	68
Development of resources and assistance to industry	65	74	95	106	115
Transport and communication	21	24	27	25	30
Legislature and general administration	73	84	100	114	140
External affairs	10	14	15	17	19
Immigration	21	26	33	33	35
Regulation of trade and industry	7	8	9	9	9
Housing	3	3	4	4	4
Other	1	1	4	3	3
Not allocated to function	3	2	5	10	12
Total net current expenditure	713	789	948	1,173	1,357

NET CAPITAL EXPENDITURE—NEW ASSETS AND STOCKS

Education	6	8	9	9	11
Cultural and recreational facilities	12	9	12	10	9
Public health	2	3	3	3	2
Development of resources and assistance to industry	7	8	13	12	21
Transport and communication—					
Post office	122	128	164	184	205
Civil aviation	8	11	16	22	29
Roads	10	9	9	14	14
Other	6	9	8	12	13
Housing	11	9	11	15	14
Other	13	20	21	22	32
Not allocated to function	12	9	14	10	5
Total net capital expenditure	209	224	280	312	354

(a) This table includes the Commonwealth Government component of Tables 66 and 75 in *Australian National Accounts, National Income and Expenditure 1953-54 to 1966-67* together with net expenditure on stocks.

Main components of Commonwealth expenditure

The tables on pages 734-44 supply details of some of the main components of total expenditure of the Commonwealth Government.

Subsidies

The following table shows details of Commonwealth expenditure from all funds on assistance to primary producers, subsidies and bounties for the years 1962-63 to 1966-67. Expenditure on special relief such as drought, frost, flood, and bush fire, etc., is not included here (included as cash benefits to persons in tables, pages 735-6) 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 stabilisation schemes or for distribution to producers (*see* pages 759-60). Payments to the States for cattle tick control, dairy industry extension and agricultural advisory services are not included under this heading, but included under the heading Grants to the States (*see* pages 737-41). Further information relating to assistance to primary producers is given in the chapter Rural Industry. Details of price stabilisation subsidies and of various forms of assistance to primary producers for earlier years are given on pages 414 and 1014-15, respectively, of Year Book No. 38.

ALL COMMONWEALTH FUNDS: EXPENDITURE ON SUBSIDIES, 1962-63 TO 1966-67 (\$'000)

Type of subsidy	1962-63	1963-64	1964-65	1965-66	1966-67
Development of resources and assistance to industry—					
Dairy industry	27,000	27,000	27,000	27,000	27,000
Wheat prices stabilisation	14,576	22,634	1,892	18,069	16,154
Phosphate fertilisers . . . . .	..	18,806	22,880	24,983	26,319
Oil search	10,000	9,434	8,838	11,382	9,931
Nitrogenous fertilisers . . . . .	..	..	..	..	6,665
Copper	1,398	1,390	300	1	..
Gold mining industry	1,582	1,496	1,860	2,462	3,848
Pyrites	796	1,228	924	854	103
Cotton	574	946	1,916	3,686	2,813
Processed milk products	568	800	864	614	899
Sulphate of ammonia	360	318	526	427	830
Vinyl resin . . . . .	..	228	364	1,938	1,592
Copper and brass strip	36	124	154	43	..
Northern Territory—					
Railway freight	80	92	90	140	110
Transport of stud stock	30	48	40	59	83
Superphosphate sea subsidy . . . . .	..	..	..	..	5
Ship construction	3,600	4,436	5,538	7,465	11,264
Sulphuric acid	2,188	2,316	1,822	1,906	1,556
Tractor	1,926	2,014	2,754	1,902	2,221
Cellulose acetate flake	202	218	134	228	218
Rayon yarns	270	..	..	..	..
Flax fibre	36	4	..	..	..
Poultry industry assistance . . . . .	..	..	..	5,536	9,213
Urea . . . . .	..	..	..	..	9
Transport and communication—					
Air services	1,000	1,000	1,000	1,200	1,306
Coastal shipping service—					
King Island and Bass Strait Islands . . . . .	..	24	66	161	160
Northern Territory	8	8	14	43	44
Northern Territory air mail service	74	116	118	118	..
South American shipping service	222	304	278	335	351
Regulation of trade and industry—					
Stevedoring industry	4,200	5,742	6,094	6,149	6,525
Petrol prices stabilisation . . . . .	..	..	..	9,920	15,218
Northern Territory petrol prices . . . . .	..	..	..	345	750
Other	304	300	326	400	399
Total	71,030	101,026	85,792	127,366	145,586

Cash benefits to persons

Particulars of cash benefits paid to persons in each State and Territory during 1966-67 are shown in the next table and the total payments during the years 1962-63 to 1966-67 are shown in the table following.

ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS
STATES AND TERRITORIES, 1966-67

(\$'000)

Type of benefit	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Abroad	Total
	(a)			(b)			(c)	(d)		
Education—										
Commonwealth Scholarship Scheme—										
Post-graduate	1,176	506	281	298	113	58	..	..	..	2,432
University	5,675	4,281	1,800	960	885	289	..	..	..	13,890
Advanced education	161	341	67	24	53	15	..	..	..	660
Secondary	2,253	1,844	967	545	448	184	..	..	2	6,243
Technical	246	332	95	78	53	12	..	..	..	816
Soldiers' Children Education Scheme	821	681	450	236	166	97	..	..	12	2,462
Other	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	816
Total, education	10,332	7,985	3,660	2,141	1,718	655	(e)	(e)	14	(f)27,319
Health—										
Hospital benefits	18,269	10,324	6,748	3,911	3,848	1,289	116	126	..	44,631
Nursing home benefits	9,531	4,884	3,548	2,009	2,033	761	..	..	..	22,767
Medical benefits	17,520	11,776	4,269	5,156	3,925	1,195	..	..	..	43,841
Medical benefits for pensioners	5,667	3,746	2,064	1,407	1,020	406	..	42	..	14,351
Milk for school children	3,067	2,391	1,396	857	698	442	77	93	..	9,021
Pharmaceutical benefits	27,759	21,138	9,839	6,256	4,730	2,071	..	208	..	72,001
Pharmaceutical benefits for pensioners	12,306	6,933	4,546	2,705	1,989	802	..	..	..	29,280
Tuberculosis campaign	3,956	3,293	2,189	652	547	338	..	9	..	10,983
Total, health	98,075	64,485	34,599	22,953	18,790	7,304	193	478	..	246,877
Welfare—										
Age and invalid pensions	189,043	120,930	77,097	43,720	33,794	14,574	1,239	937	506	481,840
Child endowment	68,816	56,232	29,685	19,063	15,498	6,912	1,225	1,783	67	199,282
Commonwealth rehabilitation service	604	461	273	249	196	60	..	..	..	1,844
Funeral benefits	524	358	209	114	88	39	..	3	..	1,334
Maternity allowances	2,514	2,104	1,077	654	559	243	62	72	8	7,294
Tuberculosis campaign—allowances	372	263	340	98	53	44	21	2	..	1,193
Unemployment benefits	3,948	1,882	3,068	1,653	374	228	14	19	..	11,186
Sickness benefits	2,655	1,753	964	554	445	190	20	30	..	6,611
Special benefits	338	603	159	63	36	47	1	1	..	1,247
Widows' pensions	21,188	14,387	8,962	5,448	4,011	1,983	191	197	71	56,438
Other	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	1,795
Total, welfare	290,002	198,973	121,834	71,616	55,053	24,320	2,773	3,044	652	(f)770,064
Development of resources and assistance to industry—										
Wool research studentships and fellowships	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	94
Repatriation—										
War and service pensions and allowances	(a)66,030	53,674	29,751	(b)16,776	15,502	7,588	(c)	(d)	1,521	190,842
Other	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	1,938
Total, repatriation	66,030	53,674	29,751	16,776	15,502	7,588	(e)	(e)	1,521	(f)192,780
Immigration—										
Maintenance of migrant families	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	..	5,240
Regulation of trade and industry—										
Coal mining industry—long service leave	723	1	157	..	37	2	..	..	..	919
Stevedoring industry	(e)	(e)	(e)	(e)	(e)	(e)	(e)	..	..	2,824
Total, regulation of trade and industry	723	1	157	..	37	2	(e)	..	..	(f)3,743
Housing—										
Commonwealth-State Housing Agreement—contribution to rental losses . . . . .	..	..	142	..	..	..	..	..	..	142
Grand total	465,162	325,118	190,143	113,486	91,100	39,869	2,966	3,522	2,187	(f)1,246,259

(a) Includes Australian Capital Territory. (b) Includes Northern Territory. (c) Included in South Australia. (d) Included in New South Wales. (e) Not allocable. (f) Includes items not allocable. See footnote (e).

ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS
1962-63 TO 1966-67
(\$'000)

<i>Type of benefit</i>	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>
Education—					
Commonwealth scholarship scheme—					
Post graduate	602	834	1,236	1,733	2,432
University	6,468	6,897	7,903	10,064	13,890
Advanced education . . . . .	..	..	..	198	660
Secondary . . . . .	..	..	3,382	5,197	6,243
Technical . . . . .	..	..	212	600	816
Soldiers' Children Education Scheme	1,967	2,302	2,311	2,534	2,462
Other	387	433	573	812	816
<i>Total, education</i>	<i>9,424</i>	<i>10,464</i>	<i>15,614</i>	<i>21,140</i>	<i>27,319</i>
Health—					
Hospital benefits	40,681	38,336	38,995	39,520	44,631
Nursing home benefits	6,645	17,880	19,796	21,223	22,767
Medical benefits	23,474	24,848	35,277	41,282	43,841
Medical benefits for pensioners	9,146	9,531	9,320	13,365	14,351
Milk for school children	7,454	7,775	8,059	8,493	9,021
Pharmaceutical benefits	57,044	58,237	60,638	67,713	72,001
Pharmaceutical benefits for pensioners	19,867	20,602	21,564	24,071	29,280
Tuberculosis campaign	9,728	10,453	10,128	13,370	10,983
<i>Total, health</i>	<i>174,039</i>	<i>187,665</i>	<i>203,779</i>	<i>229,037</i>	<i>246,877</i>
Welfare—					
Age and invalid pensions	375,507	399,880	426,597	442,355	481,840
Child endowment	135,421	168,758	172,830	176,432	199,282
Commonwealth Rehabilitation Service	1,395	1,489	1,604	1,660	1,844
Funeral benefits	802	812	866	1,050	1,334
Maternity allowances	7,563	7,457	7,294	7,159	7,294
Tuberculosis campaign—allowances	1,607	1,593	1,458	1,286	1,193
Unemployment benefits, sickness and special benefits	29,315	21,625	14,540	15,557	19,044
Widows' pensions	31,353	41,569	47,044	50,017	56,438
Other	430	470	1,025	2,066	1,795
<i>Total, welfare</i>	<i>583,394</i>	<i>643,654</i>	<i>673,258</i>	<i>697,580</i>	<i>770,064</i>
Development of resources and assistance to industry—					
Wool Research Studentships and Fellowships	43	62	58	85	94
Repatriation—					
War and service pensions and allowances	162,693	179,051	179,313	198,662	190,842
Other	1,146	1,845	1,694	1,849	1,938
<i>Total, repatriation</i>	<i>163,839</i>	<i>180,896</i>	<i>181,007</i>	<i>200,511</i>	<i>192,780</i>
Immigration—					
Maintenance of migrant families	3,159	3,472	3,752	4,380	5,240
Regulation of trade and industry—					
Coal mining industry—long service leave	954	910	1,021	893	919
Stevedoring industry	1,868	1,674	1,614	1,726	2,824
<i>Total, regulation of trade and industry</i>	<i>2,822</i>	<i>2,584</i>	<i>2,635</i>	<i>2,619</i>	<i>3,743</i>
Housing—					
Commonwealth-State Housing Agreement—					
Contribution to rental losses	37	45	130	213	142
Grand total	936,757	1,028,842	1,080,233	1,155,565	1,246,259

Further information concerning items in the two preceding tables is given in the appropriate chapters of this Year Book.

Payments to or for the States

An outline of the provisions of the Constitution providing for the Commonwealth to make payments to the States, and of the systems which followed, is given in earlier issues of the Year Book (see No. 37, pages 633 to 638). A distinction is made in this Year Book between (a) direct Commonwealth financial assistance to the States in the form of grants to provide revenue for general and specific purposes and (b) those forms of assistance for developmental and other specific purposes which include, in part or in total, payments made in the form of repayable advances. Some information about the more important or most recent of these forms of financial assistance is given on pages 743-6, but for greater detail on these and other forms of financial assistance see Year Book No. 51, pages 921-4, and earlier issues. Further information is available also in the chapters of this issue dealing with the respective subjects.

Grants. The following three tables show particulars of the amounts paid to the States as grants for the purposes referred to in (a) above.

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES, BY FUNCTION, 1966-67
(**\$'000**)

<i>Function</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
CURRENT							
Education—							
Research grants	656	607	205	352	155	63	2,038
Universities	13,773	9,211	4,276	3,668	2,306	1,028	34,262
Colleges of advanced education	276	1,302	197	275	363	59	2,472
<i>Total, education</i>	<i>14,705</i>	<i>11,120</i>	<i>4,678</i>	<i>4,295</i>	<i>2,824</i>	<i>1,150</i>	<i>38,772</i>
Welfare—							
Housekeeper services	12	8	..	..	2	..	23
Development of resources and assistance to industry—							
Natural disaster payments	15,621	..	6,503	..	..	1,350	23,474
Cattle tick control	252	..	..	..	..	..	252
Agricultural extension services	535	508	545	217	213	158	2,176
<i>Total, development, etc.</i>	<i>16,408</i>	<i>508</i>	<i>7,048</i>	<i>217</i>	<i>213</i>	<i>1,508</i>	<i>25,902</i>
Not allocated to function—							
Financial assistance grants	276,794	208,790	125,514	94,346	86,396	34,773	826,613
Special grants . . . . .	..	..	..	..	19,406	20,666	40,072
Interest and exchange	5,834	4,254	2,192	1,408	948	534	15,170
Sinking fund and redemption	6,368	4,524	2,439	2,482	1,844	1,293	18,951
<i>Total, not allocated</i>	<i>288,996</i>	<i>217,568</i>	<i>130,145</i>	<i>98,236</i>	<i>108,594</i>	<i>57,266</i>	<i>900,806</i>
Total, current	320,121	229,204	141,871	102,748	111,633	59,924	965,503

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES, BY FUNCTION
1966-67—continued

<i>Function</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
CAPITAL							
Education—							
Colleges of advanced education	560	911	1,137	616	457	..	3,681
Secondary	3,709	2,799	1,435	990	899	331	10,163
Technical	3,760	3,050	1,449	750	551	334	9,894
Universities	6,502	5,250	1,641	1,407	1,160	394	16,354
<i>Total, education</i>	<i>14,531</i>	<i>12,010</i>	<i>5,662</i>	<i>3,763</i>	<i>3,067</i>	<i>1,059</i>	<i>40,091</i>
Public health—							
Mental institutions	2,217	1,192	288	193	260	823	4,973
Tuberculosis hospitals—capital.	356	110	28	5	..	..	499
Disposal of ships' garbage . . . . .	..	..	..	..	..	29	29
<i>Total, public health</i>	<i>2,573</i>	<i>1,302</i>	<i>316</i>	<i>198</i>	<i>260</i>	<i>852</i>	<i>5,501</i>
Development of resources and assistance to industry—							
Natural disaster payments . . . . .	..	..	..	..	..	650	650
Flood mitigation	970	..	..	..	..	..	970
Investigation of water resources	212	77	366	63	235	18	971
Encouragement of meat production . . . . .	..	..	..	..	8	..	8
<i>Total, development, etc.</i>	<i>1,182</i>	<i>77</i>	<i>366</i>	<i>63</i>	<i>243</i>	<i>668</i>	<i>2,599</i>
Transport and communication—							
Commonwealth aid roads	41,744	29,443	27,415	17,222	26,676	7,500	150,000
Railway projects . . . . .	..	..	..	4,868	7,410	..	12,278
Cattle roads . . . . .	..	..	2,253	..	1,500	..	3,753
Gordon River road . . . . .	..	..	..	..	..	1,596	1,596
<i>Total, transport, etc.</i>	<i>41,744</i>	<i>29,443</i>	<i>29,668</i>	<i>22,090</i>	<i>35,586</i>	<i>9,096</i>	<i>167,627</i>
Other—							
Exmouth township . . . . .	..	..	..	..	1,952	..	1,952
Migrant centres . . . . .	..	..	..	2	..	..	2
<i>Total, other</i> . . . . .	..	..	..	2	1,952	..	1,954
Total, capital	60,030	42,832	36,012	26,116	41,108	11,675	217,772
TOTAL GRANTS							
Grand total	380,151	272,036	177,883	128,864	152,741	71,599	1,183,275

ALL COMMONWEALTH FUNDS: TOTAL GRANTS TO THE STATES, BY FUNCTION
1962-63 TO 1966-67
(\$'000)

Function	1962-63	1963-64	1964-65	1965-66	1966-67
CURRENT					
Education—					
Research grants . . . . .	..	..	..	1,378	2,038
Universities	18,546	21,080	28,942	31,551	34,262
Colleges of advanced education . . . . .	..	..	..	..	2,472
<i>Total, education</i>	<i>18,546</i>	<i>21,080</i>	<i>28,942</i>	<i>32,929</i>	<i>38,772</i>
Welfare—housekeeper services	28	28	24	22	23
Development of resources and assistance to industry—					
Natural disaster payments . . . . .	..	..	..	9,706	23,474
Cattle tick control	536	518	414	348	252
Agricultural extension services	1,066	1,262	1,212	1,202	2,176
Tobacco industry extension services	48	48	..	..	..
<i>Total, development, etc.</i>	<i>1,650</i>	<i>1,828</i>	<i>1,626</i>	<i>11,256</i>	<i>25,902</i>
Not allocated to function—					
Financial assistance grants	608,640	635,968	681,348	757,351	826,613
Special grants	22,502	22,900	31,720	41,770	40,072
Interest and exchange	15,170	15,170	15,170	15,170	15,170
Sinking fund and redemption	14,496	15,690	16,646	17,761	18,951
Additional assistance grants	35,000	40,000	..	..	..
<i>Total, not allocated</i>	<i>695,808</i>	<i>729,728</i>	<i>744,882</i>	<i>832,052</i>	<i>900,806</i>
Total, current	716,032	752,664	775,474	876,259	965,503

ALL COMMONWEALTH FUNDS: TOTAL GRANTS TO THE STATES, BY FUNCTION
1962-63 TO 1966-67—*continued*
(\$'000)

<i>Function</i>	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>
CAPITAL					
Education—					
Colleges of advanced education . . . . .	..	..	..	982	3,681
Secondary . . . . .	..	..	9,906	9,635	10,163
Technical . . . . .	..	..	10,000	6,230	9,894
Universities	12,872	12,780	12,332	15,227	16,354
<i>Total, education</i>	<i>12,872</i>	<i>12,780</i>	<i>32,238</i>	<i>32,074</i>	<i>40,091</i>
Public health—					
Mental institutions	1,590	1,594	2,504	4,539	4,973
Tuberculosis hospitals—capital	984	598	696	696	499
Disposals of ships' garbage . . . . .	..	..	..	..	29
<i>Total, public health</i>	<i>2,574</i>	<i>2,192</i>	<i>3,200</i>	<i>5,235</i>	<i>5,501</i>
Development of resources and assistance to industry—					
Western Australia northern development	2,864	1,816	2,018	1,112	..
Flood mitigation . . . . .	..	400	1,300	1,540	970
Cattle dip chemicals	106	..	..	..	..
Natural disaster payments . . . . .	..	..	..	..	650
Encouragement of meat production	2	..	..	..	8
Investigation of water resources . . . . .	..	..	687	860	971
<i>Total, development, etc.</i>	<i>2,972</i>	<i>2,216</i>	<i>4,007</i>	<i>3,512</i>	<i>2,599</i>
Transport and communication—					
Commonwealth aid roads	108,000	116,000	130,000	140,000	150,000
Railway projects	5,678	5,182	7,386	11,849	12,278
Cattle roads	3,400	3,596	3,800	3,500	3,753
Western Australia—northern development . . . . .	..	..	..	577	..
Replacement of Derby jetty	300	350	150	..	..
Gordon River road . . . . .	..	270	1,094	1,840	1,596
Coal loading works . . . . .	..	80	120	..	..
<i>Total, transport, etc.</i>	<i>117,378</i>	<i>125,478</i>	<i>142,550</i>	<i>157,766</i>	<i>167,627</i>
Other—					
Exmouth township . . . . .	..	..	380	750	1,952
Migrant centres . . . . .	..	..	..	..	2
<i>Total, other</i>	<i>..</i>	<i>..</i>	<i>380</i>	<i>750</i>	<i>1,954</i>
Total, capital	135,796	142,666	182,376	199,338	217,772
TOTAL GRANTS					
Grand total	851,828	895,330	957,850	1,075,596	1,183,275

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES TO 30 JUNE 1967(a)

(\$ million)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Section 87 of Constitution, 1900-01 to 1909-10	55.5	40.0	17.8	12.4	17.5	5.2	148.4
Surplus Revenue Acts, 1910-11 to 1926-27	83.0	62.3	30.3	19.8	19.5	8.7	223.7
Financial Agreements, 1927-28 to 1966-67	326.5	227.2	120.7	89.3	63.9	35.6	863.2
Special grants(b) . . . . .	..	..	..	156.2	317.3	174.1	647.6
Income tax reimbursement grants, 1942-43 to 1945-46(c)	110.8	48.7	44.4	18.1	19.0	6.8	247.8
Income tax reimbursement special grants, 1945-46 to 1946-47(c) . . . . .	..	..	..	3.3	1.8	0.2	5.4
Entertainments tax reimbursement grants, 1942-43 to 1945-46(d)	1.2	2.8	..	0.7	0.7	0.3	5.7
Tax reimbursement grants, 1947-48 to 1958-59(e)	1,051.3	672.1	431.9	240.1	216.9	91.3	2,703.7
Additional tax reimbursement grants(f)	4.1	2.3	1.6	0.9	0.8	0.3	10.0
Special financial assistance(g)	160.8	110.6	62.8	34.7	31.2	13.6	413.7
Additional assistance(h)	4.0	2.1	2.3	0.7	0.6	0.3	10.0
Non-recurring grants from excess receipts, 1934-35 to 1936-37	2.4	1.7	0.9	0.5	0.4	0.2	6.0
Financial assistance grants(i)	1,734.1	1,286.2	766.0	584.5	530.5	221.9	5,123.2
Additional financial assistance(j)	26.6	21.3	20.0	11.5	7.8	7.8	95.0
Special assistance(k)	56.3	15.6	40.0	7.6	46.3	9.0	174.8
Grants for road construction, 1922-23 to 1966-67(l)	419.1	285.8	279.8	170.5	276.1	75.3	1,506.8
Payments to Commonwealth Aid Roads (Supplementary) Trust Account(m) . . . . .	..	..	..	..	..	..	10.0
Tuberculosis Act 1948-reimbursement of capital expenditure	11.4	4.1	11.2	1.5	4.6	0.7	33.5
Mental institutions—contribution to capital expenditure	12.0	9.0	2.1	2.1	2.0	2.2	29.4
Grants to universities	122.6	81.6	36.2	34.1	23.0	11.7	309.1
Other education	24.9	17.8	10.3	6.3	5.0	2.2	66.4
Railway projects(n)	0.2	22.1	..	23.7	23.8	..	69.9
Total	4,206.8	2,913.2	1,878.4	1,418.5	1,608.6	667.4	12,702.9

(a) Includes non-recurring grants from excess receipts, but excludes payments on account of the Morgan-Whyalla Waterworks, amounts provided for relief of wheat-growers and other primary producers, and other payments for medical research, social services, etc. (b) Under various States Grants Acts. (c) Under States Grants (Income Tax Reimbursement) Act 1942. (d) Under States Grants (Entertainments Tax Reimbursement) Act 1942. (e) Under States Grants (Tax Reimbursement) Act 1946-1948. (f) Under States Grants (Additional Tax Reimbursement) Act 1950. (g) Under States Grants (Special Financial Assistance) Acts 1951 and 1952. (h) Under States Grants (Additional Assistance) Act 1958. (i) Under States Grants Acts 1959, 1962 and 1965. (j) Under States Grants (Additional Assistance) Act 1962. (k) Includes payments for unemployment relief, metalliferous mining, forestry, local public works, grants for price control reimbursement, coal strike emergency grant, grants for imported houses, Port Augusta-Port Pirie railway, Western Australia waterworks, cattle tick control, dairy industry extension, agricultural advisory services, cattle roads, coal-loading works, eradication of house borers, brigalow lands, cattle dip chemicals, tobacco industry extension services, Exmouth township, drought assistance, flood mitigation, Gordon River road, investigation of water resources, encouragement of meat production, etc. (l) Under Main Roads Development, Federal Aid Roads, Federal Aid Roads and Works, and Commonwealth Aid Roads Acts. (m) Expenditure not allocable between States. (n) Under the Railway Standardization (South Australia) Agreement Act 1949, the Railway Standardization (New South Wales and Victoria) Agreement Act 1958, the Railway Agreement (Queensland) Act 1961, the Railway Equipment Agreement (South Australia) Act 1961, and the Railway Agreement (Western Australia) Act 1961.

Repayable advances. The next three tables show particulars of the amounts paid to the States as repayable advances for the several purposes referred to in (b) on page 737.

ALL COMMONWEALTH FUNDS: ADVANCES TO THE STATES, BY FUNCTION, 1966-67
(\$'000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
Development of resources and assistance to industry—							
Natural disaster payments	5,460	..	1,760	..	..	500	7,720
Less Repayments . . . . .	..	..	..	..	..	..	..
	5,460	..	1,760	..	..	500	7,720
War service land settlement . . . . .	..	..	..	2,127	2,522	1,287	5,936
Less Repayments	113	122	5	3,194	6,947	6,549	16,930
	-113	-122	-5	-1,067	-4,425	-5,262	-10,994
Other	6,761	..	2,401	90	1,250	..	10,502
Less Repayments	65	20	2	19	49	14	169
	6,696	-20	2,399	71	1,201	-14	10,333
Transport and communication—							
Railway projects . . . . .	..	..	..	2,061	10,586	..	12,647
Less Repayments	96	96	1,065	142	141	..	1,540
	-96	-96	-1,065	1,919	10,445	..	11,107
Other . . . . .	..	..	2,805	..	..	..	2,805
Less Repayments	330	..	13	..	151	..	494
	-330	..	2,792	..	-151	..	2,311
Housing	43,325	32,960	13,740	20,750	9,478	7,500	127,753
Less Repayments	3,953	3,646	1,072	1,214	1,011	345	11,240
	39,372	29,314	12,668	19,536	8,467	7,155	116,513
Not allocated to function							
Less Repayments	61	449	144	195	-51	189	990
	-61	-449	-144	-195	51	-189	-990
<hr/>							
Total gross advances	55,546	32,960	20,706	25,028	23,836	9,287	167,363
Less Repayments	4,618	4,333	2,301	4,764	8,248	7,097	31,363
Total net advances	50,928	28,627	18,405	20,264	15,588	2,190	136,000

Minus sign (-) denotes excess of repayment.

ALL COMMONWEALTH FUNDS: TOTAL ADVANCES TO THE STATES
BY FUNCTION, 1962-63 TO 1966-67
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Development of Resources and Assistance to Industry—					
Natural disaster payments . . . . .	..	..	..	11,994	7,720
Less Repayments . . . . .	..	..	..	..	..
	..	..	..	11,994	7,720
War service land settlement	10,948	8,524	7,234	6,358	5,936
Less Repayments	10,206	11,118	11,362	16,210	16,930
	742	-2,594	-4,128	-9,852	-10,994
Other	1,200	2,890	5,598	8,903	10,502
Less Repayments	300	248	228	195	169
	900	2,642	5,370	8,708	10,333
Transport and Communication—					
Railway projects	16,142	17,420	10,388	12,410	12,647
Less Repayments	228	276	824	1,387	1,540
	15,914	17,144	9,564	11,023	11,107
Other	1,296	2,544	3,376	6,107	2,805
Less Repayments	56	156	230	315	494
	1,240	2,388	3,146	5,792	2,311
Housing	100,124	104,264	115,116	124,242	127,753
Less Repayments	7,466	8,298	9,248	10,237	11,240
	92,658	95,966	105,868	114,005	116,513
Not allocated to function					
Less Repayments	2,594	880	..	..	990
	-2,594	-880	762	2,600	-990
<hr/>					
Total gross advances	129,710	135,642	142,474	172,615	167,363
Less Repayments	20,850	20,976	21,892	28,344	31,363
Total net advances	108,860	114,666	120,582	144,271	136,000

Minus sign (-) denotes excess of repayments.

ALL COMMONWEALTH FUNDS: GROSS ADVANCES TO THE STATES TO 30 JUNE 1967
(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Development of resources and assistance to industry—							
Brigalow lands development	..	..	8,000	..	..	..	8,000
Blowering Reservoir . . .	16,146	..	..	..	..	..	16,146
Natural disaster	14,128	..	5,086	..	..	500	19,714
Comprehensive water supply	..	..	..	..	2,500	..	2,500
Softwood forestry . . . . .	..	..	201	90	..	..	291
Western Australia—northern development . . . . .	..	..	..	..	900	..	900
Chowilla Reservoir	1,256	..	..	..	..	..	1,256
Agricultural re-establishment loans	5,320	2,080	1,220	928	2,222	600	12,370
War service land settlement	13,542	14,398	..	66,362	100,026	52,107	246,434
Transport and communication—							
Railway projects	104	9,480	34,534	9,964	34,081	..	88,163
Cattle roads . . . . .	..	..	8,550	..	..	..	8,550
Western Australia—northern development . . . . .	..	..	..	..	577	..	577
Replacement of Derby jetty . . . . .	..	..	..	..	800	..	800
Coal loading works	3,299	..	200	..	..	..	3,499
Harbours . . . . .	..	..	3,270	..	..	..	3,270
Housing	529,420	460,237	140,531	190,179	132,086	64,551	1,517,002
Not allocated to function	2,187	1,985	1,050	980	679	501	7,383
Total	585,402	488,179	202,642	268,503	273,871	118,258	1,936,855

The figures in the table above represent gross advances, and take no account of repayments made by the States.

Contributions under Financial Agreement. Details of the Financial Agreement between the Commonwealth and the States are given in Year Book No. 37, pages 685–90. Under this Agreement the Commonwealth undertook to contribute \$15,169,824 per annum towards interest payable on the State loan securities for a period of 58 years from 1 July 1927. This amount is distributed among the States as follows: New South Wales, \$5,834,822; Victoria, \$4,254,318; Queensland, \$2,192,470; South Australia, \$1,407,632; Western Australia, \$946,864; Tasmania, \$533,718. These amounts are equal to the sums paid by the Commonwealth to each State in the year 1926–27 at the rate of \$2.50 per head of population, the rate at which the Commonwealth had contributed annually to the States since 1 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 loan securities. Details of these are given on pages 795–7 of this chapter.

Special grants to the States. The Constitution provides in Section 96 for the granting of special financial assistance to the States. The Commonwealth Grants Commission inquires into and reports upon claims made by any State for a grant of financial assistance and any matters relevant thereto. The recommendations of the Commission in respect of the years 1963–64 to 1967–68 are shown in their two parts in the following table. 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 1967–68 include an estimate of the indispensable need of the claimant State for 1967–68 and an adjustment to the estimated grant for 1965–66.

Under the provisions of the *States Grants Act* 1965–1967, the financial assistance grant paid to each State is determined by increasing the grant paid to that State for previous financial year (with the addition of \$2,000,000 to the grant paid to Queensland in each year up to 1969–70) in accordance with a formula using the percentage change of the population of the State during the year ending 31 December of the year of payment, the percentage increase in average wages for Australia as a whole for the year ended 31 March of the year of payment, and a betterment factor of 1.2 per cent.

COMMONWEALTH GRANTS COMMISSION: GRANTS RECOMMENDED, 1963-64 TO 1967-68
(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Western Australia—					
Advance grant	11,800	15,800	21,000	14,700	15,500
Completion grant(a)	344	1,320	3,038	4,706	18
<i>Net grant recommended</i>	<i>12,144</i>	<i>17,120</i>	<i>24,038</i>	<i>19,406</i>	<i>15,518</i>
Tasmania—					
Advance grant	10,200	13,618	16,400	19,500	19,000
Completion grant(a)	556	982	1,332	1,166	889
<i>Net grant recommended</i>	<i>10,756</i>	<i>14,600</i>	<i>17,732</i>	<i>20,666</i>	<i>19,889</i>
Grand total	22,900	31,720	41,770	40,072	35,407

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

Natural disasters. Under the States Grants (Drought Assistance) Acts, New South Wales, Victoria, Queensland and South Australia have been given Commonwealth financial assistance to relieve the effects of drought. In addition, the Commonwealth is assisting those States to meet budgetary problems arising from the effects of drought on their revenues.

Under the *Tasmania Grant (Fire Relief) Act 1967*, the Commonwealth provided for a maximum grant of \$14,500,000 as well as for loans where the State makes loans to assist in the rehabilitation and restoration for damage caused by bushfires in February 1967.

Grants for road construction. Details of the *Main Roads Development Act 1923-1925*, *Federal Aid Roads Acts 1926, 1931 and 1936*, *Federal Aid Roads and Works Act 1937*, *Commonwealth Aid Roads and Works Act 1947-1949*, *Commonwealth Aid Roads Act 1950*, *Commonwealth Aid Roads Act 1954*, *Commonwealth Aid Roads (Special Assistance) Act 1957*, and *Commonwealth Aid Roads Act 1959* are given in earlier issues of the Year Book (see No. 38, pages 787-8, No. 41, page 621, No. 46, page 838, and No. 51, page 922) and in the annual bulletin *Commonwealth Finance*. The present scheme of Commonwealth assistance to the States for roads was established by the *Commonwealth Aid Roads Act 1964*. Under this Act, which is to operate for a period of five years from 1 July 1964, the Commonwealth has undertaken to make available up to \$750,000,000 to the States for the construction, reconstruction, maintenance and repair of roads. Of this amount, a total of \$660,000,000 will be paid over five years to the States as basic grants for roads. The basic grants are fixed annual amounts which rise progressively by \$4,000,000 a year from \$124,000,000 in 1964-65 to \$140,000,000 in 1968-69. In each year the grants will be distributed between the States on the basis of 5 per cent of the total to Tasmania and the balance shared between the other five States, one-third in proportion to their respective populations at the date of the last preceding Census, one-third in proportion to their respective areas, and one-third in proportion to the respective number of motor vehicles registered in these States at 31 December preceding the year of payment. The balance of up to \$90,000,000 over the five years will be made available to the States as matching assistance for roads. The total amount of matching assistance increases by \$6,000,000 a year from \$6,000,000 in 1964-65 to \$30,000,000 in 1968-69.

Beef cattle roads. The *States Grants (Beef Cattle Roads) Act 1968* provides for grants of \$39,500,000, \$9,500,000, and \$1,000,000 for Queensland, Western Australia, and South Australia respectively for a further programme of beef cattle road construction over a period of seven years commencing from 1 July 1967.

Health reimbursement under Tuberculosis Act 1948. The *Tuberculosis Act 1948* provided for the reimbursement by the Commonwealth of capital and maintenance expenditure incurred by the States in the provision of facilities for the diagnosis, treatment and control of tuberculosis. Re-imburements from the National Welfare Fund of maintenance expenditure on tuberculosis hospitals are classified as cash benefits under Health and Welfare expenditure, and they equal the amounts by which such expenditures of the States in any financial year exceed those for the year 1947-48. As from 1 July 1948 the States have also been reimbursed from annual appropriations of the Department of Health for all their capital expenditure on buildings, furnishings, equipment, and plant.

The *States Grants (Mental Health Institutions) Act 1964-1967* authorised assistance to the States amounting to one-third of their total expenditure on building and equipping approved mental health institutions during the six years ending 30 June 1970.

Education. Payments to the States for universities were first introduced in 1951–52, and details of the States Grants (Universities) Acts under which they were continued are given in earlier issues of the Year Book (see No. 51 page 923 and No. 52 page 770). The *Universities (Financial Assistance) Act 1967* authorised grants totalling approximately \$175,600,000 for the Commonwealth share of the agreed programme of development of State Universities for the years 1967 to 1969. (See also the chapter Education, Cultural Activities, and Research, pages 538–43.)

Colleges of Advanced Education. Under the States Grants (Advanced Education) Acts, the Commonwealth is providing financial assistance to the States for recurrent and capital expenditures of Colleges of Advanced Education.

The *States Grants (Science Laboratories and Technical Training) Act 1964* and the *States Grants (Science Laboratories) Act 1965–1967* provide for grants during 1964–65 to 1967–68 inclusive for improving science teaching in both government and non-government secondary schools.

Grants for buildings and equipment for use in technical training in schools and colleges conducted by States only are provided for under the *States Grants (Science Laboratories and Technical Training) Act 1964* and the *States Grants (Technical Training) Act 1965–1966*.

Under the *States Grants (Research) Act 1966* the Commonwealth is making available during the 1967–1969 triennium \$9,000,000 to support selected research projects.

Under the *States Grants (Teachers Colleges) Act 1967* the Commonwealth is providing a maximum amount of \$24,000,000 over the three years ending 30 June 1970 for the construction and equipping of teachers colleges.

Railway projects. Under the *Railway Standardization (South Australia) Agreement Act 1949* the Commonwealth provided funds for the conversion of lines in the south-eastern division of the State as an initial step towards eventual standardisation to 4' 8½" gauge. The State is to repay three-tenths of the cost of this work over a period of fifty years and is to bear the full cost of subsequent conversion from broad to standard gauge. Similar conditions apply to expenditures under the *Railway Equipment Agreement (South Australia) Act 1961*. Under the *Railway Standardization (New South Wales and Victoria) Agreement Act 1958* the Commonwealth provided funds for the construction of the standard gauge rail link between Albury and Melbourne on the basis that the States of Victoria and New South Wales will each bear fifteen per cent of the cost by instalments over a period of fifty years.

The total expenditure on railway standardisation (the thirty per cent advances to the States and the seventy per cent grants to the States) is charged to the capital works and services vote of the Department of Shipping and Transport. Under the *Railway Agreement (Western Australia) Act 1961* the Commonwealth is providing financial assistance for the construction of a standard gauge railway from Kwinana to iron ore deposits at Koolyanobbing and to Kalgoorlie.

Water resources

Investigation and measurement of water resources. The *States Grants (Water Resources Measurement) Act 1967* authorised payments to the States of up to \$4,500,000 during the three years ending 30 June 1970 to assist State programmes of water measurement and investigation of underground water resources.

Chowilla Reservoir. As further work on this project was suspended in August 1967 pending a reassessment by the River Murray Commission of the relationship between costs and benefits of the scheme, Commonwealth assistance has been confined to meeting contractual commitments already entered into by the constructing authority.

Maraboon Dam. The *Queensland Grant (Maraboon Dam) Act 1968* provides for grants to Queensland of up to \$20,000,000 for the construction of a dam on the Nogoa River near Emerald.

Ord River Irrigation Project. The *Western Australia (Ord River Irrigation) Act 1968* provides for financial assistance to Western Australia on the basis of grants for dam construction and interest-bearing loans in respect of the irrigation works.

River Murray salinity reduction. The *Victoria Grant (River Murray Salinity) Act 1968* provides for grants to Victoria of up to \$3,600,000 for two salinity reduction projects on the River Murray.

Flood mitigation, New South Wales. Commonwealth payments under the *New South Wales Grant (Flood Mitigation) Act 1964–1968* are limited to \$8,800,000 in respect of flood mitigation works on the Macleay, Clarence, Richmond, Tweed, Shoalhaven, and Hunter Rivers. The Commonwealth grants will match State expenditure which, in turn, will be in a prescribed ratio to local authority expenditure on flood mitigation works.

Blowering Reservoir, New South Wales. The Blowering Reservoir is to be constructed at the expense of the State of New South Wales mainly by the Snowy Mountains Hydro-electric Authority, and the Commonwealth will finance half the cost in the form of repayable interest-bearing loans to that State.

Other specific purpose payments

Brigalow lands. Under the Brigalow Lands Agreement Acts Commonwealth advances to the State of Queensland for specified works associated with the production of beef cattle and other primary products in the Fitzroy River Basin and the supply of beef for export are fixed at an overall limit of \$23,000,000. Repayments over a twenty-year period are to commence in 1968 in respect of advances made prior to 1 July 1967 and in 1971 in respect of advances made from 1 July 1967.

Development of Exmouth township, Western Australia. In 1966-67 the Commonwealth contributed an amount of \$1,952,000 to the Western Australian Government towards the cost of developing a township at Exmouth in connection with the United States Communications Base being established at North West Cape.

Weipa development, Queensland. Under the *Weipa Development Agreement Act 1965* the Commonwealth provided financial assistance of \$3,390,000 to Queensland by way of interest-bearing advances to finance harbour works carried out at Weipa on Cape York Peninsula.

Natural gas pipeline, South Australia. Under the *Natural Gas Pipeline (South Australia) Agreement Act 1967* the Commonwealth is providing a maximum of \$15,000,000 by way of interest-bearing loans to help finance the construction of a pipeline to transport gas from natural gas fields at Gidgealpa and Moomba.

Softwood forestry. The *Softwood Forestry Agreement Act 1967* authorises the Commonwealth to provide assistance during the five years ending 30 June 1971 for increased planting of softwood forests. Total assistance of the order of \$20,000,000 is in the form of interest-bearing loans repayable over twenty-five years.

War service land settlement

The following section deals with the financial operations of the War Service Land Settlement Division of the Department of Primary Industry. This information was formerly included in the chapter Land Settlement and Tenure (*see* Year Book No. 52, page 80). Additional information concerning the operations of the Division appears in Chapter 21, Rural Industry.

**WAR SERVICE LAND SETTLEMENT: COMMONWEALTH EXPENDITURE, STATES
TO 30 JUNE 1967
(\$'000)**

<i>Advances to States</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
For acquisition of land . . . . .	..	..	..	6,836	7,092	5,063	18,992
For development and improvement of land . . . . .	..	..	..	30,120	39,434	34,980	104,535
Special loans	13,542	14,398	..	..	..	..	27,939
Commonwealth contributions to excess cost over valuation	1,289	12,981	232	5,067	6,506	9,115	35,190
To provide credit facilities to settlers . . . . .	..	..	..	31,401	53,420	12,923	97,745
For remission of settlers' rent and interest	874	378	72	693	1,062	487	3,566
For payment of living allowances to settlers	2,020	2,434	326	850	960	404	6,994
For operation and maintenance of irrigation projects . . . . .	..	..	..	2,719	32	10	2,761
Loss on advances	613	14	644	175	475	159	2,080
Cost of administration of credit facilities . . . . .	..	..	..	1,433	2,096	620	4,149
Concessions and rebates for King Island . . . . .	..	..	..	..	..	370	370
Total	18,339	30,204	1,275	79,295	111,078	64,131	304,321

Loans and Allowances (Agricultural Occupations) Scheme

Full details of the measures taken for the re-establishment of ex-servicemen in rural occupations were given in earlier Year Books (*see* List of Special Articles, etc., preceding General Index to this volume). These measures provide for a scheme of loans and allowances to assist ex-servicemen in establishing themselves in agricultural occupations. The loans are made to eligible ex-servicemen for the purchase of land, effecting improvements on land, the acquisition of tools of trade, livestock, plant or equipment, the establishment of a co-operative business with other persons, reduction or

discharge of a mortgage, bill of sale, etc. At 30 June 1967, 14,307 loans had been approved, and advances amounting to \$20,357,000 had been made. The allowances are payable only in respect of the period during which the income derived from the occupation by the ex-serviceman concerned is considered inadequate. At 30 June 1967, 16,114 applications for allowances had been made, and the total amount paid in allowances was \$4,553,000.

Year Book No. 48 (page 98) contains details of the applications received and approved and the amounts involved for the individual States and Territories to 30 June 1961. There has been little subsequent change.

War Service Land Settlement Branch—total expenditure

The following table shows the total expenditure on various projects by the War Service Land Settlement Branch to 30 June 1967.

COMMONWEALTH WAR SERVICE LAND SETTLEMENT BRANCH: EXPENDITURE STATES AND TERRITORIES TO 30 JUNE 1967 (\$'000)

Project	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total expenditure	Receipts and repayments	Net expenditure
War service land settlement expenditure from revenue or loan funds	18,339	30,204	1,275	79,295	111,078	64,131	304,321	(a) 110,941	193,380
Agricultural loans(b)	8,568	3,594	1,748	1,654	3,947	812	(c) 20,357	(d) 19,396	961
Agricultural allowances	1,160	592	956	650	962	232	(e) 4,553	..	4,553
Administration expenses	1,644	347	141	202	818	98	3,251	..	3,251
Rural training	660	1,008	212	380	454	216	2,930	298	2,632
Total	30,371	35,745	4,332	82,181	117,259	65,489	(f) 335,412	(g) 130,635	204,777

(a) Excludes interest, rent, and rates, \$29,866,000. (b) Includes expenditure on new loans of money repaid by borrowers. (c) Includes Northern Territory, \$20,000 and New Guinea, \$14,000. (d) Excludes interest, \$3,041,000. (e) Includes New Guinea, \$2,000. (f) Includes Northern Territory, \$20,000 and New Guinea, \$16,000. (g) Excludes interest, rent, and rates, \$32,907,000.

All Commonwealth funds: receipts

Commonwealth taxation

Taxation constitutes the main sources of Commonwealth revenue, accounting for almost 90 per cent in 1966-67. The following tables show details of taxation receipts from each source during the years 1962-63 to 1966-67 and their proportions of the totals.

ALL COMMONWEALTH FUNDS: TAXATION RECEIPTS, 1962-63 TO 1966-67 (\$'000)

Source of receipts	1962-63	1963-64	1964-65	1965-66	1966-67
Income tax—					
Individuals	1,082,622	1,271,063	1,569,483	1,729,439	1,920,603
Companies	519,828	586,260	709,044	801,105	784,544
Dividend (withholding)	17,929	15,936	16,039	17,247	22,708
Customs	210,136	232,497	268,400	270,871	274,873
Excise	548,803	582,464	631,242	751,960	806,509
Sales tax	313,062	325,189	362,857	370,044	380,673
Pay-roll tax	126,510	136,443	150,078	161,943	172,232
Estate duty	35,699	39,871	41,531	36,124	41,534
Gift duty	6,328	6,488	7,308	6,195	7,658
Primary production and other charges	3,643	4,007	4,808	13,041	14,575
Stevedoring industry charge	8,985	10,321	10,411	9,531	9,758
Wheat tax	595	638	720	591	1,081
Wool tax	5,911	6,359	13,987	15,201	14,869
Broadcasting stations' licence fees	214	235	226	218	209
Television stations' licence fees	181	232	28	1,620	963
Territories—					
Australian Capital Territory	758	898	1,122	973	1,012
Northern Territory	212	440	482	537	612
Other	924	800	658	1,708	617
Total	2,882,342	3,220,140	3,788,423	4,188,348	4,455,030

**COMMONWEALTH TAXATION: PROPORTION OF EACH CLASS TO
TOTAL NET COLLECTIONS, 1962-63 TO 1966-67**
(Per cent)

<i>Type of tax</i>	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>
Income taxes	56.2	58.2	60.5	60.8	61.2
Customs	7.3	7.2	7.1	6.5	6.2
Excise	19.0	18.1	16.6	18.0	18.1
Sales tax	10.9	10.1	9.6	8.8	8.5
Pay-roll tax	4.4	4.2	4.0	3.9	3.9
Estate duty	1.2	1.2	1.1	0.9	0.9
Gift duty	0.2	0.2	0.2	0.1	0.2
Primary production and other charges	0.1	0.1	0.1	0.3	0.3
Stevedoring industry charge	0.3	0.3	0.3	0.2	0.2
Wool tax	0.2	0.2	0.4	0.4	0.3
Other	0.2	0.2	0.1	0.1	0.1
Total taxation	100.0	100.0	100.0	100.0	100.0

Customs and excise receipts

**COMMONWEALTH CUSTOMS REVENUE: CLASSIFICATION OF
NET RECEIPTS, 1962-63 TO 1964-65**
(\$'000)

<i>Class</i>	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>
Foodstuffs of animal origin	1,198	1,464	1,564
Foodstuffs of vegetable origin	4,159	4,909	3,210
Spirituous and alcoholic liquors	10,956	12,670	14,709
Tobacco, cigars and cigarettes	25,517	26,401	27,596
Animal substances (not foodstuffs)	10	12	13
Vegetable substances and fibres	641	599	630
Yarns, textiles and apparel	29,888	33,582	39,400
Oils, fats and waxes	22,733	21,696	20,718
Pigments, paints and varnishes	810	765	759
Rocks and minerals	226	236	17
Metals, metal manufactures and machinery	65,013	74,074	91,644
Rubber and leather and manufactures thereof	2,634	3,502	5,502
Wood and wicker, raw and manufactured	3,247	4,379	6,393
Earthenware, cement, china, glass, and stoneware	5,903	5,954	6,742
Pulp, paper and board, paper manufacture, and stationery	5,556	5,608	6,476
Sporting materials, toys, fancy goods, jewellery, and time-pieces	7,201	7,515	8,853
Optical, surgical and scientific instruments, photographic goods	3,354	3,836	4,769
Chemicals, pharmaceutical products, essential oils, and fertilisers	4,441	6,066	6,228
Miscellaneous goods	12,136	13,904	16,905
Primage	4,304	4,638	5,465
Other receipts	275	764	887
<i>All classes</i>	<i>210,202</i>	<i>232,572</i>	<i>268,480</i>
<i>Less Remission of duty under special circumstances</i>	<i>66</i>	<i>75</i>	<i>80</i>
Total	210,136	232,497	268,400

CUSTOMS DUTIES ACCORDING TO BRUSSELS TARIFF DIVISIONS(a), 1966-67
(\$'000)

<i>Source of receipts</i>	<i>1965-66</i>	<i>1966-67</i>
Live animals; animal products	1,155	1,040
Vegetable products	1,755	1,797
Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes	1,923	2,440
Prepared foodstuffs; beverages, spirits and vinegar; tobacco	43,656	47,149
Mineral products	19,394	9,488
Products of the chemical industry and allied industries	10,420	12,340
Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubbers, factice and articles thereof	11,781	12,278
Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers; articles of gut (other than silk-worm gut)	1,962	2,409
Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto and of other plaiting materials; basketware and wickerwork	6,627	6,902
Paper-making material; paper and paper-board and articles thereof	6,838	7,545
Textiles and textile articles	34,952	38,019
Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts therefor; prepared feathers and articles made therewith; artificial flowers; articles of human hair; fans	3,193	4,362
Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware	7,272	7,346
Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin	1,187	1,200
Base metals and articles of base metal	18,606	18,321
Machinery and mechanical appliances; electrical equipment; parts therefor	47,052	44,813
Vehicles, aircraft, and parts therefor; vessels and certain associated transport equipment	25,575	29,280
Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; clocks and watches, musical instruments; sound recorders and reproducers; television image and sound recorders and reproducers, magnetic; parts therefor	8,880	9,054
Arms and ammunition; parts therefor	466	473
Miscellaneous manufactured articles	8,537	8,422
Works of art, collector's pieces and antiques	—5	5
Miscellaneous	4,366	4,613
Primage	5,420	5,799
<i>Total, customs duties and primage</i>	<i>271,010</i>	<i>275,095</i>
<i>Less Remission of duty under special circumstances</i>	<i>139</i>	<i>222</i>
Total	270,871	274,873

(a) Following the adoption as from 1 July 1965 of the Brussels Tariff Nomenclature in the new Australian Customs Tariff, the source of customs duties is shown under the heads of the sections of Customs Tariff. In earlier years, collections of customs duties were shown by statistical classes—see preceding table.

**COMMONWEALTH EXCISE REVENUE: CLASSIFICATION OF NET RECEIPTS
1962-63 TO 1966-67
(\$'000)**

	1962-63	1963-64	1964-65	1965-66	1966-67
Beer	234,525	247,169	260,214	302,104	320,832
Spirits	17,164	18,306	19,207	22,871	24,873
Tobacco	21,082	18,710	17,795	18,070	17,040
Cigars and cigarettes	140,372	146,199	171,073	199,740	201,051
Cigarette papers	1,141	1,013	901	858	824
Petrol	122,029	135,974	148,194	190,670	220,639
Diesel fuel	5,152	7,665	9,099	13,597	15,481
Matches	2,253	2,288	2,276	2,267	2,167
Playing cards	98	104	106	114	112
Coal	560	585	599	621	634
Cathode ray tubes	4,212	3,911	605	..	..
Canned fruit . . . . .	..	402	1,092	1,092	1,263
Miscellaneous	103	42	1	-68	1,530
<i>All items</i>	<i>548,692</i>	<i>582,369</i>	<i>631,162</i>	<i>751,936</i>	<i>806,445</i>
Diesel fuel taxation	323	319	309	265	362
Less Rebates	211	224	229	241	298
	<i>111</i>	<i>95</i>	<i>80</i>	<i>24</i>	<i>64</i>
Total	548,803	582,464	631,242	751,960	806,509

Primary production and other charges

**COMMONWEALTH PRIMARY PRODUCTION AND OTHER CHARGES: RECEIPTS
1962-63 TO 1966-67
(\$'000)**

Source of revenue	1962-63	1963-64	1964-65	1965-66	1966-67
Apple and pear export charge	198	251	213	272	207
Butter fat levy . . . . .	..	..	..	1,812	2,120
Canned fruit export charge	138	183	176	223	224
Canning fruit charge	142	61	102	120	116
Cattle slaughter levy	813	879	298	..	..
Dairy produce export charge	437	527	674	5	..
Dairy produce levy	791	793	817	31	..
Dried fruits export charge	85	118	155	193	159
Dried vine fruits contributory charge—					
Currants . . . . .	..	..	..	72	52
Raisins . . . . .	..	..	..	165	..
Sultanas . . . . .	..	..	..	1,530	..
Egg export charge	35	56	82	20	5
Honey levy	7	81	104	101	92
Livestock slaughter levy—					
Cattle . . . . .	..	..	1,157	1,441	1,315
Sheep and lambs . . . . .	..	..	299	399	809
Meat export charge	438	486	103	..	..
Poultry industry levy . . . . .	..	..	..	6,000	8,859
Tobacco charge	239	348	354	369	239
Wine export charge	320	224	274	288	380
Total	3,643	4,007	4,808	13,041	14,575

Other Commonwealth taxation

Taxes other than customs and excise duties, the various export charges and some taxes on particular commodities are assessed and collected by the Commissioner of Taxation. The Commissioner's organisation comprises a head office in Canberra, an office in each State assessing the returns of taxpayers whose interests are restricted to that State, and a central office situated in Melbourne assessing taxpayers whose interests are in the Australian Capital Territory or are in more than one State.

Details of the purposes and rates applicable to the main forms of Commonwealth taxation, excluding customs and excise, currently imposed and of current legislation are given in the following pages. Historical information is given in Year Book No. 51, pages 905-10, and in earlier issues. Taxes on income are treated separately on pages 797-807 and customs and excise duties are dealt with in the chapter Overseas Transactions. For detailed statistics relating to Commonwealth income taxes, estate duty, gift duty, and sales tax see the annual bulletin *Commonwealth Taxation Assessments*.

Sales tax. The general rate of tax levied on all goods other than those specified in the schedules to the *Sales Tax (Exemptions and Classifications) Act 1935-1967* was 12½ per cent, and goods subject to special rates were taxed at the rates of 2½ and 25 per cent.

Particulars of the net amount of sales tax payable and the sales of taxable and exempt goods in each State for 1966-67 are given in the following table. The figures relate to sales during the period 1 July to 30 June. The figures for sales tax payable differ from those for net collections shown on page 747 because the latter include some adjustments in respect of earlier tax years and relate to tax payable on returns lodged during the year, which in general cover sales for the period June to May.

COMMONWEALTH SALES TAX AND AMOUNT OF SALES: STATES AND TERRITORIES
1966-67
(\$'000)

	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Aust.
Net sales on which sales tax was payable at—								
2½ per cent	225,893	223,058	70,493	47,236	36,834	11,464	324	615,302
12½ per cent	618,444	428,774	182,530	114,298	103,842	29,391	2,462	1,479,741
25 per cent	301,534	215,784	90,930	62,120	53,989	18,423	470	743,250
<i>Total net sales</i>	<i>1,145,872</i>	<i>867,615</i>	<i>343,952</i>	<i>223,654</i>	<i>194,665</i>	<i>59,279</i>	<i>3,255</i>	<i>2,838,294</i>
Sales of exempt goods by registered persons	3,248,326	2,202,583	988,357	557,775	574,995	215,404	14,345	7,801,785
Total sales of taxable and exempt goods	4,394,198	3,070,198	1,332,309	781,429	769,660	274,683	17,600	10,640,079
Sales tax payable	158,336	113,119	47,311	30,998	27,398	8,566	433	386,163

(a) Includes Australian Capital Territory.

Sales of taxable and exempt goods and sales tax payable for Australia as a whole are shown in the following table for the years 1962-63 to 1966-67.

COMMONWEALTH SALES TAX AND AMOUNT OF SALES
AUSTRALIA, 1962-63 TO 1966-67
(\$ million)

Year of sale	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
1962-63	2,303	5,254	7,557	314
1963-64	2,393	6,116	8,509	329
1964-65	2,589	6,819	9,408	365
1965-66	2,645	7,112	9,757	367
1966-67	2,838	7,802	10,640	386

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 1935-1967*. The figures shown do not represent the total sales of all commodities, as vendors trading only in exempt goods 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.

Pay-roll tax came into operation on 2 May 1941 and provided for the imposition of a tax on wages accruing after 30 June 1941. The relevant laws are *Pay-roll Tax Assessment Act 1941-1967*, *Pay-roll Tax Act 1941-1966*, and *Pay-roll Tax Regulations*. From 1 September 1957 pay-roll tax of 2½ per cent (rate unchanged since its inception) was payable by employers on all wages and salaries in excess of \$400 a week or \$20,800 per annum. Collections of pay-roll tax amounted to \$172,232,000 in 1966-67.

Employers whose export sales have increased above the annual average of export sales effected during a base period of two years ended 30 June 1960 are entitled under the Commonwealth Government's export incentive scheme to a rebate of pay-roll tax of twelve and one-half times the percentage increase in export sales.

Estate duty. Under the *Estate Duty Assessment Act 1914-1967* estate duty is assessed on the net value of the estate less a statutory exemption determined in accordance with the following formula, applying from 31 October 1963: (a) where the whole of the estate passes to the widow or widower, children (including adopted children, step-children and ex-nuptial children), or grand-children of the deceased, the sum of \$20,000 decreasing by \$2 for every \$8 by which the value exceeds \$20,000 and ceasing to apply at \$100,000; (b) where no part of the estate passes to the widow or widower, children or grand-children, the sum of \$10,000 decreasing by \$2 for every \$8 by which the value exceeds \$10,000 and ceasing to apply at \$50,000; and (c) where only part of the estate passes to the widow or widower, children or grand-children, an amount calculated proportionately under (a) and (b). Special exemptions are also allowed in respect of estates of defence personnel who die on active service or within three years of termination of their active service from injuries received or diseases contracted while on active service, and prescribed personal property held in Australia by certain United States personnel who are in Australia solely for purposes connected with projects of the United States Government. A rebate of duty may be allowable if the deceased was a beneficiary in an estate (upon which duty is payable or has been paid) of a person who predeceased him by not more than five years.

The rates of duty levied under the *Estate Duty Act 1914-1966* increase as the value of the estate for duty increases, as follows: does not exceed \$20,000, 3 per cent; \$20,001 to \$40,000, 3 per cent to 6 per cent; \$40,001 to \$240,000, 6 per cent to 26 per cent; \$240,001 to \$1,000,000, 26 per cent to 27.9 per cent; \$1,000,000 or more, 27.9 per cent.

Particulars of the number and value of estates and duty assessed, for each of the assessment years 1962-63 to 1966-67, are given in the following table.

COMMONWEALTH ESTATE DUTY ASSESSMENTS, 1962-63 TO 1966-67

		1962-63	1963-64	1964-65	1965-66	1966-67
Estates	No.	16,634	17,658	12,423	10,948	12,056
Gross value assessed	\$'000	588,306	633,552	602,216	587,488	664,034
Deductions	"	106,732	115,002	116,821	117,304	131,930
Statutory exemption	"	74,510	81,836	92,641	109,468	127,602
Dutiable value	"	407,064	436,714	392,754	360,715	404,502
Net duty payable	"	37,988	39,840	40,935	38,410	43,817
Average dutiable value	\$	24,472	24,732	31,615	32,948	33,552
Average duty per estate	\$	2,284	2,256	3,295	3,508	3,634

Gift duty. The *Gift Duty Act 1941-1967* and the *Gift Duty Assessment Act 1941-1967* impose a gift duty on gifts made after 29 October 1941. A gift is 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. However, if a return is furnished by the donor, the donee is relieved of this obligation.

Certain exemptions from duty are provided by the Assessment Act, the more important being: payments to an employees' superannuation or like fund; retiring allowances or gratuities granted to employees; gifts to non-profit organisations; gifts to the Commonwealth or a State; and small gifts not exceeding \$100.

Where the value of the gift together with the total value of gifts made by the donor during the preceding eighteen months does not exceed \$4,000, no duty is payable.

The rate of gift duty applicable to any particular gift is fixed by reference to the total value of all gifts made by the same donor within the period of eighteen months before and eighteen months after the time of making that gift. The present rates of duty are: (a) where the total value of all gifts

does not exceed \$4,000, nil; (b) \$4,001 to \$20,000, 3 per cent provided that the gift duty payable shall not exceed half the amount by which the gift exceeds \$4,000, or a proportionate amount where more than one gift is involved; (c) \$20,001 to \$40,000, 3 per cent to 6 per cent; (d) \$40,001 to \$240,000, 6 per cent to 26 per cent; (e) \$240,001 to \$1,000,000, 26 per cent to 27.9 per cent; and (f) \$1,000,000 or more, 27.9 per cent.

Particulars of the number of gift duty assessments, value of gifts as assessed and duty assessed for each of the assessment years 1962-63 to 1966-67 are given in the following table.

COMMONWEALTH GIFT DUTY ASSESSMENTS, 1962-63 TO 1966-67

		1962-63	1963-64	1964-65	1965-66	1966-67
Assessments	No.	7,020	7,676	8,306	7,516	8,946
Value as assessed	\$'000	107,146	118,126	124,709	111,658	130,771
Duty assessed	„	6,066	6,768	6,870	5,911	7,633

Wool tax. The present rate of wool tax is 2 per cent of the sale value of the wool and this rate has operated since 1 July 1965.

Wheat export charge and wheat tax. The *Wheat Export Charge Act* 1963-1966 repealed the *Wheat Export Charge Act* 1958 and provided for an export charge on wheat and wheat products for the seasons 1963-64 to 1967-68 inclusive. The charge which may be levied is the excess of the export price over the guaranteed price or \$0.15 per bushel, whichever is the less. Under the *Wheat Industry Stabilization Act* 1963-1966, to which the *Wheat Export Charge Act* is complementary, the Commonwealth Government guarantees a return to wheat-growers of the ascertained cost of production on up to 150 million bushels of wheat harvested each season exported from Australia. 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 in respect of exports up to 150 million bushels. If the fund is exhausted, payments will be made as necessary from the *Consolidated Revenue Fund*. As the return from exports has been below the guaranteed price, there have been no collections of the wheat export charge since the 1956-57 (No. 20) Pool, when \$3,178,000 was collected. The *Wheat Tax Act* 1957-1966 imposes a tax of three-tenths of a penny (0.25 cents) for each bushel of wheat delivered to the *Wheat Board* on or after 1 October 1965. (See also the chapter *Rural Industry*.)

Miscellaneous export charges. These consist of charges levied on exports of apples and pears (*Apple and Pear Export Charges Act* 1938-1966), canned fruits (*Canned Fruits Export Charges Act* 1926-1966), dried fruits (*Dried Fruits Export Charges Act* 1924-1965), and eggs (*Eggs Export Charges Act* 1947-1965).

Stevedoring Industry Charge. The rate of charge between 1 April 1962 and March 1967 was 33½ cents per man-hour. The rate was increased to 48 cents per man-hour from 8 March 1967.

Tobacco charge. The rates of tobacco charge currently in force are as follows:

- (a) in respect of leaf sold to a manufacturer:
 - (i) one half cent per pound of leaf, payable by the grower or other persons who own the leaf immediately before sale, and
 - (ii) one cent per pound of leaf, payable by the manufacturer;
- (b) in respect of leaf grown and used by grower-manufacturers:
 - (i) where the manufacturer grows nine-tenths of the leaf used by him—one half cent per pound of leaf,
 - (ii) in other cases—one cent per pound of leaf.

(See also the chapter *Rural Industry*.)

Dairy produce and butterfat levies. The *Butter Fat Levy Act* 1965-1966, which superseded the *Dairy Produce Levy Act* 1958, and the *Dairy Produce Export Charge Act* 1924-1962 provide for a maximum rate of \$0.60 per hundredweight of butterfat content of dairy products and for the apportionment of the proceeds between overseas marketing (40 per cent), local promotion (40 per cent), and research (20 per cent). (See also the chapter *Rural Industry*.)

Canning-fruit charge. The present rate of canning-fruit charge is \$0.75 per ton of fruit. This rate has operated since 1 December 1964.

Honey levy. The current rate of levy on honey sold for domestic consumption in Australia is four-tenths of a cent per pound.

Livestock slaughter levy. The *Livestock Slaughter Levy Act 1964-1966* imposed a levy on all cattle (over 200 lb dressed weight), sheep and lambs slaughtered within Australia for human consumption. These levies operated from 1 August 1964 and replaced the charge imposed on meat exports and also subsumed the cattle slaughter levy for beef research purposes imposed in 1960 (see page 909 of Year Book No. 51). The rates of levy are not to exceed 75 cents for cattle, of which a maximum of 20 cents is for beef research, and 7.5 cents for sheep or lambs, of which a maximum of 3.33 cents is for sheep or lamb research.

Dried Vine Fruits Contributory Charge. Charges in respect of 1965 season fruits were paid into the varietal stabilisation funds at the following rates: currants, \$4.12 a ton, and raisins \$3.76 a ton.

Poultry industry levy. The rates of levy for each hen kept for commercial purposes (the first twenty hens being exempt) was three pence and one farthing per fortnight from 1 July 1965 to 23 February 1966, 2.8 cents per fortnight from 23 February 1966 to 13 July 1966, 3.5 cents per fortnight from 13 July 1966 to 19 April 1967, 5.0 cents per fortnight from 19 April 1967 to 12 July 1967, and 4.0 cents from 12 July 1967.

Commonwealth Consolidated Revenue Fund: expenditure

Details of expenditure from Consolidated Revenue

In the following table gross expenditure from Consolidated Revenue is classified by function and economic type, the classification being consistent with that used for tables on pages 731-3. As with grants to other Commonwealth authorities, transfers to trust funds are here classified as expenditure according to the nature of the respective trust funds. Further information on the expenditure of business undertakings and the Territories, and on other particular functions is included in the chapters Transport and Communication and The Territories of Australia and in the chapters dealing with the respective activities.

COMMONWEALTH CONSOLIDATED REVENUE FUND: EXPENDITURE BY FUNCTION AND ECONOMIC TYPE, 1962-63 TO 1966-67

(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Health and welfare—					
Advances	1,000	..	600	..	..
Cash benefits to persons	757,443	831,327	877,037	926,616	1,016,930
Current expenditure on goods and services	26,993	29,034	32,181	35,099	42,079
Capital expenditure on goods and services	2,375	3,081	3,489	3,681	2,738
Grants to the States	2,602	2,218	3,224	5,261	8,199
Grants towards private capital expenditure	6,372	7,408	8,000	8,666	10,332
<i>Total, health and welfare</i>	<i>796,785</i>	<i>873,068</i>	<i>924,531</i>	<i>979,323</i>	<i>1,080,278</i>
Defence—					
Current expenditure on goods and services	427,014	474,422	568,686	753,679	778,615
Grants to overseas governments and organisations	7,584	5,414	12,210	25,678	37,439
Other	-2,326	38,842	17,214	-37,502	35,009
Total	432,272	518,678	598,110	741,855	851,063
Less Amounts charged to loan fund	132,140	77,430	..	89,545	198,426
<i>Total, defence</i>	<i>300,132</i>	<i>441,248</i>	<i>598,110</i>	<i>652,310</i>	<i>652,637</i>
Repatriation—					
Cash benefits to persons	163,888	181,925	181,036	200,509	192,780
Current expenditure on goods and services	50,056	55,210	58,818	63,659	70,419
Capital expenditure on goods and services	996	712	1,124	1,156	889
Grants towards private capital expenditure	2,342	800	2,794	5,714	6,031
<i>Total, repatriation</i>	<i>217,282</i>	<i>238,647</i>	<i>243,772</i>	<i>271,038</i>	<i>270,119</i>
Housing—					
Expenses of business undertakings	1,298	1,458	1,376	1,299	1,354
Advances—					
War Service Homes	75,000	70,000	70,000	70,000	59,100
Other	6,682	7,770	16,890	12,410	14,306
Cash benefits to persons	38	46	130	213	142
Current expenditure on goods and services	2,602	3,056	3,842	4,172	4,593
Capital expenditure on goods and services	10,502	9,686	12,436	15,257	13,485
Grants towards private capital expenditure . . . . .	..	..	11,350	13,346	11,885
<i>Total, housing</i>	<i>96,122</i>	<i>92,016</i>	<i>116,024</i>	<i>116,697</i>	<i>104,865</i>

For footnotes see next page.

COMMONWEALTH CONSOLIDATED REVENUE FUND: EXPENDITURE
BY FUNCTION AND ECONOMIC TYPE, 1962-63 TO 1966-67—*continued*
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Other functions—					
Expenses of business undertakings	261,947	286,279	314,254	345,379	385,638
Other current expenditure on goods and services	234,154	275,988	329,082	372,555	433,174
Capital expenditure on goods and services—					
Business undertakings(a)	137,460	151,120	177,330	201,745	225,896
Other	51,993	61,885	73,965	81,053	98,396
Subsidies	71,252	115,658	99,808	143,472	162,298
Cash benefits to persons	14,810	14,357	21,526	27,755	35,974
Grants to the States—					
Current purposes	20,396	23,106	31,258	44,478	62,402
Capital purposes	133,222	140,476	178,742	194,102	211,600
Grants to overseas governments and organisations(b)	64,995	81,210	94,260	101,754	112,694
Grants towards private capital expenditure Advances—			4,040	19,500	16,308
Snowy Mountains Hydro-electric Authority	18,532	23,658	26,100	26,520	44,096
States	6,720	10,754	13,788	34,231	28,191
Overseas governments and organisations . . . . .	..	4	78	296	5,822
Other	7,974	15,430	8,272	7,549	2,270
<i>Total, other functions</i>	<i>1,023,455</i>	<i>1,199,925</i>	<i>1,372,503</i>	<i>1,600,389</i>	<i>1,824,759</i>
Not allocated to function—					
Current expenditure on goods and services	9,178	11,104	13,912	15,750	15,160
Capital expenditure on goods and services	12,536	11,028	13,462	12,952	20,069
Grants to the States	695,808	729,730	744,884	832,052	900,805
Advances to overseas governments and organisations	31,148	8,070	24,868	45,985	33,193
Debt charges(c)—					
Interest	81,084	81,260	81,868	77,392	74,306
Payments to National Debt Sinking Fund	54,486	57,530	61,500	64,849	21,586
Loan Consolidation and Investment Reserve	52,756	29,750	222,744	210,464	227,654
Redemption of Treasury bills . . . . .	..	36,000	..	..	..
Redemption of International Bank loans . . . . .	..	..	..	..	2,286
<i>Total, not allocated</i>	<i>936,996</i>	<i>964,472</i>	<i>1,163,238</i>	<i>1,259,444</i>	<i>1,295,059</i>
Grand total	3,370,772	3,809,376	4,418,178	4,879,201	5,227,721

(a) Includes expenses of undertakings in Northern Territory and Australian Capital Territory. (b) Includes grants to Administration of Papua and New Guinea and grants under Colombo Plan, United Nations Technical Assistance Administration, etc. (c) Excludes loan management expenses included in other functions.

Minus sign (-) denotes the result of differences in timing between payments for, and deliveries of, defence equipment.

More detailed information on defence expenditure, on current and capital expenditure on goods and services, and on primary production research and sales promotion, etc. is given in the following tables.

Defence services expenditure

Details of the expenditure on defence services shown in the following table cover expenditure from Consolidated Revenue and Loan Funds by the services and associated departments, including the cost of maintaining forces in overseas posts. In recent years there has been no expenditure on defence services from Trust Funds.

COMMONWEALTH CONSOLIDATED REVENUE FUND
EXPENDITURE ON DEFENCE, 1962-63 TO 1966-67
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Department of Defence—					
Administrative and general expenses	5,293	3,532	4,207	6,961	7,346
Buildings, works, sites, etc.	241	113	294	197	904
Maintenance and rent	100	112	117	202	238
<i>Total, Defence</i>	<i>5,634</i>	<i>3,757</i>	<i>4,618</i>	<i>7,359</i>	<i>8,488</i>
Department of the Navy—					
Naval forces—pay, maintenance, etc.	63,708	72,359	83,624	99,046	110,437
Naval construction and additions to the fleet	14,805	23,763	35,967	44,918	51,689
Ships, aircraft and aircraft engines	14,932	9,702	8,622	15,494	8,438
Buildings, works, sites, etc.	2,879	2,413	4,052	7,232	7,927
Maintenance and rent	2,099	2,417	2,631	3,159	3,692
Retirement benefits	838	1,024	1,172	1,229	1,392
<i>Total, Navy</i>	<i>99,261</i>	<i>111,678</i>	<i>136,069</i>	<i>171,079</i>	<i>183,575</i>
Department of the Army—					
Military forces—pay, maintenance, etc.	83,544	91,300	108,920	133,675	169,795
Special units serving abroad—maintenance	3,658	4,026	4,566	9,773	26,386
Arms, armament and equipment	36,958	48,432	61,690	67,921	69,913
Buildings, works, sites, etc.	5,482	6,551	13,856	38,693	58,088
Maintenance and rent	4,649	5,444	6,372	7,503	8,447
Retirement benefits	2,202	2,668	3,368	3,657	3,827
<i>Total, Army</i>	<i>136,493</i>	<i>158,421</i>	<i>198,772</i>	<i>261,223</i>	<i>336,456</i>
Department of Air—					
Air force—pay, maintenance, etc.	55,848	59,221	69,389	77,674	86,311
R.A.A.F. squadrons overseas	5,156	5,570	5,592	7,080	9,447
Aircraft, equipment and stores	61,302	101,418	91,034	111,712	111,117
Buildings, works, sites, etc.	6,144	5,616	7,598	13,336	11,719
Maintenance and rent	5,279	5,324	5,570	6,024	7,096
Retirement benefits	1,738	1,996	2,996	2,582	2,808
<i>Total, Air</i>	<i>135,467</i>	<i>179,145</i>	<i>182,179</i>	<i>218,408</i>	<i>228,498</i>
Department of Supply—					
Administrative and general expenses	6,825	3,746	8,912	9,566	14,107
Defence Research and Development Laboratories	7,756	9,292	10,608	10,401	10,627
Government factories—maintenance of production capacity	2,952	3,090	2,766	2,270	3,139
Transport and storage services	4,178	4,508	6,764	7,027	7,661
Weapons Research Establishment	15,256	29,012	28,320	27,725	28,030
Munitions factories—working capital	660	164	..	2,004	475
Machinery, plant equipment, etc.	4,080	4,650	4,850	7,067	7,601
Buildings, works, sites, n.e.i. etc.	2,602	2,185	2,486	3,011	3,853
Maintenance and rent	1,799	1,939	2,038	2,293	2,465
<i>Total, Supply</i>	<i>46,110</i>	<i>58,586</i>	<i>66,744</i>	<i>71,364</i>	<i>77,958</i>
Defence aid for Malaysia . . . . .	..	144	3,376	5,034	8,036
Economic assistance to support defence programme of S.E.A.T.O. member countries	2,496	1,888	2,504	2,258	2,309
Security Intelligence Organization	1,410	1,716	1,920	1,990	2,656
Civil defence	546	642	644	724	709
Recruiting campaign	1,000	1,378	1,690	1,646	1,556
Aid to India	2,892	1,284	60	17	..
Other	963	39	—466	751	821
<i>Total, Defence services</i>	<i>432,272</i>	<i>518,678</i>	<i>598,110</i>	<i>741,855</i>	<i>851,063</i>
<i>Less Expenditure charged to Loan Fund.</i>	<i>132,140</i>	<i>77,430</i>	<i>..</i>	<i>89,545</i>	<i>198,426</i>
Total expenditure charged to Consolidated Revenue Fund	300,132	441,248	598,110	652,310	652,637

Current expenditure on goods and services

This table gives details of expenditure on items included under this general heading in the table on pages 754-5, and in the main includes expenditure on administrative services and other activities (i.e. what might be termed 'running expenses') and therefore *excludes* expenditure on capital works (see table on page 759). Information on the functions of departments and the Acts administered by the Ministers of Departments may be found on pages 87-98 of Year Book No. 49.

**COMMONWEALTH CONSOLIDATED REVENUE FUND: CURRENT EXPENDITURE ON
GOODS AND SERVICES, 1962-63 TO 1966-67**
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Education—					
Australian National University	7,020	8,640	11,400	12,658	14,223
Other	5,256	6,074	7,655	8,674	9,725
<i>Total, education</i>	<i>12,276</i>	<i>14,714</i>	<i>19,055</i>	<i>21,332</i>	<i>23,948</i>
Health and welfare	26,993	29,034	32,181	35,099	42,079
Defence—					
Total	427,014	474,422	568,686	753,679	778,615
<i>Less Amounts charged to Loan Fund</i>	<i>132,140</i>	<i>77,430</i>	<i>..</i>	<i>89,545</i>	<i>198,426</i>
<i>Total, defence</i>	<i>294,874</i>	<i>396,992</i>	<i>568,686</i>	<i>664,134</i>	<i>580,189</i>
Repatriation	50,056	55,210	58,818	63,659	70,419
Housing	2,602	3,056	3,842	4,172	4,593
Law, order and public safety—					
Crown Solicitor's Office	960	1,144	1,216	1,322	1,512
High Court	332	340	370	398	431
Bankruptcy administration	522	576	624	662	828
Other	3,819	4,419	5,092	5,884	8,434
<i>Total, law, order, etc.</i>	<i>5,633</i>	<i>6,479</i>	<i>7,302</i>	<i>8,266</i>	<i>11,205</i>
Development of resources and assistance to industry—					
Bureau of Meteorology	3,992	4,428	4,906	5,364	5,893
Forestry Branch	419	374	607	735	1,081
Commercial intelligence services abroad	2,376	2,726	2,996	3,313	3,727
Primary production—					
Wheat and wool industries	8,396	9,122	22,150	26,416	27,090
Other research and sales promotion, export funds, etc.	3,918	5,230	6,532	9,632	8,229
Bureau of Agricultural Economics	372	444	472	523	630
Bureau of Mineral Resources, Geology and Geophysics	4,020	4,930	4,708	4,775	4,725
Division of National Mapping	1,346	1,414	1,706	1,786	2,111
Atomic Energy Commission	6,518	7,594	8,040	8,226	8,593
Commonwealth Scientific and Industrial Research Organization	18,746	21,121	24,097	25,393	28,593
Other	15,173	16,749	17,366	25,273	31,783
<i>Total, development, etc.</i>	<i>65,276</i>	<i>74,132</i>	<i>93,580</i>	<i>111,436</i>	<i>122,455</i>
Civil aviation—					
Maintenance and development of civil aviation	15,728	17,736	20,296	22,516	25,005
Meteorological services	1,920	2,140	2,392	2,600	2,898
Other	5,819	6,773	7,271	8,337	10,696
<i>Total, civil aviation, etc.</i>	<i>23,467</i>	<i>26,649</i>	<i>29,959</i>	<i>33,453</i>	<i>38,599</i>

For footnotes see next page.

**COMMONWEALTH CONSOLIDATED REVENUE FUND: CURRENT EXPENDITURE
ON GOODS AND SERVICES, 1962-63 TO 1966-67—continued**
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Legislature and general administration—					
Parliament	4,278	4,414	4,894	5,494	5,712
Governor-General	344	358	392	375	422
Audit	1,692	1,950	2,024	2,081	2,514
Public Service Board	1,838	2,134	2,420	2,738	3,407
Taxation Branch and Boards of Review	22,628	25,400	27,080	30,464	36,027
Bureau of Census and Statistics	5,572	6,276	7,346	8,783	14,081
Commonwealth Superannuation Board	362	422	498	752	931
Electoral Branch	1,568	2,530	2,772	2,164	4,749
News and Information Bureau	1,240	1,396	1,660	1,903	2,327
Other	(a)37,149	51,440	59,284	66,949	81,898
<i>Total, legislature, etc.</i>	<i>76,671</i>	<i>96,320</i>	<i>108,370</i>	<i>121,703</i>	<i>152,068</i>
Immigration—					
Assisted migration	13,205	17,745	25,458	26,186	26,332
Other	7,683	7,901	8,566	9,409	11,337
<i>Total, immigration</i>	<i>20,888</i>	<i>25,646</i>	<i>34,024</i>	<i>35,595</i>	<i>37,669</i>
Regulation of trade and industry—					
Conciliation and Arbitration Commission,					
Industrial Court and Registrar	734	816	884	996	1,080
Patents, trade marks and designs	1,178	1,330	1,478	1,515	1,663
Inspection of goods for export	3,186	3,670	4,498	4,910	5,545
Other	3,240	3,466	3,380	3,134	1,965
<i>Total, regulation, etc.</i>	<i>8,338</i>	<i>9,282</i>	<i>10,240</i>	<i>10,555</i>	<i>10,253</i>
Other functions—					
National Library	1,034	1,374	1,622	1,941	2,356
High Commissioner's Office, United Kingdom	2,330	2,562	2,982	3,748	4,309
Other overseas representation	6,144	6,752	7,290	9,670	10,556
United Nations and allied Organizations	2,396	3,864	3,288	3,455	3,739
Antarctic Division	1,628	1,668	1,902	1,985	2,036
Other	(a)8,073	6,546	9,468	9,416	13,981
<i>Total, other functions</i>	<i>21,605</i>	<i>22,766</i>	<i>26,552</i>	<i>30,215</i>	<i>36,977</i>
Not allocated to function—					
Superannuation contributions, n.e.i.	6,790	8,706	10,592	12,019	11,626
Other	2,388	2,398	3,320	3,731	3,534
<i>Total, not allocated</i>	<i>9,178</i>	<i>11,104</i>	<i>13,912</i>	<i>15,750</i>	<i>15,160</i>
Grand total	617,858	771,384	1,006,521	1,155,369	1,145,614

(a) Changes in departmental accounting procedures, which were introduced in 1963-64, affect comparability with later years.

Capital expenditure on goods and services

In the following table details are given of capital expenditure on goods and services during each of the years 1962-63 to 1966-67. The table covers capital expenditure on goods and services from the Consolidated Revenue Fund for purposes other than defence and repatriation services.

**COMMONWEALTH CONSOLIDATED REVENUE FUND: CAPITAL EXPENDITURE
ON GOODS AND SERVICES, 1962-63 TO 1966-67**
(\\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Business undertakings—					
Cultural and recreational facilities	7,660	6,548	9,246	7,567	5,573
Transport and communication—					
Postmaster-General	123,946	136,836	159,796	181,738	205,777
Railways	4,416	5,878	6,514	9,724	10,855
Other	388	708	960	1,916	3,251
Housing(a)	9,564	8,814	11,620	14,194	11,718
Other	1,050	1,150	914	800	440
<i>Total, business undertakings</i>	<i>147,024</i>	<i>159,934</i>	<i>189,050</i>	<i>215,939</i>	<i>237,614</i>
Other—					
Education—					
Australian National University	2,896	4,678	5,392	5,062	5,316
Australian Capital Territory	3,350	3,712	3,956	3,284	4,652
Northern Territory	849	864	1,377	1,503	1,242
Other . . . . .	..	..	..	..	110
<i>Total, education</i>	<i>7,095</i>	<i>9,254</i>	<i>10,725</i>	<i>9,849</i>	<i>11,320</i>
Health and welfare—					
Australian Capital Territory	1,608	2,148	2,584	1,866	1,142
Other health and welfare	767	933	905	1,815	1,596
<i>Total, health and welfare</i>	<i>2,375</i>	<i>3,081</i>	<i>3,489</i>	<i>3,681</i>	<i>2,738</i>
Repatriation	996	712	1,124	1,156	889
Development of resources and assistance to industry—					
Atomic Energy Commission	1,524	1,064	1,390	1,292	1,629
Australian Capital Territory	1,582	920	2,822	3,395	13,775
Commonwealth Scientific and Industrial Research Organisation	1,936	3,610	6,396	3,380	3,726
Other development, etc.	1,768	1,684	1,580	2,181	2,112
<i>Total, development</i>	<i>6,810</i>	<i>7,278</i>	<i>12,188</i>	<i>10,248</i>	<i>21,242</i>
Civil aviation	9,770	11,774	17,628	21,941	29,241
Roads—					
Australian Capital Territory	5,932	5,388	6,450	10,156	8,569
Other roads	3,930	3,664	2,912	4,319	4,585
<i>Total, roads</i>	<i>9,862</i>	<i>9,052</i>	<i>9,362</i>	<i>14,475</i>	<i>13,154</i>
Housing(b)	938	872	816	1,063	1,698
Other functions—					
Australian Capital Territory	7,732	12,936	11,178	11,321	10,664
Papua and New Guinea	80	48	4	125	35
Other	10,644	11,543	12,780	13,094	12,809
<i>Total, other functions</i>	<i>18,456</i>	<i>24,527</i>	<i>23,962</i>	<i>24,540</i>	<i>23,508</i>
Not allocated to function	12,536	11,028	13,462	12,952	20,069
Grand total	215,862	237,512	281,806	315,844	361,473

(a) See also separate item Housing. (b) See also under Business undertakings.

Expenditure on primary production—research and sales promotion, export funds, etc.

Expenditure under this item is classified in the table on page 757 to development of resources and assistance to industry as it includes 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. Information relating to the taxes levied is given in the table on page 750. Some details of expenditure from the trust funds are included in the table on page 761. Details of expenditure from the Consolidated Revenue Fund during the last five years are given in the following table.

**COMMONWEALTH CONSOLIDATED REVENUE FUND: EXPENDITURE ON
PRIMARY PRODUCTION—RESEARCH AND SALES PROMOTION,
EXPORT FUNDS, ETC., 1962-63 TO 1966-67
(\$'000)**

	1962-63	1963-64	1964-65	1965-66	1966-67
Research and sales promotion—					
Canned fruit (sales promotion)	84	101	64	130	128
Meat research	1,008	1,433	1,613	1,930	2,368
Dairy produce research	523	590	510	712	712
Dairy produce sales promotion	525	523	526	779	805
Tobacco industry research	183	401	364	322	319
Wheat research	595	638	720	590	1,082
Wool industry research . . . . .	..	1,594	3,181	2,824	3,045
Wool research	2,925	1,604	..	..	..
Wool use promotion	4,875	5,286	18,249	23,002	22,964
Export funds—					
Apple and pear	169	245	213	312	199
Canned fruits	131	185	170	216	223
Canned fruits excise . . . . .	..	279	1,044	1,033	1,200
Dairy produce	412	530	675	776	876
Dried fruits	89	102	165	188	147
Dried vine fruits stabilisation fund—					
Currants . . . . .	..	..	..	72	52
Raisins . . . . .	..	..	..	165	..
Sultanas . . . . .	..	..	..	1,530	..
Egg	36	57	78	25	4
Honey	4	74	94	110	92
Meat	431	484	741	1,042	864
Wine	319	225	274	288	239
Other—					
Fisheries development	1	..	..	..	..
Other	1	1	2	1	1
Total	12,312	14,351	28,682	36,048	35,319

Commonwealth Consolidated Revenue Fund: receipts

Sources of receipts

**COMMONWEALTH CONSOLIDATED REVENUE FUND: SOURCES OF RECEIPTS
1962-63 TO 1966-67
(\$'000)**

Source	1962-63	1963-64	1964-65	1965-66	1966-67
Taxation	2,880,918	3,218,838	3,787,030	4,185,338	4,453,815
Business undertakings	342,400	375,777	423,948	457,738	490,160
Territories—					
Northern Territory	4,210	4,944	5,611	6,434	7,273
Australian Capital Territory	11,250	14,086	18,193	18,571	16,600
Christmas Island . . . . .	..	..	..	..	245
Cocos (Keeling) Islands	4	8	8	9	11
Total, Territories	15,464	19,038	23,813	25,013	24,128
Interest	43,524	46,852	48,394	51,440	59,128
Dividends or payments in the nature of a dividend	3,826	5,076	5,118	5,197	6,156
Repayments	7,007	11,532	8,897	9,680	44,438
Coinage	212	..	..	..	..
Defence	12,325	44,651	28,961	28,906	26,336
Air navigation charges	2,966	3,755	4,437	6,888	8,184
Quarantine and other health services	311	372	344	463	389
Patents, trade marks, etc.	1,211	1,281	1,315	1,447	1,539
Bankruptcy	362	405	430	438	450
Net profit on Australian note issue	25,561	26,983	30,521	31,070	33,852
Unrequired balances of trust accounts	9,400	25,182	8,472	6,980	8,322
Australian Aluminium Production Commis- sion	500	500	500	1,250	1,250
Reserve Bank Reserve Fund	8,973	3,351	4,983	10,500	4,712
Commonwealth Banking Corporation	1,433	2,290	3,477	3,232	3,649
Other	14,379	23,493	37,538	53,622	61,212
Grand total	3,370,772	3,809,376	4,418,178	4,879,201	5,227,721

Further information on receipts of business undertakings and the Territories is included respectively in the Chapters 12, Transport and Communication and 29, The Territories of Australia.

Commonwealth trust funds

The next 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 1966-67, and the following table shows the totals for the last five years.

COMMONWEALTH TRUST FUNDS: RECEIPTS, EXPENDITURE AND BALANCES, 1966-67 (\$'000)

Fund	Balance at 1 July 1966	1966-67		Balance at 30 June 1967
		Receipts	Expenditure	
Canadian Loan	15,385	563	432	15,516
Coal Mining Industry Long Service Leave	3,082	785	919	2,948
Coinage	8,417	22,035	22,582	7,870
Defence Forces Retirement Benefits	71,724	22,242	11,676	82,290
Insurance Deposits	25,200	4,758	4,566	25,392
Imperial Pensions	776	16,995	16,707	1,064
International Development and Relief	769	820	1,044	545
Lend-Lease Settlement	301	13	..	314
Loan Consolidation and Investment Reserve	807,942	260,408	153,006	915,344
Munitions Factories	4,479	55,607	55,962	4,124
Munitions Production	3,364	26,155	26,509	3,010
National Debt Sinking	304,996	131,728	239,441	197,283
National Welfare	426,822	1,035,401	1,031,117	431,106
Parliamentary Retiring Allowances	1,361	452	330	1,483
Post Office Stores and Services	107	194,600	194,654	53
Poultry Industry	155	9,058	9,213	..
Superannuation	278,906	68,826	59,748	287,984
Supply, Stores and Transport	562	15,360	15,092	830
Swiss Loan	35,862	1,116	..	36,978
Temple Society	3,624	254	2,426	1,452
Tobacco Industry	479	673	623	529
War Service Homes . . . . .	..	62,529	62,529	..
War Service Homes Insurance	1,716	770	910	1,576
Wheat Prices Stabilisation . . . . .	..	16,154	16,154	..
Wheat Research	1,720	1,955	2,047	1,628
Wine Research	824	37	37	824
Wool Research	7,351	3,484	7,145	3,690
Other	17,518	115,217	111,195	21,540
Total	2,023,442	2,067,995	2,046,064	2,045,374

COMMONWEALTH TRUST FUNDS: SUMMARY, 1962-63 TO 1966-67 (\$ million)

	1962-63	1963-64	1964-65	1965-66	1966-67
Balances brought forward	1,655	1,613	1,661	1,863	2,023
Receipts	1,443	1,546	1,827	1,999	2,068
Expenditure	1,485	1,498	1,625	1,839	2,046
Balance carried forward	1,613	1,661	1,863	2,023	2,045

Commonwealth Loan Fund

Brief historical notes relating to the Commonwealth Loan Fund are given in earlier issues of the Year Book (see No. 37, page 640). The following tables show details for the years 1962-63 to 1966-67 of receipts by, and expenditure from, Commonwealth Loan Fund in respect of loans raised for both Commonwealth and State Governments. Information relating to the Commonwealth Government securities on issue is given in the division Government Securities on Issue, Commonwealth and States, of this chapter.

Loans raised for the Commonwealth

**COMMONWEALTH LOAN FUND: LOANS RAISED FOR THE COMMONWEALTH
RECEIPTS AND EXPENDITURE, 1962-63 TO 1966-67**
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
RECEIPTS					
Balance from 30 June	196	97	125	205	139
Loans raised in Australia—					
Stocks and bonds	57,831	143,919	87,905	111,308	134,937
Special bonds	38,972	26,352	34,342	32,304	39,580
Advance loan subscriptions	22,814	Dr 21,560	3,305	Dr 213	9,297
Treasury bills—public (net)	Dr 117,400	Dr 2,400	38,000	5,500	149,000
Treasury bills—internal (investment of Trust Fund) (net)	77,800	39,400	33,400	49,100	Dr 2,000
Treasury notes	138,980	13,590	Dr 72,138	35,664	Dr 25,933
Peace savings certificates	2	2	2	..	1
Loans raised overseas—					
London—stock and bonds	5,414	20,636	..	..	..
New York—bonds	34,931	..	4,421	4,474	43,593
Loan—Qantas Empire Airways Limited	4,134	4,033	26,292	25,214	16,368
Loan—Australian National Airlines Commission	1,119	1,121	8,566	5,075	14,367
International Bank Dollar loan	28,472	24,232	21,151	15,299	499
Netherlands loan . . . . .	..	..	..	..	10,352
<i>Total, loans raised</i>	<i>293,069</i>	<i>249,325</i>	<i>185,247</i>	<i>283,725</i>	<i>390,060</i>
<i>Deduct—</i>					
Expenses of flotation—					
Loans raised in Australia	1,804	Cr 631	306	372	462
London loans	85	317	..	..	..
New York loans	911	..	147	87	1,152
Swiss loans . . . . .	..	..	..	..	523
<i>Total, deductions</i>	<i>2,799</i>	<i>Cr 314</i>	<i>452</i>	<i>460</i>	<i>2,138</i>
<i>Total loan raisings less expenses of flotation</i>	<i>290,270</i>	<i>249,638</i>	<i>184,795</i>	<i>283,265</i>	<i>387,922</i>
<i>Grand total</i>	<i>290,466</i>	<i>249,736</i>	<i>184,920</i>	<i>283,471</i>	<i>388,061</i>
EXPENDITURE					
Financial assistance to States for housing—					
New South Wales	32,600	33,000	35,000	40,271	41,500
Victoria	25,700	26,500	27,000	31,126	32,020
Queensland	7,800	8,600	6,600	8,497	9,060
South Australia	18,982	19,400	20,500	21,057	20,750
Western Australia	6,940	6,800	7,200	8,601	9,170
Tasmania	5,200	6,000	6,400	7,448	7,500
<i>Total, States, housing</i>	<i>97,222</i>	<i>100,300</i>	<i>102,700</i>	<i>117,000</i>	<i>120,000</i>
Defence services	132,141	77,431	..	89,545	198,426
War and repatriation services	1,214	8,525	7,234	6,358	5,936
Loan—Qantas	4,134	4,033	26,292	25,214	16,368
Loan—Australian National Airlines Commission	1,119	1,121	8,566	5,075	14,367
Mount Isa Railway Agreement	11,917	12,100	3,016	..	..
Snowy Mountains Hydro-electric Authority	26,200	23,402	19,600	16,000	4,450
Works and other purposes—repayments	Cr 33	Cr 566	Cr 93	..	..
Other . . . . .	..	..	..	330	195
Redemptions—					
Stock and bonds—Australia	9,299	9,085	..	..	..
Stock and bonds—London . . . . .	..	14,180	..	..	..
Special bonds	7,155	..	17,400	23,810	28,268
Balance at 30 June	97	125	205	139	51
<i>Grand total</i>	<i>290,466</i>	<i>249,736</i>	<i>184,920</i>	<i>283,471</i>	<i>388,061</i>

Loans raised for the States

COMMONWEALTH LOAN FUND: LOANS RAISED FOR THE STATES
RECEIPTS AND EXPENDITURE, 1962-63 TO 1966-67
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
RECEIPTS					
Balance from 30 June . . . . .	..	..	..	..	..
Loans raised in Australia—					
Stock and bonds	361,622	363,889	457,159	523,795	583,236
Special bonds	39,192	65,207	53,124	48,121	44,673
Loans raised overseas—					
London—stock and bonds	32,221	28,762	..	..	..
New York—bonds	39,287	..	17,686	17,895	..
Total	472,323	457,857	527,969	589,812	627,909
EXPENDITURE					
Payments of loan proceeds to the States—					
New South Wales	130,808	140,020	149,470	152,150	163,640
Victoria	105,360	111,728	120,954	123,206	132,520
Queensland	42,576	42,412	48,000	63,692	55,915
South Australia	51,458	55,184	59,020	61,892	67,680
Western Australia	41,044	44,006	46,968	47,902	51,070
Tasmania	29,768	30,318	32,244	33,228	34,517
<i>Total payments to States</i>	<i>401,014</i>	<i>423,668</i>	<i>456,656</i>	<i>482,070</i>	<i>505,342</i>
Redemptions—					
Stock and bonds—Australia	54,620	24,384	30,000	56,000	30,000
Special bonds	8,543	9,806	16,238	31,683	27,468
London	8,146	..	25,075	20,060	37,613
New York . . . . .	..	..	..	..	26,806
Other . . . . .	..	..	..	..	680
Balance at 30 June . . . . .	..	..	..	..	..
Grand total	472,323	457,857	527,969	589,812	627,909

STATE FINANCE

Functions of State Governments

In comparing the financial results of the States allowances must be made for the various functions discharged by the respective State 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 delegated to local government 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 is needed, therefore, in making comparisons, and the particulars contained in this chapter should be read with those contained in the chapter Local Government.

Accounts of State Governments

The various financial transactions of the States are in each case concerned mainly 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 a State is paid into its *Consolidated Revenue Fund*, from which payments are made under authority of an annual Appropriation Act passed by the legislature, or by a permanent appropriation under a special Act. Figures relating to New South Wales represent the transactions of the Consolidated Revenue Fund and the business undertakings included in the annual budget papers. These undertakings are: 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 eliminate duplications caused by inter-fund payments. 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 for the State and credited with the expenditure therefrom on public works or other purposes.

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 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 Year Book from year to year.

State Consolidated Revenue Fund: expenditure

The principal heads of State expenditure from Consolidated Revenue Funds are: (a) interest, exchange and debt redemption charges in connection with debt; (b) working expenses of business undertakings; (c) education; (d) health and charitable expenditure; (e) justice; (f) police; (g) penal establishments; and (h) all other expenditure, including expenditure on public works, lands and surveys, agriculture and forestry, legislative and general administration, pensions, and miscellaneous.

In 1966-67 education constituted 24.2 per cent of the total expenditure from the State Consolidated Revenue Funds; the working expenses of railways, tramways, and omnibuses, 20.4 per cent; debt charges, 17.3 per cent; charitable, public health and hospitals, 13.5 per cent; and law, order and public safety, 6.1 per cent.

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 1962-63 to 1966-67 are shown in the following table.

STATE CONSOLIDATED REVENUE FUND EXPENDITURE, 1962-63 TO 1966-67

Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
EXPENDITURE (\$'000)							
1962-63	624,888	414,150	246,928	186,789	158,687	64,301	1,695,742
1963-64	683,992	444,874	260,454	199,755	170,681	69,577	1,829,333
1964-65	734,160	480,668	271,215	216,803	184,840	77,447	1,965,133
1965-66	776,314	516,689	298,022	235,650	206,665	86,917	2,120,259
1966-67	833,832	559,595	323,523	250,717	228,174	94,414	2,290,254
PER HEAD OF POPULATION (\$)							
1962-63	155.41	137.51	157.95	187.07	204.12	179.52	158.04
1963-64	167.69	144.75	163.29	195.18	213.67	191.80	167.33
1964-65	177.22	153.26	166.70	206.07	226.20	211.39	176.38
1965-66	184.41	161.77	179.52	217.82	246.83	235.17	186.76
1966-67	195.15	172.19	191.65	227.10	264.66	252.50	198.28

(a) See above for transactions included.

Details of expenditure

The following tables show the total expenditure and expenditure per head of population for each of the principal items. For further information on the finances of the various types of business undertakings in the States see the chapters Transport, Communication, and Travel, and Local Government of this Year Book.

STATE CONSOLIDATED REVENUE FUND EXPENDITURE: DETAILS, 1966-67

	<i>N.S.W.</i> (a)	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i> (b)	<i>Total</i>
EXPENDITURE (\$'000)							
Debt (interest, exchange, debt redemption, etc.)	109,026	103,000	54,722	60,263	41,840	28,226	397,077
Railways	172,689	97,046	87,661	31,118	45,764	2,859	437,138
Tramways and omnibuses	28,444	..	..	..	642	975	30,062
Harbours and rivers, etc.	13,127	1,459	..	3,451	2,474	69	20,580
Water supply, sewerage, irrigation and drainage . . . . .	..	10,079	..	11,777	6,759	654	29,269
Other business and industrial undertakings . . . . .	..	1,035	27	653	3,363	105	5,183
Education	209,853	156,717	63,478	57,111	44,370	21,308	552,836
Health and charitable	103,821	78,863	46,853	34,490	31,901	13,640	309,569
Justice	14,570	5,340	4,370	1,903	1,875	971	29,029
Police	33,430	23,009	13,827	7,938	6,261	3,151	87,616
Penal establishments	7,466	3,299	1,812	1,964	2,085	810	17,436
Public safety	2,043	98	1,420	379	501	203	4,644
All other expenditure	139,362	79,649	49,355	39,670	40,337	21,441	369,814
Total	833,832	559,595	323,523	250,717	228,174	94,414	2,290,254

PER HEAD OF POPULATION
(\$)

Debt (interest, exchange, debt redemption, etc.)	25.52	31.69	32.42	34.59	48.53	75.49	34.38
Railways	40.42	29.86	51.93	28.19	53.08	7.65	37.85
Tramways and omnibuses	6.66	..	..	..	0.74	2.61	2.60
Harbours and rivers, etc.	3.07	0.45	..	3.13	2.87	0.18	1.78
Water supply, sewerage, irrigation and drainage . . . . .	..	3.10	..	10.67	7.84	1.75	2.53
Other business and industrial undertakings . . . . .	..	0.32	0.02	0.59	3.90	0.28	0.45
Education	49.11	48.22	37.60	51.73	51.47	56.99	47.86
Health and charitable	24.30	24.27	27.76	31.24	37.00	36.48	26.80
Justice	3.41	1.64	2.59	1.72	2.17	2.60	2.51
Police	7.82	7.08	8.19	7.19	7.26	8.43	7.59
Penal establishments	1.75	1.02	1.07	1.78	2.42	2.17	1.51
Public safety	0.48	0.03	0.84	0.34	0.58	0.54	0.40
All other expenditure	32.62	24.51	29.24	35.93	46.79	57.34	32.02
Total	195.15	172.19	191.65	227.10	264.66	252.50	198.28

(a) See page 764 for transactions included. (b) Tasmanian transport services are under the separate control of semi-governmental authorities. Figures shown for relevant items represent payments to the authorities.

TOTAL STATE CONSOLIDATED REVENUE FUND EXPENDITURE: DETAILS
1962-63 TO 1966-67
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Debt (interest, exchange, debt redemption, etc.)	301,723	320,403	343,990	370,551	397,077
Railways, tramways and omnibuses (working expenses)	397,940	420,585	443,947	451,226	467,200
Harbours and rivers, etc.	15,985	19,035	20,652	19,445	20,580
Water supply, sewerage, irrigation and drainage	25,706	26,313	24,840	27,301	29,269
Other business and industrial undertakings	5,492	5,187	6,260	5,235	5,183
Education	359,053	401,009	457,333	499,733	552,836
Health and charitable	231,051	239,167	260,508	285,587	309,569
Justice	19,910	21,749	24,187	26,286	29,029
Police	62,961	68,008	72,981	77,102	87,616
Penal establishments	12,223	13,054	14,204	15,258	17,436
Public safety	3,773	3,935	4,038	4,400	4,644
All other expenditure	259,925	290,887	292,194	338,135	369,814
Total	1,695,742	1,829,333	1,965,133	2,120,259	2,290,254

State Consolidated Revenue Fund: receipts

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) interest on advances; (e) payments by the Commonwealth Government under the Financial Agreements, Special Grants and Financial Assistance Acts, etc.; (f) Commonwealth National Welfare Fund payments; and (g) miscellaneous sources, comprising fines, fees, etc.

Of these sources, that yielding the largest revenue to the Consolidated Revenue Funds for the States as a whole in the year 1966-67 was Commonwealth payments under financial assistance and other grants (40.3 per cent of the total revenue). Next in magnitude was the group of business undertakings (26.4 per cent), the principal contributors being the Government railways and tramways, followed by taxation receipts (18.4 per cent). More than one-quarter of the total State taxation collections are not paid into Consolidated Revenue Funds, however, but into special funds (see pages 769 and 771). Of the remaining sources of revenue, interest (n.e.i.) constituted 4.2 per cent, land revenue 2.7 per cent, and National Welfare Fund payments 1.0 per cent.

Total receipts

The following table shows particulars of the total receipts and the receipts per head of population of the Consolidated Revenue Funds of the several States.

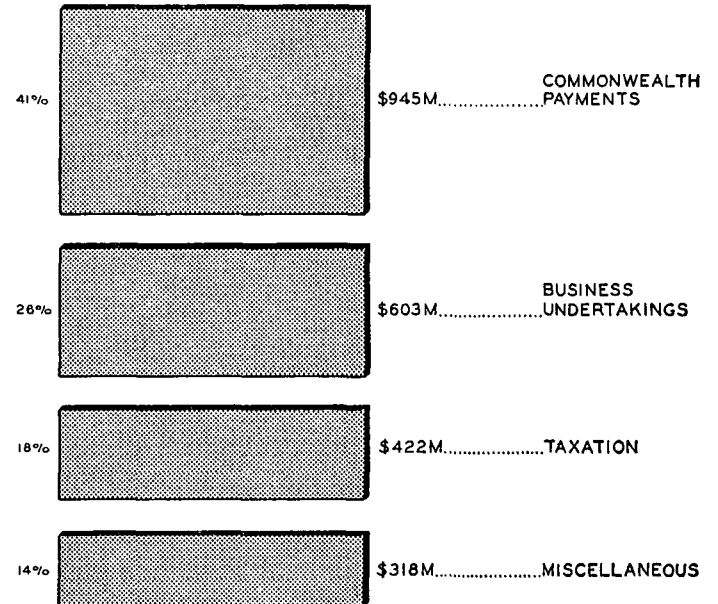
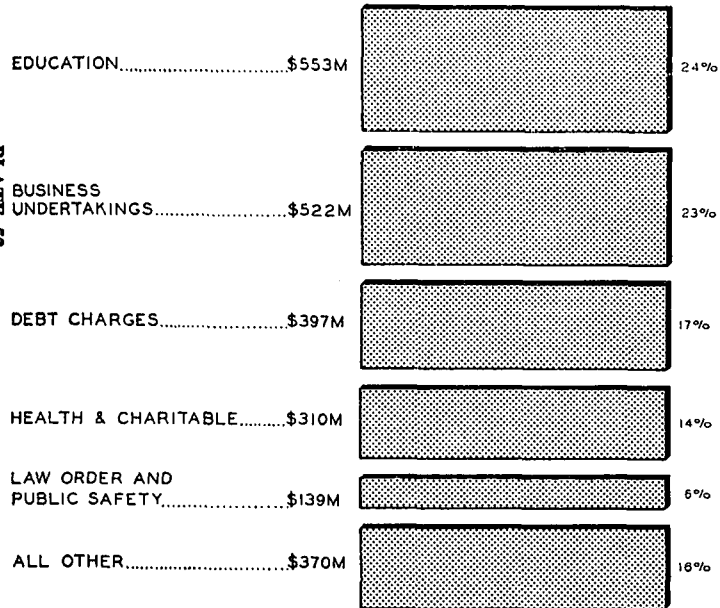
STATE CONSOLIDATED REVENUE FUNDS

1966-67

EXPENDITURE

RECEIPTS

PLATE 52



TOTAL EXPENDITURE: \$2,290MILLION

TOTAL RECEIPTS: \$2,287MILLION

STATE CONSOLIDATED REVENUE FUND RECEIPTS, 1962-63 TO 1966-67

Year	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
RECEIPTS (\$'000)							
1962-63	625,260	414,151	246,983	187,368	157,182	63,318	1,694,262
1963-64	684,535	444,368	260,897	203,006	167,888	68,391	1,829,087
1964-65	729,091	480,668	267,139	214,181	180,143	75,828	1,947,050
1965-66	771,627	508,554	294,502	228,816	206,655	84,746	2,094,901
1966-67	830,685	559,595	323,781	250,823	228,042	93,842	2,286,768
PER HEAD OF POPULATION (\$)							
1962-63	155.51	137.51	157.98	187.65	202.19	176.78	157.90
1963-64	167.82	144.59	163.57	198.35	210.17	188.53	167.31
1964-65	176.00	153.26	164.20	203.58	220.45	206.97	174.76
1965-66	183.30	159.22	177.40	211.50	246.81	229.29	184.53
1966-67	194.42	172.19	191.80	227.20	264.51	250.97	197.98

(a) See page 764 for transactions included.

Sources of revenue

Classifying the revenue of the several States in the manner indicated on page 766, particulars for the year 1966-67 were as follows.

STATE CONSOLIDATED REVENUE FUND RECEIPTS, BY SOURCE, 1966-67

Source of revenue	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas. (b)	Total
RECEIPTS (\$'000)							
Taxation(c)	152,449	134,926	50,302	42,270	28,719	13,094	421,761
Business undertakings	257,872	140,627	85,384	61,996	56,525	246	602,650
Lands	27,429	8,973	13,622	2,120	7,655	1,836	61,635
Interest, n.e.i.	7,818	22,694	15,974	19,868	13,682	15,479	95,515
Commonwealth grants(d)—							
Financial assistance	276,794	208,790	125,514	94,346	86,396	34,773	826,613
Other(e)	27,732	5,634	14,182	5,855	20,353	21,259	95,013
Commonwealth National Welfare							
Fund payments(f)	13,527	3,889	1,544	2,931	157	1,106	23,155
Miscellaneous	67,064	34,061	17,259	21,438	14,555	6,049	160,426
Total	830,685	559,595	323,781	250,823	228,042	93,842	2,286,768
PER HEAD OF POPULATION (\$)							
Taxation(c)	35.68	41.52	29.80	38.29	33.31	35.02	36.51
Business undertakings	60.35	43.27	50.58	56.16	65.56	0.66	52.17
Lands	6.42	2.76	8.07	1.92	8.88	4.91	5.34
Interest, n.e.i.	1.83	6.98	9.46	18.00	15.87	41.40	8.27
Commonwealth grants(d)—							
Financial assistance	64.78	64.24	74.35	85.46	100.21	93.00	71.56
Other(e)	6.49	1.73	8.40	5.30	23.61	56.86	8.23
Commonwealth National Welfare							
Fund payments(f)	3.17	1.20	0.91	2.65	0.18	2.96	2.00
Miscellaneous	15.70	10.48	10.22	19.42	16.88	16.18	13.89
Total	194.42	172.19	191.80	227.20	264.51	250.97	197.98

(a) See page 764. (b) Tasmanian transport services are under the separate control of semi-governmental authorities. (c) In all States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (d) Excludes Commonwealth payments paid to trust funds. (e) Includes payments under Financial Agreement, special grants, additional financial assistance, grants to universities, etc. (f) Consolidated Revenue Fund receipts only. Excludes payments to Trust Funds.

State receipts from taxation

In the tables on taxation collections in these paragraphs 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 instead of under Stamp duties and Licences respectively.

Net taxation collections

The following tables show, for the year 1966-67, details of the collections by each State Government from the various types of tax in operation, 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 present a comprehensive statement of all taxation collections by the Government in each State.

STATE RECEIPTS FROM TAXATION: NET COLLECTIONS(a), BY TYPE OF TAX
1966-67
(\$'000)

Tax	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Motor—							
Registration fees and taxes	38,949	36,558	18,582	11,441	10,334	3,987	119,851
Drivers', etc., licences	7,377	2,908	1,357	997	1,239	486	14,363
Other	17,942	16,476	10,491	3,820	5,039	653	54,419
<i>Total, motor</i>	<i>64,268</i>	<i>55,941</i>	<i>30,429</i>	<i>16,258</i>	<i>16,612</i>	<i>5,125</i>	<i>188,634</i>
Probate and succession duties	44,993	34,997	12,008	7,323	4,765	2,149	106,236
Stamp duties, n.e.i.	45,233	40,546	16,561	9,216	11,681	3,202	126,439
Land	33,646	21,132	4,691	7,646	3,514	2,108	72,738
Liquor	12,891	8,960	4,462	1,672	2,323	887	31,194
Lotteries . . . . .	..	6,410	731	..	..	..	7,141
Racing	13,670	14,075	4,460	2,543	3,154	1,117	39,019
Poker machine licence fees	19,650	..	..	..	..	..	19,650
Licences, n.e.i.	463	1,345	190	227	617	31	2,873
Other . . . . .	..	..	6,611	409	1,167	..	8,187
<i>Grand total</i>	<i>234,813</i>	<i>183,406</i>	<i>80,143</i>	<i>45,295</i>	<i>43,833</i>	<i>14,620</i>	<i>602,111</i>

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue Fund or to other funds.

Of the total taxation collections detailed above, the following were paid into special funds.

STATE RECEIPTS FROM TAXATION: PAYMENTS INTO SPECIAL FUNDS, 1966-67
(\$'000)

Tax	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Motor	61,632	47,302	22,827	2,070	13,930	1,094	148,854
Stamp duties, n.e.i. . . . .	..	557	..	..	..	..	557
Liquor . . . . .	..	396	129	..	..	..	525
Racing	1,059	..	369	955	..	432	2,815
Poker machine licence fees	19,650	..	..	..	..	..	19,650
Other	24	225	6,516	..	1,185	..	7,948
<i>Total</i>	<i>82,364</i>	<i>48,480</i>	<i>29,840</i>	<i>3,025</i>	<i>15,114</i>	<i>1,526</i>	<i>180,350</i>

The table hereunder shows, for the year 1966-67, the proportions of collections under individual classes of tax to total taxation revenue.

**STATE RECEIPTS FROM TAXATION: PROPORTIONS OF INDIVIDUAL
TAXES TO TOTAL, 1966-67**
(Per cent)

<i>Tax</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
Motor	27.37	30.51	37.97	35.89	37.90	35.06	31.33
Probate and succession duties	19.16	19.08	14.98	16.17	10.87	14.70	17.64
Stamp duties, n.e.i.	19.26	22.11	20.66	20.35	26.65	21.90	21.00
Land	14.33	11.52	5.85	16.88	8.02	14.42	12.08
Liquor	5.49	4.88	5.57	3.69	5.30	6.06	5.18
Lotteries . . . . .	..	3.49	0.91	..	..	..	1.19
Racing	5.82	7.67	5.56	5.61	7.20	7.64	6.48
Poker machine licence fees	8.37	..	..	..	..	..	3.26
Licences, n.e.i.	0.18	0.73	0.24	0.50	1.41	0.21	0.48
Other . . . . .	..	..	8.25	0.90	2.66	..	1.36
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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 Funds, during the years 1962-63 to 1966-67 are shown in the following tables.

STATE RECEIPTS FROM TAXATION: NET COLLECTIONS, 1962-63 TO 1966-67

<i>Year</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
NET COLLECTIONS (\$'000)							
1962-63	156,182	121,964	54,046	27,691	22,996	10,184	393,062
1963-64	185,919	135,757	60,582	30,619	26,713	11,110	450,701
1964-65	201,026	151,640	64,887	37,255	29,600	11,918	496,326
1965-66	213,824	169,028	68,268	39,532	34,981	13,154	538,787
1966-67	234,813	183,406	80,143	45,295	43,833	14,620	602,111
PER HEAD OF POPULATION (\$)							
1962-63	38.84	40.49	34.57	27.73	29.58	28.43	36.63
1963-64	45.58	44.17	37.98	29.92	33.44	30.63	41.23
1964-65	48.53	48.35	39.88	35.41	36.22	32.53	44.55
1965-66	50.79	52.92	41.12	36.54	41.78	35.59	47.46
1966-67	54.96	56.43	47.48	41.03	50.84	39.10	52.13

STATE RECEIPTS FROM TAXATION: TOTAL NET COLLECTIONS(a)
BY TYPE OF TAX, 1962-63 TO 1966-67
 (\$'000)

<i>Tax</i>	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>
Motor	115,518	136,714	153,270	172,708	188,634
Probate and succession duties	80,028	91,090	91,443	94,457	106,236
Stamp duties, n.e.i.	81,757	93,080	104,436	109,592	126,439
Land	49,410	55,134	62,765	69,570	72,738
Liquor	22,203	23,784	26,179	27,369	31,194
Lotteries	7,090	7,310	7,454	7,004	7,141
Racing	21,198	23,361	27,340	32,309	39,019
Entertainments	941	53	..	..	..
Poker machine licence fees	6,558	11,268	13,666	15,761	19,650
Licences, n.e.i., and all other	8,360	8,906	9,772	10,017	11,060
Total	393,062	450,701	496,326	538,787	602,111

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue or to other funds.

Taxation collections paid to special funds

Details of taxation collections paid into special funds and included in the foregoing table are shown below.

STATE RECEIPTS FROM TAXATION: TOTAL PAYMENTS INTO SPECIAL FUNDS, 1962-63 TO 1966-67
 (\$'000)

<i>Tax</i>	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>
Motor	96,872	111,830	121,398	136,455	148,854
Stamp duties, n.e.i.	484	508	546	571	557
Liquor	464	540	535	555	525
Racing	1,356	1,481	1,832	2,123	2,815
Poker machine licence fees	6,558	11,268	13,666	15,761	19,650
Other	5,527	5,948	6,756	7,050	7,948
Total	111,262	131,575	144,734	162,515	180,350

**State Consolidated Revenue Fund receipts
 from business undertakings**

A considerable proportion of State gross revenue is made up of receipts from business undertakings under the control of the Governments. The most important of these are railways and tramways, harbour works, water supply and sewerage, and electricity supply. 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 1966-67 the receipts from these sources was \$602,650,000 or 26.4 per cent of the receipts from all sources.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1966-67**
(\$'000)

<i>Source</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.(a)</i>	<i>Total</i>
Railways(b)	213,335	104,989	85,384	30,084	48,194	..	481,987
Tramways and omnibuses	26,859	..	..	..	..	..	26,859
Harbours, rivers, lights	17,678	(c)3,160	..	6,676	2,497	..	30,010
Water supply, sewerage, irrigation and drainage	..	13,767	..	23,319	4,073	47	41,206
Electricity supply	..	16,765	..	..	..	..	16,765
Other	..	1,946	..	1,917	1,761	199	5,823
Total	257,872	140,627	85,384	61,996	56,525	246	602,650

(a) Tasmanian transport services are under the separate control of semi-governmental authorities. (b) The following contributions to railways revenue from Consolidated Revenue Fund are excluded—New South Wales, \$1,600,000; South Australia, \$10,000,000. (c) Includes Harbour Trust Fund contribution, \$1,307,000.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS UNDERTAKINGS
1962-63 TO 1966-67**

<i>Year</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.(a)</i>	<i>Total</i>
RECEIPTS (\$'000)							
1962-63	220,965	108,401	73,267	49,927	45,103	163	497,826
1963-64	242,824	115,715	81,124	54,904	47,175	236	541,978
1964-65	255,024	127,416	79,813	57,256	42,631	348	562,487
1965-66	236,989	126,773	81,717	58,597	49,267	602	553,946
1966-67	257,872	140,627	85,384	61,996	56,525	246	602,650

PER HEAD OF POPULATION
(\$)

1962-63	54.96	35.99	46.87	50.00	58.02	0.46	46.40
1963-64	59.53	37.65	50.86	53.65	59.06	0.65	49.58
1964-65	61.56	40.63	49.06	54.42	52.17	0.95	50.49
1965-66	56.30	39.69	49.22	54.16	58.84	1.63	48.79
1966-67	60.35	43.27	50.58	56.16	65.56	0.66	52.17

(a) Tasmanian transport services are under the separate control of semi-governmental authorities.

**STATE CONSOLIDATED REVENUE FUND: TOTAL RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1962-63 TO 1966-67**
(\$'000)

<i>Source</i>	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>
Railways, tramways and omnibuses	429,633	465,557	485,800	473,483	508,846
Harbour services	21,480	25,058	27,371	27,142	30,010
Water supply, sewerage, irrigation and drainage	34,801	38,548	33,424	37,370	41,206
Other	11,911	12,815	15,892	15,951	22,588
Total	497,826	541,978	562,487	553,946	602,650

For further information on the finances of the various types of business undertakings in the States see the chapters Transport, Communication, and Travel, and Local Government of this Year Book.

Other State Consolidated Revenue Fund receipts

State land receipts

The receipts from the sale and rental of Crown lands have, with few exceptions, been treated from the earliest times as forming part of the Consolidated Revenue Funds, and have been applied to meet ordinary expenses. The following table shows the revenue from sales and rentals of Crown lands for the year 1966-67.

STATE CONSOLIDATED REVENUE FUND: LAND RECEIPTS, BY SOURCE, 1966-67
(\$'000)

Source	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Sales	2,492	402	1,725	189	357	99	5,263
Conditional purchases	468	..	..	22	614	..	1,104
Rentals(a)	21,286	2,268	10,794	1,910	3,373	155	39,785
Forestry	2,843	5,758	..	..	3,312	1,557	13,469
Other	340	545	1,102	..	..	26	2,014
Total	27,429	8,973	13,622	2,120	7,655	1,836	61,635

(a) Includes mining royalties, rents, etc.

The total land receipts for all States for the years 1962-63 to 1966-67 respectively were: \$32,725,000, \$38,478,000, \$56,458,000, \$62,281,000, and \$61,635,000.

State receipts from Commonwealth grants

Commonwealth grants to the States represent a very large proportion of the States' receipts. In 1966-67 the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was \$921,626,000 (40.3 per cent). Details were as follows: contribution towards interest on States' debts under the Financial Agreement, \$15,170,000; special grants to the States of Western Australia and Tasmania, \$40,072,000; financial assistance, \$826,613,000; drought assistance, \$28,669,000; grants to universities, \$8,285,000; and other grants, \$2,817,000. In addition to these, the States receive a number of other grants which are paid to Trust Funds. The main items in this class are the contribution to the sinking fund on States' debts (\$18,951,000 in 1966-67) paid to the National Debt Sinking Fund, grants for Commonwealth Aid Roads (\$150,000,000 in 1966-67), and grants for universities (\$42,331,000 in 1966-67) paid to State Trust Funds. More detailed information concerning Commonwealth grants to the States is given on pages 737-41.

State receipts from Commonwealth National Welfare Fund

The States also receive payments from the Commonwealth in respect of hospital and pharmaceutical benefits, milk for school children, and reimbursement of maintenance expenditure on tuberculosis sanatoriums. These receipts are paid into Consolidated Revenue Funds or Trust Funds according to the varying accounting procedures in the States. In 1966-67 the total amount paid to State Consolidated Revenue Funds was \$23,155,000 (1.0 per cent). This amount was made up of hospital benefits, \$3,089,000; pharmaceutical benefits, \$7,028,000; milk for school children, \$3,073,000; tuberculosis—reimbursement of maintenance expenditure, \$9,196,000; other, \$769,000.

State surplus revenue

STATE SURPLUS REVENUE, 1962-63 TO 1966-67

Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
TOTAL AMOUNT (\$'000)							
1962-63	372	1	55	580	-1,506	-983	-1,480
1963-64	544	-505	443	3,251	-2,792	-1,185	-246
1964-65	-5,069	..	-4,076	-2,622	-4,695	-1,619	-18,083
1965-66	-4,687	-8,135	-3,520	-6,834	-10	-2,171	-25,358
1966-67	-3,147	..	258	106	-132	-572	-3,486
PER HEAD OF POPULATION (\$)							
1962-63	0.09	..	0.04	0.58	-1.94	-2.74	-0.14
1963-64	0.13	-0.16	0.28	3.18	-3.50	-3.27	-0.02
1964-65	-1.22	..	-2.51	-2.49	-5.75	-4.42	-1.62
1965-66	-1.11	-2.55	-2.12	-6.32	-0.01	-5.87	-2.23
1966-67	-0.74	..	0.15	0.10	-0.15	-1.53	-0.30

(a) See page 764.

Minus sign (-) indicates deficit.

State Loan Funds

The principal purpose of State public borrowing is to assist in financing the development of the resources of the country, e.g. the establishment and operation of railway systems and electricity undertakings, construction of roads and water and sewerage works, and improvements to harbours and rivers.

Statements relating to 'gross' loan expenditure are shown on page 775. 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 the annual bulletin *State, Territory and Local Government Authorities' Finance and Government Securities*. Such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made.

Gross loan expenditure

Particulars of gross loan expenditure on works, services, etc., are shown in the following tables.

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.: DETAILS, 1966-67
(\$'000)

	N.S.W.	Vic.(a)	Qld	S.A.	W.A.	Tas.	Total
Public works and services—							
Railways	17,600	16,466	23,703	4,815	11,469	330	74,384
Tramways and omnibuses	360	..	..	..	200	..	560
Roads	4,004	1,672	(b)—692	670	..	1,893	7,547
Bridges . . . . .	..	..	..	..	..	..	..
Harbours and rivers	11,293	2,906	838	2,066	1,771	..	18,874
Lights and lighthouses . . . . .	..	..	..	..	..	..	..
Water supply	21,295	18,397	..	14,560	12,431	1,518	78,554
Sewerage . . . . .	..	849	..	9,505	..	..	..
Electricity and gas supplies	15,070	15,560	3,641	6,700	2,427	18,000	61,399
Public buildings	78,264	65,942	21,257	27,803	19,671	10,693	223,629
Loans and grants to local bodies	1,110	1,806	15,089	30	621	49	18,705
Housing(c)	540	1,769	2,500	700	3,082	50	8,641
Other public works, etc.	444	583	..	5,102	661	1,023	7,813
Primary production—							
Soldier settlement	121	13	..	..	..	..	134
Land for settlement	2,448	2,688	117	..	..	100	5,353
Advances to settlers	200	232	..	967	..	500	1,899
Water conservation, irrigation and drainage	17,554	..	7,289	1,387	1,400	..	27,629
Vermin-proof fencing . . . . .	..	1	..	(d)	..	..	1
Agriculture	1,700	1,768	7	..	379	342	4,196
Forestry	1,500	2,152	4,686	1,900	400	1,567	12,205
Mines and mineral resources	1,713	145	2,666	162	89	1,563	6,337
Other	2,083	2,789	..	745	89	..	5,706
Other purposes . . . . .	..	(e)1,823	..	513	563	2,118	5,017
Total	177,299	137,562	81,100	77,624	55,253	39,744	568,582

(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) Represents transfer of liability on account of expenditure incurred in earlier years. The amount involved has been debited against the item Loans and grants to local bodies, and included in the expenditure shown for 1966-67. (c) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (d) Included in item Advances to settlers. (e) Includes Rural Finance and Settlement Commission, for advances to rural industries, \$817,000.

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.
1962-63 TO 1966-67

Year	N.S.W.	Vic.(a)	Qld	S.A.	W.A.	Tas.	Total
GROSS LOAN EXPENDITURE							
(\$'000)							
1962-63	140,661	110,665	62,862	59,602	44,310	32,914	451,014
1963-64	148,897	117,750	69,647	63,496	47,270	34,988	482,048
1964-65	160,441	127,855	77,604	73,597	50,736	35,667	525,900
1965-66	170,395	130,848	77,595	74,974	52,646	39,177	545,635
1966-67	177,299	137,562	81,100	77,624	55,253	39,744	568,582
PER HEAD OF POPULATION							
(\$)							
1962-63	34.98	36.74	40.21	59.69	57.00	91.89	42.03
1963-64	36.50	38.31	43.67	62.04	59.17	96.45	44.09
1964-65	38.73	40.77	47.70	69.95	62.09	97.35	47.20
1965-66	40.48	40.97	46.74	69.30	62.88	106.00	48.06
1966-67	41.50	42.33	48.04	70.31	64.09	106.29	49.22

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

Total loan expenditure :

The preceding 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 1964-65 to 1966-67 are shown in the next table.

STATE LOAN EXPENDITURE: SUMMARY, 1964-65 TO 1966-67
(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
1964-65							
Works and services—							
Gross expenditure	160,441	127,855	77,604	73,597	50,736	35,667	525,900
Net expenditure	148,320	120,267	65,421	62,554	46,779	33,306	476,646
Repayments	12,121	7,588	12,184	11,042	3,957	2,361	49,254
Other than works, etc.(a)—							
Gross expenditure	-3,562	611	1,500	43	293	113	-1,003
Net expenditure	-3,562	611	1,500	..	179	46	-1,226
Repayments . . . . .	..	..	..	43	(b)114	67	223
Total loan expenditure—							
Gross	156,879	128,465	79,104	73,639	51,029	35,780	524,898
Net	144,758	120,878	66,921	62,554	46,958	33,352	475,420
Repayments	12,121	7,588	12,184	11,085	4,071	2,428	49,477
1965-66							
Works and services—							
Gross expenditure	170,395	130,848	77,595	74,974	52,646	39,177	545,635
Net expenditure	154,216	122,702	66,466	64,535	47,800	36,565	492,284
Repayments	16,179	8,146	11,129	10,439	4,846	2,612	53,352
Other than works, etc.(a)—							
Gross expenditure	589	1,036	..	192	280	169	2,267
Net expenditure	589	1,036	1,500	791	143	9	4,069
Repayments . . . . .	..	..	-1,500	-599	137	160	-1,802
Total loan expenditure—							
Gross	170,984	131,884	77,595	75,167	52,926	39,346	547,902
Net	154,806	123,738	67,966	65,326	47,943	36,573	496,352
Repayments	16,179	8,146	9,629	9,840	4,983	2,773	51,550
1966-67							
Works and services—							
Gross expenditure	177,299	137,562	81,100	77,624	55,253	39,744	568,582
Net expenditure	162,161	128,662	71,021	66,653	51,015	36,395	515,907
Repayments	15,138	8,900	10,079	10,971	4,238	3,349	52,675
Other than works, etc.(a)—							
Gross expenditure	7,158	4,242	..	185	228	373	12,186
Net expenditure	7,158	4,242	1,500	975	74	241	14,191
Repayments . . . . .	..	..	-1,500	-790	154	132	-2,004
Total loan expenditure—							
Gross	184,457	141,804	81,100	77,809	55,481	40,118	580,768
Net	169,319	132,904	72,521	67,628	51,090	36,636	530,098
Repayments	15,138	8,900	8,579	10,181	4,391	3,482	50,670

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

Information relating to the government securities and borrowings on issue on behalf of the States is given in the division on Government Securities on Issue: Commonwealth and States (see page 781).

Advances to settlers

A detailed statement regarding the terms and conditions governing advances to settlers in the several States and the Northern Territory may be found in earlier issues of the Year Book (*see* List of Special Articles, etc., preceding General Index to this issue). The summaries of loans and advances under State authorities in the following paragraphs are compiled from returns supplied by the State Government lending agencies concerned. This information was previously included in the former chapter Land Settlement and Tenure (*see* Year Book No. 52, page 86). A summary for Western Australia is not included, as practically the only governmental funds being made available are Commonwealth (*see* pages 746-7). The figures include transactions in lands acquired under closer and soldier settlement schemes, but exclude balances owing on former Crown lands sold on the conditional purchase, etc., system. Advances made by general banking institutions in the course of their ordinary business are not included. For information on such advances *see* Chapter 18, Private Finance.

The amounts outstanding do not represent the actual differences between the total advances and settlers' repayments, for considerable remissions of indebtedness have been made in all States as a result of re-appraisements of land values and the writing down of debts. In general they include both principal and interest outstanding.

In New South Wales and Victoria expenditure on the acquisition, development and improvement of land for war service land settlement is provided for by the States, and particulars thereof are included in the respective summaries. In Queensland no money is paid for the value of the land acquired, most land being occupied on lease from the Government, but advances in respect of improvements are included. In the other States this expenditure is provided for by the Commonwealth, and particulars are included on page 746.

Loans (Agricultural Occupations) under the *Re-establishment and Employment Act 1945-1966* and certain advances for the purchase of wire-netting and for other purposes made from finance provided by the Commonwealth are included in the summaries following.

New South Wales

ADVANCES TO SETTLERS, ETC: NEW SOUTH WALES, TO 30 JUNE 1967

<i>Advances, etc.</i>	<i>Advances, etc., made during 1966-67</i>	<i>Total advances, etc., to 30 June 1967</i>	<i>Balances outstanding at 30 June 1967</i>	
			<i>Number</i>	<i>Amount</i>
	\$'000	\$'000		\$'000
Department of Lands—				
Closer land settlement	1,249	(a)39,787	6,035	(b)3,182
Soldier settlers, 1914-18 War . . . . .	..	6,392	7	4
1939-45 War	40	29,594	1,810	3,092
Soldier land settlement—acquisition, development and improvement of land, War Service Land Settlement Agreement Act	80	57,910	1,773	(c)49,068
Wire netting . . . . .	..	109	..	..
Prickly pear	45	1,310	226	40
Rural Bank—				
General Bank Department (including Commonwealth Re-establishment Scheme advances)	20,156	301,248	7,492	47,986
Government Agency Department—				
Rural Industries Agency	7,611	35,674	3,490	13,725
Advances to Settlers Agency (including unemployment relief and dairy promotion advances)	724	12,982	1,913	2,736
Rural Reconstruction Agency	1,217	34,836	628	5,259
Irrigation Agency—				
Shallow bores	366	5,730	695	1,431
Farm water supplies	883	5,326	1,362	3,269
Soil conservation	171	829	350	559
Murrumbidgee Irrigation Area—tree mortality advances	1	807	99	541
Rivers and foreshores improvement . . . . .	..	10	18	1
Irrigation areas	47	n.a.	12,419	9,034
Government Guarantee Agency . . . . .	..	451	..	..
Closer Settlement Agency . . . . .	..	336	26	48
Total	32,590	(d)533,331	38,343	139,975

(a) In addition, the sum of \$3,910,000 had been expended to 30 June 1967 on subdivision, maintenance, improvement, and disposal of land acquired for closer settlement. (b) Excludes an amount of \$9,378,000 capitalised to 30 June 1967 on conversion into leasehold under the Closer Settlement Amendment (Conversion) Act, 1943 and capital values of leasehold tenures, \$7,800,000. (c) Includes capital value of 2,628 Closer Settlement Leases, \$39,672,000, and unpaid balances on 1,773 Structural Improvement Accounts, \$9,301,000. (d) Incomplete.

Victoria

ADVANCES TO SETTLERS, ETC.: VICTORIA, TO 30 JUNE 1967

Advances, etc.	Advances, etc., made during 1966-67	Total advances, etc., to 30 June 1967	Balances outstanding at 30 June 1967	
			Number	Amount
State Savings Bank, Credit Foncier—	\$'000	\$'000		\$'000
Civilians	295	25,991	458	1,769
Discharged soldiers . . . . .	..	1,698	1	1
Treasurer—				
Cool stores, canneries, etc. . . . .	..	4,886	(a)1	2,779
Department of Lands and Survey—				
Closer settlement settlers and soldier settlers . . . . .	..	(b)93,810	1,165	2,313
Cultivators of land . . . . .	..	4,927	18	7
Wire netting	1	1,480	29	9
Rural Finance and Settlement Commission—				
For soldier settlement—				
Purchase of land, and development and im- provement of holdings	4	(c)93,325	n.a.	(d)39,066
Advances for—				
Development of single unit farms . . . . .	..	23,917	1,277	8,831
Improvements, stock, etc.	9	12,315	141	87
Other advances . . . . .	..	3,594	173	40
For general land settlement—				
Purchase of land	389	1,970	n.a. }	(f)20,497
Development and improvement of holdings	2,116	(e)20,629	n.a. }	
Improvements, stock, etc.	187	1,064	234	225
Total	3,002	289,605	(g)3,497	75,624

(a) Number of companies. (b) Represents consolidated debts of settlers (Section 30, Act 4091). (c) Includes liability for advances for settlers' leases \$57,319,000. (d) Includes \$38,722,000 outstanding on settlers' lease liabilities and \$338,000 owing on contracts of sale for unsuitable land. To 30 June 1967, excess acquisition and developmental costs written off amounted to \$30,764,000. (e) Includes liability for advances for settlers' leases \$7,819,000. (f) Includes \$7,684,000 outstanding on settlers' lease liabilities and \$272,000 owing on contracts of sale for unsuitable land. To 30 June 1967, excess acquisition and developmental costs written off amounted to \$1,329,000. (g) Incomplete.

Queensland

ADVANCES TO SETTLERS, ETC.: QUEENSLAND, TO 30 JUNE 1967

Advances, etc.	Advances, etc., made during 1966-67	Total advances, etc., to 30 June 1967	Balances outstanding at 30 June 1967	
			Number	Amount
Co-ordination of Rural Advances and Agricultural Bank Acts	\$'000	\$'000		\$'000
Discharged soldiers' settlement(a)	12,680	135,108	6,715	59,513
Water facilities . . . . .	..	4,936	151	59
Wire netting, etc. . . . .	..	116	..	..
Seed wheat and barley . . . . .	..	2,039	..	..
Drought relief	6	(b)372	n.a.	25
War Service Land Settlement	2,030	7,991	1,087	4,861
Financial Arrangements and Development Aid Acts and prior Acts	128	10,403	168	1,634
Irrigation . . . . .	..	2,368	..	..
Farmers' Assistance (Debt Adjustment) Acts . . . . .	..	110	..	..
Commonwealth Re-establishment and Employment Act . . . . .	..	2,111	7	15
Water Supplies Assistance Act . . . . .	..	1,748	10	8
Brigalow and Other Lands Development Act	800	4,510	879	3,515
Soil Conservation Act	822	4,313	74	4,165
Soil Conservation Act	14	21	12	21
Total	16,480	176,145	(c) 9,103	73,815

(a) Includes advances to group settlers through the Lands Department, as well as advances through the Agricultural Bank. (b) Includes accrued interest. (c) Incomplete.

South Australia

ADVANCES TO SETTLERS, ETC.: SOUTH AUSTRALIA, TO 30 JUNE 1967

<i>Advances, etc.</i>	<i>Advances, etc., made during 1966-67</i>	<i>Total advances, etc., to 30 June 1967</i>	<i>Balances outstanding at 30 June 1967</i>	
			<i>Number</i>	<i>Amount</i>
Department of Lands—	\$'000	\$'000		\$'000
Advances to soldier settlers . . . . .	..	10,144	15	304
Advances to blockholders . . . . .	..	(a)	..	..
Advances under Closer Settlement Acts . . . . .	..	5,461	425	344
Settlement of Returned Service Personnel, 1939-45 War	2,187	31,286	1,091	12,341
Advances under Crown Lands Development Act . . . . .	..	986	77	701
Irrigation Branch—				
Advances to soldier settlers . . . . .	..	2,096	126	217
State Bank of South Australia—				
Advances to settlers for improvements	132	3,574	372	1,198
Advances under Vermin and Fencing Acts	6	2,890	73	67
Advances under Loans to Producers Act	969	12,054	212	8,092
Commonwealth Re-establishment and Employment Act . . . . .	..	1,655	149	110
Total	3,294	70,145	2,540	23,375

(a) Ceased in 1958; no further loans made or to be made. Total advances made up to date of cessation, \$83,000.

Western Australia

The operations prior to 1945 covered in this section related to moneys made available through, or by, the old Agricultural Bank and other Government Departments for the purpose of agricultural development. On 1 October 1945, however, the Agricultural Bank was reconstituted as the Rural and Industries Bank of Western Australia, and was given authority to operate in similar manner to the associated banks. Certain securities in the books of the old bank were taken over by the general banking division of the new bank, and the clients concerned then operated with privileges and obligations similar to those provided by other banking institutions. The majority of the remaining securities, also, were eventually transferred.

At present, very limited funds are being made available by the State Government for advances for agricultural development, the bulk of the moneys for this purpose being provided by the Commonwealth Government under the War Service Land Settlement and Commonwealth Re-establishment and Employment Acts. Particulars of this expenditure are shown on pages 746-7.

Tasmania

Particulars of advances made for the purchase of land for closer and soldier land settlement included in this table for earlier years are now omitted, as they are not regarded as outstanding advances by the Department of Agriculture; the areas so purchased have been leased on 99-year terms with an option of purchase which the leaseholder may exercise at any time.

ADVANCES TO SETTLERS, ETC.: TASMANIA, TO 30 JUNE 1967

<i>Advances, etc.</i>	<i>Advances, etc., made during 1966-67</i>	<i>Total advances, etc., to 30 June 1967</i>	<i>Balances outstanding at 30 June 1967</i>	
			<i>Number</i>	<i>Amount</i>
Agricultural Bank—	\$'000	\$'000		\$'000
State Advances Act and Rural Credits	603	12,254	1,245	3,782
Commonwealth Re-establishment and Employment Act . . . . .	..	815	78	63
Primary Producers' Relief Act 1947 . . . . .	..	595	12	5
1960 . . . . .	..	18	2	3
1962 . . . . .	..	19	6	8
Fire Damage Relief Act 1967	28	28	27	28
Minister for Agriculture—				
Soldier settlers—				
Advances	14	2,135	136	109
Closer settlers—				
Advances	41	443	68	424
Total	686	16,307	1,574	4,422

Northern Territory

During the year 1966-67 twenty-nine advances totalling \$312,423 were approved and advances made totalled \$254,710. At 30 June 1967 the balance outstanding from seventy-eight settlers, including interest, was \$862,661.

COMMONWEALTH AND STATE FINANCE**Consolidated Revenue Fund expenditure and receipts**

The following table shows the aggregate expenditure and receipts of the Consolidated Revenue Funds of the Commonwealth and States for each of the years 1962-63 to 1966-67. In the table 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 divisions of this chapter. The items excluded from the total figures are: payments made by the Commonwealth to the States and included in the State Consolidated Revenue Funds on account of financial assistance grants in 1962-63 to 1966-67, interest under the Financial Agreement, special grants, special financial assistance, grants to universities, specific purpose payments, Tuberculosis Act capital expenditure, National Welfare Fund payments, and estimated payments of pay-roll tax by the States to the Commonwealth. There are other relatively minor payments for which adjustments have not been made, and the adjusted figures are therefore still slightly overstated.

COMMONWEALTH AND STATE CONSOLIDATED REVENUE FUND EXPENDITURE AND RECEIPTS, 1962-63 TO 1966-67

Year	Expenditure			Receipts		
	Commonwealth	States	Total	Commonwealth	States	Total
	\$'000	\$'000	\$m	\$'000	\$'000	\$m
1962-63	3,370,772	1,695,742	4,347.5	3,370,772	1,694,262	4,346.1
1963-64	3,809,376	1,829,333	4,885.4	3,809,376	1,829,087	4,885.1
1964-65	4,418,178	1,965,133	5,605.2	4,418,178	1,947,050	5,587.2
1965-66	4,879,201	2,120,259	6,105.4	4,879,201	2,094,901	6,080.0
1966-67	5,227,721	2,290,254	6,545.4	5,227,721	2,286,768	6,548.8

Taxation collections

The following table shows the combined Commonwealth and State taxation collections and the amount per head of population for the years 1962-63 to 1966-67. Taxation collections by the State Governments which are not paid into the Consolidated Revenue Funds are included.

COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS BY TYPE OF TAX, 1962-63 TO 1966-67

Tax	1962-63	1963-64	1964-65	1965-66	1966-67
NET COLLECTIONS (\$'000)					
Income taxes	1,621,181	1,874,484	2,295,607	2,549,695	2,729,832
Customs and excise duty	759,005	815,036	899,722	1,022,970	1,081,603
Sales tax	313,062	325,189	362,857	370,044	380,673
Motor taxes	115,518	136,714	153,270	172,708	188,634
Pay-roll tax	126,510	136,443	150,078	161,943	172,232
Estate, probate and succession duties.	115,727	130,961	132,974	130,581	147,770
Stamp duties, n.e.i.	81,757	93,080	104,436	109,593	126,439
Land tax	49,410	55,134	62,765	69,570	72,738
Racing	21,198	23,361	27,340	32,309	39,019
Liquor	22,203	23,784	26,179	27,369	31,194
Licences, n.e.i. and other taxes(a)	48,410	55,351	68,127	77,343	85,792
Total—					
Commonwealth	2,880,918	3,218,838	3,787,030	4,185,338	4,453,815
States	393,062	450,701	496,326	538,787	602,111
Grand total	3,273,980	3,669,539	4,283,356	4,724,125	5,055,926

(a) Includes arrears of State income taxes.

COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS
BY TYPE OF TAX, 1962-63 TO 1966-67—*continued*

Tax	1962-63	1963-64	1964-65	1965-66	1966-67
PER HEAD OF POPULATION (\$)					
Income taxes	149.46	169.49	203.54	221.70	233.15
Customs and excise duty	69.98	73.70	79.77	88.95	92.38
Sales tax	28.86	29.40	32.17	32.16	32.51
Motor taxes	10.65	12.36	13.59	15.02	16.11
Pay-roll tax	11.66	12.34	13.31	14.08	14.71
Estate, probate and succession duties	10.67	11.84	11.79	11.35	12.62
Stamp duties, n.e.i.	7.54	8.42	9.26	9.53	10.80
Land tax	4.56	4.99	5.56	6.05	6.21
Racing	1.95	2.11	2.42	2.81	3.33
Liquor	2.05	2.15	2.32	2.38	2.66
Licences, n.e.i., and other taxes(a)	4.46	5.00	6.04	6.73	7.33
<i>Total—</i>					
<i>Commonwealth</i>	265.61	291.05	335.77	363.92	380.38
<i>States</i>	36.63	41.23	44.55	47.46	52.13
Grand total	301.84	331.81	379.78	410.77	431.81

(a) Includes arrears of State income taxes.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES

For the following reasons, Government Securities on Issue, as set out in the tables in this division, may not be aggregated without adjustment to indicate what is sometimes described as the 'public debt' or 'net public debt' of the Commonwealth and State Governments. There are forms of debt not evidenced by the issue of securities. Again, some of the securities included in the tables are held by the Governments themselves. For example, a State Government may hold temporarily, or even for long periods, securities issued by the Commonwealth Government. The Commonwealth Government itself, through such institutions as the National Debt Commission, or through the Trust Funds, holds large investments in securities issued, either directly by itself or on behalf of the States. In addition, some of the securities issued on behalf of the States and held by the Commonwealth Government represent the proceeds of overseas loans, securities for which were issued directly by the Commonwealth Government. From the point of view of the aggregate net debt of the Commonwealth and the States, it would thus involve duplication if the sum of the securities on issue were to be regarded as representing the 'net public debt'.

Under the Financial Agreement between the Commonwealth and the States in 1927 the Commonwealth Government accepted responsibility for the securities of the State Governments then on issue, and was empowered to arrange for all future borrowings on behalf of the Commonwealth and the States and to issue Commonwealth securities for all money borrowed. The Commonwealth is reimbursed by the States for interest, exchange, etc., paid on their behalf, and the securities are redeemed from the National Debt Sinking Fund to which both the Commonwealth and State Governments make contributions.

In the statistical tables relating to Government securities, details of securities on issue, annual interest liability and average rate of interest liability, except on pages 785-7, are shown in the currencies in which they are repayable or payable respectively. Australian currency equivalents for overseas loans have been calculated using International Monetary Fund par rates of exchange (and the calculated equivalent for Swiss francs) ruling at 30 June in each year shown. Rates of exchange to \$A at 30 June 1967 were as follows: £Sterling, 0.4000; United States dollars, 1.1200; Canadian dollars, 1.2108; Swiss francs, 4.8978; Netherlands guilders, 4.0544; German Deutsche marks, 4.4800.

The full text of the original Financial Agreement between the Commonwealth and the States was given in Year Book No. 31, page 21, a summary of the original Agreement as affected by the subsequent Agreements in later issues up to No. 37 (*see* pages 685-90), and a summary of the main provisions in further issues up to No. 50 (*see* pages 952-3).

Government securities on issue: Commonwealth and States

Government securities on issue, annual interest payable and average rate of interest

In the following tables details are given of government securities on issue on account of the Commonwealth and States, annual interest payable and average rates of interest.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES 30 JUNE 1967

	Currency in which repayable							Total— Australian currency equiva- lents(a)
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw. fr. '000	f.'000	D.M. '000	\$A'000
For Commonwealth purposes	2,531,402	69,262	516,494	48,479	239,711	7,150	84,596	3,275,339
On account of States—								
New South Wales	2,333,082	101,797	78,327	4,361	15,833	10,383	..	2,666,905
Victoria	1,755,151	37,882	39,937	3,508	12,732	8,346	..	1,893,069
Queensland	947,522	24,845	28,518	1,759	6,391	4,250	..	1,038,902
South Australia	927,218	30,666	21,549	1,865	6,774	4,191	..	1,027,080
Western Australia	677,807	31,869	13,582	1,340	4,863	3,264	..	772,511
Tasmania	504,880	6,822	12,857	1,019	3,703	2,416	..	535,606
<i>Total, States</i>	<i>7,145,660</i>	<i>233,880</i>	<i>194,770</i>	<i>13,852</i>	<i>50,296</i>	<i>32,850</i>	..	<i>7,934,074</i>
Total, Commonwealth and States—								
Stock and bonds	8,757,364	298,087	344,409	26,325	290,000	40,000	..	9,900,907
Treasury bills, internal	679,500	..	..	..	..	..	..	679,500
Treasury notes	88,452	..	..	..	..	..	..	88,452
Treasury bills, public	90,000	..	..	..	..	..	..	90,000
International Bank loans	..	..	163,066	36,006	7	..	84,596	194,217
Commonwealth notes	..	..	102,800	..	..	..	..	91,786
Debentures	52,536	..	..	..	..	..	..	52,536
Loans for defence purposes	..	..	100,989	..	..	..	..	90,169
Balance of securities of States taken over by Commonwealth and still represented by State securities	..	4,166	..	..	..	..	..	10,415
Other	9,209	(b)889	..	..	..	..	..	11,432
Grand total—								
Currencies in which repayable	9,677,061	303,142	711,264	62,331	290,007	40,000	84,596	..
Australian currency equivalents(a)\$A'000	9,677,061	757,855	635,057	51,479	59,212	9,866	18,883	11,209,413

(a) For rates of exchange to \$A ruling at 30 June 1967 see page 781. (b) State securities issued by the Government of Western Australia to meet the costs of acquisition of the Midland Railway Company of Western Australia Ltd.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES ANNUAL INTEREST PAYABLE, 30 JUNE 1967

	Currency in which payable							Total— Australian currency equiva- lents(a)
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw. fr. '000	f.'000	D.M. '000	\$A'000
For Commonwealth purposes	91,848	3,367	26,577	2,244	10,537	357	4,801	129,159
On account of States—								
New South Wales	112,312	4,671	4,098	251	712	519	..	128,128
Victoria	85,417	1,707	2,086	202	573	417	..	91,936
Queensland	44,844	1,000	1,530	101	288	213	..	48,904
South Australia	44,829	1,101	1,134	107	305	210	..	48,797
Western Australia	32,708	1,098	689	77	219	163	..	36,217
Tasmania	24,474	294	694	58	166	121	..	25,941
<i>Total, States</i>	<i>344,583</i>	<i>9,871</i>	<i>10,231</i>	<i>796</i>	<i>2,263</i>	<i>1,643</i>	..	<i>379,921</i>
Grand total—								
Currencies in which repayable	436,432	13,238	36,808	3,040	12,800	2,000	4,801	..
Australian currency equivalents(a)\$A'000	436,432	33,096	32,864	2,511	2,613	493	1,072	509,080

(a) For rates of exchange to \$A ruling at 30 June 1967 see page 781.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1967—continued

	Currency in which payable							Total— Australian currency equiva- lents(a)
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	
AVERAGE RATE OF INTEREST LIABILITY (Per cent)								
For Commonwealth purposes	3.63	4.86	5.15	4.63	4.40	5.00	5.68	3.94
On account of States—								
New South Wales	4.81	4.59	5.23	5.75	4.50	5.00	..	4.80
Victoria	4.87	4.51	5.22	5.75	4.50	5.00	..	4.86
Queensland	4.73	4.02	5.37	5.75	4.50	5.00	..	4.71
South Australia	4.83	3.59	5.26	5.75	4.50	5.00	..	4.75
Western Australia	4.83	3.45	5.07	5.75	4.50	5.00	..	4.69
Tasmania	4.85	4.31	5.40	5.75	4.50	5.00	..	4.84
Total, States	4.82	4.22	5.25	5.75	4.50	5.00	..	4.79
Grand total	4.51	4.38	5.17	4.88	4.41	5.00	5.68	4.54

(a) For rates of exchange to \$A ruling at 30 June 1967 see page 781.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1963 TO 1967

		30 June—				
		1963	1964	1965	1966	1967
For Commonwealth purposes—						
Australian currency	\$A'000	2,518,728	2,568,714	2,512,888	2,520,779	2,531,402
Sterling	£Stg'000	77,327	79,393	76,253	73,398	69,262
United States dollars	\$US'000	362,025	351,347	368,641	380,067	516,494
Canadian dollars	\$Can'000	50,948	50,376	49,665	49,191	48,479
Swiss francs	Sw.fr.'000	196,556	194,288	194,288	194,088	239,711
Netherlands guilders	f.'000	7,150	7,150	7,150	7,150	7,150
German Deutsche marks	D.M.'000	6,355	37,901	84,596	84,596	84,596
Total, Commonwealth—Aus- tralian currency equivalents(a)	\$A'000	3,120,672	3,172,396	3,133,997	3,144,518	3,275,339
On account of States—						
Australian currency	\$A'000	5,393,340	5,749,642	6,182,321	6,613,686	7,145,660
Sterling	£Stg'000	273,843	284,795	268,670	255,670	233,880
United States dollars	\$US'000	227,930	220,966	229,884	236,610	194,770
Canadian dollars	\$Can'000	16,668	16,065	15,633	14,690	13,852
Swiss francs	Sw.fr.'000	50,296	50,296	50,296	50,296	50,296
Netherlands guilders	f.'000	32,850	32,850	32,850	32,850	32,850
Total, States—Australian cur- rency equivalents(a)	\$A'000	6,313,596	6,690,562	7,090,533	7,494,623	7,934,074
Total, Commonwealth and States—Australian currency equivalents(a)	\$A'000	9,434,268	9,862,958	10,224,530	10,639,141	11,209,413

(a) For rates of exchange to \$A ruling at 30 June 1967 see page 781.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1963 TO 1967**

		30 June—				
		1963	1964	1965	1966	1967
AMOUNT						
For Commonwealth purposes—						
Australian currency	\$A'000	84,550	89,405	89,540	91,723	91,848
Sterling	£Stg'000	3,504	3,714	3,608	3,509	3,367
United States dollars	\$US'000	17,711	17,334	18,437	18,955	26,577
Canadian dollars	\$Can'000	2,352	2,327	2,297	2,275	2,244
Swiss francs	Sw.fr.'000	8,080	7,982	7,982	7,973	10,537
Netherlands guilders	f.'000	357	357	358	357	357
German Deutsche marks	D.M.'000	302	2,116	4,801	4,801	4,801
Total, Commonwealth—Australian currency equivalents(a)	\$A'000	112,870	118,280	119,709	122,087	129,159
On account of States—						
Australian currency	\$A'000	238,128	255,105	283,118	313,379	344,583
Sterling	£Stg'000	10,917	11,529	11,034	10,632	9,871
United States dollars	\$US'000	11,227	10,889	11,428	11,889	10,231
Canadian dollars	\$Can'000	959	924	899	845	796
Swiss francs	Sw.fr.'000	2,263	2,263	2,263	2,263	2,263
Netherlands guilders	f.'000	1,643	1,643	1,643	1,643	1,643
Total, States—Australian currency equivalents(a)	\$A'000	277,106	295,278	322,515	352,138	379,921
Total, Commonwealth and States—Australian currency equivalents(a)	\$A'000	389,976	413,558	442,223	474,225	509,080

AVERAGE RATE OF INTEREST LIABILITY

(Per cent)

For Commonwealth purposes—						
Australian currency		3.36	3.48	3.56	3.64	3.63
Sterling		4.53	4.68	4.73	4.78	4.86
United States dollars		4.89	4.93	5.00	4.99	5.15
Canadian dollars		4.62	4.62	4.62	4.63	4.63
Swiss francs		4.11	4.11	4.11	4.11	4.40
Netherlands guilders		5.00	5.00	5.00	5.00	5.00
German Deutsche marks		4.75	4.58	5.68	5.68	5.68
Total, Commonwealth—Australian currency equivalents(a)		3.62	3.73	3.82	3.88	3.94
On account of States—						
Australian currency		4.42	4.44	4.58	4.74	4.82
Sterling		3.99	4.05	4.11	4.16	4.22
United States dollars		4.93	4.93	4.97	5.02	5.25
Canadian dollars		5.75	5.75	5.75	5.75	5.75
Swiss francs		4.50	4.50	4.50	4.50	4.50
Netherlands guilders		5.00	5.00	5.00	5.00	5.00
Total, States—Australian currency equivalents(a)		4.39	4.41	4.55	4.70	4.79
Total, Commonwealth and States—Australian currency equivalents(a)		4.13	4.19	4.33	4.46	4.54

(a) For rates of exchange to \$A ruling at 30 June 1967 see page 781.

Government securities on issue and annual interest payable—Australian currency

In the following tables, details, including per capita figures, are shown in Australian currency equivalents calculated at rates of exchange ruling at 30 June of each of the years concerned.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1967—AUSTRALIAN CURRENCY

	Currency in which repayable							Total
	Australian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	
SECURITIES ON ISSUE (\$A'000)								
For Commonwealth purposes—								
Treasury Bills, internal	679,500	..	..	..	..	..	..	679,500
Other short-term	178,452	..	..	..	..	..	..	178,452
Other	1,673,450	173,154	461,155	40,039	48,943	1,764	18,883	2,417,388
<i>Total, Commonwealth.</i>	<i>2,531,402</i>	<i>173,154</i>	<i>461,155</i>	<i>40,039</i>	<i>48,943</i>	<i>1,764</i>	<i>18,883</i>	<i>3,275,339</i>
On account of States—								
New South Wales	2,333,082	254,493	69,935	3,602	3,233	2,561	..	2,666,905
Victoria	1,755,151	94,705	35,658	2,897	2,600	2,058	..	1,893,069
Queensland	947,522	62,112	25,462	1,452	1,305	1,048	..	1,038,902
South Australia	927,218	76,665	19,240	1,540	1,383	1,034	..	1,027,080
Western Australia	677,807	79,672	12,127	1,107	993	805	..	772,511
Tasmania	504,880	17,055	11,479	842	756	596	..	535,606
<i>Total, States</i>	<i>7,145,660</i>	<i>584,701</i>	<i>173,902</i>	<i>11,440</i>	<i>10,269</i>	<i>8,102</i>	<i>..</i>	<i>7,934,074</i>
Total, Commonwealth and States—								
Treasury Bills, internal	679,500	..	..	..	..	..	..	679,500
Other short-term	178,452	..	..	..	..	..	..	178,452
Other	8,819,110	757,855	635,057	51,479	59,212	9,866	18,883	10,351,461
Grand total	9,677,061	757,855	635,057	51,479	59,212	9,866	18,883	11,209,413
PER HEAD OF POPULATION (\$A)								
For Commonwealth purposes								
	214.34	14.66	39.05	3.39	4.14	0.15	1.60	277.33
On account of States—								
New South Wales	541.70	59.09	16.24	0.84	0.75	0.59	..	619.21
Victoria	536.02	28.92	10.89	0.88	0.79	0.63	..	578.14
Queensland	556.83	36.50	14.96	0.85	0.77	0.62	..	610.54
South Australia	834.22	68.98	17.31	1.39	1.24	0.93	..	924.07
Western Australia	773.43	90.91	13.84	1.26	1.13	0.92	..	881.50
Tasmania	1,341.22	45.31	30.49	2.24	2.01	1.58	..	1,422.84
<i>Total, States</i>	<i>613.50</i>	<i>50.20</i>	<i>14.93</i>	<i>0.98</i>	<i>0.88</i>	<i>0.70</i>	<i>..</i>	<i>681.20</i>
Total Commonwealth and States	819.38	64.17	53.77	4.36	5.01	0.84	1.60	949.13
ANNUAL INTEREST PAYABLE (\$A'000)								
For Commonwealth purposes								
	91,848	8,418	23,729	1,853	2,151	88	1,072	129,159
On account of States—								
New South Wales	112,312	11,678	3,659	207	145	128	..	128,128
Victoria	85,417	4,268	1,862	167	117	103	..	91,936
Queensland	44,844	2,500	1,366	83	59	53	..	48,904
South Australia	44,829	2,753	1,012	88	62	52	..	48,797
Western Australia	32,708	2,745	615	64	45	40	..	36,217
Tasmania	24,474	735	620	48	34	30	..	25,941
<i>Total, States</i>	<i>344,583</i>	<i>24,678</i>	<i>9,135</i>	<i>658</i>	<i>462</i>	<i>405</i>	<i>..</i>	<i>379,921</i>
Total, Commonwealth and States	436,432	33,096	32,864	2,511	2,613	493	1,072	509,080

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1967—AUSTRALIAN CURRENCY—*continued*

	Currency in which repayable—						Total	
	Australian	Sterling	United States dollars	Canadian dollars	Swiss francs	Netherlands guilders		German Deutsche marks
ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION								
(\$A)								
For Commonwealth purposes	7.78	0.71	2.01	0.16	0.18	..	0.09	10.94
On account of States—								
New South Wales	26.08	2.71	0.85	0.05	0.03	0.03	..	29.75
Victoria	26.09	1.30	0.57	0.05	0.04	0.03	..	28.08
Queensland	26.35	1.47	0.80	0.05	0.03	0.03	..	28.74
South Australia	40.33	2.48	0.91	0.08	0.06	0.05	..	43.90
Western Australia	37.32	3.13	0.70	0.07	0.05	0.05	..	41.33
Tasmania	65.02	1.95	1.65	0.13	0.09	0.08	..	68.91
<i>Total, States</i>	<i>29.58</i>	<i>2.12</i>	<i>0.78</i>	<i>0.06</i>	<i>0.04</i>	<i>0.03</i>	<i>..</i>	<i>32.62</i>
<i>Total, Commonwealth and States</i>	<i>36.95</i>	<i>2.80</i>	<i>2.78</i>	<i>0.21</i>	<i>0.22</i>	<i>0.04</i>	<i>0.09</i>	<i>43.11</i>

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1963
TO 1967—AUSTRALIAN CURRENCY
(\$A'000)

	30 June—				
	1963	1964	1965	1966	1967
SECURITIES ON ISSUE					
For Commonwealth purposes—					
Treasury Bills, Internal	559,600	599,000	632,400	681,500	679,500
Other short-term	385,076	330,570	196,432	195,996	178,452
Other	2,175,996	2,242,826	2,305,165	2,267,022	2,417,388
<i>Total, Commonwealth</i>	<i>3,120,672</i>	<i>3,172,396</i>	<i>3,133,997</i>	<i>3,144,518</i>	<i>3,275,339</i>
On account of States—					
New South Wales	2,167,012	2,283,382	2,407,364	2,531,928	2,666,905
Victoria	1,482,260	1,577,722	1,679,339	1,781,544	1,893,069
Queensland	811,274	862,774	919,706	977,046	1,038,902
South Australia	824,186	870,504	919,446	970,473	1,027,080
Western Australia	613,396	652,796	691,660	730,700	772,511
Tasmania	415,468	443,384	473,019	502,932	535,606
<i>Total, States</i>	<i>6,313,596</i>	<i>6,690,562</i>	<i>7,090,533</i>	<i>7,494,623</i>	<i>7,934,074</i>
Total, Commonwealth and States—					
Treasury Bills, internal	559,600	599,000	632,400	681,500	679,500
Other short-term	385,076	330,570	196,432	195,996	178,452
Other	8,489,592	8,933,388	9,395,698	9,761,645	10,351,461
<i>Grand total</i>	<i>9,434,268</i>	<i>9,862,958</i>	<i>10,224,530</i>	<i>10,639,141</i>	<i>11,209,413</i>

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1967
TO 1967—AUSTRALIAN CURRENCY—*continued*
(\$'000)

	30 June—				
	1963	1964	1965	1966	1967
ANNUAL INTEREST PAYABLE					
For Commonwealth purposes	112,870	118,280	119,708	122,087	129,159
On account of States—					
New South Wales	95,314	101,280	110,250	119,668	128,128
Victoria	66,350	70,890	77,650	85,023	91,936
Queensland	34,524	36,920	40,492	44,493	48,904
South Australia	35,974	38,114	41,534	45,350	48,797
Western Australia	26,420	28,284	30,886	33,617	36,217
Tasmania	18,524	19,790	21,706	23,987	25,941
<i>Total, States</i>	<i>277,106</i>	<i>295,278</i>	<i>322,515</i>	<i>352,138</i>	<i>379,921</i>
<i>Total, Commonwealth and States</i>	<i>389,976</i>	<i>413,558</i>	<i>442,223</i>	<i>474,225</i>	<i>509,080</i>

Government securities on issue at each rate of interest and according to earliest and latest years of maturity

For details of securities on issue for Commonwealth and State purposes at 30 June 1967 at each rate of interest and classified according to the earliest and latest years of maturity see the annual bulletin *State, Territory and Local Government Authorities' Finance and Government Securities*.

Short-term securities on issue

Particulars of the short-term securities (Treasury bills, Treasury notes and seasonal securities) of the Commonwealth and States in Australia at intervals from 30 June 1962 to 30 June 1966 are shown on page 814 of Year Book No. 53, and particulars at earlier dates are shown in previous issues. These securities are included in the government securities on issue as shown elsewhere. No short-term securities have been raised overseas since September 1956, when all such securities held in London were expatriated to Australia.

The Treasury bill discount rate in Australia has remained at 1 per cent since 29 July 1952.

In 1962–63, daily issues of Treasury notes replaced those of seasonal securities which had, during the three previous financial years, all matured in the course of the same financial year in which they were issued. Treasury notes with a currency of thirteen weeks were issued in multiples of \$2,000 of the minimum subscription of \$10,000, and increases in value were subject to the usual income tax rebate of ten cents in the dollar. In 1966–67 the issue prices of Treasury notes were 98.87 per cent from 1 July to 27 December and 99.95 per cent from 28 December to 30 June, and yields varied accordingly from 4.58 per cent to 4.26 per cent.

Government securities on issue on account of the States; local government and semi-governmental authority securities on issue

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 borrowing on their own behalf, while in other States these services are controlled by the central government. Direct comparisons between States of the securities on issue on account of the several States should therefore be made with caution. The table following shows for 1961–62 to 1965–66 particulars of the securities on issue on account of the States, the securities on issue by local government and semi-governmental authorities, and the aggregates of these.

**GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES;
LOCAL GOVERNMENT AND SEMI-GOVERNMENTAL AUTHORITY
SECURITIES ON ISSUE, 30 JUNE 1962 TO 1966**

<i>State</i>	<i>Local government (a)</i>	<i>Semi- govern- mental (a)</i>	<i>Total</i>
SECURITIES ON ISSUE			
(\$A'000)(b)			
30 June 1966—			
New South Wales	2,531,928	539,203	560,517
Victoria	1,781,544	162,802	1,400,429
Queensland	977,046	293,627	264,230
South Australia	970,473	31,147	124,956
Western Australia	730,700	48,153	78,861
Tasmania	502,932	47,023	52,397
Total, 30 June 1966	7,494,623	1,121,955	2,481,391
1965	7,090,533	1,035,982	2,312,414
1964	6,690,562	953,311	2,140,919
1963	6,313,596	872,337	1,965,699
1962	5,962,610	792,116	1,793,002

PER HEAD OF POPULATION			
(\$A)(b)			
30 June 1966—			
New South Wales	597.45	127.23	132.26
Victoria	553.24	50.56	434.89
Queensland	583.55	175.37	157.81
South Australia	886.29	28.45	114.12
Western Australia	861.57	56.78	92.99
Tasmania	1,354.02	126.60	141.07
Total, 30 June 1966	654.73	98.01	216.77
1965	630.53	92.13	205.63
1964	606.31	86.39	194.01
1963	583.05	80.56	181.53
1962	560.92	74.52	168.67

(a) Excludes amounts due to the central government. Includes bank overdrafts. (b) Overseas holdings have been converted to Australian currency at the rates of exchange current at 30 June of each year shown.

NOTE. The considerable changes in the figures for local government and semi-governmental debt in the table above when compared with figures in previous issues are due to the transfer of New South Wales County Councils from the semi-governmental division to that of local government authorities (see page 816).

Commonwealth loan raisings

Under the Financial Agreement between the Commonwealth and the States the Commonwealth is responsible for raising all loan moneys required either by the Commonwealth or by the State Governments. Details of loan transactions given in this section relate, therefore, to all loans raised for the Commonwealth and the States.

New loans raised

Australia. The following table shows details of new loans raised in Australia by the Commonwealth during the three years 1964-65 to 1966-67.

COMMONWEALTH NEW LOANS(a) RAISED IN AUSTRALIA, 1964-65 TO 1966-67

Month of raising	Amount invited	Amount subscribed	Rate of interest per annum	Year of maturity	Price of issue	Allocation of loan		States
						Commonwealth	Other purposes	
	\$'000	\$'000	Per cent		Per cent	\$'000	\$'000	\$'000
1964-65—								
August (Loan No. 149)	100,000	13,794 13,062 115,184	4.50 4.75 5	1967 1975 1984	99.50 100 100	..	25,152	116,888
November (Loan No. 151)	120,000	11,500 17,560 71,351	4.25 4.75 5	1967 1975 1985	99.50 100 100	..	20,093	80,318
February (Loan No. 152)	120,000	45,109 24,327 33,566	4.25 4.50 5	1967 1972 1985	99.62 99.25 100	..	13,925	64,680
April (Loan No. 153)	80,000	6,577 52,731 22,000	5 5.25 5	1975 1985 1968	99 100 100	..	61,769	31,104
June (Loan No. 155)(b)	134,000	20,000 92,000	5 5.25	1975 1985	99 100	..	24,408	109,592
July-June	..	52,190	3.75-5.25	1972	100	7,187	8,117	36,886
1965-66—								
August (Loan No. 156)	70,000	39,307 17,404 38,671	5 5 5.25	1968 1975 1985	100 99 100	..	16,490	78,893
November (Loan No. 158)	100,000	42,138 27,325 63,327	5 5 5.25	1968 1976 1988	100 99 100	..	85,995	46,796
February (Loan No. 160)	100,000	85,140 10,969 78,101	5 5 5.25	1969 1976 1988	100 99 100	..	30,118	144,092
May (Loan No. 161)	75,000	24,464 7,933 29,677	5 5 5.25	1970 1976 1988	100 99 100	..	11,999	50,076
June (Loan No. 163)(b)	169,000	72,000 24,000 73,000	5 5 5.25	1970 1976 1988	100 99 100	..	40,544	128,456
July-June	..	25,266	4.50-5.25	1974	100	5,068	3,758	16,440
1966-67—								
July (Loan No. 164)	80,000	35,066 13,531 15,111 24,068	5 5 5.25 5.25	1970 1976 1989 2002	100 98.75 100 100	..	46,950	40,826
October (Loan No. 166)	120,000	106,475 32,868 18,168 36,139	5 5 5.25 5.25	1970 1977 1989 2002	100 98.80 100 100	..	58,679	134,971
February (Loan No. 168)	(c)	38,868 46,209 43,858 74,953	4.5 5 5.25 5.25	1970 1977 1989 2002	99.75 100 100 100	..	8,006	195,882
May (Loan No. 170)	(c)	6,270 7,754 22,217 32,503	4.5 5 5.25 5.25	1970 1977 1989 2002	99.75 100 100 100	..	31,009	37,735
June (Loan No. 172)(b)	(c)	31,000 17,000 16,000 26,000	4.5 5 5.25 5.25	1970 1977 1989 2002	99.75 100 100 100	..	9,984	80,016
July-June	..	29,638	4.5-5.25	1974	100	7,127	5,987	16,524

(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 page 793). (b) Special issue. For details see following paragraph. (c) As from February 1967 the practice of specifying the amount invited for each loan was discontinued.

The loan of \$90,000,000 raised in June 1967 was 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 \$544,000,000 in 1963-64, \$580,000,000 in 1964-65, \$605,000,000 in 1965-66, and \$645,000,000 in 1966-67. The subscription to the special loan in 1966-67 came from the Loan Consolidation and Investment Reserve Trust Account. Loan No. 155 of June 1965 and Loan No. 163 of June 1966 were for the same purpose.

Finance for the approved Loan Council programmes from 1963-64 to 1966-67 was provided from the following sources:

	1963-64	1964-65	1965-66	1966-67
	\$'000	\$'000	\$'000	\$'000
Public loans, domestic raisings, etc.	508,782	424,092	413,871	501,133
Overseas loans and special Commonwealth assistance	35,218	155,908	191,129	143,867
Total	544,000	580,000	605,000	645,000

In addition to the new loans raised as shown in the table on the previous page and the redemption and conversion loans shown on page 791 there were other miscellaneous loan operations in Australia (see page 793).

London. A loan of £Stg12,000,000, 5.5 per cent interest, price of issue 98 per cent, maturing 1978, was raised in London during 1962-63, and a further loan of £Stg20,000,000, 5.5 per cent interest, price of issue 98.5 per cent, maturing 1982, was raised in 1963-64.

New York. The following table gives details of the loans raised during the period 1964-65 to 1966-67.

COMMONWEALTH NEW LOANS REPAYABLE IN UNITED STATES
DOLLARS, 1964-65 TO 1966-67

Month of raising	Amount of loan	Rate of interest per annum	Price of issue	Year of maturity	Allocation of loan	
					Commonwealth	States
	\$US'000	Per cent	Per cent		\$US'000	\$US'000
1964-65—						
May(c)	25,000	5.50	98.50	1985	5,000	20,000
July-June	7,000	4.50-4.75	100	1965-71	(a)7,000	..
July-June	17,500	4.75-5.25	100	1966-72	(a)17,500	..
July-June	4,750	4.75-5.25	100	1967-73	(a)4,750	..
July-June	8,500	4.50-4.75	100	1971	(b)8,500	..
July-June	1,000	4.75-5.25	100	1973	(b)1,000	..
1965-66—						
November(c)	25,000	5.75	99.75	1986	5,000	20,000
July-June	5,000	4.50-5.25	100	1966-73	(a)5,000	..
July-June	18,850	4.50-5.25	100	1966-74	(a)18,850	..
July-June	4,250	5.00-5.75	100	1966-75	(a)4,250	..
July-June	5,400	4.50-5.25	100	1966-74	(b)5,400	..
July-June	250	5.00-5.75	100	1966-75	(b)250	..
1966-67—						
December(c)	25,000	6.50	97.50	1977	25,000	..
June(c)	25,000	6.50	97.50	1982	25,000	..
July-June	18,250	5.00-5.75	100	1975	(a)18,250	..
July-June	16,000	5.00-5.75	100	1975	(b)16,000	..
July-June	4,742	4.00	100	1972	(d)4,742	..
July-June	5,274	5.50	100	1972	(d)5,274	..
July-June	90,972	4.75	100	1974	(d)90,972	..

(a) Proceeds used for Qantas Empire Airways Loan. (b) Proceeds used for Australian National Airlines Commission Loan. (c) Prospectus issued in New York and loan offered for subscription in the United States, United Kingdom and the various European centres. (d) Proceeds used for defence purposes.

Conversion and redemption loans

Australia. Particulars of conversion loans raised in Australia during the three years 1964-65 to 1966-67 are given in the following table.

COMMONWEALTH CONVERSION AND REDEMPTION LOANS RAISED IN AUSTRALIA, 1964-65 TO 1966-67

Month of raising	Old loan		New loan			Year of maturity	Increase in annual liability for interest
	Amount	Rate of interest per annum	Amount	Rate of interest per annum	Price of issue		
	\$A'000	Per cent	\$A'000	Per cent	Per cent		\$A'000
1964-65—							
August	415,672	3.13	{ 58,284 58,018 165,109 (a)27,970 69,967	{ 4.25 4.75 5.00 4.25-5.00 5.00	{ 99.50 100 100 100 100	{ 1967 1975 1984 1972 1968	{ 1,687
April	303,026	4.25-5.00	{ 42,466 80,514 (a)3,041	{ 5.00 5.25 4.50-5.25	{ 99 100 100	{ 1975 1985 1972	{ -2,894
July-June (special bonds)	35,276	3.75-5.25	35,276	3.75-5.25	100	{ 1971 1972	{ ..
1965-66—							
August	158,700	4.25	{ 78,998 24,626 22,779 (a)304 73,832	{ 5.00 5.00 5.25 4.50-5.25 5.00	{ 100 99 100 100 100	{ 1968 1975 1985 1973 1968	{ -354
November	{ 95,391 132,238	{ 3.13 4.50	{ 70,144 89,598 (a)13,152 123,956	{ 5.00 5.25 4.50-5.25 5.00	{ 99 100 100 100	{ 1976 1988 1973 1970	{ 3,562
May	{ 199,573 129,287	{ 4.00 4.25	{ 74,477 100,748 (a)627	{ 5.00 5.25 4.50-5.25	{ 99 100 100	{ 1976 1988 1973	{ 1,761
July-June (special bonds)	87,759	4.50-5.25	87,759	4.50-5.25	100	1974	..
1966-67—							
July	140,272	3.75	{ 44,146 30,904 21,297 10,001 (a)187 56,725	{ 5 5 5.25 5.25 4.50-5.25 5	{ 100 98.75 100 100 100 100	{ 1970 1976 1989 2002 1974 1970	{ 145
October	{ 9,169 140,481	{ 4.25 4.5	{ 30,412 18,565 239 (a)2,805 101,158	{ 5 5.25 5.25 4.50-5.25 4.5	{ 98.80 100 100 100 99.75	{ 1977 1989 2002 1974 1970	{ -1,241
February	{ 105,091 98,762 61,902	{ 3.75 4.75 5	{ 59,955 25,354 10,431 (a)5,084 68,021	{ 5 5.25 5.25 4.50-5.25 4.50	{ 100 100 100 100 99.75	{ 1977 1989 2002 1974 1970	{ -2,029
May	160,359	4.25	{ 36,494 11,138 9 (a)2,111	{ 5 5.25 5.25 4.50-5.25	{ 100 100 100 100	{ 1977 1985 2002 1974	{ -1,249
July-June (special bonds)	83,231	4.50-5.25	83,231	4.50-5.25	100	1,974	..

(a) Special bonds.

Minus sign (—) indicates reduction in liability for interest.

London. The following table shows particulars of loans raised in London during the years 1960-61, 1962-63 and 1963-64 for the purpose of redeeming and converting London loans. None was raised during 1961-62 or since 1963-64.

COMMONWEALTH LOANS RAISED FOR THE CONVERSION AND REDEMPTION OF LOANS MATURING IN LONDON, 1960-61 TO 1963-64

Month of raising	Old loan		New loan			Price of issue	Year of maturity	Increase in annual liability for interest and exchange	
	Amount	Rate of interest per annum	Amount raised in—		Rate of interest per annum			£Stg '000	\$A'000 (a)
1960-61—	£Stg '000	Per cent	\$A'000	£Stg '000	Per cent	Per cent	£Stg '000	\$A'000 (a)	
July	13,925	3	..	13,925	6	98	418	1,045	
January	20,579	3.25	..	20,000	6	97.50 { 1975 1981-83 }	531	1,328	
1962-63—									
July	11,790	4	..	10,000	6	97	128	320	
1963-64—									
October	5,655	4	..	5,741	5.50	98.50	90	225	

(a) No account has been taken of the cost of issuing the conversion loans at a discount. Exchange calculated at \$A1 = £Stg 0.4000 (the International Monetary Fund par rate of exchange in the years shown).

New York. During 1946–47 four loans totalling \$US128,000,000 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 until December 1954. The loan raised in New York for this purpose in March 1957 amounted to \$US17,114,000 at 5 per cent interest, issued at par, maturing in 1972. No loans were raised for the purpose of redeeming loans which became due for redemption or which the Commonwealth had the option of redeeming during 1957–58 to 1960–61, or in 1962–63 and 1963–64. In 1961–62 a re-financing loan of \$US30,000,000 was raised at 5.5 per cent interest, issued at 98.25 per cent, maturing in 1982.

Drawings from cash loans, for which Commonwealth notes were issued in New York between 1956 and 1966, were used to finance the purchase of aircraft and equipment by Qantas Empire Airways from November 1956, and to finance aircraft purchases by Trans-Australia Airlines from September 1958. At 30 June 1967 outstanding notes which are subject to interest rates varying between 4.5 per cent and 5.75 per cent and which are all repayable before 1 January 1975 amounted to \$US102,800,000.

Between May 1965 and June 1967 four loans each of \$US25,000,000 were raised, mainly in Europe.

Credit arrangements for defence purchases in the United States of America

The *Loan (Defence) Act* 1966 authorises arrangements for the financing on extended payment terms of purchases of defence equipment in the United States. Drawings of \$US100,989,000 were made under these arrangements in 1966–67.

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 or Canada, the Commonwealth Government arranged five loans from the International Bank for Reconstruction and Development between August 1950 and December 1956, amounting to \$US308,500,000, repayable over periods of from ten to twenty-five years at rates of interest of from 4.25 to 4.75 per cent. The proceeds of the latest of these loans were finally drawn in March 1959.

The capital equipment and plant purchased from the proceeds of these loans were made available to Commonwealth and State Government departments and agencies, and private firms and individuals for use in the development of Australian resources. The goods were imported and distributed through normal channels, and payment was made through the Australian banking system.

The loan on behalf of Qantas Empire Airways of \$US9,230,000 at 4.75 per cent maturing in 1966–87 was finally drawn at the end of July 1958, and in 1962–63, 1963–64, 1964–65, 1965–66, and 1966–67 respectively drawings of \$US31,851,000, \$US27,018,000, \$US23,519,000, \$US17,057,000, and \$US555,000 were made from the loan (at 5.75 per cent maturing in 1966–87) raised for the purposes of the Snowy Mountains Hydro-electric Authority.

Drawings from International Bank loans have been made mainly in United States dollars but partly in Canadian dollars, Swiss francs and German Deutsche marks.

Swiss loans

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, February 1955, March 1960, and March 1961 of four 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 *Crédit Suisse* and the *Union Bank of Switzerland*. Certain Swiss taxes connected with the issue and servicing of the loans were paid on an agreed basis by the Australian Government.

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

The second loan was for a period of fifteen years with an option to redeem after ten years. The rate of interest was 3.75 per cent, issue price 99.50 per cent. Bonds and interest are payable in Swiss francs only. The third loan was for a period of fifteen years with an option to redeem after ten years. The rate of interest was 4.5 per cent, issue price 99 per cent. The fourth loan was issued at par in March 1961, at the rate of 4.5 per cent maturing in April 1976. Payments of interest and repayments of principal are to be made in Swiss francs only.

A fifth loan of 50,000,000 Swiss francs was raised in April 1967 at the rate of 5.5 per cent maturing in April 1982.

Canadian loans

In October 1955 the Commonwealth Government arranged for the issue in Canada of a public loan of 15,000,000 Canadian dollars raised to assist Australia's development programme. The loan was for a period of fifteen years with an option on the part of the Australian Government to repay the loan in full or in part at any time prior to 1 November 1970. The rate of interest was 4 per cent, payable half-yearly, and the issue price 98.50 per cent. A second loan, of 20,000,000 Canadian dollars, was raised in March 1961, on the security of the Commonwealth of Australia, 5.75 per cent twenty-year bonds being issued at the rate of 98.50 per cent. Bonds and interest are payable in Canadian dollars in each case. The loans were fully subscribed, and the net Canadian dollar proceeds were sold to the Reserve Bank for Australian currency.

Netherlands loan

In 1961 the Commonwealth arranged for a public flotation in the Netherlands of a loan of 40,000,000 Netherlands guilders at par, with an interest rate of 5 per cent per annum. The proceeds were used to assist the loan programmes of the Commonwealth and States. The loan is to be repaid in fifteen annual instalments from 1967 to 1981, but, at the Commonwealth's option, an earlier redemption date may be negotiated on and after 15 December 1971.

Summary of loan transactions

The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the five years 1962-63 to 1966-67.

COMMONWEALTH LOAN TRANSACTIONS: SUMMARY, 1962-63 TO 1966-67

	1962-63	1963-64	1964-65	1965-66	1966-67
New loans(a) raised in—					
Australia \$A'000	476,160	582,238	600,120	658,725	673,696
London \$Stg'000	12,000	21,067	..	..	..
New York(b) \$US'000	122,701	32,768	87,269	75,807	185,794
Switzerland Francs'000	..	..	..	..	50,000
Miscellaneous debt in Australia(c) \$A'000	34,793	-54	24,184	6,350	29,271
Net change in short-term debt—					
Australia—Public \$A'000	-170,000	-68,000	-62,000	-36,000	10,000
Internal \$A'000	77,800	39,400	33,400	49,100	-2,000
Treasury notes \$A'000	139,076	13,494	-72,138	35,564	-27,544
Loans raised for conversion or redemption of existing securities maturing in—					
Australia \$A'000	793,663	455,820	540,645	761,000	618,268
London \$Stg'000	10,000	5,741	..	..	..

(a) Includes loans raised for redemption of Treasury bills. (b) Includes proceeds of \$US31,851,000, \$US27,018,000, \$US23,519,000, \$US17,057,000 and \$US555,000 in 1962-63, 1963-64, 1964-65, 1965-66 and 1966-67 from International Bank for Reconstruction and Development loan used for the purposes of the Snowy Mountains Hydro-electric Authority.

(c) Advance loan subscriptions (net change), 'over the counter sales' (instalment stock and inscribed stock and bonds issued by State Governments), and Peace Savings Certificates (interest credited).

Minus sign (-) denotes a decrease in debt.

Government securities on issue maturing in Australia, classified by holder

The following table shows details of government securities maturing in Australia classified according to holder as at 30 June 1966 and 1967.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATE
MATURING IN AUSTRALIA, BY HOLDER(a), 30 JUNE 1966 AND 1967**

(Source: Reserve Bank of Australia Statistical Bulletin)

Holder	30 June—			
	1966		1967	
	Amount	Proportion of total	Amount	Proportion of total
	\$ million	Per cent	\$ million	Per cent
Reserve Bank of Australia	692	7.6	815	8.4
Trading banks	1,115	12.2	1,196	12.4
Savings banks	2,116	23.2	2,178	22.5
Life insurance offices	834	9.1	978	10.1
Fire, marine and general insurance offices	108	1.2	118	1.2
Other private financial institutions—				
Pension and provident funds	138	1.5	156	1.6
Friendly societies, hospitals and medical funds	17	0.2	20	0.2
Trustee companies	127	1.4	123	1.3
Pastoral finance companies	27	0.3	26	0.3
Money market dealers	377	4.1	462	4.8
Miscellaneous	42	0.5	47	0.5
Government financial institutions—				
Insurance offices and funds	108	1.2	113	1.2
Pension and provident funds	180	2.0	176	1.8
Public trustees	33	0.4	31	0.3
All other(b)	7	0.1	3	..
Public authorities (excluding finance)—				
Commonwealth Government (including Commonwealth semi-governmental)	1,644	18.0	1,639	16.9
State Government	29	0.3	26	0.3
Local government and State semi-governmental	250	2.7	231	2.4
Companies (excluding finance)	150	1.7	187	1.9
Other holders—				
Marketing boards	4	..	4	..
Farmers	103	1.1	97	1.0
Non-profit organisations	53	0.6	51	0.5
All other	980	10.7	1,002	10.4
Total	9,134	100.0	9,677	100.0

(a) Total stock inscribed, bonds in circulation, amounts paid up on outstanding applications, in transit claims and advance applications, Commonwealth Treasury Bills, debentures, and Savings Certificates. (b) Includes securities held by Commonwealth Development Bank of Australia.

National Debt Sinking Fund

Securities on issue on behalf of the Commonwealth

The National Debt Sinking Fund was established by the *National Debt Sinking Fund Act 1923-1950* and came into operation on 11 August 1923. Particulars of the creation and operation of sinking funds by that Act are included in issues of the Year Book prior to No. 23. The *National Debt Sinking Fund Act 1966* repealed all previous legislation on sinking funds relating to securities on issue on behalf of the Commonwealth. Under this Act the period of redemption is 25 years from 1 July 1966 for debt outstanding at 30 June 1966 and 25 years for net debt created in subsequent years.

Broadly, the amounts payable to the National Debt Sinking Fund each year are made up of contributions from the Consolidated Revenue Fund of the Commonwealth as follows:

- (a) an amount of \$30.94m each year for a period of 25 years;
- (b) an amount equal to 4 per cent of the amount of net debt created (if any) in any year for a period of 25 years.

In addition, an amount equal to specified receipts by the Commonwealth in repayment of loans or advances made out of moneys in the Loan Fund will be paid to the Sinking Fund.

The amounts payable to the Fund in any year from Consolidated Revenue Fund are to be reduced by the following:

- (a) the net income from investments in any year; and
 (b) an amount equal to 4 per cent of the amount of the net reduction of debt in any year.

Particulars of receipts and expenditure of the Commonwealth Account for the years 1962-63 to 1966-67 are as follows.

NATIONAL DEBT SINKING FUND: COMMONWEALTH ACCOUNT, 1962-63 TO 1966-67
 (\$'000)

	1962-63	1963-64	1964-65	1965-66(a)	1966-67
Receipts—					
From Consolidated Revenue	54,460	57,739	62,171	64,969	21,589
Loans and advances repaid	7,984	8,806	10,318	11,659	12,684
War Service Homes money repaid	22,175	27,131	31,137	31,045	..
Reparation moneys . . . . .	..	..	..	221	..
Interest on investments	(b)12,082	(b)12,872	(b)12,040	(b)11,910	(b)9,351
<i>Total, receipts</i>	<i>96,701</i>	<i>106,547</i>	<i>115,666</i>	<i>119,804</i>	<i>43,624</i>
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	31,309	49,311	153,857	81,869	112,435
London	165	1,507	7,239	6,565	9,905
New York	(c)19,350	(c)20,334	(c)22,301	(c)26,166	(c)29,852
Canada	15	97	69	151	131
<i>Total, expenditure</i>	<i>50,838</i>	<i>71,249</i>	<i>183,466</i>	<i>114,751</i>	<i>152,324</i>
Balance at 30 June	330,264	365,562	297,761	302,814	194,114
Face value of securities repurchased and redeemed in—					
Australia	31,279	48,881	153,823	82,258	112,784
London	130	1,268	6,279	5,711	10,340
New York	(c)8,913	(c)9,330	(c)10,204	(c)12,026	(c)29,875
Canada	7	48	34	75	134
<i>Total, face value</i>	<i>40,330</i>	<i>59,526</i>	<i>170,340</i>	<i>100,070</i>	<i>153,133</i>

(a) For details of operation of provisions of the *National Debt Sinking Fund Act 1966* see page 794. (b) Includes interest received under *National Debt Sinking Fund (Special Payment) Act 1951*: 1962-63, \$3.5m; 1963-64, \$3.5m; 1964-65, \$3.5m; 1965-66, \$3.5m; 1966-67, \$3.5m. (c) Includes instalment repayments of loans from International Bank for Reconstruction and Development: 1962-63—face value, \$7.6m, net cost, \$16.6m; 1963-64—face value, \$8.0m, net cost, \$17.4m; 1964-65—face value, \$8.4m, net cost, \$18.3m; 1965-66—face value, \$8.7m, net cost, \$19.1m; 1966-67—face value, \$19.9m, net cost, \$20.0m.

Securities on issue on behalf of States

A sinking fund for the redemption of the securities on issue on behalf of States was established under the Financial Agreement. Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1966-67 and for all States during the years 1962-63 to 1966-67 are shown in the following tables.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1966-67
(\$'000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
Receipts—							
Contributions under Financial Agreement—							
Commonwealth	6,368	4,524	2,439	2,482	1,844	1,293	18,951
States	22,672	17,500	8,610	8,820	7,373	3,892	68,867
Interest from States on cancelled securities	42	22	14	17	13	6	113
Special contributions by States	63	102	30	20	6	..	220
Interest on investments, etc.	-19	-10	-4	-4	-6	-4	-46
<i>Total, receipts</i>	<i>29,125</i>	<i>22,138</i>	<i>11,089</i>	<i>11,335</i>	<i>9,230</i>	<i>5,188</i>	<i>88,105</i>
Expenditure (net cost)—							
Securities repurchased and redeemed in—							
Australia	23,836	10,807	4,752	8,666	7,130	4,260	59,451
London	1,023	8,302	4,694	1,231	1,191	104	16,545
New York	3,990	2,408	1,412	1,151	895	585	10,441
Canada	214	172	87	93	65	50	680
<i>Total, expenditure</i>	<i>29,064</i>	<i>21,689</i>	<i>10,945</i>	<i>11,140</i>	<i>9,281</i>	<i>4,999</i>	<i>87,118</i>
Balance at 30 June 1967	1,036	660	423	487	216	348	3,169
Face value of securities repurchased and redeemed in—							
Australia	23,856	10,820	4,752	8,678	7,130	4,260	59,496
London(a)	920	6,640	3,780	1,090	1,059	90	13,579
New York(a)	1,886	1,134	665	542	422	276	4,925
Canada(a)	108	87	44	47	33	25	344
<i>Total, face value</i>	<i>26,770</i>	<i>18,681</i>	<i>9,240</i>	<i>10,357</i>	<i>8,644</i>	<i>4,652</i>	<i>78,345</i>

(a) Converted in accordance with the Financial Agreement at the equivalent of the mint par of exchange prevailing on 1 July 1927.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1962-63 TO 1966-67
(\\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Receipts—					
Contributions under Financial Agreement—					
Commonwealth	14,497	15,691	16,646	17,761	18,951
States	52,108	55,669	60,099	64,385	68,867
Interest from States on cancelled securities					
	66	45	26	106	113
Special contributions by States	344	974	222	222	220
Interest on investments, etc.	-80	107	-36	30	-46
<i>Total, receipts</i>	<i>66,935</i>	<i>72,486</i>	<i>76,958</i>	<i>82,503</i>	<i>88,105</i>
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	54,068	60,791	52,808	60,861	59,451
London	6,068	4,075	14,612	11,685	16,545
New York	4,138	6,228	9,948	11,775	10,441
Canada	79	501	358	782	680
<i>Total, expenditure</i>	<i>64,353</i>	<i>71,594</i>	<i>77,726</i>	<i>85,104</i>	<i>87,118</i>
Balance at 30 June	4,660	5,552	4,783	2,182	3,169
Face values of securities repurchased and redeemed in—					
Australia	54,116	60,806	52,825	60,888	59,496
London(a)	4,230	3,520	12,250	10,002	13,579
New York(a)	1,920	2,862	4,554	5,455	4,925
Canada(a)	40	248	178	388	344
<i>Total, face value</i>	<i>60,306</i>	<i>67,435</i>	<i>69,807</i>	<i>76,733</i>	<i>78,345</i>

(a) Converted in accordance with the Financial Agreement at the equivalent of the mint par of exchange prevailing on 1 July 1927.

TAXES ON INCOME

A description of the development of income taxes in Australia appeared in Year Book No. 35, page 926. Since July 1942 the Commonwealth, under the uniform tax arrangement, has been the only authority imposing taxes on income.

The *Income Tax Assessment Act 1936-1967*, the *Income Tax Act 1966-1967*, the *Income Tax (Partnerships and Trusts) Act 1966-1967*, the *Income Tax (Non-Resident Dividends) Act 1965*, and the *Income Tax Regulations* deal with the assessment and imposition of Income Tax. The second-mentioned Act is an annual measure, and its primary purpose is to declare the rates of tax payable for the financial year.

Both individuals and companies are liable for income tax. Private companies are subject to tax on undistributed income in addition to the primary income tax levied on all companies.

The operation of the *Income Tax Assessment Act 1936-1967* is affected by the following Acts:

- (a) *Taxation Administration Act 1953-1966*, which provides for the administration of certain Acts relating to taxation;
- (b) *Income Tax (International Agreements) Act 1954-1967* which gives the force of law to agreements between the Commonwealth and the Governments of the United Kingdom, Canada and New Zealand, and to a convention between the Government of the Commonwealth and the United States of America, for the avoidance of double taxation and the prevention of evasion of taxes on income.

Lodgment of returns and assessment of income tax

Individuals and non-profit companies with total income in excess of \$416 and all partnerships, trusts and companies deriving income are required to lodge returns of income by 31 July each year (31 August for business incomes). The income tax payable is assessed, and assessment notices showing

the amounts payable are issued, during the year following the year of income. In respect of individuals 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 paid and any difference either collected or refunded. No such system of 'pay-as-you-earn' is in operation in respect of companies.

Pay-as-you-earn system

Salary and wage earners are subject to instalment deductions by employers for payment of the tax in accordance with a prescribed scale which shows the amount to be deducted according to income and number of dependants. Under the group scheme of deduction, covering most employers of more than ten persons, the amount deducted is required to be remitted to the Taxation Department within seven days of the close of the month in which the deduction is made.

Not later than 14 July each year employers are required to supply each employee with a group certificate showing amount earned and total deductions during the year ended 30 June. This certificate, together with the employee's return of income, is forwarded to the Taxation Department. If the tax assessed on the basis of the return is less than the amount shown on the group certificate, a refund is forwarded with the assessment, if not, the employee is required to pay the balance.

Under the stamp scheme used by employers other than group 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 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.

Taxpayers with income other than salary or wages pay provisional tax in respect of that income. Collection of tax for the current year is made at the same time as collection and assessment for the previous year are adjusted. The notice of assessment shows an amount of provisional tax for the current year. The provisional amount is an approximation to the tax 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 paid in the previous year as a credit against the tax assessed on the basis of the return for that year. On receipt of his assessment, the taxpayer may elect to substitute his own estimate of income for the current year and pay tax on 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 twenty per cent lower than the income of the previous year and he underestimates his income by more than twenty per cent. An employee with income of \$300 or more from sources other than salaries or wages is required to pay provisional tax in respect of that income.

Tax collected. During the collection years 1962-63 to 1966-67 net receipts (i.e. tax collected less refunds to taxpayers) from individual taxpayers were \$1,083.4m; \$1,272.2m; \$1,570.6m; \$1,731.4m and \$1,922.5m respectively. Of these amounts, instalments from salaries and wages in the respective years accounted for \$684.4m (63.17 per cent), \$792.2m (62.28 per cent), \$990.6m (63.08 per cent), \$1,160.4m (67.03 per cent) and \$1,323.5m (68.84 per cent). The remainder came from direct cash payments from individual taxpayers.

Assessable income

As a general principle income assessable to income tax includes all income other than exempt income derived directly or indirectly from sources in Australia. Thus a non-resident is taxed on income derived in Australia, while a resident, in general, is not taxed on income (other than dividends) derived from overseas if the income is taxed in the country in which it is derived.

The word income is used in its ordinary sense and includes certain receipts declared by the Assessment Act to be assessable income. Receipts such as gifts (other than gratuities received by an employee from his employer in the course of his employment), legacies, profits from the sale of property (not acquired for the purpose of profit making by sale), lottery wins, and most capital gains are not regarded as income and are not assessable.

Certain types of Australian income are exempt from tax in Australia, the more important being (i) war and service pensions, (ii) age and invalid pensions, child endowment and other payments under the *Social Services Act 1947-1967* and the *Tuberculosis Act 1948*, (iii) income from gold-mining and some other mining operations, (iv) twenty per cent of certain mining profits, (v) dividends paid out of exempt mining profits, (vi) income received from a scholarship, bursary or other educational allowance, (vii) income of certain non-profit institutions and mutual income of some other organisations,

and (viii) income of specified superannuation funds. No amount is included in assessable income on account of a house occupied by its owner.

For the 1966-67 and subsequent income years the pay and allowances and bounties for part-time duty, and the gratuity payable on a call out for continuous full-time service of members of each service of the Defence Force Emergency Reserves is exempt from income tax. This exemption does not apply to pay and allowances for continuous full-time service in Australia. Also the pay and allowances earned by members of the Defence Force for service outside Australia while allotted for duty in special areas (i.e. part of Borneo and adjacent waters, and South Vietnam) are exempt from income tax.

Expenditure incurred in gaining or producing assessable income or necessarily incurred in carrying on a business for that purpose is an allowable deduction, except to the extent that such expenditure is of a capital, private, or domestic nature, or is incurred in gaining or producing exempt income. Certain subscriptions to business associations and trade union dues are also allowable deductions.

Special deductions for both resident and non-resident taxpayers include such items as trading losses incurred over the previous seven years, bad debts, depreciation, annual rates and taxes on land, gifts to certain institutions (e.g. scientific, charitable, benevolent, etc.), and one-third of amounts paid as calls to certain mining, prospecting, oil-prospecting, or afforestation companies operating in Australia. Resident taxpayers only are allowed a deduction from income of the full amount paid as calls and as application and allotment moneys to certain companies engaged in the search for oil in Australia and the Territory of Papua and New Guinea.

Special deductions may be allowed for capital actually expended in mining operations conducted for the purpose of earning assessable income. In the case of primary producers certain developmental expenditure of a capital nature may be deducted. Deductions in addition to depreciation are allowed to manufacturers and primary producers by way of an investment allowance for expenditure on specified plant and equipment. Subject to a maximum permissible tax saving, a double deduction is effectively allowed for certain expenditure incurred in export market development.

Zone allowance deductions are prescribed for residents of isolated areas subject to uncongenial climatic conditions and high costs of living. Two zones, A and B, have been prescribed and the allowances are: Zone A, \$540 plus an amount equal to half the total deductions allowable for the maintenance of dependants; and Zone B, \$90 plus an amount equal to one-twelfth of the total deductions allowable for the maintenance of dependants. Members of the defence forces serving in certain overseas localities, other than those declared to be special areas (*see* top of page), for more than half the year of income are also entitled to a deduction of the same amount as residents of Zone A.

Income tax is levied on the taxable income remaining after making these deductions and the concessional deductions to which reference is made in the following paragraphs.

Concessional deductions

Concessional allowances to residents for dependants, medical and dental expenses, life insurance and superannuation contributions, etc. are made by way of a deduction from income. The maximum deduction allowed for the income year 1967-68 for each dependant or for a housekeeper is shown in the following table.

<i>Dependant, etc. (resident)</i>	<i>Maximum deduction (a)</i>
	\$
Spouse	312
Daughter-housekeeper(b); housekeeper(c)	312
Parent or parent-in-law	312
One child under 16 years of age	208
Other children under 16 years of age	156
Invalid relative(d)	208
Child 16 to 21 years receiving full-time education	208

(a) If the dependant is maintained for part only of the year, a partial deduction is allowed. (b) Of a widower or widow. (c) Caring for a spouse in receipt of an invalid pension, or caring for children under 16 years of age of a widower or widow. (d) Child, step-child, brother or sister over 16 years of age.

When the dependant maintained derives separate income, the amount of the concessional deduction is reduced by the amount, if any, by which the separate net income exceeds \$130. Separate net

income includes age and invalid pensions but not child endowment. Scholarships are excluded except insofar as they relate to maintenance.

For the 1967-68 income year medical expenses (less amounts recouped from hospital and medical funds) paid by a taxpayer who is a resident, in respect of himself or dependants, including children under twenty-one years of age, are allowed as a concessional deduction. Medical expenses include payments made to a legally qualified medical practitioner, nurse or chemist, or to a hospital, in respect of an illness or operation, payments for dental services, payments for therapeutic treatment and eye tests, expenditure on medical or surgical appliances, artificial limbs or eyes, hearing aids and spectacles, the remuneration of an attendant of a person who is blind or confined to a bed or invalid chair, and payments for the maintenance of a trained dog used for the guidance of a blind person.

Other concessional deductions allowed to resident taxpayers include: (i) payments of life insurance premiums and contributions to superannuation funds and friendly societies, not exceeding an aggregate of \$1,200, (ii) payments to medical or hospital benefits funds, (iii) funeral expenses of a dependant not exceeding \$100, and (iv) expenditure incurred for the full-time education of children or dependants who are less than twenty-one years of age, with a maximum of \$300 for each child or dependant.

Effective exemption from tax

For the income years 1950-51 to 1962-63 taxpayers without dependants were exempt from income tax if their income did not exceed \$208. For 1963-64 to 1967-68 this exemption was \$416. The effect of the deductions for dependants was to exempt resident taxpayers up to the incomes shown hereunder.

RESIDENT TAXPAYERS: EFFECTIVE EXEMPTIONS FROM TAX (\$)

Income years ended June—	Taxpayer with—		Wife and—			
	No dependants	Wife	one child	two children	three children	four children
1954 to 1957	208	468	624	728	832	936
1958 to 1963	208	494	676	806	936	1,066
1964 to 1967	416	702	884	1,014	1,144	1,274
1968	416	728	936	1,092	1,248	1,404

For the 1967-68 income year an aged person (i.e. a man who has attained the age of sixty-five years or a woman who has attained the age of sixty years and is a resident of Australia during the whole of the year of income) is exempt from income tax if his or her taxable income does not exceed \$1,196. If the taxable income exceeds \$1,196 but does not exceed \$1,451 the tax cannot exceed nine-twentieths of the excess of the income over \$1,196. An aged person who contributes to the maintenance of a spouse is exempt from tax if the combined taxable incomes of the taxpayer and the spouse do not exceed \$2,106. Where their combined taxable incomes exceed \$2,106 the tax payable by the taxpayer (provided his taxable income does not exceed \$3,287) is limited to nine-twentieths of the excess of their combined taxable incomes over \$2,106.

Rates of income tax on individuals

The table on page 801 shows the rates of income tax for income years 1953-54 to 1967-68 as set out in the first schedule to the Income Tax Act.

Assessable income represents total actual income minus exempt income. Taxable income is the amount remaining after all allowable deductions have been made on assessable income.

The minimum amount of income tax payable is 50c.

Where the taxable income of a person does not exceed \$428 the amount of tax payable is limited to one half of the amount by which the taxable income exceeds \$416.

The only cases in which incomes below \$416 attract tax are those for which special rates are payable in accordance with the provisions of the *Income Tax (Partnerships and Trusts) Act* 1966-1967.

For primary producers the rate of income tax for the current year is determined by the average of the taxable incomes for the five years up to and including the current year. In 1951 a taxpayer was given the right to elect not to have the averaging provisions applied to his assessment but up to

1965-66 income year the election, if made under then existing legislation, was irrevocable. The *Income Tax Assessment Act 1966* amended this and a primary producer who elected to withdraw from the averaging system prior to the 1966-67 income year is now able to review that decision. He may return to the averaging system provided that he makes the necessary election in respect of any one of the income years 1966-67 to 1969-70. In the year of re-entry the taxpayer will be treated for averaging purposes as though he had never withdrawn from the system. However, he will not have the right to withdraw again. The application of the averaging provisions is limited to that part of the taxable income which does not exceed \$16,000. When the taxable income does exceed \$16,000, the balance is taxed at ordinary rates applicable to that part. When the taxable income is less than \$16,000, the rate of tax for averaging purposes is limited to the rate on a taxable income of \$16,000.

The taxable income, including any abnormal receipts, of actors, artists, composers, inventors, etc. is taxed at the rate appropriate to the normal taxable income plus one-third of the abnormal receipts.

Interest derived from bonds, debentures, stocks or other securities issued after 1 January 1940 by the Commonwealth, together with interest on certain State semi-governmental loans issued free of State income tax, is subject to a rebate of 10 cents for each \$1 of interest included in the taxable income.

**INCOME TAX—INDIVIDUALS: GENERAL RATES, 1953-54 TO 1967-68
INCOME YEARS**

<i>Total taxable income</i>		<i>1953-54</i>		<i>1954-55 to 1964-65(a)</i>		<i>1965-66 to 1967-68(b)</i>	
<i>Column 1</i>	<i>Column 2</i>	<i>Tax on amount in column 1</i>	<i>Tax on each \$ of balance of income</i>	<i>Tax on amount in column 1</i>	<i>Tax on each \$ of balance of income</i>	<i>Tax on amount in column 1</i>	<i>Tax on each \$ of balance of income</i>
<i>Exceeding</i>	<i>Not exceeding</i>						
\$	\$	\$	cents	\$	cents	\$	cents
Nil	200	Nil	0.42	Nil	0.42	Nil	0.40
200	300	0.83	1.67	0.83	1.25	0.80	1.20
300	400	2.50	3.75	2.08	2.92	2.00	2.90
400	500	6.25	5.42	5.00	4.58	4.90	4.50
500	600	11.67	7.08	9.58	6.25	9.40	6.10
600	800	18.75	9.17	15.83	8.33	15.50	8.20
800	1,000	37.08	11.67	32.50	10.83	31.90	10.80
1,000	1,200	60.42	13.75	54.17	12.50	53.50	12.50
1,200	1,400	87.92	15.83	79.17	14.17	78.50	14.20
1,400	1,600	119.58	17.50	107.50	15.83	106.90	15.90
1,600	1,800	154.58	19.17	139.17	17.50	138.70	17.60
1,800	2,000	192.92	20.83	174.17	19.17	173.90	19.30
2,000	2,400	234.58	23.33	212.50	21.67	212.50	21.60
2,400	2,800	327.92	26.67	299.17	24.58	298.90	24.60
2,800	3,200	434.58	29.58	397.50	27.08	397.30	27.10
3,200	3,600	552.92	32.50	505.83	29.58	505.70	29.60
3,600	4,000	682.92	35.42	624.17	32.08	624.10	32.10
4,000	4,800	824.58	38.75	752.50	35.42	752.50	35.40
4,800	5,600	1,134.58	41.67	1,035.83	38.33	1,035.70	38.30
5,600	6,400	1,467.92	44.58	1,342.50	41.25	1,342.10	41.20
6,400	7,200	1,824.58	47.50	1,672.50	43.75	1,671.70	43.80
7,200	8,000	2,204.58	50.42	2,022.50	46.25	2,022.10	46.30
8,000	8,800	2,607.92	53.33	2,392.50	48.75	2,392.50	48.70
8,800	10,000	3,034.58	56.67	2,782.50	51.67	2,782.10	51.70
10,000	12,000	3,714.58	60.00	3,402.50	55.00	3,402.50	55.00
12,000	16,000	4,914.58	62.92	4,502.50	57.92	4,502.50	57.90
16,000	20,000	7,431.25	65.83	6,819.17	60.42	6,818.50	60.40
20,000	32,000	10,064.58	68.75	9,235.83	63.33	9,234.50	63.30
32,000	upwards	18,314.58	70.00	16,835.83	66.67	16,830.50	66.70

(a) For the 1959-60, 1961-62, 1962-63, and 1963-64 income years a rebate of 5 per cent was allowable on the tax calculated from this schedule. (b) Additional tax equal to 2½ per cent of the tax calculated from this schedule was also payable for these financial years.

Taxes on specified incomes

The following table shows the income tax payable by taxpayers, with various incomes and numbers of dependants, on income derived in the years 1960-61 to 1967-68.

INCOME TAX ON SPECIFIED INCOMES, 1960-61 TO 1967-68 INCOME YEARS
(**\$**)

<i>Income(a)</i> \$	1960-61	1961-62 <i>and</i> 1962-63	1963-64	1964-65	1965-66 <i>and</i> 1966-67	1967-68
TAXPAYER WITH NO DEPENDANTS						
500	9.60	9.10	9.10	9.60	9.63	9.63
600	15.80	15.00	15.00	15.80	15.88	15.88
800	32.50	30.90	30.90	32.50	32.69	32.69
1,000	54.20	51.50	51.50	54.20	54.83	54.83
1,200	79.20	75.20	75.20	79.20	80.46	80.46
1,600	139.20	132.20	132.20	139.20	142.16	142.16
2,000	212.50	201.90	201.90	212.50	217.81	217.81
3,000	451.70	429.10	429.10	451.70	462.78	462.78
4,000	752.50	714.90	714.90	752.50	771.31	771.31
6,000	1,507.50	1,432.10	1,432.10	1,507.50	1,544.57	1,544.57
10,000	3,402.50	3,232.40	3,232.40	3,402.50	3,487.56	3,487.56
TAXPAYER WITH DEPENDENT WIFE						
500	1.00	1.00	..	..	..	..
600	2.50	2.40	..	..	..	..
800	10.50	10.00	10.00	10.50	10.50	9.07
1,000	25.30	24.00	24.00	25.30	25.45	23.27
1,200	44.80	42.60	42.60	44.80	45.31	42.43
1,600	95.30	90.50	90.50	95.30	97.04	93.25
2,000	159.10	151.10	151.10	159.10	162.72	158.02
3,000	376.40	357.60	357.60	376.40	385.53	378.97
4,000	660.70	627.70	627.70	660.70	677.20	668.60
6,000	1,389.50	1,320.00	1,320.00	1,389.50	1,423.78	1,412.80
10,000	3,254.70	3,092.00	3,092.00	3,254.70	3,335.99	3,322.21
TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD						
500 . . . . .	..	..	..	..	..	..
600 . . . . .	..	..	..	..	..	..
800	3.00	2.90	..	..	..	..
1,000	11.60	11.00	11.00	11.60	11.63	8.71
1,200	26.80	25.50	25.50	26.80	26.97	22.61
1,600	70.70	67.20	67.20	70.70	71.74	65.08
2,000	128.40	122.00	122.00	128.40	131.06	122.61
3,000	331.60	315.00	315.00	331.60	339.65	326.54
4,000	604.00	573.80	573.80	604.00	619.06	603.29
6,000	1,316.40	1,250.60	1,250.60	1,316.40	1,348.94	1,328.54
10,000	3,160.70	3,002.70	3,002.70	3,160.70	3,239.55	3,212.00
TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN						
500 . . . . .	..	..	..	..	..	..
600 . . . . .	..	..	..	..	..	..
800 . . . . .	..	..	..	..	..	..
1,000	5.10	4.80	..	..	..	..
1,200	16.00	15.20	15.20	16.00	16.04	11.12
1,600	54.40	51.70	51.70	54.40	55.08	46.42
2,000	107.80	102.40	102.40	107.80	109.88	98.49
3,000	299.70	284.70	284.70	299.70	306.87	289.54
4,000	565.60	537.30	537.30	565.60	579.62	555.95
6,000	1,266.60	1,203.30	1,203.30	1,266.60	1,297.90	1,267.29
10,000	3,093.50	2,938.80	2,938.80	3,093.50	3,170.66	3,129.32

(a) Income remaining after allowing all deductions other than deductions for dependants.

Company income taxes

For taxation purposes companies are divided into two main groups—private and public. Broadly, 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 is a subsidiary of a public company. All other companies are regarded as public companies. Both private and public companies pay primary tax assessed on a taxable income ascertained on the same principles as for individuals.

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

Rates of tax. 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 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.

The rates of primary tax for all companies and additional tax for private companies applicable to income years 1955–56 to 1966–67 are shown in the following table.

RATES OF TAX: COMPANIES, 1955–56 TO 1966–67 INCOME YEARS
(Cents per \$)

Income years ended June	Resident private company			Resident public company(a)		Non-resident company	
	On taxable income		Additional tax on un- distributed income	On taxable income		On dividends only	
	Up to \$10,000	On remainder		Up to \$10,000	On remainder	Up to \$10,000	On remainder
1956	25	35	50	35	40	30	40
1957 to 1959	22½	32½	50	32½	37½	27½	37½
1960 to 1963	25	35	50	35	40	30	40
1964 to 1967	27½	37½	50	37½	42½	32½	42½

(a) Excludes co-operative, non-profit and life insurance for which the rates of tax (in cents per \$) for 1966–67 were as under:

Type of company	Taxable income	
	Up to \$10,000	On remainder
Co-operative	32½	42½
Non-profit—Friendly societies dispensaries	32½	32½
Other	32½	42½
Mutual life insurance	27½	37½
Other life insurance—Mutual income	27½	37½
Other income	37½	42½

For 1966–67 where the taxable income of a non-profit company did not exceed \$1,188 the amount of tax payable was limited to half the amount by which the taxable income exceeded \$416.

For the income years 1952–53 to 1966–67 the retention allowance (see above) was the proportion of the reduced distributable income shown in the following table.

RETENTION ALLOWANCE: PRIVATE COMPANIES
1952–53 TO 1966–67 INCOME YEARS
(Per cent)

Reduced distributable income(a)	1952–53	1958–59	1962–63
	1957–58	1961–62	1966–67
First \$2,000 or part	50	50	..
Next \$2,000 „ „	40	40	..
„ \$2,000 „ „	35	..	..
„ \$2,000 „ „	30	..	..
First \$10,000 „ „ . . . . .	..	..	50
Next \$10,000 „ „ . . . . .	..	..	45
Balance	25	35	40

(a) Calculated by deducting from the taxable income the primary tax payable and the amount of all property income included in taxable income.

In addition to the foregoing proportions, 10 per cent of distributable income from property, except dividends from other private companies, is also allowed.

The additional tax on undistributed income is imposed at a flat rate of 50 cents in the dollar on the undistributed amount.

Income tax assessments

1965-66 *income year*. The following tables show, for the 1965-66 income year, the number of taxpayers, income, and net income tax assessed for individuals and resident and non-resident companies. For similar figures for the 1964-65 income year and further information of this nature see the annual bulletin *Commonwealth Taxation Assessments*.

COMMONWEALTH INCOME TAX ASSESSMENTS(a): RESIDENT INDIVIDUALS BY GRADE OF INCOME AND BY STATE, ETC. OF ASSESSMENT (Income derived in the year 1965-66)

Grade of actual income(b)(\$) and State or Territory of assessment	Taxpayers			Actual income(b)	Taxable income(c)			Net tax assessed
	Males	Females	Total	Total	Salary and wages	Other income	Total	
	No.	No.	No.	\$'000	\$'000	\$'000	\$'000	\$'000
417- 599	46,031	95,645	141,676	72,390	57,744	11,569	69,313	1,589
600- 799	58,576	124,107	182,683	128,101	98,948	19,754	118,703	3,847
800- 999	73,040	141,917	214,957	193,848	148,467	27,735	176,202	7,826
1,000- 1,199	86,014	159,833	245,847	270,268	201,395	41,144	242,538	13,440
1,200- 1,399	91,850	167,516	259,366	337,455	250,341	49,442	299,783	19,810
1,400- 1,599	100,888	179,133	280,021	420,103	312,061	58,964	371,026	28,135
1,600- 1,799	113,979	158,893	272,872	463,551	338,246	65,947	404,193	34,171
1,800- 1,999	143,834	118,446	262,280	498,318	350,347	72,653	423,000	38,824
2,000- 2,199	190,685	89,641	280,326	588,823	406,905	79,216	486,120	47,834
2,200- 2,399	223,988	61,003	284,991	655,572	447,935	81,021	528,956	55,588
2,400- 2,599	244,035	44,092	288,127	719,954	488,592	83,659	572,251	63,715
2,600- 2,799	253,136	31,705	284,841	768,383	516,711	84,381	601,092	70,434
2,800- 2,999	235,542	24,589	260,131	754,106	500,828	83,766	584,594	72,227
3,000- 3,999	763,505	68,347	831,852	2,851,719	1,825,145	371,049	2,196,194	309,966
4,000- 5,999	426,979	46,024	473,003	2,235,370	1,243,229	488,970	1,732,199	314,647
6,000- 7,999	97,112	14,368	111,480	759,588	325,394	281,934	607,328	143,944
8,000- 9,999	36,383	6,047	42,430	376,287	130,653	180,321	310,974	88,221
10,000-19,999	39,907	6,319	46,226	602,495	153,055	365,333	518,389	191,563
20,000-29,999	4,588	714	5,302	125,278	24,473	87,714	112,187	53,912
30,000 and over	1,831	310	2,141	96,071	17,413	68,667	86,080	48,562
Central Office	8,834	6,245	15,079	100,233	21,598	63,799	85,397	28,837
New South Wales	1,189,615	571,237	1,760,852	4,762,909	3,055,964	803,605	3,859,568	589,405
Victoria	910,445	474,959	1,385,404	3,816,113	2,325,632	799,762	3,125,394	492,744
Queensland	439,666	182,689	622,355	1,613,130	893,718	369,263	1,262,981	184,506
South Australia	309,929	144,550	454,479	1,165,065	689,484	250,921	940,405	135,400
Western Australia	231,248	99,805	331,053	902,118	502,880	223,938	726,818	110,387
Tasmania	103,210	41,240	144,450	374,986	224,109	71,256	295,365	41,899
Northern Territory	9,983	3,043	13,026	43,310	25,021	5,270	30,291	4,803
Australian Capital Territory	28,973	14,881	43,854	139,816	99,478	15,425	114,903	20,274
Total, residents	3,231,903	1,538,649	4,770,552	12,917,678	7,837,883	2,603,239	10,441,122	1,608,256
Total, non-residents	690	262	952	3,600	2,103	1,265	3,368	696
Total, residents and non-residents	3,232,593	1,538,911	4,771,504	12,921,278	7,839,986	2,604,504	10,444,490	1,608,952

(a) Assessments in respect of 1965-66 incomes issued to 30 September 1967. Assessments issued after that date are not included. (b) Actual income is defined briefly as 'Gross income including exempt income less expenditure incurred in gaining that income'. (c) Taxable income is the income remaining after deducting from assessable income all allowable deductions.

COMMONWEALTH INCOME TAX ASSESSMENTS: RESIDENT AND NON-RESIDENT COMPANIES, BY GRADE OF INCOME AND STATE, ETC., OF ASSESSMENT

Grade of taxable income ^(b) (\$) and State or Territory of assessment	Taxable				Non-taxable		
	Companies	Actual income ^(a)	Taxable income ^(b)	Net tax assessed ^(c)	Companies	Taxable income ^{(b)(d)}	Loss
INCOME DERIVED IN THE YEAR 1964-65							
	No.	\$'000	\$'000	\$'000	No.	\$'000	\$'000
Loss for year . . . . .	..	..	..	..	23,305	..	(e) 159,449
Nil . . . . .	..	..	..	..	13,162	..	..
1- 1,999	20,953	34,535	14,627	3,946	2,948	2,176	..
2,000- 9,999	25,576	163,920	139,032	36,298	3,125	15,660	..
10,000- 19,999	11,135	167,559	154,410	44,248	949	13,180	..
20,000- 39,999	5,948	178,982	165,435	51,507	544	15,193	..
40,000- 99,999	3,918	259,664	239,776	77,487	493	31,490	..
100,000- 199,999	1,531	228,574	215,003	68,663	219	30,479	..
200,000- 399,999	844	253,374	232,075	74,698	131	36,357	..
400,000- 999,999	521	337,644	317,994	98,360	61	33,846	..
1,000,000-1,999,999	149	222,663	209,447	67,456	17	21,440	..
2,000,000 and over	153	1,134,040	840,595	264,436	5	23,996	..
Central Office	3,611	1,427,188	1,074,496	356,496	1,317	20,548	(f) 29,123
New South Wales	28,236	605,103	564,092	165,102	18,483	67,920	54,914
Victoria	20,219	471,472	444,964	126,120	12,264	73,730	27,831
Queensland	6,106	161,052	151,145	49,688	4,023	16,005	15,121
South Australia	6,686	141,347	132,569	42,954	3,988	12,479	5,677
Western Australia	2,697	82,836	74,503	25,140	1,902	2,630	6,613
Tasmania	1,355	34,495	32,755	10,251	920	823	1,777
Northern Territory	221	5,796	4,706	1,436	140	276	977
Australian Capital Territory	1,597	51,667	49,164	9,912	1,922	29,406	17,416
Total	70,728	2,980,956	2,528,395	787,099	44,959	223,817	159,449

INCOME DERIVED IN THE YEAR 1965-66

Grade of taxable income ^(b) (\$) and State or Territory of assessment	Taxable				Non-taxable		
	Companies	Actual income ^(a)	Taxable income ^(b)	Net tax assessed ^(c)	Companies	Taxable income ^{(b)(d)}	Loss
INCOME DERIVED IN THE YEAR 1965-66							
	No.	\$'000	\$'000	\$'000	No.	\$'000	\$'000
Loss for year . . . . .	..	..	..	..	28,407	..	(e) 193,680
Nil . . . . .	..	..	..	..	13,281	..	..
1- 1,999	22,377	23,232	15,259	4,108	3,053	2,209	..
2,000- 9,999	27,102	160,971	147,525	38,567	3,429	16,930	..
10,000- 19,999	11,267	168,911	156,001	45,061	1,004	14,047	..
20,000- 39,999	5,940	174,230	165,264	52,463	498	13,816	..
40,000- 99,999	3,833	250,883	235,281	78,636	290	17,639	..
100,000- 199,999	1,414	214,046	197,506	66,727	111	16,019	..
200,000- 399,999	756	223,500	209,779	69,192	44	12,207	..
400,000- 999,999	523	337,080	317,588	101,728	45	25,484	..
1,000,000-1,999,999	153	221,602	205,024	63,002	15	19,688	..
2,000,000 and over	150	1,174,522	858,815	267,441	4	21,764	..
Central Office	3,593	1,446,922	1,082,520	350,853	1,456	35,107	(f) 36,885
New South Wales	29,425	587,616	556,909	170,136	19,898	42,407	70,660
Victoria	20,803	438,735	417,157	123,174	13,914	34,683	33,362
Queensland	6,536	156,490	147,420	50,790	4,742	7,996	24,061
South Australia	6,778	124,777	118,565	37,090	4,775	11,112	8,711
Western Australia	3,068	94,791	90,352	31,538	2,025	2,702	7,836
Tasmania	1,445	34,569	33,123	10,337	950	1,235	2,410
Northern Territory	261	5,895	4,978	1,597	170	124	1,146
Australian Capital Territory	1,606	59,182	57,018	11,411	2,251	24,436	8,608
Total	73,515	2,948,978	2,508,042	786,925	50,181	159,802	193,680

(a) Actual income is defined briefly as 'Gross income including exempt income less expenditure incurred in gaining that income'. (b) Taxable income is the income remaining after deducting from assessable income all allowable deductions. (c) Excludes additional tax levied on the undistributed income of private companies. (d) Net tax assessed is nil because of rebates. (e) This figure is not included in the total shown for taxable income. (f) Not included in figures shown in adjoining column.

Income tax on residents, by grade 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 is the year of income of the taxpayer. Assessments issued after the normal assessing period are not included.

**COMMONWEALTH INCOME TAX ASSESSMENTS: RESIDENT INDIVIDUALS, BY
GRADE OF ACTUAL INCOME(a)
(Income years 1962-63 to 1965-66)**

Grade of actual income(a) (\$)	Income year							
	1962-63		1963-64		1964-65		1965-66	
	Tax-payers	Net tax assessed	Tax-payers	Net tax assessed	Tax-payers	Net tax assessed	Tax-payers	Net tax assessed
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
210- 399	166,450	384	(b)	(b)	(b)	(b)	(b)	(b)
400- 599	187,461	1,458	138,394	1,231	137,122	1,296	141,676	1,589
600- 799	210,437	3,844	199,007	3,843	190,233	3,872	182,683	3,847
800- 999	238,236	7,618	227,856	7,619	221,616	7,878	214,957	7,826
1,000- 1,199	256,636	12,548	247,499	12,438	247,883	13,242	245,847	13,440
1,200- 1,399	289,893	19,850	275,192	19,435	259,250	19,403	259,366	19,810
1,400- 1,599	288,192	25,418	281,919	25,676	278,864	27,264	280,021	28,135
1,600- 1,799	290,223	30,678	276,321	30,431	266,670	32,210	272,872	34,171
1,800- 1,999	329,293	39,844	298,924	37,889	270,858	38,126	262,280	38,824
2,000- 2,199	348,614	48,676	325,933	47,038	291,532	47,004	280,326	47,834
2,200- 2,399	326,268	52,192	317,493	52,253	293,571	53,046	284,991	55,588
2,400- 2,599	281,785	51,808	290,118	54,852	290,225	59,929	288,127	63,715
2,600- 2,799	240,493	50,440	260,853	55,391	275,392	64,662	284,841	70,434
2,800- 2,999	189,299	45,146	215,722	51,851	248,244	65,743	260,131	72,227
3,000- 3,999	510,518	164,938	604,971	198,324	765,272	273,694	831,852	309,966
4,000- 5,999	261,794	160,056	321,603	195,496	403,473	260,996	473,003	314,647
6,000- 7,999	70,656	85,524	88,638	104,323	99,934	126,301	111,480	143,944
8,000- 9,999	29,680	57,974	37,764	70,930	40,478	82,261	42,430	88,221
10,000-19,999	32,382	126,102	43,394	165,453	43,479	174,880	46,226	191,563
20,000-29,999	3,780	35,418	5,174	48,617	4,894	48,492	5,302	53,912
30,000-59,999	1,393	23,778	1,933	34,220	1,750	32,937	1,892	35,784
60,000-99,999	168	5,786	220	7,869	200	7,541	189	7,836
100,000 and over	69	5,228	78	5,916	71	5,955	60	4,941
Total	4,553,720	1,054,706	4,459,006	1,231,097	4,631,011	1,446,732	4,770,552	1,608,256

(a) Actual income is defined briefly as 'Gross income including exempt income less expenditure incurred in gaining that income'. (b) Exemption \$416.

Yield of income taxes

Income taxes collected. The following table shows the amounts of taxes collected and the proportions of the several components in the years 1962-63 to 1966-67.

INCOME TAXES COLLECTED, 1962-63 TO 1966-67

Source of income tax	Collection year				
	1962-63	1963-64	1964-65	1965-66	1966-67
AMOUNTS COLLECTED (\$'000)					
Individuals—					
Instalments—salaries and wages	684,426	792,242	990,600	1,160,369	1,323,537
Direct cash payments	398,982	479,916	579,762	570,799	598,509
Companies	519,828	586,260	709,044	801,105	784,544
Superannuation funds	15	130	162	175	534
Dividend (withholding)	17,929	15,936	16,039	17,247	22,708
Total	1,621,181	1,874,484	2,295,607	2,549,695	2,729,832

INCOME TAXES COLLECTED, 1962-63 TO 1966-67—*continued*

Source of income tax	Collection year				
	1962-63	1963-64	1964-65	1965-66	1966-67
PERCENTAGES					
Individuals—					
Instalments—salaries and wages	42.22	42.26	43.15	45.51	48.48
Direct cash payments	24.61	25.60	25.26	22.38	21.93
Companies	32.06	31.28	30.89	31.42	28.74
Superannuation funds . . . . .	..	0.01	0.01	0.01	0.02
Dividend (withholding)	1.10	0.85	0.70	0.68	0.83
Total	100.00	100.00	100.00	100.00	100.00

Income tax assessed. The amounts of income tax covered by statistical analyses of assessments for recent years are shown in the following table. The amounts are shown under the year of income of the taxpayer. Tax is usually paid by companies in the year following the year of income. Individuals pay tax in the year of income, but there is usually an adjustment in the following year. Tax assessed after the close of the normal assessing period is not included.

INCOME TAXES ASSESSED, 1961-62 TO 1965-66

(\$'000)

Tax	Income year—				
	1961-62	1962-63	1963-64	1964-65	1965-66
Individuals	956,974	1,056,060	1,232,442	1,447,886	1,608,952
Companies—					
Primary tax	536,336	599,972	715,938	787,099	786,925
Additional tax on undistributed income of private companies	1,976	1,532	1,609	2,260	2,618
Total	1,495,286	1,657,564	1,949,989	2,237,245	2,398,495

Refunds of revenue. Income tax collections, as previously shown, are net amounts after refunds of revenue made in the course of the year. Refunds are of two types—those charged to special appropriations under authority of the Income Tax Assessment Act and those charged to special appropriations under authority of the Audit Act. Income tax instalment refunds, by far the greatest part of income tax refunds, are made when the instalments deducted during the year exceed the tax assessed on incomes for that year. Refunds made from special appropriations under section 37A of the Audit Act include refunds of moneys paid to the revenue in error, refunds of tax overpaid, refunds due to the amendment of assessments, etc. Refunds of income tax during the collection years 1962-63 to 1966-67 were: 1962-63, \$236,626,000; 1963-64, \$242,422,000; 1964-65, \$264,366,000; 1965-66, \$305,830,000; and 1966-67, \$353,194,000.

