

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 752). The subject of income taxes is also dealt with in a separate division at the end of this chapter (page 768).

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 707–16 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 1967-68 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
1963-64 TO 1967-68
(\$ million)

	1963-64	1964-65	1965-66	1966-67	1967-68
Expenditure(a)(b)	4,389.1	4,784.6	5,379.7	5,922.5	6,557.7
Receipts(b)	3,993.3	4,627.9	5,128.6	5,387.8	5,962.4
<i>Excess of expenditure over receipts— borrowing requirement.</i>	395.8	156.8	251.1	534.6	595.3
Borrowings—					
Overseas loan proceeds(c)	73.3	43.1	37.6	52.8	75.3
Less redemptions, etc.	47.3	80.1	77.4	134.7	111.6
Net proceeds	26.0	-37.0	-39.8	-81.9	-36.3
Australian loan proceeds(d)	578.4	501.7	546.2	646.3	571.5
Less redemptions, etc.	153.4	270.2	254.5	258.5	292.6
Net proceeds	425.1	231.5	291.6	387.8	278.9
Total net loan proceeds	451.1	194.5	251.8	305.9	242.5
Credit arrangements for defence purchases in the United States of America . . . . .	..	..	..	90.6	132.1
Less repayments . . . . .	..	..	..	..	14.1
Net credit arrangements, etc.; U.S.A. . . . .	..	..	..	90.6	118.0
Residual financing—					
Borrowings from Reserve Bank	-68.0	+38.0	-36.0	+165.0	+51.0
Treasury Notes (Issue +, Redemption -)	+13.6	-72.1	+35.7	-25.9	+183.6
Cash balances (Increase -, Decrease +)	-0.9	-3.6	-0.4	-0.9	+0.2
Total residual financing	-55.3	-37.7	-0.7	+138.2	+234.7
<i>Total borrowings</i>	395.8	156.8	251.1	534.6	595.3

(a) Excludes payments to Loan Consolidation and Investment Reserve: 1963-64, \$29.8 million; 1964-65, \$222.7 million; 1965-66, \$210.5 million; 1966-67, \$227.7 million; and 1967-68, \$312.8 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 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 1967-68*. 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, 1963-64 TO 1967-68
(\$ million)

	1963-64	1964-65	1965-66	1966-67	1967-68
EXPENDITURE					
Current expenditure on goods and services	879	1,019	1,195	1,451	1,677
Capital expenditure on new assets and stocks	224	280	312	354	409
Purchases of existing assets	4	4	5	5	9
Subsidies	101	86	127	146	153
Interest	76	82	75	74	89
Cash benefits to persons	1,029	1,080	1,156	1,246	1,294
Grants for private capital purposes	9	26	47	45	(b) 57
Overseas grants and contributions	86	106	128	152	159
Grants to States	895	958	1,076	1,183	1,312
Advances to States	136	142	173	167	176
Other advances	154	193	200	182	251
Total expenditure	3,593	3,975	4,493	5,004	5,585
RECEIPTS					
Taxation	3,220	3,788	4,188	4,456	4,917
Interest, rent and dividends	93	104	117	127	112
Net revenue of business undertakings	123	147	153	149	170
Fees and charges for goods and services	52	55	63	63	66
Sales of existing assets	12	17	13	8	9
Repayments of advances to States	21	22	28	31	31
Repayments of other advances	34	37	36	40	47
Other net receipts(a)	38	-196	-106	130	233
Total receipts	3,593	3,975	4,493	5,004	5,585

(a) Includes borrowing on treasury bills and Commonwealth bonds and net change in cash balances. (b) Includes \$21,000,000 devaluation compensation paid to marketing authorities.

Minus sign (-) denotes decrease.

All Commonwealth funds: expenditure, economic type and function

In the following two tables particulars of expenditure for 1967-68 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.

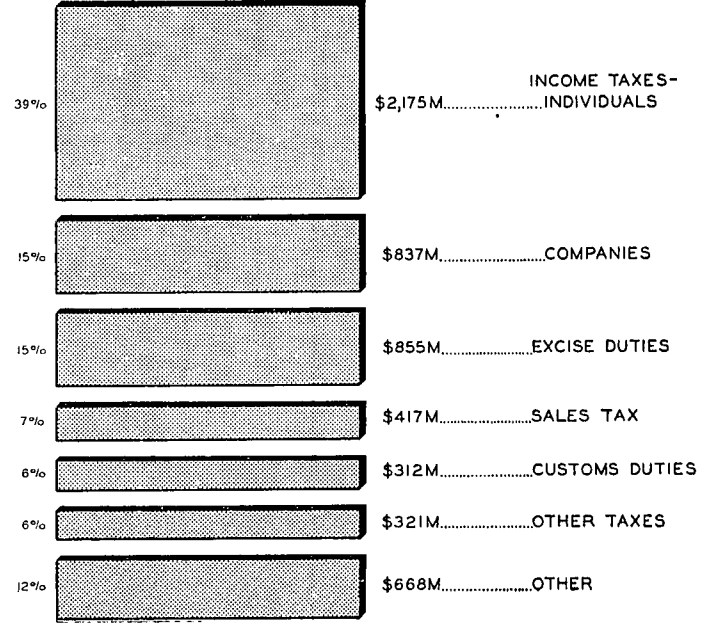
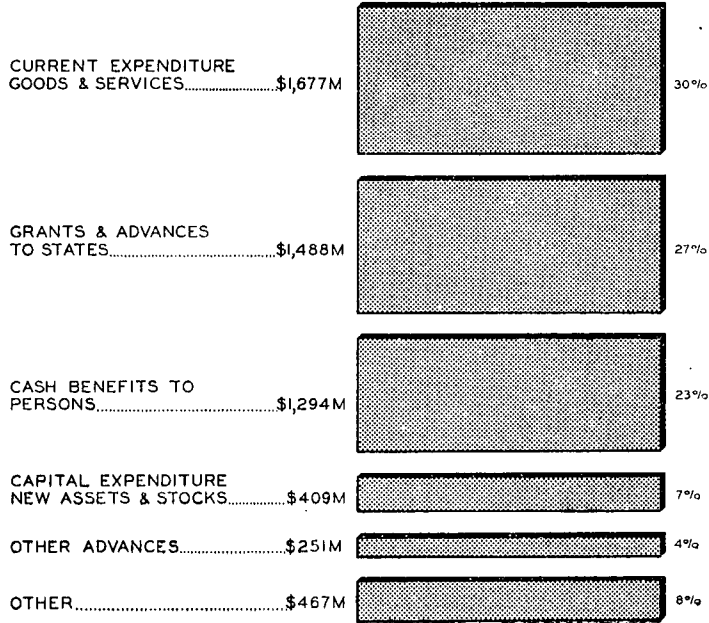
ALL COMMONWEALTH FUNDS

1967-68

EXPENDITURE

RECEIPTS

PLATE 38



TOTAL EXPENDITURE: \$5,585 MILLION

TOTAL RECEIPTS: \$5,585 MILLION

ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY ECONOMIC TYPE AND FUNCTION, 1967-68

(\$ million)

NET CURRENT EXPENDITURE

	<i>Expenditure on goods and services</i>	<i>Cash benefits</i>	<i>Subsidies</i>	<i>Over-seas grants</i>	<i>Grants to States</i>	<i>Interest</i>	<i>Grants for private capital purposes</i>	<i>Total</i>
Law, order and public safety	11	..	..	..	..	..	..	11
Education	29	28	..	1	48	..	1	107
Cultural and recreational facilities	8	..	..	1	..	..	..	9
Public health	27	264	..	1	..	..	..	292
Welfare	21	796	..	..	..	..	9	826
War and defence	1,040	..	..	26	..	..	..	1,065
Repatriation	73	198	..	..	..	..	6	277
Development of resources and assistance to industry	122	..	125	1	30	..	21	299
Transport and communication	32	..	3	8	..	..	..	43
Legislature and general administration	152	..	..	3	..	..	..	155
External affairs	23	..	..	38	..	..	..	62
Immigration	38	5	..	1	..	..	..	44
Regulation of trade and industry	13	3	25	..	..	..	..	41
Housing	5	..	..	..	..	..	13	18
Other	1	..	..	79	..	..	6	87
Not allocated to function	15	..	..	..	979	11	..	1,004
Total net current expenditure	1,611	1,294	153	159	1,057	11	57	4,340

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	12	..	54	..	..	66
Cultural and recreational facilities	12	..	..	..	1	12
Public health	1	..	5	..	..	7
War and defence . . . . .	..	2	..	..	..	2
Development of resources and assistance to industry	21	..	8	11	23	64
Transport and communication—						
Post office	240	3	..	..	..	242
Civil aviation	29	2	..	..	50	81
Roads	21	..	166	-1	..	186
Other	16	..	21	12	..	48
Power, fuel and light . . . . .	..	..	..	5	40	46
Housing	19	-9	..	118	22	149
Other	35	2	..	..	2	40
Not allocated to function	3	..	..	1	66	70
Total net capital outlay	409	..	255	146	204	1,012

The following table shows net expenditure from all Commonwealth funds for the years 1963-64 to 1967-68, classified according to function.

ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY FUNCTION
1963-64 TO 1967-68

(\$ million)

	1963-64	1964-65	1965-66	1966-67	1967-68
NET CURRENT EXPENDITURE					
Law, order and public safety	5	6	7	9	11
Education	46	64	75	91	107
Cultural and recreational facilities	4	5	5	7	9
Public health	202	220	250	271	292
Welfare	665	696	721	797	826
War and defence	489	567	707	911	1,065
Repatriation	235	240	268	267	277
Development of resources and assistance to industry	162	166	217	264	299
Transport and communication	33	37	40	38	43
Legislature and general administration	88	102	116	144	155
External affairs	31	41	46	51	62
Immigration	29	36	38	41	44
Regulation of trade and industry	16	18	28	34	41
Housing	3	15	18	17	18
Other	60	69	89	87	87
Not allocated to function	760	781	855	912	1,004
Total net current expenditure	2,828	3,063	3,480	3,941	4,340
NET CAPITAL EXPENDITURE					
Education	21	42	43	51	66
Cultural and recreational facilities	9	12	11	11	12
Public health	5	7	9	8	7
War and defence	7	1	3	1	2
Development of resources and assistance to industry	12	18	28	32	64
Transport and communication—					
Post office	128	165	185	206	242
Civil aviation	3	42	42	47	81
Roads	131	147	162	171	186
Other	35	31	43	39	48
Power, fuel and light	48	45	42	47	46
Housing	146	154	165	157	149
Other	28	19	27	41	40
Not allocated to function	19	39	52	36	70
Total net capital expenditure	593	722	812	847	1,012

This table classifies by function the expenditure on goods and services (reclassified to a net basis) shown in the table on page 701.

**ALL COMMONWEALTH FUNDS: NET EXPENDITURE ON GOODS AND SERVICES
BY FUNCTION^(a), 1963-64 TO 1967-68**
(\$ million)

	1963-64	1964-65	1965-66	1966-67	1967-68
NET CURRENT EXPENDITURE					
Law, order and public safety	5	6	7	9	11
Education	15	19	21	24	29
Cultural and recreational facilities	4	5	5	7	8
Public health	14	16	20	24	27
Welfare	14	15	14	17	21
War and defence	485	558	684	876	1,040
Repatriation	53	56	62	68	73
Development of resources and assistance to industry	74	95	106	115	122
Transport and communication	24	27	25	30	32
Legislature and general administration	83	98	111	139	152
External affairs	14	15	17	18	23
Immigration	26	33	33	35	38
Regulation of trade and industry	8	9	9	9	13
Housing	3	4	4	5	5
Other	1	4	3	..	1
Not allocated to function	2	5	10	11	15
Total net current expenditure	827	964	1,132	1,388	1,611

NET CAPITAL EXPENDITURE—NEW ASSETS AND STOCKS

Education	8	9	9	11	12
Cultural and recreational facilities	9	12	10	9	12
Public health	3	3	3	2	1
Development of resources and assistance to industry	8	13	12	22	21
Transport and communication—					
Post office	128	164	184	205	240
Civil aviation	11	16	22	28	29
Roads	9	9	14	13	21
Other	9	8	12	13	16
Housing	9	11	15	14	19
Other	20	21	22	33	35
Not allocated to function	9	14	10	5	3
Total net capital expenditure	224	280	312	354	409

(a) This table includes the Commonwealth Government component of Tables 66 and 75 in *Australian National Accounts, National Income and Expenditure 1958-59 to 1967-68* together with net expenditure on stocks.

Main components of Commonwealth expenditure

The tables on pages 704-14 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 1963-64 to 1967-68. 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 705-6) 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 729-30). 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 707-11). 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, 1963-64 TO 1967-68 (\$'000)

Type of subsidy	1963-64	1964-65	1965-66	1966-67	1967-68
Development of resources and assistance to industry—					
Dairy industry	27,000	27,000	27,000	27,000	27,000
Wheat prices stabilisation	22,634	1,892	18,069	16,154	15,508
Phosphate fertilisers	18,806	22,880	24,983	26,319	23,564
Oil search	9,434	8,838	11,382	9,931	11,711
Nitrogenous fertilisers . . . . .	..	..	..	6,665	10,308
Copper	1,390	300	1	..	..
Gold mining industry	1,496	1,860	2,462	3,848	4,362
Pyrites	1,228	924	854	103	..
Cotton	946	1,916	3,686	2,813	4,027
Processed milk products	800	864	614	899	743
Sulphate of ammonia	318	526	427	830	565
Vinyl resin	228	364	1,938	1,592	12
Copper and brass strip	124	154	43	..	..
Northern Territory—					
Railway freight	92	90	140	110	100
Transport of stud stock	48	40	59	83	80
Superphosphate sea subsidy . . . . .	..	..	..	5	43
Ship construction	4,436	5,538	7,465	11,264	11,205
Sulphuric acid	2,316	1,822	1,906	1,556	1,286
Tractor	2,014	2,754	1,902	2,221	2,480
Cellulose acetate flake	218	134	228	218	220
Flax fibre	4	..	..	..	..
Poultry industry assistance . . . . .	..	..	5,536	9,213	10,418
Urea . . . . .	..	..	..	9	163
Transport and communication—					
Air services	1,000	1,000	1,200	1,306	1,901
Coastal shipping service—					
King Island and Bass Strait Islands	24	66	161	160	150
Northern Territory	8	14	43	44	39
Northern Territory air mail service	116	118	118	..	..
South American shipping service	304	278	335	351	300
Regulation of trade and industry—					
Stevedoring industry	5,742	6,094	6,149	6,525	8,553
Petrol prices stabilisation . . . . .	..	..	9,920	15,218	16,578
Northern Territory petrol prices . . . . .	..	..	345	750	991
Other	300	326	400	399	433
Total	101,026	85,792	127,366	145,586	152,740

Cash benefits to persons

Particulars of cash benefits paid to persons in each State and Territory during 1967-68 are shown in the next table and the total payments during the years 1963-64 to 1967-68 are shown in the table following.

ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS
STATES AND TERRITORIES, 1967-68
(\$'000)

Type of benefit	N.S.W.(a)	Vic.	Qld	S.A.(a)	W.A.	Tas.	N.T.(a)	A.C.T.(a)	Abroad	Total
Education—										
Commonwealth scholarship scheme—										
Post-graduate	1,344	668	336	359	129	63	(b)	(b)	..	2,899
University	3,559	4,577	2,677	1,302	919	349	(b)	(b)	..	13,383
Advanced education	182	323	106	53	71	19	(b)	(b)	..	754
Secondary	2,518	1,809	942	567	459	178	(b)	(b)	1	6,474
Technical	354	345	150	81	76	25	(b)	(b)	..	1,031
Soldiers' children education scheme	938	748	489	252	172	104	(b)	(b)	18	2,720
Other	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	852
Total, education	8,895	8,470	4,700	2,614	1,826	738	(b)	(b)	19	(c)28,113
Health—										
Hospital benefits	11,697	6,279	3,268	2,467	2,060	735	80	12	..	26,598
Hospital benefits for pensioners	8,871	5,272	4,259	1,969	2,316	783	40	156	..	23,665
Nursing home benefits	10,386	5,121	3,752	2,202	2,222	800	..	3	..	24,486
Medical benefits	18,314	12,301	4,499	5,774	4,093	1,450	..	..	..	46,431
Medical benefits for pensioners	6,217	4,242	2,364	1,607	1,172	460	5	49	..	16,116
Milk for school children	3,350	2,623	1,372	952	850	503	75	106	..	9,831
Pharmaceutical benefits	28,989	20,031	10,036	6,685	4,974	2,049	(b)	255	..	73,019
Pharmaceutical benefits for pensioners	13,563	7,505	5,016	3,038	2,143	850	..	..	..	32,115
Tuberculosis campaign	3,813	3,306	2,415	620	807	304	..	..	..	11,266
Total, health	105,200	66,680	36,981	25,314	20,637	7,934	200	581	..	263,529
Welfare—										
Age and invalid pensions	200,962	129,334	82,210	46,711	36,418	15,414	1,336	1,111	488	513,984
Child endowment	64,684	52,675	28,177	17,835	14,845	6,612	1,209	1,810	74	187,920
Commonwealth rehabilitation service	645	493	284	267	193	58	..	..	2	1,944
Funeral benefits	500	362	210	134	90	39	..	3	..	1,338
Maternity allowances	2,462	2,102	1,103	670	605	254	64	87	3	7,349
Tuberculosis campaign—allowances	363	251	285	80	55	38	17	2	..	1,091
Unemployment benefits	3,665	2,425	2,913	1,637	304	264	19	15	..	11,242
Sickness benefits	2,502	1,646	941	563	420	165	22	30	..	6,290
Special benefits	351	664	149	58	33	42	1	2	..	1,300
Widows' pensions	22,745	15,807	9,564	5,937	4,346	2,125	217	249	71	61,061
Sheltered employment allowances	11	..	..	88	5	..	..	..	..	104
Deserted wives benefits	140	..	..	25	35	..	..	..	..	201
Other	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	2,220
Total, welfare	299,030	205,759	125,836	74,005	57,349	25,011	2,885	3,309	638	(c)796,044
Development of resources and assistance to industry—										
Wool research studentships and fellowships	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	270
Repatriation—										
War and service pensions and allowances	68,427	54,637	30,861	17,252	15,711	7,804	(b)	(b)	1,528	196,219
Other	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	1,952
Total, repatriation	68,427	54,637	30,861	17,252	15,711	7,804	(b)	(b)	1,528	(c)198,171
Immigration—										
Maintenance of migrant families	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	..	4,803
Regulation of Trade and Industry—										
Coal mining industry—long service leave	600	..	278	..	33	7	..	..	..	918
Stevedoring industry	(b)	(b)	(b)	(b)	(b)	(b)	(b)	..	..	2,194
Total, regulation of trade and industry	600	..	278	..	33	7	..	..	..	(c)3,112
Housing—										
Commonwealth-State Housing Agreement—contribution to rental losses	..	..	44	..	..	..	..	..	..	44
Grand total	482,152	335,546	198,700	119,185	95,556	41,494	3,085	3,890	2,185	(c)1,294,086

(a) State totals for New South Wales and South Australia also include most of the unallocated expenditure on cash benefits to persons resident in the Australian Capital Territory and the Northern Territory respectively. (b) Not allocable. (c) Includes items not allocable. See footnote (b).

**ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS
1963-64 TO 1967-68
(\$'000)**

<i>Type of benefit</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>
Education—					
Commonwealth scholarship scheme—					
Post-graduate	834	1,236	1,733	2,432	2,899
University	6,897	7,903	10,064	13,890	13,383
Advanced education . . . . .	..	..	198	660	754
Secondary . . . . .	..	3,382	5,197	6,243	6,474
Technical . . . . .	..	212	600	816	1,031
Soldiers' children education scheme	2,302	2,311	2,534	2,462	2,720
Other	433	573	812	816	852
<i>Total, education</i>	<i>10,464</i>	<i>15,614</i>	<i>21,140</i>	<i>27,319</i>	<i>28,113</i>
Health—					
Hospital benefits	24,983	25,411	24,860	25,900	26,598
Hospital benefits for pensioners	13,354	13,585	14,659	18,731	23,665
Nursing home benefits	17,880	19,796	21,223	22,767	24,486
Medical benefits	24,848	35,277	41,282	43,841	46,431
Medical benefits for pensioners	9,531	9,320	13,365	14,351	16,116
Milk for school children	7,775	8,059	8,493	9,021	9,831
Pharmaceutical benefits	58,237	60,638	67,713	72,000	73,019
Pharmaceutical benefits for pensioners	20,602	21,564	24,071	29,280	32,115
Tuberculosis campaign	10,444	10,111	13,361	10,974	11,266
<i>Total, health</i>	<i>187,656</i>	<i>203,762</i>	<i>229,028</i>	<i>246,868</i>	<i>263,529</i>
Welfare—					
Age and invalid pensions	399,880	426,597	442,355	481,840	513,984
Child endowment	168,758	172,830	176,432	199,282	187,920
Commonwealth rehabilitation service	1,489	1,604	1,660	1,844	1,944
Funeral benefits	812	866	1,050	1,334	1,338
Maternity allowances	7,457	7,294	7,159	7,294	7,349
Tuberculosis campaign—allowances	1,593	1,458	1,286	1,193	1,091
Unemployment benefits, sickness and special benefits	21,625	14,540	15,557	19,044	18,832
Widows' pensions	41,569	47,044	50,017	56,438	61,061
Sheltered employment allowances . . . . .	..	..	..	..	104
Deserted wives benefits . . . . .	..	..	..	..	201
Other	470	1,025	2,066	1,795	2,220
<i>Total, welfare</i>	<i>643,654</i>	<i>673,258</i>	<i>697,580</i>	<i>770,064</i>	<i>796,044</i>
Development of resources and assistance to industry—					
Wool research studentships and fellowships	62	58	85	158	270
Repatriation—					
War and service pensions and allowances	179,051	179,313	198,662	190,842	196,219
Other	1,845	1,694	1,849	1,908	1,952
<i>Total, repatriation</i>	<i>180,896</i>	<i>181,007</i>	<i>200,511</i>	<i>192,750</i>	<i>198,171</i>
Immigration—					
Maintenance of migrant families	3,472	3,752	4,380	5,240	4,803
Regulation of trade and industry—					
Coal mining industry—long service leave	910	1,021	893	919	918
Stevedoring industry	1,674	1,614	1,726	2,824	2,194
<i>Total, regulation of trade and industry</i>	<i>2,584</i>	<i>2,635</i>	<i>2,619</i>	<i>3,743</i>	<i>3,112</i>
Housing—					
Commonwealth-State Housing Agreement—					
Contribution to rental losses	45	130	213	142	44
Grand total	1,028,833	1,080,216	1,155,556	1,246,284	1,294,086

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 713-6, 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, 1967-68
(**\$'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	1,044	770	365	560	257	158	3,154
Universities	15,816	10,991	5,146	4,107	2,652	1,200	39,912
Colleges of advanced education	608	2,788	409	554	776	138	5,273
<i>Total, education</i>	<i>17,468</i>	<i>14,549</i>	<i>5,920</i>	<i>5,221</i>	<i>3,685</i>	<i>1,496</i>	<i>48,339</i>
Welfare—							
Housekeeper services	12	8	..	..	2	1	23
Development of resources and assistance to industry—							
Natural disaster payments	9,488	10,128	4,830	2,452	..	200	27,098
Cattle tick control	288	..	..	..	..	..	288
Agricultural extension services	760	667	664	368	294	147	2,900
<i>Total, development, etc.</i>	<i>10,536</i>	<i>10,795</i>	<i>5,494</i>	<i>2,820</i>	<i>294</i>	<i>347</i>	<i>30,286</i>
Not allocated to function—							
Financial assistance grants	302,827	228,254	139,601	102,738	96,152	37,968	907,539
Special grants . . . . .	..	..	..	..	15,518	19,889	35,407
Interest and exchange	5,834	4,254	2,192	1,408	948	534	15,170
Sinking fund and redemption	6,826	4,885	2,619	2,673	1,986	1,398	20,387
<i>Total, not allocated</i>	<i>315,487</i>	<i>237,393</i>	<i>144,412</i>	<i>106,819</i>	<i>114,604</i>	<i>59,789</i>	<i>978,503</i>
Total, current	343,503	262,745	155,826	114,860	118,585	61,633	1,057,152

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES, BY FUNCTION
1967-68—continued
(\$'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>
CAPITAL							
Education—							
Colleges of advanced education	1,335	2,677	566	713	1,304	52	6,647
Secondary	4,708	3,553	1,821	1,173	912	420	12,587
Technical	3,980	5,091	1,449	1,700	1,323	334	13,877
Universities	5,472	6,173	1,826	1,664	567	627	16,329
Teachers colleges	253	500	1,086	502	1,817	360	4,518
<i>Total, education</i>	<i>15,748</i>	<i>17,994</i>	<i>6,748</i>	<i>5,752</i>	<i>5,923</i>	<i>1,793</i>	<i>53,958</i>
Public health—							
Mental institutions	2,095	1,382	196	64	148	358	4,243
Tuberculosis hospitals—capital.	591	10	135	31	10	3	780
Disposal of ships' garbage . . . . .	..	..	..	38	..	1	39
<i>Total, public health</i>	<i>2,686</i>	<i>1,392</i>	<i>331</i>	<i>133</i>	<i>158</i>	<i>362</i>	<i>5,062</i>
Development of resources and assistance to industry—							
Natural disaster payments . . . . .	..	..	555	..	..	3,850	4,405
Flood mitigation	1,309	..	..	..	..	..	1,309
Investigation of water resources	359	131	414	125	260	20	1,309
Ord project . . . . .	..	..	..	..	100	..	100
Maraboon dam . . . . .	..	..	700	..	..	..	700
Salinity reduction . . . . .	..	600	..	..	..	..	600
<i>Total, development, etc.</i>	<i>1,668</i>	<i>731</i>	<i>1,669</i>	<i>125</i>	<i>360</i>	<i>3,870</i>	<i>8,424</i>
Transport and communication—							
Roads—							
Commonwealth aid roads	44,467	31,288	29,266	18,384	28,597	8,000	160,000
Cattle roads . . . . .	..	..	4,000	..	1,400	..	5,400
Gordon River road . . . . .	..	..	..	..	..	200	200
Other—							
Railway projects	8,250	..	..	4,663	8,012	..	20,925
<i>Total, transport, etc.</i>	<i>52,717</i>	<i>31,288</i>	<i>33,266</i>	<i>23,047</i>	<i>38,009</i>	<i>8,200</i>	<i>186,525</i>
Other—							
Exmouth township . . . . .	..	..	..	..	417	..	417
Migrant centres	67	..	..	2	357	..	426
<i>Total, other</i>	<i>67</i>	<i>..</i>	<i>..</i>	<i>2</i>	<i>774</i>	<i>..</i>	<i>843</i>
Total capital	72,887	51,405	42,014	29,059	45,224	14,225	254,811
TOTAL GRANTS							
Grand total	416,389	314,150	197,840	143,919	163,809	75,858	1,311,963

**ALL COMMONWEALTH FUNDS: TOTAL GRANTS TO THE STATES, BY FUNCTION
1963-64 TO 1967-68
(\$'000)**

<i>Function</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>
CURRENT					
Education—					
Research grants . . . . .	..	..	1,378	2,038	3,154
Universities	21,080	28,942	31,551	34,262	39,912
Colleges of advanced education . . . . .	..	..	..	2,472	5,273
<i>Total, education</i>	<i>21,080</i>	<i>28,942</i>	<i>32,929</i>	<i>38,772</i>	<i>48,339</i>
Welfare—housekeeper services	28	24	22	23	23
Development of resources and assistance to industry—					
Natural disaster payments . . . . .	..	..	9,706	22,918	27,098
Cattle tick control	518	414	348	252	288
Agricultural extension services	1,262	1,212	1,202	2,176	2,900
Tobacco industry extension services	48	..	..	..	..
<i>Total, development, etc.</i>	<i>1,828</i>	<i>1,626</i>	<i>11,256</i>	<i>25,346</i>	<i>30,286</i>
Not allocated to function—					
Financial assistance grants	635,968	681,348	757,351	826,613	907,539
Special grants	22,900	31,720	41,770	40,072	35,407
Interest and exchange	15,170	15,170	15,170	15,170	15,170
Sinking fund and redemption	15,690	16,646	17,761	18,951	20,387
Additional assistance grants	40,000	..	..	..	..
<i>Total, not allocated</i>	<i>729,728</i>	<i>744,882</i>	<i>832,052</i>	<i>900,806</i>	<i>978,503</i>
Total, current	752,664	775,474	876,259	964,947	1,057,152

ALL COMMONWEALTH FUNDS: TOTAL GRANTS TO THE STATES, BY FUNCTION
1963-64 TO 1967-68—*continued*
(\$'000)

<i>Function</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>
CAPITAL					
Education—					
Colleges of advanced education . . . . .	..	..	982	3,681	6,647
Secondary . . . . .	..	9,906	9,635	10,163	12,587
Technical . . . . .	..	10,000	6,230	9,894	13,877
Universities	12,780	12,332	15,227	16,354	16,329
Teachers colleges. . . . .	..	..	..	..	4,518
<i>Total, education</i>	<i>12,780</i>	<i>32,238</i>	<i>32,074</i>	<i>40,091</i>	<i>53,958</i>
Public health—					
Mental institutions	1,594	2,504	4,539	4,973	4,243
Tuberculosis hospitals—capital	598	696	696	499	780
Disposal of ships' garbage . . . . .	..	..	..	29	39
<i>Total, public health</i>	<i>2,192</i>	<i>3,200</i>	<i>5,235</i>	<i>5,501</i>	<i>5,062</i>
Development of resources and assistance to industry—					
Western Australia—northern develop- ment	1,816	2,018	1,112	..	..
Flood mitigation	400	1,300	1,540	970	1,309
Natural disaster payments. . . . .	..	..	..	1,206	4,405
Encouragement of meat production . . . . .	..	..	..	8	..
Investigation of water resources . . . . .	..	687	860	971	1,309
Ord project . . . . .	..	..	..	..	100
Maraboon dam . . . . .	..	..	..	..	700
Salinity reduction . . . . .	..	..	..	..	600
<i>Total, development, etc.</i>	<i>2,216</i>	<i>4,007</i>	<i>3,512</i>	<i>3,155</i>	<i>8,424</i>
Transport and communication—					
Roads—					
Commonwealth aid roads	116,000	130,000	140,000	150,000	160,000
Cattle roads	3,596	3,800	3,500	3,753	5,400
Gordon River road	270	1,094	1,840	1,596	200
Other—					
Railway projects	5,182	7,386	11,849	12,278	20,925
Western Australia—northern develop- ment . . . . .	..	..	577	..	..
Replacement of Derby jetty	350	150	..	..	..
Coal loading works	80	120	..	..	..
<i>Total, transport, etc.</i>	<i>125,478</i>	<i>142,550</i>	<i>157,766</i>	<i>167,627</i>	<i>186,525</i>
Other—					
Exmouth township . . . . .	..	380	750	1,952	417
Migrant centres . . . . .	..	..	..	2	426
<i>Total, other</i>	<i>..</i>	<i>380</i>	<i>750</i>	<i>1,954</i>	<i>843</i>
Total, capital	142,666	182,376	199,338	218,328	254,811
TOTAL GRANTS					
Grand total	895,330	957,850	1,075,596	1,183,275	1,311,963

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES TO 30 JUNE 1968(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 1967-68	339.2	236.3	125.5	93.4	66.8	37.6	898.8
Special grants(b) . . . . .	..	..	..	156.2	332.8	194.0	683.0
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)	2,037.0	1,514.4	905.6	687.3	626.6	259.8	6,030.7
Additional financial assistance(j)	26.6	21.3	20.0	11.5	7.8	7.8	95.0
Special assistance(k)	68.6	27.1	51.2	10.5	49.2	13.4	220.0
Grants for road construction, 1922-23 to 1967-68(l)	463.6	317.1	309.1	188.9	304.7	83.3	1,666.7
Payments to Commonwealth Aid Roads (Supplementary) Trust Account(m) . . . . .	..	..	..	..	..	..	10.0
Tuberculosis Act 1948—reimbursement of capital expenditure	11.9	4.1	11.4	1.5	4.6	0.7	34.3
Mental institutions—contribution to capital expenditure	14.1	10.4	2.3	2.2	2.1	2.6	33.6
Grants to universities	143.9	98.7	43.2	39.8	26.2	13.5	365.4
Other education	36.8	33.1	16.0	11.5	11.4	3.7	112.4
Railway projects(n)	8.5	22.1	..	28.3	31.8	..	90.8
Total	4,623.1	3,227.4	2,076.2	1,562.4	1,772.5	743.3	14,014.8

(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 707.

ALL COMMONWEALTH FUNDS: ADVANCES TO THE STATES, BY FUNCTION, 1967-68
(\$'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	3,300	2,709	568	275	..	3,600	10,452
<i>Less Repayments</i> . . . . .	..	..	..	..	..	..	..
	3,300	2,709	568	275	..	3,600	10,452
War service land settlement . . . . .	..	..	..	1,811	2,097	1,304	5,212
<i>Less Repayments</i>	118	126	4	2,248	6,542	5,963	15,002
	-118	-126	-4	-437	-4,445	-4,659	-9,790
Other	5,521	300	2,281	205	1,950	520	10,777
<i>Less Repayments</i>	67	15	224	17	49	8	381
	5,454	285	2,057	188	1,901	512	10,396
Transport and communication—							
Railway projects . . . . .	..	..	578	1,965	11,446	..	13,989
<i>Less Repayments</i>	96	96	1,150	178	204	..	1,724
	-96	-96	-572	1,787	11,242	..	12,265
Other . . . . .	..	..	..	..	..	5,300	5,300
<i>Less Repayments</i>	330	..	632	..	151	..	1,113
	-330	..	-632	..	-151	5,300	4,187
Housing	44,610	33,766	12,627	21,000	11,241	6,700	129,943
<i>Less Repayments</i>	4,315	3,943	1,181	1,369	1,091	398	12,297
	40,295	29,823	11,446	19,631	10,150	6,302	117,646
Not allocated to function	-226	611	-14	280	-192	267	726
<i>Less Repayments</i> . . . . .	..	..	..	..	..	..	..
	-226	611	-14	280	-192	267	726
Total gross advances	53,205	37,386	16,040	25,536	26,542	17,691	176,399
<i>Less Repayments</i>	4,926	4,180	3,191	3,812	8,037	6,369	30,517
Total net advances	48,279	33,206	12,849	21,724	18,505	11,322	145,882

Minus sign (-) denotes excess of repayment.

**ALL COMMONWEALTH FUNDS: TOTAL ADVANCES TO THE STATES
BY FUNCTION, 1963-64 TO 1967-68**
(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Development of Resources and Assistance to Industry—					
Natural disaster payments . . . . .	..	..	11,994	7,720	10,452
<i>Less Repayments</i> . . . . .	..	..	..	..	..
	..	..	11,994	7,720	10,452
War service land settlement	8,524	7,234	6,358	5,936	5,212
<i>Less Repayments</i>	11,118	11,362	16,210	16,930	15,002
	-2,594	-4,128	-9,852	-10,994	-9,790
Other	2,890	5,598	8,903	10,502	10,777
<i>Less Repayments</i>	248	228	195	169	381
	2,642	5,370	8,708	10,333	10,396
Transport and Communication—					
Railway projects	17,420	10,388	12,410	12,647	13,989
<i>Less Repayments</i>	276	824	1,387	1,540	1,724
	17,144	9,564	11,023	11,107	12,265
Other	2,544	3,376	6,107	2,805	5,300
<i>Less Repayments</i>	156	230	315	494	1,113
	2,388	3,146	5,792	2,311	4,187
Housing	104,264	115,116	124,242	127,753	129,943
<i>Less Repayments</i>	8,298	9,248	10,237	11,240	12,297
	95,966	105,868	114,005	116,513	117,646
Not allocated to function . . . . .	..	762	2,600	..	726
<i>Less Repayments</i>	880	..	..	990	..
	-880	762	2,600	-990	726
Total gross advances	135,642	142,474	172,615	167,363	176,399
<i>Less Repayments</i>	20,976	21,892	28,344	31,363	30,517
Total net advances	114,666	120,582	144,271	136,000	145,882

Minus sign (-) denotes excess of repayments.

ALL COMMONWEALTH FUNDS: GROSS ADVANCES TO THE STATES TO 30 JUNE 1968
(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Development of resources and assistance to industry—							
Brigalow lands development	..	..	9,800	..	..	..	9,800
Blowering Reservoir	19,946	..	..	..	..	..	19,946
Natural disaster	17,428	2,709	5,654	275	..	4,100	30,166
Comprehensive water supply	..	..	..	..	4,000	..	4,000
Softwood forestry	1,500	300	682	295	450	520	3,747
Western Australia—northern development	..	..	..	..	900	..	900
Chowilla Reservoir	1,477	..	..	..	..	..	1,477
Agricultural re-establishment loans	5,320	2,080	1,220	928	2,222	600	12,370
War service land settlement	13,542	14,398	..	68,173	102,123	53,411	251,646
Transport and communication—							
Railway projects	104	9,480	35,112	11,929	45,527	..	102,152
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
Power, fuel and light	..	..	..	..	..	5,300	5,300
Housing	574,030	494,003	153,158	211,179	143,327	71,251	1,646,945
Not allocated to function	1,961	2,596	1,036	1,260	487	768	8,109
Total	638,607	525,565	218,682	294,039	300,413	135,949	2,113,254

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 761–3 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 1964–65 to 1968–69 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 1968–69 include an estimate of the indispensable need of the claimant State for 1968–69 and an adjustment to the estimated grant for 1966–67.

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, 1964-65 TO 1968-69
(\$'000)

	1964-65	1965-66	1966-67	1967-68	1968-69
Western Australia—					
Advance grant	15,800	21,000	14,700	15,500	..
Completion grant(a)	1,320	3,038	4,706	18	582
<i>Net grant recommended</i>	17,120	24,038	19,406	15,518	582
Tasmania—					
Advance grant	13,618	16,400	19,500	19,000	18,000
Completion grant(a)	982	1,332	1,166	889	-1,190
<i>Net grant recommended</i>	14,600	17,732	20,666	19,889	16,810
Grand total	31,720	41,770	40,072	35,407	17,392

(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*. For details of the present scheme of Commonwealth assistance to the States for roads under the *Commonwealth Aid Roads Act 1964* which is to expire at the end of 1968-69. (See Official Year Book No. 54 page 744).

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-imbursements 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 515-21.)

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) Act 1968* extends for the three years ending 30 June 1971 the operation of the scheme outlined in Official Year Book No. 54 page 745. A total payment of \$37.7m is provided for and not more than one-third may be authorised for payment before 30 June 1969 and two-thirds before 30 June 1970.

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.

Under the *States Grants (Secondary School Libraries) Act 1968* grants totalling \$27m are to be made to the States over the three years commencing 1 January 1969 to finance buildings and associated capital facilities for libraries in government and non-government secondary schools.

The *States Grants (Pre-school Teachers Colleges) Act 1968* provides for capital grants totalling \$2.5m over the three financial years commencing 1968-69 for the purpose of increasing the physical capacity of approved pre-school teachers colleges.

Railway projects

The *Railway Agreement (New South Wales) Act 1968* provides for a contribution of \$10m towards the cost of improving the existing railway from Parkes to Broken Hill as a work necessary to provide a uniform gauge railway across Australia.

Other railway projects. The Commonwealth is also continuing to provide financial assistance to South Australia and Western Australia under its railway standardisation agreements with those two States.

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. A number of operational studies were proceeding at 30 June 1968 including an assessment of the likely yield benefits from both Chowilla and any alternative storage on the Upper Murray in catchments controlled by the River Murray Commission.

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 \$8,000,000 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.

Under the *Western Australia (South-west Region Water Supplies) Agreement Act 1965*, the Commonwealth is providing financial assistance of up to \$10,500,000 by way of interest-bearing loans to Western Australia to accelerate works undertaken by the State to extend the comprehensive water supply scheme in the south-west portion of the 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 1967-68 the Commonwealth contributed an amount of \$417,000 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 \$3,270,000 during 1965-66 and 1966-67 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.

The *Tasmania Agreement (Hydro-Electric Power Development) Act 1968* provides for interest-bearing loans with an overall limit of \$47m to Tasmania for the financing of a five-year programme of accelerated hydro-electric development based on the commencement of development of the Gordon River area in the south west of the State.

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 1968 (\$'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 . . . . .	..	..	..	6,837	7,093	5,069	18,998
For development and improvement of land . . . . .	..	..	..	30,330	39,434	35,593	105,357
Special loans	13,542	14,397	..	..	..	..	27,939
Commonwealth contributions to excess cost over valuation	1,291	13,145	232	5,146	8,606	12,154	40,575
To provide credit facilities to settlers . . . . .	..	..	..	33,198	55,517	13,792	102,507
For remission of settlers' rent and interest	874	378	72	703	1,061	569	3,659
For payment of living allowances to settlers	2,020	2,433	326	854	960	441	7,034
For operation and maintenance of irrigation projects . . . . .	..	..	..	2,990	32	10	3,031
Loss on advances	630	15	640	256	472	194	2,206
Cost of administration of credit facilities . . . . .	..	..	..	1,563	2,184	689	4,437
Concessions and rebates for King Island . . . . .	..	..	..	..	..	374	374
Total	18,357	30,368	1,271	81,879	115,359	68,884	316,118

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 1968, 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 1968, 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 1968.

COMMONWEALTH WAR SERVICE LAND SETTLEMENT BRANCH: EXPENDITURE STATES AND TERRITORIES TO 30 JUNE 1968 (\$'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	18,357	30,368	1,271	81,879	115,359	68,884	316,118	(a)124,170	191,948
Agricultural loans(b)	8,568	3,594	1,748	1,654	3,947	812	(c)20,358	(d)19,555	803
Agricultural allowances	1,160	592	956	650	962	232	(e)4,554	..	4,554
Administration expenses	1,663	349	141	207	826	100	3,286	..	3,286
Rural training	660	1,008	212	380	454	216	2,930	298	2,632
Total	30,408	35,911	4,328	84,770	121,548	70,244	(f)347,246	(g)144,023	203,223

(a) Excludes interest, rent, and rates, \$32,568,000. (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, \$3,062,000. (e) Includes New Guinea, \$3,000. (f) Includes Northern Territory, \$20,000 and New Guinea, \$17,000. (g) Excludes interest, rent, and rates, \$32,568,000.

All Commonwealth funds: receipts

Commonwealth taxation

Taxation constitutes the main sources of Commonwealth revenue, accounting for almost 90 per cent in 1967-68. The following tables show details of taxation receipts from each source during the years 1963-64 to 1967-68 and their proportions of the totals.

ALL COMMONWEALTH FUNDS: TAXATION RECEIPTS, 1963-64 TO 1967-68 (\$'000)

Source of receipts	1963-64	1964-65	1965-66	1966-67	1967-68
Income tax—					
Individuals	1,271,063	1,569,483	1,729,439	1,920,603	2,175,249
Companies	586,260	709,044	801,105	784,544	836,664
Dividend (withholding)	15,936	16,039	17,247	22,708	21,716
Interest (withholding)	..	..	..	..	910
Customs	232,497	268,400	270,871	274,873	312,220
Excise	582,464	631,242	751,960	806,509	855,308
Sales tax	325,189	362,857	370,044	380,673	416,621
Pay-roll tax	136,443	150,078	161,943	172,232	184,416
Estate duty	39,871	41,531	36,124	41,534	54,717
Gift duty	6,488	7,308	6,195	7,658	8,543
Primary production and other charges	4,007	4,808	13,041	14,575	17,021
Stevedoring industry charge	10,321	10,411	9,531	9,758	14,259
Wheat tax	638	720	591	1,081	633
Wool tax	6,359	13,987	15,201	14,869	13,694
Broadcasting stations' licence fees	235	226	218	209	258
Television stations' licence fees	232	28	1,620	963	1,185
Other	2,138	2,262	3,218	3,177	3,245
Total	3,220,140	3,788,423	4,188,348	4,455,966	4,916,658

**COMMONWEALTH TAXATION: PROPORTION OF EACH CLASS TO
TOTAL NET COLLECTIONS, 1963-64 TO 1967-68**

(Per cent)

<i>Type of tax</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>
Income taxes	58.2	60.5	60.8	61.2	61.7
Customs	7.2	7.1	6.5	6.2	6.4
Excise	18.1	16.6	18.0	18.1	17.4
Sales tax	10.1	9.6	8.8	8.5	8.5
Pay-roll tax	4.2	4.0	3.9	3.9	3.8
Estate duty	1.2	1.1	0.9	0.9	1.1
Gift duty	0.2	0.2	0.1	0.2	0.2
Primary production and other charges	0.1	0.1	0.3	0.3	0.4
Stevedoring industry charge	0.3	0.3	0.2	0.2	0.3
Wool tax	0.2	0.4	0.4	0.3	0.3
Other	0.2	0.1	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, 1963-64 AND 1964-65**

(\$'000)

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

CUSTOMS DUTIES ACCORDING TO BRUSSELS TARIFF DIVISIONS(a), 1965-66 TO 1967-68
(\$'000)

<i>Source of receipts</i>	1965-66	1966-67	1967-68
Live animals; animal products	1,155	1,040	911
Vegetable products	1,755	1,797	1,268
Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes	1,923	2,440	1,578
Prepared foodstuffs; beverages, spirits and vinegar; tobacco	43,656	47,149	51,278
Mineral products	19,394	9,488	5,688
Products of the chemical industry and allied industries	10,420	12,340	11,438
Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubbers, factice and articles thereof	11,781	12,278	15,457
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	2,688
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	8,111
Paper-making material; paper and paper-board and articles thereof	6,838	7,545	8,437
Textiles and textile articles	34,952	38,019	44,447
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	5,760
Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware	7,272	7,346	8,343
Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin	1,187	1,200	1,375
Base metals and articles of base metal	18,606	18,321	21,303
Machinery and mechanical appliances; electrical equipment; parts therefor	47,052	44,813	55,172
Vehicles, aircraft, and parts therefor; vessels and certain associated transport equipment	25,575	29,280	39,212
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	11,141
Arms and ammunition; parts therefor	466	473	327
Miscellaneous manufactured articles	8,537	8,422	8,684
Works of art, collector's pieces and antiques	-5	5	3
Miscellaneous	4,366	4,613	3,970
Primage	5,420	5,799	5,668
<i>Total, customs duties and primage</i>	<i>271,010</i>	<i>275,095</i>	<i>312,258</i>
<i>Less Remission of duty under special circumstances</i>	<i>139</i>	<i>222</i>	<i>38</i>
Total	270,871	274,873	312,220

(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
1963-64 TO 1967-68
(\$'000)**

<i>Source of revenue</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>
Beer	247,169	260,214	302,104	320,832	338,614
Potable spirits	18,306	19,207	22,871	24,873	26,783
Tobacco	18,710	17,795	18,070	17,040	16,460
Cigars and cigarettes	146,199	171,073	199,740	201,051	214,315
Cigarette papers	1,013	901	858	824	836
Petrol	135,974	148,194	190,670	220,639	234,210
Diesel fuel	7,665	9,099	13,597	15,481	18,256
Matches	2,288	2,276	2,267	2,167	2,227
Playing cards	104	106	114	112	119
Coal	585	599	621	634	642
Cathode ray tubes	3,911	605	..	..	..
Canned fruit	402	1,092	1,092	1,263	1,741
Miscellaneous	42	1	-68	1,530	1,157
<i>All items</i>	<i>582,369</i>	<i>631,162</i>	<i>751,936</i>	<i>806,445</i>	<i>855,360</i>
Diesel fuel taxation	319	309	265	362	304
Less Rebates	224	229	241	298	356
	95	80	24	64	-52
Total	582,464	631,242	751,960	806,509	855,308

Primary production and other charges

**COMMONWEALTH PRIMARY PRODUCTION AND OTHER CHARGES: RECEIPTS
1963-64 TO 1967-68
(\$'000)**

<i>Source of revenue</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>
Apple and pear export charge	251	213	272	207	211
Butter fat levy . . . . .	..	..	1,812	2,120	1,936
Canned fruit export charge	183	176	223	224	326
Canning fruit charge	61	102	120	116	123
Cattle slaughter levy	879	298	..	..	..
Dairy produce export charge	527	674	5	..	..
Dairy produce levy	793	817	31	..	..
Dried fruits export charge	118	155	193	159	143
Dried vine fruits contributory charge—					
Currants . . . . .	..	..	72	52	..
Raisins . . . . .	..	..	165	..	42
Sultanas . . . . .	..	..	1,530	..	139
Egg export charge	56	82	20	5	4
Honey levy	81	104	101	92	96
Livestock slaughter levy—					
Cattle . . . . .	..	1,157	1,441	1,315	1,314
Sheep and lambs . . . . .	..	299	399	809	1,063
Meat export charge	486	103	..	..	..
Poultry industry levy . . . . .	..	..	6,000	8,859	10,840
Tobacco charge	348	354	369	239	427
Wine export charge	224	274	288	380	357
Total	4,007	4,808	13,041	14,575	17,021

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 763-73 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 1935-1968* was raised from 12½ per cent to 15 per cent from 14 August 1968 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 1967-68 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 717 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
1967-68
(\$'000)

	<i>N.S.W.(a)</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>Aust.</i>
Net sales on which sales tax was payable at—								
2½ per cent	248,455	226,091	75,020	52,564	64,832	13,092	479	680,535
12½ per cent	656,784	449,954	194,711	120,124	120,485	30,182	3,664	1,575,904
25 per cent	333,714	246,616	104,467	69,659	63,281	20,329	966	839,031
<i>Total net sales</i>	<i>1,238,953</i>	<i>922,661</i>	<i>374,198</i>	<i>242,347</i>	<i>248,599</i>	<i>63,604</i>	<i>5,108</i>	<i>3,095,470</i>
Sales of exempt goods by registered persons	3,546,898	2,377,485	1,045,341	603,292	570,125	230,756	19,996	8,393,891
Total sales of taxable and exempt goods	4,785,851	3,300,146	1,419,539	845,639	818,723	294,359	25,104	11,489,361
Sales tax payable	171,738	123,551	52,331	33,744	32,502	9,182	711	423,759

(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 1963-64 to 1967-68.

COMMONWEALTH SALES TAX AND AMOUNT OF SALES
AUSTRALIA, 1963-64 TO 1967-68
(\$ million)

<i>Year of sale</i>	<i>Net sales on which sales tax was payable</i>	<i>Sales of exempt goods by registered persons</i>	<i>Total sales of taxable and exempt goods</i>	<i>Sales tax payable</i>
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
1967-68	3,095	8,394	11,489	424

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 1935-1968*. 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 1941-1968*, *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 and \$184,416,000 in 1967-68.

The *Payroll Tax Assessment Act* 1968 continues for five years until 30 June 1973, with some important modifications, the operation of the payroll tax rebate which was introduced in 1961 as an export incentive and which expired on 30 June 1968.

A rebate of payroll tax is available in certain circumstances to employers who increased the level of their annual export sales above their average annual export sales in a base period. For export sales up to 30 June 1968 the base period was the two years ended 30 June 1960. From 1 July 1968 the base period is represented by the first three years of the eight year period preceding the rebate year. A special formula applies in the case of a new exporter by which a person who did not export in any of the three years ended on 30 June 1961 progressively reaches the same position as an established exporter. The rebate is equivalent to 10.5 per cent of the increase in exports for the rebate year over the average annual exports in the base period.

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 1964-65 to 1968-69, are given in the following table.

COMMONWEALTH ESTATE DUTY ASSESSMENTS, 1964-65 TO 1968-69

		1964-65	1965-66	1966-67	1967-68	1968-69
Estates	No.	12,423	10,948	12,056	14,489	14,105
Gross value as assessed	\$'000	602,216	587,488	664,034	840,226	841,462
Deductions(a)	"	116,821	117,304	131,930	168,106	162,834
Statutory exemption	"	92,641	109,468	127,602	155,800	152,206
Dutiable value	"	392,754	360,715	404,502	516,320	526,422
Net duty assessed	"	40,935	38,410	43,817	57,711	64,045
Average dutiable value	\$	31,615	32,948	33,552	35,635	37,322
Average duty assessed per estate	\$	3,295	3,508	3,634	3,983	4,541

(a) Debts, Exempt Estate and State Probate Succession Duties.

Gift duty. The *Gift Duty Act* 1941-1966 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.

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. Where the total value of all gifts as defined does not exceed \$4,000, no duty is payable; The present rates of duty are (a) \$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; (b) \$20,001 to \$40,000, 3 per cent to 6 per cent; (c) \$40,001 to \$240,000, 6 per cent to 26 per cent; (d) \$240,001 to \$1,000,000, 26 per cent to 27.9 per cent; and (e) \$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 1964-65 to 1968-69 are given in the following table.

COMMONWEALTH GIFT DUTY ASSESSMENTS, 1964-65 TO 1968-69

		1964-65	1965-66	1966-67	1967-68	1968-69
Assessments	No.	8,306	7,516	8,946	9,293	10,053
Value as assessed	\$'000	124,709	111,658	130,771	150,322	163,476
Duty assessed	"	6,870	5,911	7,633	8,701	9,501

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 1968* repealed the *Wheat Export Charge Act 1963-1966* and provided for an export charge on wheat and wheat products for the seasons 1968-69 to 1972-73 inclusive. The charge which may be levied is the excess of the export price over the sum of the guaranteed price and five cents per bushel, the maximum charge being 15 cents per bushel. Under the *Wheat Industry Stabilization Act 1968*, to which the *Wheat Export Charge Act* is complementary, the Commonwealth Government guarantees a return to wheat-growers of 145 cents per bushel for fair average quality bulk wheat, free on board vessel on up to 200 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 are 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 200 million bushels. When the fund is exhausted (as it was at 30 June 1968) 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 1938-1968*), 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 rates in operation since 27 November 1967 have been as follows:

Class of Waterside Worker	Rate
	\$
A	16.85 per man-week
B	0.80 per man-hour
C	0.55 per man-hour

Class A waterside workers are regular waterside workers on weekly hire in permanent and non-permanent continuous ports. Class B are regular casual workers in non-permanent continuous ports and Class C are regular casual workers in non-continuous and seasonal ports and irregular workers in all ports.

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 specified dairy produce 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 present operative rate of levy for cattle is 33 cents per head of which 20 cents is for beef research, 1 cent for research into the meat processing industry and 12 cents to finance the operations of the Australian Meat Board. For sheep and lambs the levy is 3.1 cents per head and the components are 1.75 cents for sheep meat research, 0.1 cents for research into the meat processing industry and 1.25 cents for the Australian Meat Board.

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, 4.0 cents per fortnight from 12 July 1967 to 11 June 1968, 2.0 cents per fortnight from 12 June 1968 to 30 June 1968 and 4.0 cents per fortnight from 1 July 1968.

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 701-3. 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, 1963-64 TO 1967-68 (\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Health and welfare—					
Advances . . . . .	..	600	..	..	..
Cash benefits to persons	831,327	877,037	926,616	1,016,934	1,059,292
Current expenditure on goods and services	29,034	32,181	35,099	41,635	49,109
Capital expenditure on goods and services	3,081	3,489	3,681	2,738	3,648
Grants to the States	2,218	3,224	5,261	5,525	5,084
Grants for private capital purposes	7,408	8,000	8,666	10,332	9,111
Grants to overseas governments and organisations . . . . .	..	..	..	785	866
<i>Total, health and welfare</i>	<i>873,068</i>	<i>924,531</i>	<i>979,323</i>	<i>1,077,948</i>	<i>1,127,110</i>
Defence—					
Current expenditure on goods and services	513,022	587,086	715,579	814,198	940,639
Grants to overseas governments and organisations	4,414	10,210	22,678	34,456	25,618
Other	1,242	814	3,598	2,408	1,653
Total	518,678	598,110	741,855	851,063	967,910
Less Amounts charged to loan fund	77,430	..	89,545	198,426	329,263
<i>Total, defence</i>	<i>441,248</i>	<i>598,110</i>	<i>652,310</i>	<i>652,637</i>	<i>638,647</i>
Repatriation—					
Cash benefits to persons	181,925	181,036	200,509	192,750	198,171
Current expenditure on goods and services	55,210	58,818	63,659	70,403	75,185
Capital expenditure on goods and services	712	1,124	1,156	889	1,976
Grants towards private capital expenditure	800	2,794	5,714	6,042	5,519
<i>Total, repatriation</i>	<i>238,647</i>	<i>243,772</i>	<i>271,038</i>	<i>270,084</i>	<i>280,851</i>
Housing—					
Expenses of business undertakings	1,458	1,376	1,299	1,354	1,351
Advances—					
War Service Homes	70,000	70,000	70,000	59,100	46,000
Other	7,770	16,890	12,410	14,306	14,290
Cash benefits to persons	46	130	213	142	44
Current expenditure on goods and services	3,056	3,842	4,172	4,593	4,985
Capital expenditure on goods and services	9,686	12,436	15,257	13,360	18,936
Grants towards private capital expenditure . . . . .	..	11,350	13,346	11,885	13,299
<i>Total, housing</i>	<i>92,016</i>	<i>116,024</i>	<i>116,697</i>	<i>104,740</i>	<i>98,905</i>

For footnotes see next page.

COMMONWEALTH CONSOLIDATED REVENUE FUND: EXPENDITURE
BY FUNCTION AND ECONOMIC TYPE, 1963-64 TO 1967-68—*continued*
(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Other functions—					
Expenses of business undertakings	286,279	314,254	345,379	384,899	425,570
Other current expenditure on goods and services	274,988	327,082	363,853	421,222	474,290
Capital expenditure on goods and services—					
Business undertakings(a)	151,120	177,330	201,745	225,873	266,259
Other	61,885	73,965	81,053	98,566	116,242
Subsidies	115,658	99,808	149,174	171,322	184,378
Cash benefits to persons	14,357	21,526	27,755	36,007	35,117
Grants to the States—					
Current	23,106	31,258	44,478	64,119	78,623
Capital	140,476	178,742	194,102	212,827	249,749
Grants to overseas governments and organisations(b)	82,210	96,260	104,754	116,055	131,131
Grants for private capital purposes . . . . .	..	4,040	19,500	16,308	(c)28,929
Advances—					
To Snowy Mountains Hydro-electric Authority	23,658	26,100	26,520	44,096	40,882
To States	10,754	13,788	34,231	27,870	34,514
To overseas governments and organisations	4	78	296	5,815	4,337
Other	15,430	8,272	7,549	2,270	(d)25,019
Total advances	49,846	48,238	68,596	80,051	104,752
<i>Total, other functions</i>	<i>1,199,925</i>	<i>1,372,503</i>	<i>1,600,389</i>	<i>1,827,249</i>	<i>2,095,040</i>
Expenditure not allocated to function—					
Current expenditure on goods and services	11,104	13,912	15,750	15,161	19,660
Capital expenditure on goods and services	11,028	13,462	12,952	20,069	15,687
Grants to the States	729,730	744,884	832,052	900,805	978,503
Advances to overseas governments and organisations	8,070	24,868	45,985	33,193	65,934
Debt charges(e)—					
Interest	81,260	81,868	77,392	74,306	85,448
Payment to National Debt Sinking Fund	57,530	61,500	64,849	21,589	25,421
Loan Consolidation and Investment Reserve	29,750	222,744	210,464	227,655	312,762
Redemption—					
International Bank loans . . . . .	..	..	..	2,286	2,406
Other overseas loans . . . . .	..	..	..	..	14,106
Treasury bills	36,000	..	..	..	..
<i>Total, not allocated to function</i>	<i>964,472</i>	<i>1,163,238</i>	<i>1,259,444</i>	<i>1,295,064</i>	<i>1,519,927</i>
Grand total	3,809,376	4,418,178	4,879,201	5,227,721	5,760,480

(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) Includes \$21,000,000 devaluation compensation paid to marketing authorities. (d) Includes \$19,768,000 for sugar marketing assistance and \$3,999,000 for sugar industry assistance. (e) Excludes loan management expenses included in other functions.

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, 1963-64 TO 1967-68
(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Department of Defence—					
Administrative and general expenses	3,532	4,207	6,961	7,346	8,091
Buildings, works, sites, etc.	113	294	197	904	1,507
Maintenance and rent	112	117	202	238	198
<i>Total, Defence</i>	<i>3,757</i>	<i>4,618</i>	<i>7,359</i>	<i>8,488</i>	<i>9,796</i>
Department of the Navy—					
Naval forces—pay, maintenance, etc.	72,359	83,624	99,046	110,437	121,047
Naval construction and additions to the fleet	23,763	35,967	44,918	51,689	49,201
Ships, aircraft and aircraft engines	9,702	8,622	15,494	8,438	9,183
Buildings, works, sites, etc.	2,413	4,052	7,232	7,927	6,835
Maintenance and rent	2,417	2,631	3,159	3,692	3,705
Retirement benefits	1,024	1,172	1,229	1,392	2,097
<i>Total, Navy</i>	<i>111,678</i>	<i>136,069</i>	<i>171,079</i>	<i>183,575</i>	<i>192,068</i>
Department of the Army—					
Military forces—pay, maintenance, etc.	91,300	108,920	133,675	169,795	196,425
Special units serving abroad—maintenance	4,026	4,566	9,773	26,386	34,048
Arms, armament and equipment	48,432	61,690	67,921	69,913	79,711
Buildings, works, sites, etc.	6,551	13,856	38,693	58,088	40,011
Maintenance and rent	5,444	6,372	7,503	8,447	9,829
Retirement benefits	2,668	3,368	3,657	3,827	4,758
<i>Total, Army</i>	<i>158,421</i>	<i>198,772</i>	<i>261,223</i>	<i>336,456</i>	<i>364,782</i>
Department of Air—					
Air force—pay, maintenance, etc.	59,221	69,389	77,674	86,311	97,027
R. A. A. F. squadrons overseas	5,570	5,592	7,080	9,447	13,973
Aircraft, equipment and stores	101,418	91,034	111,712	111,117	158,522
Buildings, works, sites, etc.	5,616	7,598	13,336	11,719	16,915
Maintenance and rent	5,324	5,570	6,024	7,096	7,913
Retirement benefits	1,996	2,996	2,582	2,808	3,165
<i>Total, Air</i>	<i>179,145</i>	<i>182,179</i>	<i>218,408</i>	<i>228,498</i>	<i>297,515</i>
Department of Supply—					
Administrative and general expenses	3,746	8,912	9,566	14,107	19,953
Defence Research and Development Laboratories	9,292	10,608	10,401	10,627	11,852
Government factories—maintenance of production capacity	3,090	2,766	2,270	3,139	3,227
Transport and storage services	4,508	6,764	7,027	7,661	10,088
Weapons Research Establishment	29,012	28,320	27,725	28,030	28,851
Munitions factories—working capital	164	..	2,004	475	869
Machinery, plant equipment, etc.	4,650	4,850	7,067	7,601	8,155
Buildings, works, sites, n.e.i. etc.	2,185	2,486	3,011	3,853	3,341
Maintenance and rent	1,939	2,038	2,293	2,465	2,507
<i>Total, Supply</i>	<i>58,586</i>	<i>66,744</i>	<i>71,364</i>	<i>77,958</i>	<i>88,843</i>
Defence aid for Malaysia	144	3,376	5,034	8,036	6,096
Economic assistance to support defence programme of S.E.A.T.O. member countries					
Security Intelligence Organization	1,888	2,504	2,258	2,309	2,498
Civil defence	642	644	724	709	734
Recruiting campaign	1,378	1,690	1,646	1,556	1,600
Aid to India	1,284	60	17	..	..
Other	39	-466	751	912	1,225
<i>Total, Defence services</i>	<i>518,678</i>	<i>598,110</i>	<i>741,855</i>	<i>851,063</i>	<i>967,910</i>
<i>Less Expenditure charged to Loan Fund</i>	<i>77,430</i>	<i>..</i>	<i>89,545</i>	<i>198,426</i>	<i>329,263</i>
Total expenditure charged to Consolidated Revenue Fund	441,248	598,110	652,310	652,637	638,647

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

Current expenditure on goods and services

This table gives details of expenditure on items included under this general heading in the table on pages 724-5, 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 729). 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, 1963-64 TO 1967-68**
(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Education—					
Australian National University	8,640	11,400	12,658	14,223	16,698
Other	6,074	7,655	8,674	9,590	11,863
<i>Total, education</i>	<i>14,714</i>	<i>19,055</i>	<i>21,332</i>	<i>23,813</i>	<i>28,561</i>
Health and welfare	29,034	32,181	35,099	41,635	49,109
Defence—					
Total	513,022	587,086	715,579	814,198	940,639
<i>Less Amounts charged to Loan Fund</i>	<i>77,430</i>	<i>..</i>	<i>89,545</i>	<i>198,426</i>	<i>329,263</i>
<i>Total, defence</i>	<i>435,592</i>	<i>587,086</i>	<i>626,034</i>	<i>615,772</i>	<i>611,376</i>
Repatriation	55,210	58,818	63,659	70,403	75,185
Housing	3,056	3,842	4,172	4,593	4,985
Law, order and public safety—					
Crown Solicitor's Office	1,144	1,216	1,322	1,512	1,662
High Court	340	370	398	431	443
Bankruptcy administration	576	624	662	828	968
Other	4,419	5,092	5,884	8,416	9,949
<i>Total, law, order, etc.</i>	<i>6,479</i>	<i>7,302</i>	<i>8,266</i>	<i>11,187</i>	<i>13,022</i>
Development of resources and assistance to industry—					
Bureau of Meteorology	4,394	4,870	5,318	5,932	6,478
Forestry Branch	374	607	735	1,081	1,307
Commercial intelligence services abroad	2,485	2,996	3,313	3,727	4,451
Primary production—					
Wheat and wool industries	9,122	22,150	26,416	27,090	23,581
Other research and sales promotion, export funds, etc.	5,230	6,532	9,632	8,229	9,282
Bureau of Agricultural Economics	444	472	523	630	1,053
Bureau of Mineral Resources, Geology and Geophysics	4,930	4,708	4,775	4,725	5,866
Division of National Mapping	1,414	1,706	1,786	2,111	2,789
Atomic Energy Commission	7,594	8,040	8,226	8,593	9,488
Commonwealth Scientific and Industrial Research Organization	21,121	24,097	25,393	28,551	31,346
Other	17,024	17,402	19,617	23,199	30,588
<i>Total, development, etc.</i>	<i>74,132</i>	<i>93,580</i>	<i>105,734</i>	<i>113,868</i>	<i>126,229</i>
Civil aviation—					
Maintenance and development of civil aviation	9,353	10,221	11,432	10,837	11,160
Meteorological services	2,140	2,392	2,600	2,898	3,198
Other	15,156	17,346	19,421	24,588	29,201
<i>Total, civil aviation, etc.</i>	<i>26,649</i>	<i>29,959</i>	<i>33,453</i>	<i>38,323</i>	<i>43,559</i>

**COMMONWEALTH CONSOLIDATED REVENUE FUND: CURRENT EXPENDITURE
ON GOODS AND SERVICES, 1963-64 TO 1967-68—continued**

(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Legislature and general administration—					
Parliament	4,414	4,894	5,494	5,712	6,276
Governor-General	358	392	375	422	423
Audit	1,950	2,024	2,081	2,514	2,698
Public Service Board	2,134	2,420	2,738	3,407	3,923
Taxation Branch and Boards of Review .	24,177	26,038	28,556	34,094	36,983
Bureau of Census and Statistics	6,276	7,346	8,783	14,063	12,718
Commonwealth Superannuation Board .	422	498	752	931	1,146
Electoral Branch	2,530	2,772	2,164	4,749	3,759
News and Information Bureau	1,396	1,660	1,903	2,327	2,602
Other	51,663	58,326	65,857	80,866	94,505
<i>Total, legislature, etc.</i>	<i>95,320</i>	<i>106,370</i>	<i>118,703</i>	<i>149,085</i>	<i>165,033</i>
Immigration—					
Assisted migration	17,745	25,458	26,186	25,875	27,284
Other	7,901	8,566	9,409	11,881	13,617
<i>Total, immigration</i>	<i>25,646</i>	<i>34,024</i>	<i>35,595</i>	<i>37,756</i>	<i>40,901</i>
Regulation of trade and industry—					
Conciliation and Arbitration Commission,					
Industrial Court and Registrar	816	884	996	1,080	1,204
Patents, trade marks and designs	1,330	1,478	1,515	1,663	1,962
Inspection of goods for export	3,670	4,498	4,910	5,545	6,156
Other	3,466	3,380	3,134	1,966	5,254
<i>Total, regulation, etc.</i>	<i>9,282</i>	<i>10,240</i>	<i>10,555</i>	<i>10,254</i>	<i>14,576</i>
Other functions—					
National Library	1,374	1,622	1,941	2,356	3,024
High Commissioner's Office, United Kingdom	2,562	2,982	3,748	4,309	4,320
Other overseas representation	6,752	7,744	9,670	10,556	13,629
Antarctic Division	1,668	1,902	1,985	1,746	1,904
Other	10,410	12,302	12,871	17,969	19,532
<i>Total, other functions</i>	<i>22,766</i>	<i>26,552</i>	<i>30,215</i>	<i>36,936</i>	<i>42,409</i>
Not allocated to function—					
Superannuation contributions, n.e.i. . .	8,706	10,592	12,019	11,626	16,004
Other	2,398	3,320	3,731	3,535	3,656
<i>Total, not allocated</i>	<i>11,104</i>	<i>13,912</i>	<i>15,750</i>	<i>15,161</i>	<i>19,660</i>
Grand total	808,984	1,022,921	1,108,567	1,168,786	1,234,605

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 1963-64 to 1967-68. 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, 1963-64 TO 1967-68**
· (\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Business undertakings—					
Cultural and recreational facilities	6,548	9,246	7,567	5,558	7,652
Transport and communication—					
Post Office	136,836	159,796	181,738	205,769	242,359
Railways	5,878	6,514	9,724	10,855	13,667
Other	708	960	1,916	3,251	1,381
Housing(a)	8,814	11,620	14,194	11,662	17,661
Other	1,150	914	800	440	1,200
<i>Total, business undertakings</i>	<i>159,934</i>	<i>189,050</i>	<i>215,939</i>	<i>237,535</i>	<i>283,920</i>
Other—					
Education—					
Australian National University	4,678	5,392	5,062	5,316	5,570
Canberra College of Advanced Educa- tion . . . . .	..	..	..	25	439
Northern Territory	864	1,377	1,503	1,243	992
Australian Capital Territory	3,712	3,956	3,284	4,652	4,770
Other . . . . .	..	..	..	85	161
<i>Total, education</i>	<i>9,254</i>	<i>10,725</i>	<i>9,849</i>	<i>11,321</i>	<i>11,932</i>
Health and welfare—					
Australian Capital Territory	2,148	2,584	1,866	1,142	192
Other health and welfare	933	905	1,815	1,596	3,456
<i>Total, health and welfare</i>	<i>3,081</i>	<i>3,489</i>	<i>3,681</i>	<i>2,738</i>	<i>3,648</i>
Repatriation	712	1,124	1,156	889	1,976
Development of resources and assistance to industry—					
Atomic Energy Commission	1,064	1,390	1,292	1,629	1,351
Commonwealth Scientific and In- dustrial Research Organisation	3,610	6,396	3,380	3,726	4,873
Australian Capital Territory	920	2,822	3,395	13,775	10,393
Other development, etc.	1,684	1,580	2,181	2,222	4,237
<i>Total, development</i>	<i>7,278</i>	<i>12,188</i>	<i>10,248</i>	<i>21,352</i>	<i>20,854</i>
Civil aviation	11,774	17,628	21,941	28,781	31,139
Roads—					
Australian Capital Territory	5,388	6,450	10,156	8,569	11,342
Other roads	3,664	2,912	4,319	4,563	9,359
<i>Total, roads</i>	<i>9,052</i>	<i>9,362</i>	<i>14,475</i>	<i>13,132</i>	<i>20,701</i>
Housing(b)	872	816	1,063	1,698	1,275
Other functions—					
Australian Capital Territory	12,936	11,178	11,321	10,842	14,503
Papua and New Guinea	48	4	125	20	62
Other	11,543	12,780	13,094	13,118	17,051
<i>Total, other functions</i>	<i>24,527</i>	<i>23,962</i>	<i>24,540</i>	<i>23,980</i>	<i>31,616</i>
Not allocated to function	11,028	13,462	12,952	20,069	15,687
Grand total	237,512	281,806	315,844	361,495	422,748

(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 727 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 720. Some details of expenditure from the trust funds are included in the table on page 731. 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., 1963-64 TO 1967-68**
(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Research and sales promotion—					
Canned fruit (sales promotion)	101	64	130	128	100
Meat research	1,433	1,613	1,930	2,368	2,547
Dairy produce research	590	510	712	712	806
Dairy produce sales promotion	523	526	779	805	834
Tobacco industry research	401	364	322	319	349
Wheat research	638	720	590	1,082	633
Wool industry research	1,594	3,181	2,824	3,045	598
Wool research and wool use promotion	6,890	18,249	23,002	22,964	22,350
Export funds—					
Apple and pear	245	213	312	199	219
Canned fruits	185	170	216	223	348
Canned fruits excise	279	1,044	1,033	1,200	1,583
Dairy produce	530	675	776	876	760
Dried fruits	102	165	188	147	167
Dried vine fruits stabilisation fund—					
Currants	..	..	72	52	..
Raisins	..	..	165	..	42
Sultanas	..	..	1,530	..	139
Egg	57	78	25	4	5
Honey	74	94	110	92	98
Meat	484	741	1,042	864	926
Wine	225	274	288	239	357
Other	1	2	1	1	1
Total	14,351	28,682	36,048	35,319	32,864

Commonwealth Consolidated Revenue Fund: receipts

Sources of receipts

**COMMONWEALTH CONSOLIDATED REVENUE FUND: SOURCES OF RECEIPTS
1963-64 TO 1967-68**
(\$'000)

Source	1963-64	1964-65	1965-66	1966-67	1967-68
Taxation	3,218,838	3,787,030	4,185,338	4,453,815	4,914,165
Business undertakings	375,777	423,948	457,738	490,160	550,376
Territories—					
Northern Territory	4,944	5,611	6,434	7,273	9,663
Australian Capital Territory	14,086	18,193	18,571	16,600	18,884
Christmas Island	..	..	..	245	51
Cocos (Keeling) Islands	8	8	9	11	9
<i>Total, Territories</i>	<i>19,038</i>	<i>23,813</i>	<i>25,013</i>	<i>24,128</i>	<i>28,607</i>
Interest	46,852	48,394	51,440	59,128	61,097
Dividends or payments in the nature of a dividend	5,076	5,118	5,197	6,156	3,501
Repayments	11,532	8,897	9,680	44,438	46,246
Defence	44,651	28,961	28,906	26,336	26,267
Air navigation charges	3,755	4,437	6,888	8,184	9,860
Quarantine and other health services	372	344	463	389	435
Patents, trade marks, etc.	1,281	1,315	1,447	1,539	1,587
Bankruptcy	405	430	438	450	486
Net profit on Australian note issue	26,983	30,521	31,070	33,852	16,575
Unrequired balances of trust accounts	25,182	8,472	6,980	8,322	22,674
Australian Aluminium Production Commission	500	500	1,250	1,250	1,250
Reserve Bank Reserve Fund	3,351	4,983	10,500	4,712	4,442
Commonwealth Banking Corporation	2,290	3,477	3,232	3,649	3,245
Other	23,493	37,538	53,622	61,212	69,667
Grand total	3,809,376	4,418,178	4,879,201	5,227,721	5,760,480

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 1967-68, and the following table shows the totals for the last five years.

COMMONWEALTH TRUST FUNDS: RECEIPTS, EXPENDITURE AND BALANCES, 1967-68
(\$'000)

Fund	Balance at	1967-68		Balance at
	1 July 1967	Receipts	Expenditure	30 June 1968
Canadian Loan	15,516	563	544	15,535
Coal Mining Industry Long Service Leave	2,948	806	918	2,836
Coinage	7,870	50,202	50,660	7,412
Defence Forces Retirement Benefits	82,290	25,391	14,352	93,330
Insurance Deposits	25,392	4,374	2,723	27,043
Imperial Pensions	1,064	17,020	17,198	886
International Development and Relief	545	784	747	582
Lend-Lease Settlement	314	12	326	..
Loan Consolidation and Investment Reserve	915,345	347,602	173,560	1,089,387
Munitions Factories	4,124	52,481	52,108	4,497
Munitions Production	3,010	25,411	26,911	1,511
National Debt Sinking	197,283	141,016	195,272	143,027
National Welfare	431,106	1,079,376	1,075,049	435,433
Parliamentary Retiring Allowances	1,483	494	354	1,622
Post Office Stores and Services	53	221,264	221,306	11
Poultry Industry . . . . .	..	10,946	10,418	529
Superannuation	287,984	78,329	40,499	325,814
Supply, Stores and Transport	830	17,014	16,536	1,307
Swiss Loan	36,978	1,116	..	38,093
Temple Society	1,452	60	97	1,415
Tobacco Industry	529	713	688	554
War Service Homes . . . . .	..	49,293	49,293	..
War Service Homes Insurance	1,576	784	1,096	1,264
Wheat Prices Stabilisation . . . . .	..	15,508	15,508	..
Wheat Research	1,628	1,555	1,844	1,339
Wine Research	824	37	37	824
Wool Research	3,690	9,641	8,176	5,154
Other	21,540	132,323	126,898	26,967
Total	2,045,374	2,284,115	2,103,118	2,226,372

COMMONWEALTH TRUST FUNDS: SUMMARY, 1963-64 TO 1967-68
(\$ million)

	1963-64	1964-65	1965-66	1966-67	1967-68
Balances brought forward	1,613	1,661	1,863	2,023	2,045
Receipts	1,546	1,827	1,999	2,068	2,284
Expenditure	1,498	1,625	1,839	2,046	2,103
Balance carried forward	1,661	1,863	2,023	2,045	2,226

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 1963-64 to 1967-68 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, 1963-64 TO 1967-68
 (\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
RECEIPTS					
Balance from 30 June	97	125	205	139	51
Loans raised in Australia—					
Stock and bonds	143,919	87,905	111,308	134,937	46,751
Special bonds	26,352	34,342	32,304	39,580	33,922
Advance loan subscriptions	Dr 21,560	3,305	Dr 213	9,297	1,018
Treasury bills—public (net)	Dr 2,400	38,000	5,500	149,000	140,000
Treasury bills—internal (investment of Trust Fund) (net)	39,400	33,400	49,100	Dr 2,000	5,500
Treasury notes	13,590	Dr 72,138	35,664	Dr 25,933	183,572
Peace savings certificates	2	2	..	1	1
Loans raised overseas—					
London—stock and bonds	20,636	..	..	..	32,063
New York—bonds . . . . .	..	4,421	4,474	43,593	22,523
Loan—Qantas Empire Airways Limited	4,033	26,292	25,214	16,368	34,681
Loan—Australian National Airlines Commission	1,121	8,566	5,075	14,367	4,538
International Bank Dollar loan	24,232	21,151	15,299	499	..
Swiss loan . . . . .	..	..	..	10,352	..
West German Loan . . . . .	..	..	..	..	22,209
<i>Total, loans raised</i>	<i>249,325</i>	<i>185,247</i>	<i>283,725</i>	<i>390,060</i>	<i>526,778</i>
Deduct—					
Expenses of flotation—					
Loans raised in Australia	Cr 631	306	372	462	239
London loans	317	..	..	..	..
New York loans . . . . .	..	147	87	1,152	1,506
Swiss loans . . . . .	..	..	..	523	..
<i>Total, deductions</i>	<i>Cr 314</i>	<i>452</i>	<i>460</i>	<i>2,138</i>	<i>1,745</i>
<i>Total loan raisings less expenses of flotation</i>	<i>249,638</i>	<i>184,795</i>	<i>283,265</i>	<i>387,922</i>	<i>525,033</i>
Grand total	249,736	184,920	283,471	388,061	525,084
EXPENDITURE					
Financial assistance to States for housing—					
New South Wales	33,000	35,000	40,271	41,500	43,080
Victoria	26,500	27,000	31,126	32,020	33,000
Queensland	8,600	6,600	8,497	9,060	9,060
South Australia	19,400	20,500	21,057	20,750	21,000
Western Australia	6,800	7,200	8,601	9,170	10,000
Tasmania	6,000	6,400	7,448	7,500	6,700
<i>Total, States, housing</i>	<i>100,300</i>	<i>102,700</i>	<i>117,000</i>	<i>120,000</i>	<i>122,840</i>
Defence services	77,431	..	89,545	198,426	329,263
War and repatriation services	8,525	7,234	6,358	5,936	5,212
Loan—Qantas	4,033	26,292	25,214	16,368	34,681
Loan—Australian National Airlines Commission	1,121	8,566	5,075	14,367	4,538
Mount Isa Railway Agreement	12,100	3,016	..	..	578
Snowy Mountains Hydro-electric Authority Works and other purposes—repayments	Cr 566	Cr 93	..	..	..
Other . . . . .	..	..	330	195	197
Redemptions—					
Stock and bonds—Australia	9,085	..	..	..	2,649
Stock and bonds—London	14,180	..	..	..	..
Special bonds . . . . .	..	17,400	23,810	28,268	25,042
Balance at 30 June	125	205	139	51	84
Grand total	249,736	184,920	283,471	388,061	525,084

Loans raised for the States

**COMMONWEALTH LOAN FUND: LOANS RAISED FOR THE STATES
RECEIPTS AND EXPENDITURE, 1963-64 TO 1967-68**
(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
RECEIPTS					
Balance from 30 June . . . . .	..	..	..	..	..
Loans raised in Australia—					
Stock and bonds	363,889	457,159	523,795	583,236	669,802
Special bonds	65,207	53,124	48,121	44,673	44,768
Loans raised overseas—					
London—stock and bonds	28,762	..	..	..	..
New York—bonds . . . . .	..	17,686	17,895	..	..
Total	457,857	527,969	589,812	627,909	714,570
EXPENDITURE					
Payments of loan proceeds to the States—					
New South Wales	140,020	149,470	152,150	163,640	172,240
Victoria	111,728	120,954	123,206	132,520	139,700
Queensland	42,412	48,000	63,692	55,915	60,547
South Australia	55,184	59,020	61,892	67,680	71,820
Western Australia	44,006	46,968	47,902	51,070	53,230
Tasmania	30,318	32,244	33,228	34,517	38,916
<i>Total payments to States</i>	<i>423,668</i>	<i>456,656</i>	<i>482,070</i>	<i>505,342</i>	<i>536,453</i>
Redemptions—					
Stock and bonds—Australia	24,384	30,000	56,000	30,000	117,351
Special bonds	9,806	16,238	31,683	27,468	28,058
London . . . . .	..	25,075	20,060	37,613	32,000
New York . . . . .	..	..	..	26,806	..
Other . . . . .	..	..	..	680	709
Balance at 30 June . . . . .	..	..	..	..	..
Grand total	457,857	527,969	589,812	627,909	714,570

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 1967-68 education constituted 25.2 per cent of the total expenditure from the State Consolidated Revenue Funds; the working expenses of railways, tramways, and omnibuses, 19.8 per cent; debt charges, 17.2 per cent; charitable, public health and hospitals, 13.4 per cent; and law, order and public safety, 6.2 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 1963-64 to 1967-68 are shown in the following table.

STATE CONSOLIDATED REVENUE FUND EXPENDITURE, 1963-64 TO 1967-68							
Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
EXPENDITURE (\$'000)							
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
1967-68 . . .	887,618	604,122	356,249	267,404	249,909	103,302	2,468,603
PER HEAD OF POPULATION (\$)							
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
1967-68 . . .	204.18	182.93	207.38	239.13	280.00	272.30	209.96

(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, 1967-68

	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas. (b)	Total
EXPENDITURE (\$'000)							
Debt (interest, exchange, debt redemption, etc.)	115,550	110,774	58,967	65,062	44,185	30,571	425,108
Railways	182,048	98,472	90,884	31,322	52,475	3,153	458,353
Tramways and omnibuses	29,785	..	..	..	557	875	31,217
Harbours and rivers, etc.	15,442	1,686	..	3,585	2,885	30	23,629
Water supply, sewerage, irrigation and drainage . . . . .	..	10,572	..	14,152	7,542	700	32,967
Other business and industrial undertakings . . . . .	..	877	58	873	4,070	86	5,965
Education	229,888	179,423	74,372	62,765	50,604	23,935	620,987
Health and charitable.	112,618	83,143	50,997	34,459	35,619	14,112	330,947
Justice	15,980	5,538	4,896	2,116	2,660	1,087	32,277
Police	35,219	25,024	15,080	8,672	6,866	3,588	94,448
Penal establishments	8,609	3,643	2,000	2,177	2,572	924	19,924
Public safety	2,238	122	1,583	399	495	305	5,143
All other expenditure	140,240	84,848	57,412	41,822	39,380	23,936	387,639
Total	887,618	604,122	356,249	267,404	249,909	103,302	2,468,603

PER HEAD OF POPULATION

	(\$)						
Debt (interest, exchange, debt redemption, etc.)	26.58	33.54	34.33	58.18	49.50	80.58	36.16
Railways	41.88	29.82	52.91	28.01	58.79	8.31	38.98
Tramways and omnibuses	6.85	..	..	..	0.62	2.31	2.66
Harbours and rivers, etc.	3.55	0.51	..	3.21	3.23	0.08	2.01
Water supply, sewerage, irrigation and drainage . . . . .	..	3.20	..	12.66	8.45	1.85	2.80
Other business and industrial undertakings . . . . .	..	0.27	0.03	0.78	4.56	0.23	0.51
Education	52.88	54.33	43.29	56.13	56.70	63.09	52.82
Health and charitable.	25.91	25.18	29.69	30.82	39.91	37.20	28.15
Justice	3.68	1.68	2.85	1.89	2.98	2.87	2.75
Police	8.10	7.58	8.78	7.76	7.69	9.46	8.03
Penal establishments	1.98	1.10	1.16	1.95	2.88	2.44	1.69
Public safety	0.51	0.04	0.92	0.36	0.55	0.80	0.44
All other expenditure	32.26	25.69	33.42	37.40	44.12	63.09	32.97
Total	204.18	182.93	207.38	239.13	280.00	272.30	209.96

(a) See page 734 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
1963-64 TO 1967-68
(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Debt (interest, exchange, debt redemption, etc.)	320,403	343,990	370,551	397,077	425,108
Railways, tramways and omnibuses (working expenses)	420,585	443,947	451,226	467,200	489,570
Harbours and rivers, etc.	19,035	20,652	19,445	20,580	23,629
Water supply, sewerage, irrigation and drainage	26,313	24,840	27,301	29,269	32,967
Other business and industrial undertakings	5,187	6,260	5,235	5,183	5,965
Education	401,009	457,333	499,733	552,836	620,987
Health and charitable	239,167	260,508	285,587	309,569	330,947
Justice	21,749	24,187	26,286	29,029	32,277
Police	68,008	72,981	77,102	87,616	94,448
Penal establishments	13,054	14,204	15,258	17,436	19,924
Public safety	3,935	4,038	4,400	4,644	5,143
All other expenditure	290,887	292,194	338,135	369,814	387,639
Total	1,829,333	1,965,133	2,120,259	2,290,254	2,468,603

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 1967-68 was Commonwealth payments under financial assistance and other grants (40.5 per cent of the total revenue). Next in magnitude was the group of business undertakings (25.0 per cent), the principal contributors being the Government railways and tramways, followed by taxation receipts (19.5 per cent). More than one-quarter of the total State taxation collections are not paid into Consolidated Revenue Funds, however, but into trust and other funds (see page 740). Of the remaining sources of revenue, interest (n.e.i.) constituted 4.2 per cent, land revenue 2.5 per cent, and National Welfare Fund payments 1.0 per cent.

Total receipts

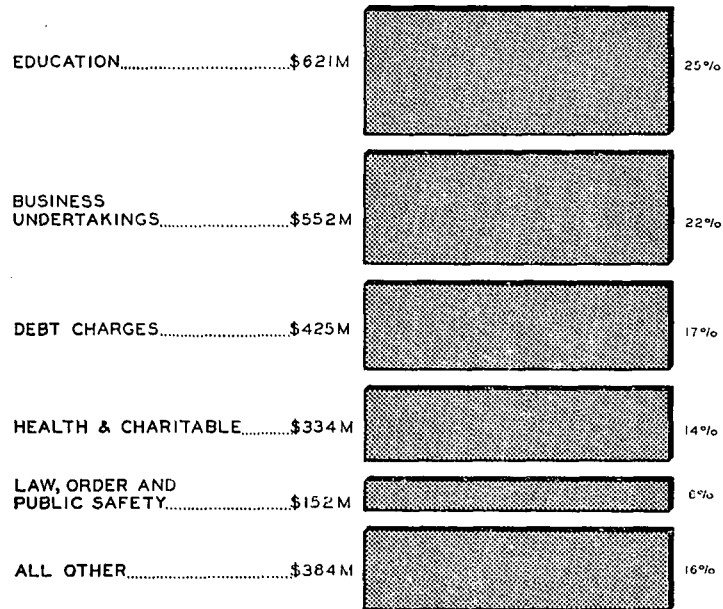
The following table shows particulars of the total receipts and the receipts per head of population of the Consolidated Revenue Funds of the several States.

STATE CONSOLIDATED REVENUE FUNDS

1967-68

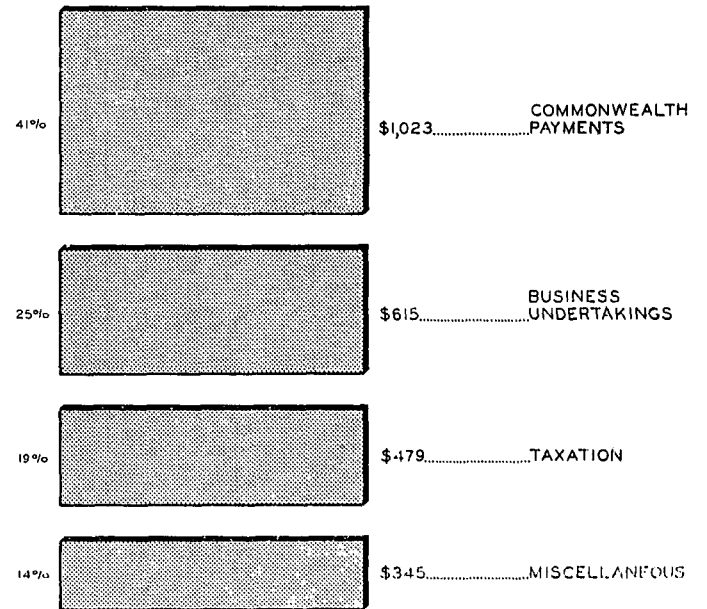
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EXPENDITURE



TOTAL EXPENDITURE: \$2,469 MILLION

RECEIPTS



TOTAL RECEIPTS: \$2,463 MILLION

PLATE 39

STATE CONSOLIDATED REVENUE FUND RECEIPTS, 1963-64 TO 1967-68

Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
RECEIPTS (\$'000)							
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	84,896	2,095,051
1966-67	830,685	559,595	323,781	250,823	228,146	93,842	2,286,873
1967-68	888,077	601,328	357,219	264,544	250,738	101,452	2,463,357
PER HEAD OF POPULATION (\$)							
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	229.70	184.54
1966-67	194.42	172.19	191.80	227.20	264.63	250.97	197.98
1967-68	204.29	182.09	207.95	236.57	280.93	267.42	209.51

(a) See page 734 for transactions included.

Sources of revenue

Classifying the revenue of the several States in the manner indicated on page 736, particulars for the year 1967-68 were as follows.

STATE CONSOLIDATED REVENUE FUND RECEIPTS, BY SOURCE, 1967-68

Source of revenue	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas. (b)	Total
RECEIPTS (\$'000)							
Taxation(c)	173,691	149,614	60,924	44,830	35,824	14,468	479,351
Business undertakings	272,570	129,827	91,647	60,256	60,883	248	615,431
Lands	22,917	9,144	13,281	2,074	11,845	1,972	61,233
Interest, n.e.i.	9,490	24,137	17,983	20,906	13,176	16,829	102,523
Commonwealth grants(d)—							
Financial assistance	302,827	228,254	139,601	102,738	96,152	37,968	907,539
Other(e)	20,045	12,010	12,946	8,397	16,502	20,560	90,461
Commonwealth National Welfare							
Fund payments(f)	14,709	4,237	1,591	3,345	154	1,196	25,232
Miscellaneous	71,829	44,105	19,245	21,997	16,202	8,210	181,587
Total	888,077	601,328	357,219	264,544	250,738	101,452	2,463,357
PER HEAD OF POPULATION (\$)							
Taxation(c)	39.95	45.30	35.47	40.09	40.14	38.14	40.77
Business undertakings	62.70	39.31	53.35	53.89	68.21	0.65	52.34
Lands	5.27	2.77	7.73	1.85	13.27	5.20	5.21
Interest, n.e.i.	2.18	7.31	10.47	18.70	14.76	44.36	8.72
Commonwealth grants(d)—							
Financial assistance	69.66	69.12	81.27	91.88	107.73	100.08	77.19
Other(e)	4.61	3.64	7.54	7.51	18.49	54.20	7.69
Commonwealth National Welfare							
Fund payments(f)	3.38	1.28	0.93	2.99	0.17	3.15	2.15
Miscellaneous	16.52	13.36	11.20	19.67	18.15	21.64	15.44
Total	204.29	182.09	207.95	236.57	280.93	267.42	209.51

(a) See page 734. (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 1967-68, details of the collections by each State 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 in each State. For local government taxation collections, see chapter 20.

STATE GOVERNMENT RECEIPTS FROM TAXATION: NET COLLECTIONS BY TYPE OF TAX
1967-68
(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Probate and succession duties	48,206	37,642	16,987	8,153	5,162	2,525	118,675
Land tax	35,711	20,976	4,742	7,701	4,702	2,271	76,103
Liquor taxes	14,067	9,744	4,736	2,236	2,566	950	34,299
Lottery taxes . . . . .	..	6,085	787	..	..	..	6,872
Poker machines tax	23,063	..	..	..	..	..	23,063
Racing taxes	16,580	16,024	5,563	2,019	3,318	192	43,696
Vehicle registration fees and taxes	41,330	39,838	20,831	11,825	6,277	4,074	124,175
Drivers', etc. licences and fees	7,668	3,010	1,366	1,021	1,344	..	14,409
Stamp duty (vehicle registration)	3,016	5,436	2,722	1,850	1,555	189	14,768
Road transport taxes	4,438	1,770	6,309	31	689	321	13,558
Road maintenance contributions	12,566	7,248	3,918	2,324	2,873	..	28,929
Third party insurance surcharges and duties . . . . .	..	2,497	..	..	700	275	3,472
Fire Brigades contributions	629	..	3,606	..	..	..	4,235
Stamp duties n.e.i.	56,775	52,909	18,104	10,385	16,754	3,563	158,490
Licences and registration fees n.e.i.	1,343	1,683	331	256	482	35	4,130
Other taxes	353	8,398	3,618	..	1,922	72	14,363
Total	265,743	213,260	93,620	47,801	48,344	14,468	683,236
<i>of which—</i>							
Paid to Consolidated Revenue Fund	173,691	149,614	60,924	44,830	35,824	14,468	479,351
Paid to Trust and other funds	92,052	63,646	32,696	2,970	12,519	..	203,883

In addition to the collections detailed above, the taxes in the following table were collected by other State authorities.

OTHER STATE AUTHORITIES TAXATION: NET COLLECTIONS, BY TYPE OF TAX 1967-68
(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Taxes paid to other government authorities—							
Fire Brigades contributions	6,923	5,933	..	871	1,022	364	15,113
Sugar cane assessment . . . . .	..	..	707	..	..	..	707
Metropolitan improvement rate . . . . .	..	5,521	..	..	..	..	5,521
Racing taxes . . . . .	..	..	..	..	..	1,126	1,126
Vehicle registration fees and drivers' licences . . . . .	..	..	..	..	..	1,046	1,046
Road transport taxes . . . . .	..	..	..	..	..	79	79
Profits of State Lotteries	16,704	..	3,199	1,735	1,289	..	22,927
Total	23,627	11,454	3,906	2,606	2,311	2,615	46,519

The table hereunder shows, for the year 1967-68, the proportions of collections under individual classes of tax to total State taxation revenue.

ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: PROPORTIONS OF INDIVIDUAL TAXES TO TOTAL, 1967-68
(Per cent)

	<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>
Probate and succession duties	16.66	16.75	17.42	16.17	10.19	14.78	16.26
Land tax	12.34	9.33	4.86	15.28	9.28	13.29	10.43
Liquor taxes	4.86	4.34	4.86	4.44	5.07	5.56	4.70
Lottery(a), poker machines, racing taxes	19.47	9.84	9.79	7.45	9.09	7.72	13.39
Vehicle registration fees and taxes	14.28	17.73	21.36	23.46	12.39	29.97	19.13
Drivers' etc. licences	2.65	1.34	1.40	2.03	2.65		
Stamp duty (vehicle registration)	1.04	2.42	2.79	3.67	3.07	1.11	2.02
Road transport taxes and road maintenance contributions	5.88	4.01	10.49	4.67	7.03	2.34	5.82
Third party insurance surcharges and duties . . . . .	..	1.11	..	..	1.38	1.61	0.48
Stamp duties n.e.i.	19.62	23.55	18.56	20.60	33.07	20.86	21.72
Other taxes etc.	3.20	9.58	8.47	2.24	6.76	2.76	6.05
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(a) Includes profits of State Lotteries.

The total amounts and the amounts per head raised from all sources of State taxation during the years 1963-64 to 1967-68 are shown in the following tables.

ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: NET COLLECTIONS, 1963-64 TO 1967-68

<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)							
1963-64	208,279	143,359	64,033	30,888	25,386	11,300	483,245
1964-65	224,342	159,752	68,732	37,523	28,207	12,108	530,664
1965-66	238,013	178,695	72,061	39,883	33,229	13,429	575,310
1966-67	259,418	199,366	83,208	45,736	41,738	14,913	644,379
1967-68	289,370	224,714	97,526	50,407	50,655	17,083	729,755

PER HEAD OF POPULATION
(\$)

1963-64	51.06	46.65	40.14	30.18	31.78	31.15	44.20
1964-65	54.16	50.94	42.25	35.66	34.52	33.05	47.63
1965-66	56.54	55.95	43.41	36.87	39.69	36.33	50.68
1966-67	60.72	61.35	49.29	41.43	48.41	39.88	55.79
1967-68	66.56	68.05	56.77	45.08	56.75	45.03	62.07

**ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: TOTAL NET COLLECTIONS
BY TYPE OF TAX, 1963-64 TO 1967-68**

(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Probate and succession duties	90,878	91,409	94,431	106,231	118,675
Land tax	55,079	62,703	69,497	72,736	76,103
Liquor tax	23,812	26,211	27,403	31,226	34,299
Lottery(a), poker machines, racing taxes	61,632	69,060	75,285	86,926	97,684
Vehicle registration fees and taxes	88,736	95,116	106,872	115,314	124,726
Drivers' etc., licences	10,479	11,548	13,607	14,377	14,904
Stamp duty (vehicle registration)	3,524	7,895	10,525	11,576	14,768
Road transport taxes and road maintenance contributions	27,803	31,877	33,936	38,395	42,566
Third party insurance surcharges and duties	2,620	2,815	3,132	3,314	3,472
Stamp duties n.e.i.	93,106	104,451	110,055	125,444	158,490
Other taxes	25,578	27,580	30,569	38,839	44,069
Total	483,245	530,664	575,310	644,379	729,755

(a) Includes profits of State Lotteries.

Taxation collections paid to trust and other funds

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

**STATE GOVERNMENT RECEIPTS FROM TAXATION: TOTAL PAYMENTS INTO TRUST
AND OTHER FUNDS 1963-64 TO 1967-68**

(\$'000)

	1963-64	1964-65	1965-66	1966-67	1967-68
Liquor tax	7,210	7,706	8,236	9,120	9,849
Racing tax	1,316	1,647	2,032	2,651	2,970
Poker machines tax	11,268	13,666	15,761	19,650	23,063
Motor vehicle registration	75,970	81,350	92,384	99,812	108,195
Drivers' etc. licences	8,527	8,830	9,708	9,729	10,131
Road transport taxes	5,389	5,787	5,862	6,169	6,897
Road maintenance contributions	17,428	20,625	22,851	26,339	28,929
Fire Brigades contributions	2,580	2,840	3,346	3,843	4,235
Stamp duties, n.e.i.	1,032	1,153	1,203	1,146	1,170
Licences, n.e.i.	589	628	615	629	709
Other taxes, etc.	4,763	5,440	5,409	5,973	7,735
Total	136,072	149,669	167,406	185,063	203,883

**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 1967-68 the receipts from these sources was \$615,431,000 or 25.0 per cent of the receipts from all sources.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1967-68**
(\$'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)	224,966	98,786	91,438	28,611	51,183	..	494,984
Tramways and omnibuses	27,274	..	..	..	..	..	27,274
Harbours, rivers, lights	20,329	(c)3,342	..	6,436	3,241	..	33,348
Water supply, sewerage, irrigation and drainage	..	14,022	..	23,211	4,500	57	41,790
Electricity supply	..	13,057	209	..	..	..	13,265
Other	..	621	..	1,998	1,959	192	4,770
Total	272,570	129,827	91,647	60,256	60,883	248	615,431

(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, \$1,380,000.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS UNDERTAKINGS
1963-64 TO 1967-68**

<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)							
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
1967-68	272,570	129,827	91,647	60,256	60,883	248	615,431

PER HEAD OF POPULATION
(\$)

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
1967-68	62.70	39.31	53.35	53.89	68.21	0.65	52.34

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

**STATE CONSOLIDATED REVENUE FUND: TOTAL RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1963-64 TO 1967-68**
(\$'000)

<i>Source</i>	<i>1963-64</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>
Railways, tramways and omnibuses	465,557	485,800	473,483	508,846	522,259
Harbour services	25,058	27,371	27,142	30,010	33,348
Water supply, sewerage, irrigation and drainage	..	38,548	33,424	41,206	41,790
Other	..	12,815	15,892	22,588	18,035
Total	541,978	562,487	553,946	602,650	615,431

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 1967-68.

STATE CONSOLIDATED REVENUE FUND: LAND RECEIPTS, BY SOURCE, 1967-68
(\$'000)

Source	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Sales	2,896	484	2,430	245	374	185	6,614
Conditional purchases	477	..	..	19	661	..	1,157
Rentals(a)	15,958	2,438	9,867	1,810	7,408	167	37,648
Forestry	3,267	5,710	..	..	3,402	1,603	13,981
Other	318	512	984	..	..	18	1,832
Total	22,917	9,144	13,281	2,074	11,845	1,972	61,233

(a) Includes mining royalties, rents, etc.

The total land receipts for all States for the years 1963-64 to 1967-68 respectively were: \$38,478,000, \$56,458,000, \$62,281,000, \$61,635,000, and \$61,233,000.

State receipts from Commonwealth grants

Commonwealth grants to the States represent a very large proportion of the States' receipts. In 1967-68 the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was \$998,000,000 (40.5 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, \$35,407,000; financial assistance, \$907,539,000; drought assistance, \$24,605,000; grants to universities, \$9,695,000; and other grants, \$5,584,000. 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 (\$20,387,000 in 1967-68) paid to the National Debt Sinking Fund, grants for Commonwealth Aid Roads (\$160,000,000 in 1967-68), and grants for universities (\$46,546,000 in 1967-68) paid to State Trust Funds. More detailed information concerning Commonwealth grants to the States is given on pages 707-11.

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 1967-68 the total amount paid to State Consolidated Revenue Funds was \$25,232,000 (1.0 per cent). This amount was made up of hospital benefits, \$3,463,000; pharmaceutical benefits, \$8,341,000; milk for school children, \$3,357,000; tuberculosis—reimbursement of maintenance expenditure, \$9,001,000; other, \$1,070,000.

State surplus revenue

STATE SURPLUS REVENUE, 1963-64 TO 1967-68

<i>Year</i>	<i>N.S.W.(a)</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
TOTAL AMOUNT (\$'000)							
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	-2,021	-25,208
1966-67 . .	-3,147	..	258	106	-28	-572	-3,383
1967-68 . .	459	-2,794	970	-2,860	829	-1,850	-5,246
PER HEAD OF POPULATION (\$)							
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	-5.47	-2.22
1966-67 . .	-0.74	..	0.15	0.10	-0.03	-1.53	-0.29
1967-68 . .	0.11	-0.85	0.56	-2.56	0.93	-4.88	-0.45

(a) See page 734.

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 745. 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, 1967-68
(\$'000)

	N.S.W.	Vic.(a)	Qld	S.A.	W.A.	Tas.	Total
Public works and services—							
Railways	26,800	16,614	24,716	5,394	12,963	850	87,337
Tramways and omnibuses	1,100	..	..	..	300	..	1,400
Roads	4,700	1,841	(b) - 616	48	..	1,288	25,607
Bridges							
Harbours and rivers	11,537	1,886	271	2,209	2,444	2,551	83,847
Lights and lighthouses	21,218	18,380	..	15,887			
Water supply	21,218	18,380	..	15,887	13,543	2,551	83,847
Sewerage . . . . .	..	1,166	..	11,101	..	..	..
Electricity and gas supplies	15,060	14,570	4,215	6,700	4,543	20,000	65,089
Public buildings	78,535	70,351	25,598	22,032	20,292	12,313	229,122
Loans and grants to local bodies	1,483	2,362	13,715	..	58	76	17,693
Housing(c)	52	2,685	1,434	700	2,648	75	7,594
Other public works, etc.	370	609	..	1,074	600	1,196	3,849
Primary production—							
Soldier settlement	29	2	..	..	..	..	31
Land for settlement	2,771	2,308	167	..	..	200	5,445
Advances to settlers	200	259	..	1,030	..	609	2,098
Water conservation, irrigation and drainage	17,927	(d)	7,933	2,588	1,041	..	29,488
Vermin-proof fencing . . . . .	..	1	..	(e)	..	..	1
Agriculture	1,700	1,471	38	..	796	291	4,296
Agricultural Bank . . . . .	..	..	3,680	..	..	..	3,680
Forestry	2,770	2,759	5,100	2,250	400	1,450	14,729
Mines and mineral resources	1,572	230	1,252	208	70	2,554	5,885
Other	2,065	3,696	..	480	63	..	6,304
Other purposes	50	(f) 3,192	..	5,414	596	1,349	10,600
Total	189,938	144,383	87,503	77,115	60,356	44,802	604,097

(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 1967-68. (c) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (d) Included in Public works and services—Water supply. (e) Included in item Advances to settlers. (f) Includes Rural Finance and Settlement Commission, for advances to rural industries \$1,836,000

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.
1963-64 TO 1967-68

Year	N.S.W.	Vic.(a)	Qld	S.A.	W.A.	Tas.	Total
GROSS LOAN EXPENDITURE (\$'000)							
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
1967-68	189,938	144,383	87,503	77,115	60,356	44,802	604,097
PER HEAD OF POPULATION (\$)							
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
1967-68	43.69	43.72	50.94	68.96	67.62	118.10	50.65

(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 1965-66 to 1967-68 are shown in the next table.

STATE LOAN EXPENDITURE: SUMMARY, 1965-66 TO 1967-68
(*\$'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>
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	..	143	9	3,277
Repayments . . . . .	..	..	-1,500	192	(b)137	160	-1,010
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	64,535	47,943	36,573	495,561
Repayments	16,179	8,146	9,629	10,632	4,983	2,773	52,341
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	..	74	241	13,215
Repayments . . . . .	..	..	-1,500	185	(b)154	132	-1,029
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	66,653	51,090	36,636	529,122
Repayments	15,138	8,900	8,579	11,156	4,391	3,482	51,646
1967-68							
Works and services—							
Gross expenditure	189,938	144,383	87,503	77,115	60,356	44,802	604,097
Net expenditure	170,055	135,696	75,090	65,223	53,177	41,030	540,270
Repayments	19,883	8,687	12,413	11,892	7,179	3,772	63,826
Other than works, etc. (a)—							
Gross expenditure	1,821	4,314	..	224	236	1,191	7,785
Net expenditure	1,821	4,314	1,500	..	67	1,098	8,799
Repayments . . . . .	..	..	-1,500	224	(b)169	93	-1,014
Total loan expenditure—							
Gross	191,759	148,697	87,503	77,338	60,593	45,993	611,882
Net	171,875	140,010	76,590	65,223	53,244	42,128	549,070
Repayments	19,883	8,687	10,913	12,116	7,348	3,865	62,812

(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 748).

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 1963-64 to 1967-68. 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 1963-64 to 1967-68, 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, 1963-64 TO 1967-68

Year	Expenditure			Receipts		
	Commonwealth	States	Total	Commonwealth	States	Total
	\$'000	\$'000	\$m	\$'000	\$'000	\$m
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	2,095,051	6,080.2
1966-67	5,227,721	2,290,254	6,545.4	5,227,721	2,286,873	6,548.9
1967-68	5,760,480	2,468,603	7,179.5	5,760,480	2,463,357	7,174.2

Taxation collections

The following table shows the combined Commonwealth and State taxation collections and the amount per head of population for the years 1963-64 to 1967-68. Taxation collections by other State authorities are included.

COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS BY TYPE OF TAX, 1963-64 TO 1967-68

	1963-64	1964-65	1965-66	1966-67	1967-68
NET COLLECTIONS (\$'000)					
Income taxes	1,873,259	2,294,566	2,547,791	2,727,855	3,034,539
Estate, gift, probate and succession duties	137,237	140,248	136,750	155,423	181,935
Customs and excise duty	814,961	899,642	1,022,831	1,081,360	1,167,423
Sales tax	325,189	362,857	370,043	380,695	416,626
Payroll tax	136,443	150,078	161,943	172,232	184,416
Land taxes	55,079	62,703	69,495	72,736	76,103
Liquor taxes	23,812	26,211	27,403	31,225	34,299
Lottery(a), poker machines and racing taxes	61,632	69,059	75,285	86,925	97,684
Taxes on ownership and operation of motor vehicles	133,824	150,003	168,913	183,918	201,516
Stamp duties, n.e.i.	93,147	104,493	110,119	125,498	158,563
Licences and registration fees, n.e.i.	4,002	3,828	5,596	5,082	5,808
Other taxes	44,550	55,611	66,398	77,173	87,219
Total	3,703,135	4,319,299	4,762,567	5,100,122	5,646,131
<i>of which</i>					
Commonwealth taxation (including Territories)	3,219,885	3,788,636	4,187,257	4,455,744	4,916,375
State taxation	483,245	530,664	575,310	644,379	729,755

(a) Includes profits of State Lotteries.

**COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS
BY TYPE OF TAX, 1963-64 TO 1967-68—continued**

	1963-64	1964-65	1965-66	1966-67	1967-68
PER HEAD OF POPULATION					
(\$)					
Income taxes	169.38	203.44	221.54	232.98	254.43
Estate, gift, probate and succession duties	12.41	12.43	11.89	13.27	15.25
Customs and excise duty	73.69	79.76	88.94	92.36	97.88
Sales tax	29.40	32.17	32.18	32.51	34.94
Payroll tax	12.34	13.31	14.08	14.71	15.46
Land taxes	4.98	5.56	6.04	6.21	6.38
Liquor taxes	2.15	2.32	2.38	2.67	2.88
Lottery(a), poker machines and racing taxes	5.57	6.12	6.55	7.42	8.19
Taxes on ownership and operation of motor vehicles	12.10	13.30	14.69	15.71	16.90
Stamp duties, n.e.i.	8.42	9.26	9.58	10.72	13.29
Licences and registration fees, n.e.i.	0.36	0.34	0.49	0.43	0.48
Other taxes	4.03	4.93	5.77	6.59	7.31
Total	334.84	382.96	414.11	435.59	473.41
<i>of which—</i>					
Commonwealth taxation (including Territories)	291.15	335.91	364.09	380.55	412.22
State taxation	43.70	47.05	50.02	55.03	61.19

(a) Includes profits of State Lotteries.

**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 752-4, 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 1968 were as follows: £Sterling, 0.46667; United States dollars, 1.1200; Canadian dollars, 1.2108; Swiss francs, 4.8978; Netherlands guilders, 4.0544; 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 1968

	Currency in which repayable							Total— Australian currency equiva- lents(a)
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders	Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw fr '000	f'000	DM '000		$A'000
For Commonwealth purposes	2,674,987	80,442	705,120	39,939	239,704	6,673	178,240	3,600,291
On account of States—								
New South Wales	2,497,749	93,762	72,962	4,093	15,833	9,691	..	2,772,812
Victoria	1,896,160	29,004	37,027	3,294	12,732	7,790	..	1,998,614
Queensland	1,015,768	24,165	26,569	1,652	6,391	3,967	..	1,094,921
South Australia	1,003,470	24,221	20,013	1,751	6,774	3,911	..	1,077,035
Western Australia	723,810	31,299	12,547	1,259	4,863	3,047	..	804,866
Tasmania	546,538	4,191	11,955	957	3,703	2,255	..	568,296
<i>Total, States</i>	<i>7,683,495</i>	<i>206,642</i>	<i>181,073</i>	<i>13,006</i>	<i>50,296</i>	<i>30,661</i>	..	<i>8,316,544</i>
Total, Commonwealth and States—								
Stock and bonds	9,197,887	282,088	323,509	24,607	290,000	37,334	100,000	10,202,265
Treasury bills, internal	685,000	..	..	..	..	..	..	685,000
Treasury notes	273,735	..	..	..	..	..	..	273,735
Treasury bills, public	141,000	..	..	..	..	..	..	141,000
International Bank loans . . . . .	..	..	148,392	26,288	..	..	78,240	171,668
Aircraft loans . . . . .	..	..	155,717	2,050	..	..	..	140,726
Export—Import Bank—								
Other . . . . .	..	..	25,000	..	..	..	..	22,321
Debentures	50,168	..	..	..	..	..	..	50,168
Loans for defence pur- poses . . . . .	..	..	233,575	..	..	..	..	208,549
Balance of securities of States taken over by Commonwealth and still represented by State se- curities . . . . .	..	4,166	..	..	..	..	..	8,927
Other	10,691	(b)830	..	..	..	..	..	12,470
Grand total—								
Currencies in which repayable	10,358,481	287,084	886,193	52,944	290,000	37,334	178,240	..
Australian currency equivalents(a)\$A'000	10,358,481	615,179	791,243	43,727	59,210	9,208	39,786	11,916,836

(a) For rates of exchange to \$A ruling at 30 June 1968 see page 748. (b) State securities issued by the Government of Western Australia to meet the costs of acquisition of the Midland Railway Australia Company of Western Australia Ltd.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES ANNUAL INTEREST PAYABLE, 30 JUNE 1968

	Currency in which payable							Total— Australian currency equiva- lents(a)
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders	Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw fr '000	f'000	DM '000		$A'000
For Commonwealth purposes	96,063	4,255	36,848	1,878	10,537	334	10,999	144,319
On account of States—								
New South Wales	121,072	4,369	3,817	235	712	485	..	134,301
Victoria	92,891	1,439	1,934	189	573	390	..	98,070
Queensland	48,416	978	1,426	95	288	198	..	51,970
South Australia	48,868	881	1,053	101	305	196	..	51,889
Western Australia	35,142	1,079	637	72	219	152	..	38,165
Tasmania	26,673	196	645	55	167	113	..	27,776
<i>Total, States</i>	<i>373,064</i>	<i>8,943</i>	<i>9,512</i>	<i>748</i>	<i>2,263</i>	<i>1,533</i>	..	<i>402,178</i>
Grand total—								
Currencies in which repayable	469,127	13,198	46,360	2,625	12,800	1,867	10,999	..
Australian currency equivalents(a)\$A'000	469,127	28,282	41,393	2,168	2,613	460	2,455	546,497

(a) For rates of exchange to \$A ruling at 30 June 1968 see page 748.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1968—*continued*

	<i>Currency in which payable</i>						<i>Total— Australian currency equiva- lents(a)</i>	
	<i>Australian currency</i>	<i>Sterling</i>	<i>United States dollars</i>	<i>Canadian dollars</i>	<i>Swiss francs</i>	<i>Nether- lands guilders</i>		<i>Deutsche marks</i>
AVERAGE RATE OF INTEREST LIABILITY								
(Per cent)								
For Commonwealth purposes	3.60	5.29	5.23	4.70	4.40	5.00	6.17	4.02
On account of States—								
New South Wales	4.85	4.66	5.23	5.75	4.50	5.00	..	4.84
Victoria	4.90	4.96	5.22	5.75	4.50	5.00	..	4.91
Queensland	4.77	4.05	5.37	5.75	4.50	5.00	..	4.72
South Australia	4.87	3.64	5.26	5.75	4.50	5.00	..	5.15
Western Australia	4.86	3.45	5.08	5.75	4.50	5.00	..	4.74
Tasmania	4.88	4.68	5.40	5.75	4.50	5.00	..	4.89
<i>Total, States</i>	4.86	4.32	5.25	5.75	4.50	5.00	..	4.84
Grand total	4.53	4.60	5.23	4.96	4.41	5.00	6.17	4.59

(a) For rates of exchange to \$A ruling at 30 June 1968 see page 748.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1964 TO 1968

		<i>30 June—</i>				
		<i>1964</i>	<i>1965</i>	<i>1966</i>	<i>1967</i>	<i>1968</i>
For Commonwealth purposes—						
Australian currency	\$A'000	2,568,714	2,512,888	2,520,779	2,531,402	2,674,987
Sterling	£Stg'000	79,393	76,253	73,398	69,262	80,442
United States dollars	\$US'000	351,347	368,641	380,067	516,494	705,120
Canadian dollars	\$Can'000	50,376	49,665	49,191	48,479	39,939
Swiss francs	Sw fr'000	194,288	194,288	194,088	239,711	239,704
Netherlands guilders	f'000	7,150	7,150	7,150	7,150	6,673
Deutsche marks	DM'000	37,901	84,596	84,596	84,596	178,240
<i>Total, Commonwealth—Aus- tralian currency equivalents(a)</i>	\$A'000	3,172,396	3,133,997	3,144,518	3,275,339	3,600,291
On account of States—						
Australian currency	\$A'000	5,749,642	6,182,321	6,613,686	7,145,660	7,683,494
Sterling	£Stg'000	284,795	268,670	255,670	233,880	206,642
United States dollars	\$US'000	220,966	229,884	236,610	194,770	181,073
Canadian dollars	\$Can'000	16,065	15,633	14,690	13,852	13,006
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	30,661
<i>Total, States—Australian cur- rency equivalents(a)</i>	\$A'000	6,690,562	7,090,533	7,494,623	7,934,074	8,316,544
Total, Commonwealth and States—Australian currency equivalents(a)	\$A'000	9,862,958	10,224,530	10,639,141	11,209,413	11,916,836

(a) For rates of exchange to \$A ruling at 30 June 1968 see page 748.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1964 TO 1968**

		30 June—				
		1964	1965	1966	1967	1968
AMOUNT						
For Commonwealth purposes—						
Australian currency	\$A'000	89,405	89,540	91,723	91,848	96,063
Sterling	£Stg'000	3,714	3,608	3,509	3,367	4,255
United States dollars	\$US'000	17,334	18,202	18,955	26,577	36,848
Canadian dollars	\$Can'000	2,327	2,297	2,275	2,244	1,878
Swiss francs	Sw fr'000	7,982	7,982	7,973	10,537	10,537
Netherlands guilders	f'000	357	358	357	357	334
Deutsche marks	DM'000	2,116	4,801	4,801	4,801	10,999
<i>Total, Commonwealth—Australian currency equivalents(a)</i>	\$A'000	<i>118,280</i>	<i>119,498</i>	<i>122,087</i>	<i>129,159</i>	<i>144,319</i>
On account of States—						
Australian currency	\$A'000	255,105	283,118	313,379	344,583	373,064
Sterling	£Stg'000	11,529	11,034	10,632	9,871	8,943
United States dollars	\$US'000	10,889	11,428	11,889	10,231	9,512
Canadian dollars	\$Can'000	924	899	845	796	748
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	1,533
<i>Total, States—Australian currency equivalents(a)</i>	\$A'000	<i>295,278</i>	<i>322,515</i>	<i>352,138</i>	<i>379,921</i>	<i>402,178</i>
Total, Commonwealth and States—Australian currency equivalents(a)	\$A'000	413,558	442,014	474,225	509,080	546,497

AVERAGE RATE OF INTEREST LIABILITY

(Per cent)

For Commonwealth purposes—						
Australian currency		3.48	3.56	3.64	3.63	3.60
Sterling		4.68	4.73	4.78	4.86	5.29
United States dollars		4.93	4.94	4.99	5.15	5.23
Canadian dollars		4.62	4.62	4.63	4.63	4.70
Swiss francs		4.11	4.11	4.11	4.40	4.40
Netherlands guilders		5.00	5.00	5.00	5.00	5.00
Deutsche marks		4.58	5.68	5.68	5.68	6.17
<i>Total, Commonwealth—Australian currency equivalents(a)</i>		<i>3.73</i>	<i>3.82</i>	<i>3.88</i>	<i>3.94</i>	<i>4.02</i>
On account of States—						
Australian currency		4.44	4.58	4.74	4.82	4.86
Sterling		4.05	4.11	4.16	4.22	4.32
United States dollars		4.93	4.97	5.02	5.25	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
<i>Total, States—Australian currency equivalents(a)</i>		<i>4.41</i>	<i>4.55</i>	<i>4.70</i>	<i>4.79</i>	<i>4.84</i>
Total, Commonwealth and States—Australian currency equivalents(a)		4.19	4.33	4.46	4.54	4.59

(a) For rates of exchange to \$A ruling at 30 June 1968 see page 748.

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 1968—AUSTRALIAN CURRENCY**

	<i>Currency in which repayable</i>							<i>Total</i>
	<i>Australian currency</i>	<i>Sterling</i>	<i>United States dollars</i>	<i>Can- adian dollars</i>	<i>Swiss francs</i>	<i>Nether- lands guilders</i>	<i>Deutsche marks</i>	
SECURITIES ON ISSUE								
(\$A'000)								
For Commonwealth pur- poses—								
Treasury Bills, internal	685,000	..	..	..	..	..	..	685,000
Other short-term	414,735	..	..	..	..	..	..	414,735
Other	1,575,252	172,375	629,571	32,986	48,941	1,646	39,786	2,500,557
<i>Total, Commonwealth.</i>	<i>2,674,987</i>	<i>172,375</i>	<i>629,571</i>	<i>32,986</i>	<i>48,941</i>	<i>1,646</i>	<i>39,786</i>	<i>3,600,291</i>
On account of States—								
New South Wales	2,497,749	200,917	65,145	3,380	3,233	2,390	..	2,772,812
Victoria	1,896,160	62,151	33,060	2,721	2,600	1,921	..	1,998,614
Queensland	1,015,768	51,782	23,722	1,364	1,305	978	..	1,094,921
South Australia	1,003,470	51,902	17,869	1,446	1,383	965	..	1,077,035
Western Australia	723,810	67,069	11,203	1,040	993	732	..	804,866
Tasmania	546,538	8,981	10,674	790	756	556	..	568,296
<i>Total, States</i>	<i>7,683,494</i>	<i>442,804</i>	<i>161,672</i>	<i>10,742</i>	<i>10,269</i>	<i>7,562</i>	..	<i>8,316,544</i>
Total, Commonwealth and States—								
Treasury Bills, internal	685,000	..	..	..	..	..	..	685,000
Other short-term	414,735	..	..	..	..	..	..	414,735
Other	9,258,746	615,179	791,243	43,727	59,210	9,208	39,786	10,817,099
Grand total	10,358,481	615,179	791,243	43,727	59,210	9,208	39,786	11,916,836

PER HEAD OF POPULATION

(\$A)

For Commonwealth pur- poses								
	222.34	14.33	52.33	2.74	4.07	0.14	3.31	299.26
On account of States—								
New South Wales	569.95	45.85	14.87	0.77	0.74	0.55	..	632.71
Victoria	570.41	18.70	9.95	0.82	0.78	0.58	..	601.24
Queensland	586.38	29.89	13.69	0.79	0.75	0.56	..	632.07
South Australia	891.81	46.13	15.88	1.29	1.23	0.86	..	957.18
Western Australia	795.91	73.75	12.32	1.14	1.09	0.83	..	885.04
Tasmania	1,430.73	23.51	27.94	2.07	1.98	1.45	..	1,487.68
<i>Total, States</i>	<i>648.09</i>	<i>37.35</i>	<i>13.64</i>	<i>0.91</i>	<i>0.87</i>	<i>0.64</i>	..	<i>701.49</i>
Total Commonwealth and States	860.99	51.13	65.77	3.63	4.92	0.77	3.31	990.53

ANNUAL INTEREST PAYABLE

(\$A'000)

For Commonwealth pur- poses								
	96,063	9,118	32,900	1,551	2,151	82	2,455	144,319
On account of States—								
New South Wales	121,072	9,362	3,408	194	145	120	..	134,301
Victoria	92,891	3,084	1,727	156	117	96	..	98,070
Queensland	48,416	2,096	1,273	78	59	49	..	51,970
South Australia	48,868	1,888	940	83	62	48	..	51,889
Western Australia	35,142	2,312	569	59	45	37	..	38,165
Tasmania	26,673	420	576	45	35	28	..	27,776
<i>Total, States</i>	<i>373,064</i>	<i>19,163</i>	<i>8,493</i>	<i>618</i>	<i>462</i>	<i>378</i>	..	<i>402,178</i>
Total, Commonwealth and States	469,127	28,282	41,393	2,168	2,613	460	2,455	546,497

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1968—AUSTRALIAN CURRENCY—*continued*

	Currency in which repayable—							Total
	Australian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders	Deutsche marks	
ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION (\$A)								
For Commonwealth purposes	7.98	0.76	2.73	0.13	0.18	0.01	0.20	12.00
On account of States—								
New South Wales	27.63	2.14	0.78	0.04	0.03	0.03	..	30.65
Victoria	27.94	0.93	0.52	0.05	0.04	0.03	..	29.50
Queensland	27.95	1.21	0.73	0.05	0.03	0.03	..	30.00
South Australia	43.43	1.68	0.84	0.07	0.05	0.04	..	46.11
Western Australia	38.64	2.54	0.63	0.06	0.05	0.04	..	41.97
Tasmania	69.82	1.10	1.51	0.12	0.09	0.07	..	72.71
<i>Total, States</i>	<i>31.47</i>	<i>1.62</i>	<i>0.72</i>	<i>0.05</i>	<i>0.04</i>	<i>0.03</i>	<i>..</i>	<i>33.92</i>
<i>Total, Commonwealth and States</i>	<i>38.99</i>	<i>2.35</i>	<i>3.44</i>	<i>0.18</i>	<i>0.22</i>	<i>0.04</i>	<i>0.20</i>	<i>45.42</i>

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1964
TO 1968—AUSTRALIAN CURRENCY
(\$A'000)

	30 June—				
	1964	1965	1966	1967	1968
SECURITIES ON ISSUE					
For Commonwealth purposes—					
Treasury Bills, Internal	599,000	632,400	681,500	679,500	685,000
Other short-term	330,570	196,432	195,996	178,452	414,735
Other	2,242,826	2,305,165	2,267,022	2,417,388	2,500,557
<i>Total, Commonwealth</i>	<i>3,172,396</i>	<i>3,133,997</i>	<i>3,144,518</i>	<i>3,275,339</i>	<i>3,600,291</i>
On account of States—					
New South Wales	2,283,382	2,407,364	2,531,928	2,666,905	2,772,812
Victoria	1,577,722	1,679,339	1,781,544	1,893,069	1,998,614
Queensland	862,774	919,706	977,046	1,038,902	1,094,921
South Australia	870,504	919,446	970,473	1,027,080	1,077,035
Western Australia	652,796	691,660	730,700	772,511	804,866
Tasmania	443,384	473,019	502,932	535,606	568,296
<i>Total, States</i>	<i>6,690,562</i>	<i>7,090,533</i>	<i>7,494,623</i>	<i>7,934,074</i>	<i>8,316,544</i>
<i>Total, Commonwealth and States—</i>					
Treasury Bills, internal	599,000	632,400	681,500	679,500	685,000
Other short-term	330,570	196,432	195,996	178,452	414,735
Other	8,933,388	9,395,698	9,761,645	10,351,461	10,817,099
<i>Grand total</i>	<i>9,862,958</i>	<i>10,224,530</i>	<i>10,639,141</i>	<i>11,209,413</i>	<i>11,916,836</i>

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1964
TO 1968—AUSTRALIAN CURRENCY—continued**
(\$'000)

	30 June—				
	1964	1965	1966	1967	1968
ANNUAL INTEREST PAYABLE					
For Commonwealth purposes	118,280	119,498	122,087	129,159	144,319
On account of States—					
New South Wales	101,280	110,250	119,668	128,128	134,301
Victoria	70,890	77,650	85,023	91,936	98,070
Queensland	36,920	40,492	44,493	48,904	51,970
South Australia	38,114	41,534	45,350	48,797	51,889
Western Australia	28,284	30,886	33,617	36,217	38,165
Tasmania	19,790	21,706	23,987	25,941	27,776
<i>Total, States</i>	<i>295,278</i>	<i>322,515</i>	<i>352,138</i>	<i>379,921</i>	<i>402,178</i>
<i>Total, Commonwealth and States</i>	<i>413,558</i>	<i>442,014</i>	<i>474,225</i>	<i>509,080</i>	<i>546,497</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 1968 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 1963 to 30 June 1967 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. In 1967–68 the issue prices of Treasury notes were 99.95 per cent from 1 July to 13 July, 98.95 per cent from 14 July to 23 November, 98.89 per cent from 24 November to 7 March and 98.91 per cent from 8 March to 30 June and yields varied accordingly from 4.256 per cent to 4.502 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 1962–63 to 1966–67 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 1963 TO 1967**

<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 1967—				
New South Wales	2,666,905	576,864	619,480	3,863,249
Victoria	1,893,069	182,465	1,490,357	3,565,891
Queensland	1,038,902	320,099	292,153	1,651,154
South Australia	1,027,080	36,350	137,512	1,200,942
Western Australia	772,511	52,873	91,597	916,981
Tasmania	535,606	51,976	56,381	643,963
Total, 30 June 1967	7,934,074	1,220,627	2,687,480	11,842,181
1966	7,494,623	1,121,852	2,482,096	11,098,571
1965	7,090,533	1,035,864	2,312,824	10,439,222
1964	6,690,562	953,191	2,141,239	9,784,992
1963	6,313,596	872,215	1,965,821	9,151,632

PER HEAD OF POPULATION
(\$A)(b)

30 June 1967—				
New South Wales	619.22	133.94	143.83	896.99
Victoria	578.14	55.72	455.15	1,089.02
Queensland	610.54	188.12	171.69	970.35
South Australia	924.05	32.70	123.72	1,080.47
Western Australia	881.46	60.33	104.52	1,046.30
Tasmania	1,422.97	138.09	149.79	1,710.85
Total, 30 June 1967	681.20	104.80	230.74	1,016.74
1966	654.73	98.00	216.84	969.57
1965	630.53	92.12	205.67	928.32
1964	606.31	86.38	194.04	886.74
1963	583.05	80.55	181.54	845.14

(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 Official Year Book prior to issue No. 54 are due to the transfer of New South Wales County Councils from the semi-governmental division to that of local government authorities (see page 782).

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 1965-66 to 1967-68.

COMMONWEALTH NEW LOANS^(a) RAISED IN AUSTRALIA, 1965-66 TO 1967-68

Month of raising	Amount invited	Amount subscribed	Rate of interest per annum	Year of maturity ended June	Price of issue	Allocation of loan		
						Commonwealth		States
	\$'000	\$'000	Per cent		Per cent	War (1939-45), etc.	Other purposes	\$'000
1965-66—								
August (Loan No. 156)	70,000	39,307	5	1968	100	..	16,490	78,893
		17,404	5	1975	99			
		38,671	5.25	1985	100			
		42,138	5	1968	100			
November (Loan No. 158)	100,000	27,325	5	1976	99	..	85,995	46,796
		63,327	5.25	1988	100			
		85,140	5	1969	100			
February (Loan No. 160)	100,000	10,969	5	1976	99	..	30,118	144,092
		78,101	5.25	1988	100			
		24,464	5	1970	100			
May (Loan No. 161)	75,000	7,933	5	1976	99	..	11,999	50,076
		29,677	5.25	1988	100			
		72,000	5	1970	100			
June (Loan No. 163)(b)	169,000	24,000	5	1976	99	..	40,544	128,456
		73,000	5.25	1988	100			
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	5	1970	100	..	46,950	40,826
		13,531	5	1976	98.75			
		15,111	5.25	1989	100			
		24,068	5.25	2002	100			
October (Loan No. 166)	120,000	106,475	5	1970	100	..	58,679	134,971
		32,868	5	1977	98.8			
		18,168	5.25	1989	100			
		36,139	5.25	2002	100			
February (Loan No. 168)	(c)	38,868	4.5	1970	99.75	..	8,006	195,882
		46,209	5	1977	100			
		43,858	5.25	1989	100			
		74,953	5.25	2002	100			
May (Loan No. 170)	(c)	6,270	4.5	1970	99.75	..	31,009	37,735
		7,754	5	1977	100			
		22,217	5.25	1989	100			
		32,503	5.25	2002	100			
June (Loan No. 172)(b)	(c)	31,000	4.5	1970	99.75	..	9,984	80,016
		17,000	5	1977	100			
		16,000	5.25	1989	100			
July-June	..	26,000	5.25	2002	100	7,127	5,987	16,524
		29,638	4.5-5.25	1974	100			
1967-68—								
July (Loan No. 173)	(c)	8,644	4.5	1971	99.65	..	..	129,354
		28,857	5	1978	100			
		43,188	5.25	1990	100			
		48,665	5.25	2004	100			
October (Loan No. 174)	(c)	12,577	4.5	1971	99.75	..	..	146,624
		54,750	5	1978	100			
		41,782	5.25	1990	100			
		37,516	5.25	2004	100			
February (Loan No. 176)	(c)	51,612	4.8	1971	99.75	..	70,170	54,931
		20,933	5	1978	99.2			
		22,567	5.25	1990	100			
		29,989	5.25	2004	100			
May (Loan No. 178)	(c)	20,791	4.8	1971	99.8	..	50,095	41,204
		15,829	5	1978	99.2			
		27,510	5.25	1990	100			
		27,169	5.25	2004	100			
June (Loan No. 180)(b)	(c)	37,000	4.8	1971	99.8	..	44,041	148,959
		47,000	5	1978	99.2			
		54,000	5.25	1990	100			
		55,000	5.25	2004	100			
July-June	..	24,287	4.4-5.25	1976	100	6,181	2,104	16,002

(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 759). (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 \$193,000,000 raised in June 1968 (Loan No. 180) 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 \$580,000,000 in 1964-65, \$605,000,000 in 1965-66, \$645,000,000 in 1966-67 and \$677,000,000 in 1967-68. The subscription to the special loan in 1967-68 came from the Loan Consolidation and Investment Reserve Trust Account. Loan No. 163 of June 1966 and Loan No. 172 of June 1967 were for the same purpose.

Finance for the approved Loan Council programmes from 1964-65 to 1967-68 was provided from the following sources:

	1964-65	1965-66	1966-67	1967-68
	\$'000	\$'000	\$'000	\$'000
Public loans, domestic raisings, etc.	424,092	413,871	501,133	407,655
Overseas loans and special Commonwealth assistance	155,908	191,129	143,867	269,345
Total	580,000	605,000	645,000	677,000

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 758 there were other miscellaneous loan operations in Australia (see page 759).

London. A loan of £Stg 14,000,000, 7 per cent interest, price of issue 99 per cent, maturing 1982 was raised in 1967-68.

New York. The following table gives details of the loans raised during the period 1965-66 to 1967-68.

COMMONWEALTH NEW LOANS REPAYABLE IN UNITED STATES
DOLLARS, 1965-66 TO 1967-68

Month of raising	Amount of loan	Rate of interest per annum	Price of issue	Year of maturity ended June	Allocation of loan	
					Commonwealth	States
	\$US'000	Per cent	Per cent		\$US'000	\$US'000
1965-66—						
November(c)	25,000	5.75	99.75	1986	5,000	20,000
July-June	5,000	4.5-5.25	100	1973	(a)5,000	..
July-June	18,850	4.5-5.25	100	1974	(a)18,850	..
July-June	4,250	5-5.75	100	1975	(a)4,250	..
July-June	5,400	4.5-5.25	100	1974	(b)5,400	..
July-June	250	5-5.75	100	1974	(b)250	..
1966-67—						
December(c)	25,000	6.5	97.5	1977	25,000	..
June(c)	25,000	6.5	97.5	1982	25,000	..
July-June	18,250	5-5.75	100	1975	(a)18,250	..
July-June	16,000	5-5.75	100	1975	(b)16,000	..
July-June	4,742	4	100	1972	(d)4,742	..
July-June	5,274	5.5	100	1972	(d)5,274	..
July-June	90,972	4.75	100	1974	(d)90,972	..
1967-68—						
October(c)	25,000	6.875	100	1983	25,000	..
July-June	13,500	5-5.75	100	1975	(a)13,500	..
July-June	1,750	5-5.75	100	1975	(b)1,750	..
July-June	4,302	5.5	100	1977	(b)4,302	..
July-June	50,970	6-7	100	1975	(a)50,970	..
July-June	31,526	4	100	1973	(d)31,526	..
July-June	108,369	4.75	100	1975	(d)108,369	..
July-June	8,341	5.5	100	1973	(d)8,341	..

(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 1965-66 to 1967-68 are given in the following table.

COMMONWEALTH CONVERSION AND REDEMPTION LOANS RAISED IN AUSTRALIA, 1965-66 TO 1967-68

Month of raising	Old loan		New loan			Year of maturity ended June	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
1965-66—							
August	158,700	4.25	{ 78,998 24,626 22,779 (a) 304 73,832	{ 5 5 5.25 4.5-5.25 5	{ 100 99 100 100 100	{ 1968 1975 1985 1973 1968	-354
November	{ 95,391 132,238	{ 3.13 4.5	{ 70,144 89,598 (a) 13,152 123,956	{ 5 5.25 4.5-5.25 5	{ 99 100 100 100	{ 1970 1976 1988 1973		3,562
May	{ 199,573 129,287	{ 4. 4.25	{ 74,477 100,748 (a) 627	{ 5 5.25 4.5-5.25	{ 99 100 100	{ 1976 1988 1973	1,761
July-June (special bonds)	87,759	4.5-5.25	87,759	4.5-5.25	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 4.5-5.25 5	{ 100 98.75 100 100 100 100	{ 1970 1976 1986 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 4.5-5.25 4.5	{ 98.8 100 100 100 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 4.5-5.25 4.5	{ 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 4.5-5.25	{ 100 100 100 100	{ 1977 1985 2002 1974		-1,249
July-June (special bonds)	83,231	4.5-5.25	83,231	4.5-5.25	100	1974	..
1967-68—							
July	32,000	3	{ 32,000 105,587 74,847	{ 5.25 4.5 5	{ 100 99.75 100	{ 1989 1971 1978	739
October	272,472	4.5	{ 26,685 13,046 (a) 5,749 72,653	{ 5.25 5.25 4.4-5.2 4.8	{ 100 100 100 99.75	{ 1990 2004 1975 1971		-1,382
February	{ 98,164 142,505	{ 4.75 5	{ 40,294 29,347 5,074 (a) 4,094	{ 5 5.25 5.25 4.6-5.2	{ 99.2 100 100 100	{ 1978 1990 2004 1976	-4,266
May	259,259	5	{ 91,140 40,532 33,222 4,021 (a) 4,925	{ 4.8 5 5.25 5.25 4.6-5.2	{ 99.8 99.2 100 100 100	{ 1971 1978 1990 2004 1976		-4,350
July-June (special bonds)	90,550	4.4-5.25	90,550	4.4-5.25	100	1976	..

(a) Special bonds.

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

New York. Between May 1965 and June 1967 five 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 and of \$US148,236,000 in 1967-68.

International Bank for Reconstruction and Development loans

Drawings from International Bank loans have been made mainly in United States dollars but partly in Canadian dollars, Swiss francs and Deutsche marks. The amount outstanding 30 June 1968 was \$US194,863,000.

Swiss loans

At the 30 June 1968 an amount of 290,000,000 Swiss francs was outstanding on the five Swiss loans. The fifth loan of 50,000,000 Swiss francs was raised in April 1967 at the rate of 5.5 per cent maturing in 1982.

Canadian loans

During 1967-68 an amount of \$Can2,050,000 was raised at par for the Australian National Airlines Commission with an interest rate of 6 to 6.75 per cent maturing in 1974.

Netherlands loan

No loans have been raised in the Netherlands since 1961.

German loan

In October 1967 an amount of D.M.100,000,000 was raised at 99 per cent with an interest rate of 6.5 per cent maturing in 1982.

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 1963-64 to 1967-68.

COMMONWEALTH LOAN TRANSACTIONS: SUMMARY, 1963-64 TO 1967-68

	1963-64	1964-65	1965-66	1966-67	1967-68
New loans(a) raised in—					
Australia \$A'000	582,238	600,120	658,725	673,696	709,665
London \$Stg'000	21,067	..	..	..	14,000
New York(b) \$US'000	32,768	87,269	75,807	185,794	243,759
Switzerland Francs'000	..	..	..	50,000	..
Germany DM'000	..	..	..	..	100,000
Miscellaneous debt in Australia(c) \$A'000	-54	24,184	6,350	29,271	18,880
Net change in short-term debt—					
Australia—Public \$A'000	-68,000	-62,000	-36,000	10,000	51,000
Internal \$A'000	39,400	33,400	49,100	-2,000	5,500
Treasury notes \$A'000	13,494	-72,138	35,564	-27,544	185,283
Loans raised for conversion or redemption of existing securities maturing in—					
Australia \$A'000	455,820	540,645	761,000	618,268	673,766
London \$Stg'000	5,741	..	..	..	..

(a) Includes loans raised for redemption of Treasury bills. (b) Includes proceeds of, \$US27,018,000, \$US23,519,000, \$US17,057,000 and \$US555,000 in 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 1967 and 1968.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATE
MATURING IN AUSTRALIA, BY HOLDER(a), 30 JUNE 1967 AND 1968**

(Source: Reserve Bank of Australia Statistical Bulletin)

Holder	30 June—			
	1967		1968	
	Amount	Proportion of total	Amount	Proportion of total
	\$ million	Per cent	\$ million	Per cent
Reserve Bank of Australia	815	8.4	1,041	10.1
Trading banks	1,200	12.4	1,193	11.5
Savings banks	2,178	22.5	2,250	21.7
Other Banking Institutions	4	..	6	0.1
Life insurance offices	978	10.1	1,087	10.5
Fire, marine and general insurance offices	118	1.2	130	1.3
Other private financial institutions—				
Pension and provident funds	155	1.6	174	1.7
Friendly societies, hospitals and medical funds	20	0.2	25	0.2
Trustee companies	123	1.3	122	1.2
Pastoral finance companies	26	0.3	35	0.3
Money market dealers	464	4.8	494	4.8
Miscellaneous	47	0.5	80	0.8
Government financial institutions—				
Insurance offices and funds	113	1.2	121	1.2
Pension and provident funds	176	1.8	173	1.7
Public trustees	31	0.3	28	0.3
All other(b)	2	..	4	..
Public authorities (excluding finance)—				
Commonwealth Government (including Commonwealth semi-governmental)	1,640	16.9	1,789	17.3
State Government	26	0.3	58	0.6
Local government and State semi-governmental	231	2.4	245	2.4
Companies (excluding finance)	188	1.9	145	1.4
Other holders—				
Marketing boards	4	..	6	0.1
Farmers	97	1.0	87	0.8
Non-profit organisations	51	0.5	52	0.5
All other	991	10.2	1,013	9.8
Total	9,677	100.0	10,358	100.0

(a) Total stock inscribed, bonds in circulation, amounts paid up on outstanding applications, in transit claims and advance applications, Commonwealth Treasury Bills and Treasury Notes, 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 the Act of 1966 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 1963-64 to 1967-68 are as follows.

NATIONAL DEBT SINKING FUND: COMMONWEALTH ACCOUNT, 1963-64 TO 1967-68
(\$'000)

	1963-64	1964-65	1965-66(a)	1966-67	1967-68
Receipts—					
From Consolidated Revenue	57,739	62,171	64,969	21,589	25,421
Loans and advances repaid	8,806	10,318	11,659	12,684	13,77
War Service Homes money repaid	27,131	31,137	31,045	(a)	(a)
Reparation moneys . . . . .	..	..	221	..	..
Interest on investments(b)	12,872	12,040	11,910	9,351	7,665
<i>Total, receipts</i>	<i>106,547</i>	<i>115,666</i>	<i>119,804</i>	<i>43,624</i>	<i>46,859</i>
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	49,311	153,857	81,869	112,435	68,019
London	1,507	7,239	6,565	9,905	5,983
New York	20,334	22,301	26,166	29,852	26,145
Canada	97	69	151	131	122
Netherlands . . . . .	..	..	..	..	118
<i>Total, expenditure</i>	<i>71,249</i>	<i>183,466</i>	<i>114,751</i>	<i>152,324</i>	<i>100,386</i>
Balance at 30 June	365,562	297,761	302,814	194,114	140,587
Face value of securities repurchased and redeemed in—					
Australia	48,881	153,823	82,258	112,784	68,287
London	1,268	6,279	5,711	10,340	6,043
New York	9,330	10,204	12,026	29,875	26,569
Canada	48	34	75	134	135
Netherlands . . . . .	..	..	..	..	118
<i>Total, face value</i>	<i>59,526</i>	<i>170,340</i>	<i>100,070</i>	<i>153,133</i>	<i>101,151</i>

(a) In the years 1966-67 and 1967-68 principal repayments were credited to Consolidated Revenue Fund.
 (b) Includes instalment repayments of loans from International Bank for Reconstruction and Development: 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; 1967-68—face value, \$20.1m, net cost, \$20.2m.

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 1967-68 and for all States during the years 1963-64 to 1967-68 are shown in the following tables.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1967-68
(\$'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	6,826	4,885	2,619	2,673	1,986	1,398	20,387
States	24,199	18,595	9,241	9,445	7,842	4,162	73,486
Interest from States on cancelled securities	32	18	18	9	11	5	93
Special contributions by States	63	25	30	20	6	..	143
Interest on investments, etc.	22	5	-1	9	6	7	48
<i>Total, receipts</i>	<i>31,142</i>	<i>23,528</i>	<i>11,907</i>	<i>12,156</i>	<i>9,851</i>	<i>5,573</i>	<i>94,157</i>
Expenditure (net cost)—							
Securities repurchased and redeemed in—							
Australia	11,021	18,652	8,572	4,332	7,403	588	50,568
London	15,090	2,783	1,558	6,679	1,283	4,423	31,815
New York	4,434	2,410	1,613	1,271	860	743	11,330
Canada	200	160	80	85	60	46	631
Netherlands	172	138	70	69	54	40	543
<i>Total, expenditure</i>	<i>30,916</i>	<i>24,142</i>	<i>11,893</i>	<i>12,436</i>	<i>9,659</i>	<i>5,839</i>	<i>94,886</i>
Balance at 30 June 1968	1,262	46	437	207	408	82	2,440
Face value of securities repurchased and redeemed in—							
Australia	11,030	18,660	8,572	4,333	7,403	588	50,586
London(a)	13,837	2,442	1,360	6,111	1,139	4,065	28,953
New York(a)	2,205	1,196	801	631	425	371	5,629
Canada(a)	110	88	44	47	33	25	348
Netherlands(a)	362	114	92	47	36	27	677
<i>Total, face value</i>	<i>27,543</i>	<i>22,500</i>	<i>10,869</i>	<i>11,169</i>	<i>9,036</i>	<i>5,076</i>	<i>86,193</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, 1963-64 TO 1967-68
(**\$'000**)

	1963-64	1964-65	1965-66	1966-67	1967-68
Receipts—					
Contributions under Financial Agreement—					
Commonwealth	15,691	16,646	17,761	18,951	20,387
States	55,669	60,099	64,385	68,867	73,486
Interest from States on cancelled securities	45	26	106	113	93
Special contributions by States	974	222	222	220	143
Interest on investments, etc.	107	-36	30	-46	48
<i>Total, receipts</i>	<i>72,486</i>	<i>76,958</i>	<i>82,503</i>	<i>88,105</i>	<i>94,157</i>
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	60,791	52,808	60,861	59,451	50,568
London	4,075	14,612	11,685	16,545	31,815
New York	6,228	9,948	11,775	10,441	11,330
Canada	501	358	782	680	631
Netherlands . . . . .	..	..	..	..	543
<i>Total, expenditure</i>	<i>71,594</i>	<i>77,726</i>	<i>85,104</i>	<i>87,118</i>	<i>94,886</i>
Balance at 30 June	5,552	4,783	2,182	3,169	2,440
Face values of securities repurchased and redeemed in—					
Australia	60,806	52,825	60,888	59,496	50,586
London(a)	3,520	12,250	10,002	13,579	28,953
New York(a)	2,862	4,554	5,455	4,925	5,629
Canada(a)	248	178	388	344	348
Netherlands(a) . . . . .	..	..	..	..	677
<i>Total, face value</i>	<i>67,435</i>	<i>69,807</i>	<i>76,733</i>	<i>78,345</i>	<i>86,193</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 laws dealing with the assessment and imposition of Income tax at 30 June 1968 were—*Income Tax Assessment Act 1936-1968, Income Tax Act 1967, Income Tax (Partnerships and Trusts) Act 1967, Income Tax (Non-Resident Dividends) Act 1967*, and the Income Tax Regulations. 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 1936-1968* 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 1954-1968* 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.
- (c) *Diplomatic Privileges and Immunities Act 1967* which provides for the exemption from Income Tax of certain income of diplomatic representatives, their staff and families.

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 1963-64 to 1967-68 net receipts (i.e. tax collected less refunds to taxpayers) from individual taxpayers were \$1,272m; \$1,570m; \$1,731m; \$1,923m and \$2,177m respectively. Of these amounts, instalments from salaries and wages in the respective years accounted for \$792m (62.3 per cent), \$991m (63.8 per cent), \$1,160m (67.0 per cent), \$1,324m (68.8 per cent) and \$1,508m (69.2 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 other 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.

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 in previous years, bad debts, depreciation, annual rates and land taxes, gifts to various institutions (e.g. scientific, charitable, benevolent, etc.), and, subject to certain conditions, one-third of amounts paid as calls to mining, prospecting, oil-prospecting, or afforestation companies operating in Australia. In lieu of the one-third deduction for calls, capital subscribed to companies engaged in exploration or mining for petroleum and certain other minerals in Australia or Papua and New Guinea may, in certain circumstances, be deductible in full.

Special deductions may be allowed for certain expenditure of a capital nature incurred in mining or prospecting operations conducted for the purpose of earning assessable income and in the provision of certain transport facilities necessary for and directly related to those operations. 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, before 1 July 1968, in export market development. Under new provisions, subject to a maximum permissible tax saving, the second deduction will be replaced by a rebate of tax in respect of such expenditure incurred after 30 June 1968.

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 1968-69 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 1968-69 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 up to 1962-63 a taxpayer without dependants was exempt from income tax if income did not exceed \$208. From 1963-64 onwards the exemption was \$416. The effect of the deductions for dependants was to exempt resident taxpayers up to the incomes shown in the examples hereunder.

RESIDENT TAXPAYERS: EFFECTIVE EXEMPTIONS FROM TAX (£)

Income years ended June—	Taxpayer with—		Wife and—			
	No dependants	Wife only	one child	two children	three children	four children
Up to 1963 . . .	208	494	676	806	936	1,066
1964 to 1967 . . .	416	702	884	1,014	1,144	1,274
1968 and 1969 . . .	416	728	936	1,092	1,248	1,404

For the 1968-69 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 taxable income does not exceed \$1,248. If taxable income exceeds \$1,248 but does not exceed \$1,532 the tax cannot exceed nine-twentieths of the excess of taxable income over \$1,248. An aged person who contributes to the maintenance of a spouse is exempt from tax if the combined taxable incomes do not exceed \$2,184. Where the combined taxable incomes exceed \$2,184 the tax payable by the taxpayer (provided his taxable income does not exceed \$3,514) is limited to nine-twentieths of the excess of the combined taxable incomes over \$2,184.

Rates of income tax on individuals

The table on page 767 shows the rates of income tax for income years 1953-54 to 1968-69 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 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 between 1 January 1940 and 31 October 1968 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. The rebate does not apply to interest received from bonds etc., issued on or after 1 November 1968.

INCOME TAX—INDIVIDUALS: GENERAL RATES, 1953-54 TO 1968-69 INCOME YEARS

Total taxable income		1953-54		1954-55 to 1964-65(a)		1965-66 to 1968-69(b)	
Column 1	Column 2	Tax on amount in column 1	Tax on each \$ of balance of income	Tax on amount in column 1	Tax on each \$ of balance of income	Tax on amount in column 1	Tax on each \$ of balance of income
Exceeding	Not exceeding						
\$	\$	\$	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 1968-69.

INCOME TAX ON SPECIFIED INCOMES, 1960-61 TO 1968-69 INCOME YEARS
(\\$)

<i>Income(a)</i> \$	1960-61	1961-62 and 1962-63	1963-64	1964-65	1965-66 and 1966-67	1967-68 and 1968-69
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 1956–57 to 1967–68 are shown in the following table.

RATES OF TAX: COMPANIES, 1956–57 TO 1967–68 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
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
1968	30	40	50	40	45	35	45

(a) Excludes co-operative, non-profit and life insurance for which the rates of tax (in cents per \$) for 1967–68 were as under:

Type of company	Taxable income	
	Up to \$10,000	On remainder
Co-operative	35	45
Non-profit—Friendly societies' dispensaries	35	35
Other	35	45
Mutual life insurance	30	40
Other life insurance—Mutual income	30	40
Other income	40	45

For 1967–68 where the taxable income of a non-profit company did not exceed \$1,386 the amount of tax payable was limited to half the amount by which the taxable income exceeded \$416.

For the income years 1956–57 to 1967–68 the retention allowance (see above) was the proportion of the reduced distributable income shown in the following table.

RETENTION ALLOWANCE: PRIVATE COMPANIES
1956–57 TO 1967–68 INCOME YEARS
(Per cent)

Reduced distributable income(a)	1956–57	1958–59	1962–63
	and 1957–58	to 1961–62	to 1967–68
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

1966-67 income year. The following tables show, for the 1966-67 income year, the number of taxpayers, income, and net income tax assessed for individuals and resident and non-resident companies. For 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 1966-67)

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	42,426	91,642	134,068	68,610	54,278	11,388	65,666	1,431
600- 799	52,917	118,754	171,671	120,308	92,112	19,301	111,413	3,562
800- 999	64,201	132,794	196,995	177,701	135,167	26,101	161,268	7,100
1,000- 1,199	78,793	153,175	231,968	255,339	191,200	37,772	228,972	12,641
1,200- 1,399	86,985	156,808	243,793	316,966	233,275	48,280	281,554	18,526
1,400- 1,599	96,438	175,505	271,943	408,079	304,402	56,621	361,023	27,385
1,600- 1,799	104,587	172,257	276,844	470,567	349,708	64,473	414,181	35,234
1,800- 1,999	125,273	139,031	264,304	502,039	361,860	72,126	433,986	40,321
2,000- 2,199	162,015	107,995	270,010	567,296	398,910	79,696	478,606	47,865
2,200- 2,399	196,811	77,826	274,637	631,695	439,013	81,834	520,848	55,529
2,400- 2,599	224,860	55,865	280,725	701,542	478,813	85,778	564,590	63,381
2,600- 2,799	237,830	38,672	276,502	746,005	506,277	85,991	592,268	70,252
2,800- 2,999	232,537	29,467	262,004	759,095	512,134	87,130	599,265	75,065
3,000- 3,999	839,100	82,998	922,098	3,169,995	2,066,109	401,047	2,467,156	351,613
4,000- 5,999	536,322	55,343	591,665	2,800,488	1,617,290	553,100	2,170,389	394,361
6,000- 7,999	123,002	17,912	140,914	959,918	432,778	330,014	762,792	179,821
8,000- 9,999	43,977	7,513	51,490	456,466	162,696	211,996	374,692	105,428
10,000-19,999	47,800	7,735	55,535	722,575	191,622	425,595	617,217	223,020
20,000-29,999	5,450	845	6,295	148,867	29,840	102,934	132,774	63,229
30,000 and over	2,175	349	2,524	115,410	19,207	83,969	103,176	58,389
Central Office	9,104	6,319	15,423	106,294	23,443	66,735	90,177	30,480
New South Wales	1,216,238	604,871	1,821,109	5,229,066	3,330,284	929,472	4,259,755	678,546
Victoria	926,650	493,630	1,420,280	4,127,921	2,537,607	849,596	3,387,203	555,592
Queensland	450,148	193,823	643,971	1,763,152	973,585	412,711	1,386,295	210,263
South Australia	314,372	150,241	464,613	1,246,829	747,383	261,539	1,008,922	149,709
Western Australia	241,006	109,218	350,224	1,006,632	569,605	247,869	817,474	130,240
Tasmania	103,552	44,052	147,604	402,903	247,599	71,319	318,918	47,582
Northern Territory	11,280	3,628	14,908	52,101	30,890	6,206	37,095	6,196
Australian Capital Territory	31,149	16,704	47,853	164,062	116,298	19,698	135,996	25,547
Total, residents	3,303,499	1,622,486	4,925,985	14,098,961	8,576,693	2,865,144	11,441,836	1,834,154
Total, non-residents	734	353	1,087	4,126	1,374	2,369	3,743	1,179
Total, residents and non-residents	3,304,233	1,622,839	4,927,072	14,103,087	8,578,066	2,867,513	11,445,578	1,835,333

(a) Assessments in respect of 1966-67 incomes issued to 30 September 1968. 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		
	Com- panies	Actual income (a)	Taxable income (b)	Net tax assessed (c)	Com- panies	Taxable income (b)(d)	Loss
INCOME DERIVED IN THE YEAR 1965-66							
Loss for year	No.	\$'000	\$'000	\$'000	No.	\$'000	\$'000
Nil					28,407		(e) 193,680
1- 1,999	22,377	23,232	15,259	4,108	13,281		
2,000- 9,999	27,102	160,971	147,525	38,567	3,053	2,209	36,885
10,000- 19,999	11,267	168,911	156,001	45,061	3,429	16,930	70,660
20,000- 39,999	5,940	174,230	165,264	52,463	1,004	14,047	33,362
40,000- 99,999	3,833	250,883	235,281	78,636	498	13,816	24,061
100,000- 199,999	1,414	214,046	197,506	66,727	290	17,639	8,711
200,000- 399,999	756	223,500	209,779	69,192	111	16,019	2,410
400,000- 999,999	523	337,080	317,588	101,728	44	12,207	1,146
1,000,000-1,999,999	153	221,602	205,024	63,002	45	25,484	8,608
2,000,000 and over	150	1,174,522	858,815	267,441	15	19,688	
					4	21,764	
Central Office	3,593	1,446,922	1,082,520	350,853			(f)
New South Wales	29,425	587,616	556,909	170,136	1,456	35,107	36,885
Victoria	20,803	438,735	417,157	123,174	19,898	42,407	70,660
Queensland	6,536	156,490	147,420	50,790	13,914	34,683	33,362
South Australia	6,778	124,777	118,565	37,090	4,742	7,996	24,061
Western Australia	3,068	94,791	90,352	31,538	4,775	11,112	8,711
Tasmania	1,445	34,569	33,123	10,337	2,025	2,702	7,836
Northern Territory	261	5,895	4,978	1,597	950	1,235	2,410
Australian Capital Territory	1,606	59,182	57,018	11,411	170	124	1,146
Total	73,515	2,948,978	2,508,042	786,925	50,181	159,802	193,680

INCOME DERIVED IN THE YEAR 1966-67

Loss for year					29,362		(e) 219,700
Nil					15,780		
1- 1,999	23,333	32,041	15,972	4,313	3,425	2,577	
2,000- 9,999	28,611	169,318	155,849	40,961	3,774	19,004	69,953
10,000- 19,999	12,070	174,697	166,761	48,306	1,078	14,911	37,109
20,000- 39,999	6,316	185,251	175,815	55,278	503	13,812	19,174
40,000- 99,999	4,108	266,972	252,261	84,062	329	20,135	12,316
100,000- 199,999	1,476	220,448	205,729	69,563	118	16,235	14,085
200,000- 399,999	854	248,268	235,196	80,280	57	15,508	2,669
400,000- 999,999	529	351,145	327,798	106,197	32	20,587	1,274
1,000,000-1,999,999	166	238,399	226,191	67,283	5	6,395	10,879
2,000,000 and over	167	1,238,319	889,605	276,340	5	18,392	
Central Office	3,727	1,492,182	1,099,361	352,748			(f)
New South Wales	31,302	622,448	593,200	183,576	1,547	27,064	52,240
Victoria	21,595	492,201	469,170	139,696	21,655	40,706	69,953
Queensland	7,139	170,925	163,167	56,033	14,583	33,136	37,109
South Australia	6,839	125,488	120,145	38,368	5,358	7,002	19,174
Western Australia	3,419	112,103	101,735	35,242	5,432	11,619	12,316
Tasmania	1,539	37,087	35,454	11,046	2,272	2,918	14,085
Northern Territory	332	7,624	6,611	2,132	1,022	1,399	2,669
Australian Capital Territory	1,738	64,797	62,335	13,741	183	183	1,274
Total	77,630	3,124,855	2,651,178	832,582	54,468	147,554	219,700

(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 1963-64 to 1966-67)

Grade of actual income(a) (\$)	Income year							
	1963-64		1964-65		1965-66		1966-67	
	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
417- 599	138,394	1,231	137,122	1,296	141,676	1,589	134,068	1,431
600- 799	199,007	3,843	190,233	3,872	182,683	3,847	171,671	3,562
800- 999	227,856	7,619	221,616	7,878	214,957	7,826	196,995	7,100
1,000- 1,199	247,499	12,438	247,883	13,242	245,847	13,440	231,968	12,641
1,200- 1,399	275,192	19,435	259,250	19,403	259,366	19,810	243,793	18,526
1,400- 1,599	281,919	25,676	278,864	27,264	280,021	28,135	271,943	27,385
1,600- 1,799	276,321	30,431	266,670	32,210	272,872	34,171	276,844	35,234
1,800- 1,999	298,924	37,889	270,858	38,126	262,280	38,824	264,304	40,321
2,000- 2,199	325,933	47,038	291,532	47,004	280,326	47,834	270,010	47,865
2,200- 2,399	317,493	52,253	293,571	53,046	284,991	55,588	274,637	55,529
2,400- 2,599	290,118	54,852	290,225	59,929	288,127	63,715	280,725	63,381
2,600- 2,799	260,853	55,391	275,392	64,662	284,841	70,434	276,502	70,252
2,800- 2,999	215,722	51,851	248,244	65,743	260,131	72,227	262,004	75,065
3,000- 3,999	604,971	198,324	765,272	273,694	831,852	309,965	922,098	351,613
4,000- 5,999	321,603	195,496	403,473	260,996	473,003	314,647	591,665	394,361
6,000- 7,999	88,638	104,323	99,934	126,301	111,480	143,944	140,914	179,821
8,000- 9,999	37,764	70,930	40,478	82,261	42,430	88,221	51,490	105,428
10,000-19,999	43,394	165,453	43,479	174,880	46,226	191,563	55,535	223,020
20,000-29,999	5,174	48,617	4,894	48,492	5,302	53,912	6,295	63,229
30,000-59,999	1,933	34,220	1,750	32,937	1,892	35,784	2,198	41,525
60,000-99,999	220	7,869	200	7,541	189	7,836	248	9,885
100,000 and over	78	5,916	71	5,955	60	4,941	78	6,979
Total	4,459,006	1,231,097	4,631,011	1,446,732	4,770,552	1,608,256	4,925,985	1,834,154

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

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 1963-64 to 1967-68.

INCOME TAXES COLLECTED, 1963-64 TO 1967-68

Source of income tax	Collection year				
	1963-64	1964-65	1965-66	1966-67	1967-68
AMOUNTS COLLECTED (\$'000)					
Individuals—					
Instalments—salaries and wages	792,242	990,600	1,160,369	1,323,537	1,507,456
Direct cash payments	479,916	579,762	570,799	598,509	669,091
Companies	586,260	709,044	801,105	784,544	836,664
Superannuation funds	130	162	175	534	858
Withholding tax—Dividend	15,936	16,039	17,247	22,708	21,716
Interest	..	..	..	..	910
Total	1,874,484	2,295,607	2,549,695	2,729,832	3,036,695

INCOME TAXES COLLECTED, 1963-64 TO 1967-68—*continued*

Source of income tax	Collection year				
	1963-64	1964-65	1965-66	1966-67	1967-68
PERCENTAGES					
Individuals—					
Instalments—salaries and wages	42.26	43.15	45.51	48.48	49.64
Direct cash payments	25.60	25.26	22.38	21.93	22.03
Companies	31.28	30.89	31.42	28.74	27.55
Superannuation funds	0.01	0.01	0.01	0.02	0.03
Withholding tax—Dividend	0.85	0.70	0.68	0.83	0.72
Interest . . . . .	..	..	..	..	0.03
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, 1962-63 TO 1966-67
(\$'000)

Tax	Income year—				
	1962-63	1963-64	1964-65	1965-66	1966-67
Individuals	1,056,060	1,232,442	1,447,886	1,608,952	1,835,333
Companies—					
Primary tax	599,972	715,938	787,099	786,925	832,582
Additional tax on undistributed income of private companies	1,532	1,609	2,260	2,618	2,934
Total	1,657,564	1,949,989	2,237,245	2,398,495	2,670,849

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 1963-64 to 1967-68 were: 1963-64, \$242,422,000; 1964-65, \$264,366,000; 1965-66, \$305,830,000; 1966-67, \$353,194,000 and 1967-68, \$398,371,000.

