

## CHAPTER 18

### 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 (pages 576–82). The subject of income taxes is also dealt with in a separate division at the end of this chapter (pages 586–95).

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 bulletin *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 548–54 of this issue a summary is given of the present provisions for Commonwealth financial assistance to the States.

The *Audit Act* 1901–1969 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 Budget

The Commonwealth Budget results include transactions of 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 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 Commonwealth Budget results for 1968-69 and the four preceding years is given in the table which follows. The transactions are recorded on a cash basis.

#### COMMONWEALTH BUDGET: SUMMARY OF TRANSACTIONS 1964-65 TO 1968-69 (\$ million)

|  | 1964-65 | 1965-66 | 1966-67 | 1967-68 | 1968-69 |
|--|---------|---------|---------|---------|---------|
| Expenditure(a)   | 4,448   | 4,969   | 5,525   | 6,099   | 6,514   |
| Receipts(a)  | 4,266   | 4,714   | 4,973   | 5,456   | 6,129   |
| Deficit  | 183     | 255     | 552     | 642     | 385     |
| Financing—   |         |         |         |         |         |
| United States Defence Credit (net)   | ..      | ..      | 91      | 118     | 55      |
| Other overseas borrowings  | -14     | -23     | -62     | 14      | 88      |
| Issue of securities in Australia—  |         |         |         |         |         |
| Net loan proceeds(b)   | 252     | 298     | 408     | 297     | 381     |
| Net change in Treasury notes on issue  | -72     | 36      | -26     | 184     | -68     |
| Borrowings from the Reserve Bank   | 38      | -36     | 165     | 51      | -127    |
| Total securities issued in Australia   | 218     | 298     | 546     | 532     | 186     |
| Funds provided for International Monetary Fund drawings of Australian currency | -22     | -40     | -27     | -59     | -5      |
| Use of Cash Balances   | -4      | ..      | -1      | ..      | ..      |
| Other financing transactions in Australia(c)                                   | 4       | 21      | 5       | 37      | 62      |
| Deficit  | 183     | 255     | 552     | 642     | 385     |

(a) Comparisons between the figures for the years 1966-67 to 1968-69 and those for 1964-65 and 1965-66 are affected by accounting changes. (b) Includes State domestic raisings. (c) Includes funds obtained from coinage and bullion transactions, amounts borrowed by Commonwealth trust accounts, net amounts available from Commonwealth trust account transactions in Commonwealth Government securities, amounts available from moneys held in trust, etc.

Minus sign (-) denotes decrease.

#### All Commonwealth funds: summary of receipts and expenditure

The following table represents a reclassification of Commonwealth Government receipts and outlay 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 1968-69*. However, an important conceptual difference in this table is that no adjustment is made for the difference between deliveries of, and payments for, major items of defence equipment from overseas. Advances to semi-governmental authorities are included in 'Other advances'. The table differs from that shown in Statement No. 6 attached to the Budget Speech in that the transactions of the post office are included on a commercial basis, whilst borrowing and the corresponding advances in respect of State works programmes are excluded. The treatment of certain other advances and repayments also varies slightly in this table. They are all classified on the outlay side whereas in the Budget table some are included in the deficit.

ALL COMMONWEALTH FUNDS: RECEIPTS AND EXPENDITURE, 1964-65 TO 1968-69  
(\$ million)

|  | 1964-65      | 1965-66      | 1966-67      | 1967-68      | 1968-69      |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>EXPENDITURE</b>                                     |              |              |              |              |              |
| Current expenditure on goods and services . . . . .    | 977          | 1,146        | 1,402        | 1,630        | 1,766        |
| Capital expenditure on new assets and stocks . . . . . | 264          | 301          | 334          | 382          | 435          |
| Purchases of existing assets . . . . .                 | 4            | 5            | 5            | 9            | 15           |
| Subsidies . . . . .                                    | 74           | 114          | 128          | 133          | 205          |
| Interest . . . . .                                     | 82           | 75           | 74           | 89           | 84           |
| Cash benefits to persons . . . . .                     | 1,078        | 1,154        | 1,243        | 1,292        | 1,405        |
| Grants for private capital purposes . . . . .          | 26           | 47           | 45           | (a) 57       | 31           |
| Overseas grants and contributions . . . . .            | 107          | 127          | 151          | 154          | 159          |
| Grants to States . . . . .                             | 958          | 1,076        | 1,183        | 1,312        | 1,419        |
| Grants to semi-governmental authorities . . . . .      | 94           | 105          | 119          | 125          | 136          |
| Advances to States . . . . .                           | 142          | 173          | 167          | 200          | 177          |
| Other advances . . . . .                               | 193          | 200          | 182          | 225          | 116          |
| <b>Total expenditure . . . . .</b>                     | <b>3,998</b> | <b>4,522</b> | <b>5,034</b> | <b>5,607</b> | <b>5,948</b> |
| <b>RECEIPTS</b>  |              |              |              |              |              |
| Taxation . . . . .                                     | 3,788        | 4,187        | 4,456        | 4,917        | 5,489        |
| Interest, rent and dividends . . . . .                 | 104          | 117          | 127          | 111          | 129          |
| Net revenue of business undertakings . . . . .         | 96           | 101          | 89           | 110          | 144          |
| Fees and charges for goods and services . . . . .      | 55           | 63           | 63           | 65           | 87           |
| Sales of existing assets . . . . .                     | 17           | 13           | 8            | 11           | 16           |
| Repayments of advances to States . . . . .             | 22           | 28           | 31           | 31           | 67           |
| Repayments of other advances . . . . .                 | 37           | 36           | 40           | 46           | 51           |
| Net borrowing . . . . .                                | -71          | -34          | 137          | 347          | -92          |
| Reduction in—  |              |              |              |              |              |
| Cash balances . . . . .                                | -6           | 2            | -13          | 15           | ..           |
| Security holdings . . . . .                            | -121         | -85          | 9            | -140         | -155         |
| Other net receipts . . . . .                           | 77           | 93           | 87           | 94           | 212          |
| <b>Total receipts . . . . .</b>                        | <b>3,998</b> | <b>4,522</b> | <b>5,034</b> | <b>5,607</b> | <b>5,948</b> |

(a) Includes \$21,000,000 devaluation compensation paid to marketing authorities.  
Minus sign (—) denotes decrease.

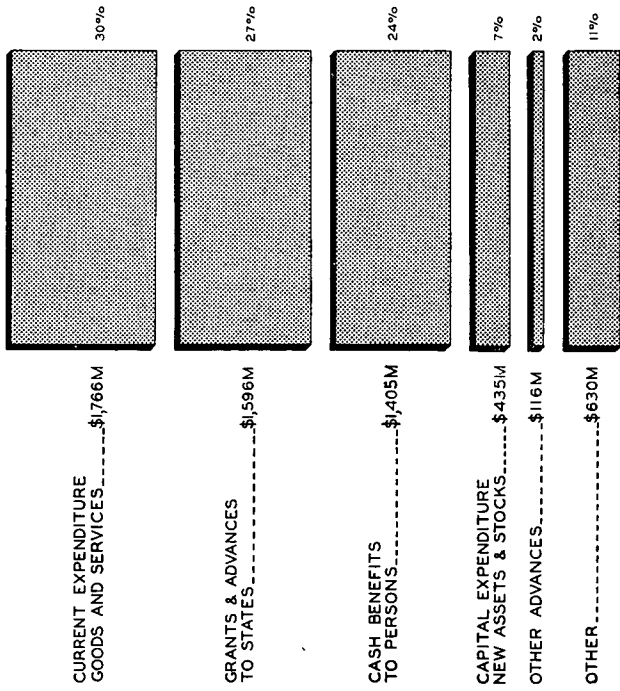
**All Commonwealth funds: expenditure, economic type and function**

In the following two tables particulars of expenditure for 1968-69 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. Resulting totals have been classified by economic type and by function for 1968-69 in the table on page 541 and by function only for the years 1964-65 to 1968-69 in the table on page 542.

# ALL COMMONWEALTH FUNDS

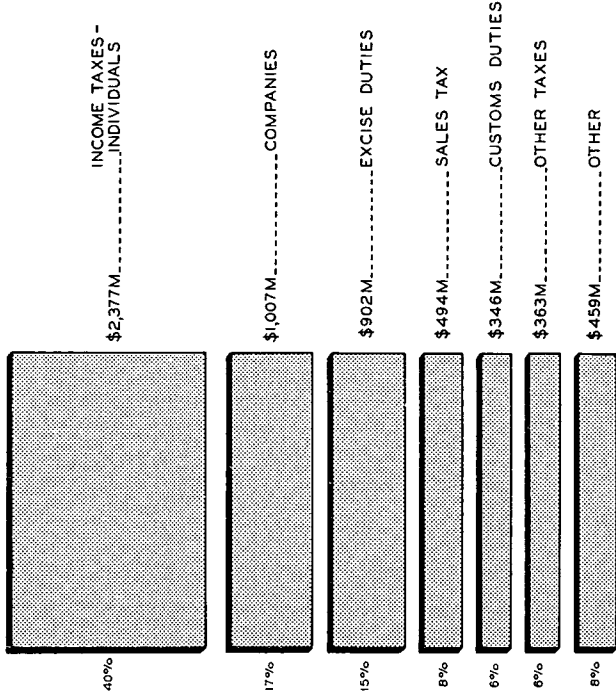
1968-69

## EXPENDITURE



TOTAL EXPENDITURE - \$5,948 MILLION

## RECEIPTS



TOTAL RECEIPTS - \$5,948 MILLION

## ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY ECONOMIC TYPE AND FUNCTION, 1968-69

(\$ 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>Current grants to semi-government authorities</i> | <i>Grants for private capital purposes</i> | <i>Total</i> |
|---|--|----------------------|------------------|-------------------------|-------------------------|--|--|--------------|
| Law, order and public safety . . . . .                        | 13                                       | ..                   | ..               | ..                      | ..                      | ..   | ..   | 13           |
| Education . . . . .   | 15                                       | 33                   | ..               | 1                       | 53                      | 19   | 1  | 121          |
| Cultural and recreational facilities . . . . .                | 9  | ..                   | ..               | 1                       | ..                      | ..   | ..   | 10           |
| Public health . . . . .                                       | 29                                       | 292                  | ..               | 1                       | ..                      | ..   | ..   | 323          |
| Welfare . . . . .   | 24                                       | 855                  | ..               | ..                      | ..                      | ..   | 10   | 890          |
| War and defence . . . . .                                     | 1,077                                    | ..                   | ..               | 16                      | ..                      | ..   | ..   | 1,093        |
| Repatriation . . . . .  | 78                                       | 219                  | ..               | ..                      | ..                      | ..   | 6  | 303          |
| Development of resources and assistance to industry . . . . . | 115                                      | ..                   | 183              | ..                      | 16                      | 44   | ..   | 359          |
| Transport and communication . . . . .                         | 36                                       | ..                   | 2                | 6                       | ..                      | ..   | ..   | 44           |
| Legislature and general administration . . . . .              | 161                                      | ..                   | ..               | 1                       | ..                      | 1  | ..   | 164          |
| External affairs . . . . .                                    | 25                                       | ..                   | ..               | 44                      | ..                      | ..   | ..   | 69           |
| Immigration . . . . .   | 53                                       | 5                    | ..               | 1                       | ..                      | ..   | ..   | 59           |
| Regulation of trade and industry . . . . .                    | 12                                       | 1                    | 19               | ..                      | ..                      | 15   | ..   | 47           |
| Housing . . . . .   | 5  | ..                   | ..               | ..                      | ..                      | ..   | 13   | 18           |
| Other . . . . .   | 3  | ..                   | ..               | 88                      | ..                      | 2  | 1  | 93           |
| Not allocated to function . . . . .                           | 23                                       | ..                   | ..               | ..                      | 1,086                   | ..   | ..   | 1,109        |
| <b>Total net current expenditure . . . . .</b>                | <b>1,679</b>                             | <b>1,405</b>         | <b>205</b>       | <b>159</b>              | <b>1,155</b>            | <b>81</b>  | <b>31</b>                                  | <b>4,715</b> |

## NET CAPITAL EXPENDITURE

|   | <i>Expenditure on new assets and stocks</i> | <i>Net purchases of existing assets</i> | <i>Grants to States</i> | <i>Capital grants to semi-government authorities</i> | <i>Net advances to States</i> | <i>Other net advances</i> | <i>Total</i> |
|---|---|---|-------------------------|--|-------------------------------|---------------------------|--------------|
| Education . . . . .   | 3   | ..                                      | 55                      | 10   | ..                            | ..                        | 68           |
| Cultural and recreational facilities . . . . .                | 7   | ..                                      | ..                      | ..   | ..                            | ..                        | 8            |
| Public health . . . . .                                       | 2   | ..                                      | 6                       | ..   | ..                            | ..                        | 8            |
| War and defence . . . . .                                     | ..  | 6                                       | ..                      | ..   | ..                            | ..                        | 6            |
| Development of resources and assistance to industry . . . . . | 10  | ..                                      | 12                      | 9  | 3                             | -1                        | 33           |
| Transport and communication—                                  |   |   |                         |  |                               |                           |              |
| Post office . . . . .   | 301   | ..                                      | ..                      | ..   | ..                            | ..                        | 301          |
| Civil aviation . . . . .                                      | 37  | 2                                       | ..                      | ..   | ..                            | -12                       | 26           |
| Roads . . . . .   | 9   | ..                                      | 176                     | 13   | -1                            | ..                        | 198          |
| Other . . . . .   | 15  | 1                                       | 11                      | ..   | 16                            | 4                         | 47           |
| Power, fuel and light . . . . .                               | ..  | ..                                      | ..                      | ..   | 3                             | 31                        | 34           |
| Housing . . . . .   | 8   | -15                                     | ..                      | 8  | 119                           | 25                        | 145          |
| Other . . . . .   | 37  | 6                                       | 4                       | 15   | ..                            | 4                         | 65           |
| Not allocated to function . . . . .                           | 6   | ..                                      | ..                      | ..   | -31                           | 15                        | -11          |
| <b>Total net capital outlay . . . . .</b>                     | <b>435</b>                                  | <b>-1</b>                               | <b>264</b>              | <b>55</b>  | <b>110</b>                    | <b>65</b>                 | <b>928</b>   |

The following table shows net expenditure from all Commonwealth funds for the years 1964-65 to 1968-69, classified according to function and irrespective of economic type.

**ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY FUNCTION**  
**1964-65 TO 1968-69**  
(\$ million)

|   | 1964-65      | 1965-66      | 1966-67      | 1967-68      | 1968-69      |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>NET CURRENT EXPENDITURE</b>                                |              |              |              |              |              |
| Law, order and public safety . . . . .                        | 6            | 7            | 9            | 12           | 13           |
| Education . . . . .   | 64           | 75           | 91           | 107          | 121          |
| Cultural and recreational facilities . . . . .                | 5            | 5            | 7            | 8            | 10           |
| Public health . . . . .                                       | 220          | 250          | 271          | 291          | 323          |
| Welfare . . . . .   | 696          | 721          | 797          | 826          | 890          |
| War and defence . . . . .                                     | 568          | 707          | 911          | 1,066        | 1,093        |
| Repatriation . . . . .  | 240          | 268          | 267          | 277          | 303          |
| Development of resources and assistance to industry . . . . . | 176          | 228          | 263          | 300          | 359          |
| Transport and communication . . . . .                         | 32           | 33           | 38           | 40           | 44           |
| Legislature and general administration . . . . .              | 102          | 116          | 144          | 155          | 164          |
| External affairs . . . . .                                    | 41           | 46           | 51           | 61           | 69           |
| Immigration . . . . .   | 36           | 38           | 41           | 44           | 59           |
| Regulation of trade and industry . . . . .                    | 18           | 28           | 35           | 43           | 47           |
| Housing . . . . .   | 15           | 18           | 17           | 18           | 18           |
| Other . . . . .   | 64           | 85           | 87           | 84           | 93           |
| Not allocated to function . . . . .                           | 781          | 855          | 912          | 1,007        | 1,109        |
| <b>Total net current expenditure . . . . .</b>                | <b>3,063</b> | <b>3,480</b> | <b>3,941</b> | <b>4,340</b> | <b>4,715</b> |
| <b>NET CAPITAL EXPENDITURE</b>                                |              |              |              |              |              |
| Education . . . . .   | 42           | 43           | 51           | 66           | 68           |
| Cultural and recreational facilities . . . . .                | 12           | 11           | 11           | 11           | 8            |
| Public health . . . . .                                       | 7            | 9            | 8            | 8            | 8            |
| War and defence . . . . .                                     | 1            | 4            | 2            | 2            | 6            |
| Development of resources and assistance to industry . . . . . | 18           | 28           | 32           | 64           | 33           |
| Transport and communication—                                  |              |              |              |              |              |
| Post office . . . . .   | 187          | 215          | 235          | 267          | 301          |
| Civil aviation . . . . .                                      | 42           | 42           | 47           | 81           | 26           |
| Roads . . . . .   | 147          | 162          | 170          | 183          | 198          |
| Other . . . . .   | 31           | 43           | 39           | 49           | 47           |
| Power, fuel and light . . . . .                               | 45           | 42           | 47           | 46           | 34           |
| Housing . . . . .   | 152          | 163          | 155          | 143          | 145          |
| Other . . . . .   | 21           | 29           | 44           | 44           | 65           |
| Not allocated to function . . . . .                           | 39           | 52           | 36           | 73           | -11          |
| <b>Total net capital expenditure . . . . .</b>                | <b>744</b>   | <b>842</b>   | <b>876</b>   | <b>1,037</b> | <b>928</b>   |

**Main components of all Commonwealth funds expenditure**

The tables on pages 543-51 supply details of some of the main components of total expenditure of the Commonwealth Government.

**Net expenditure on goods and services**

The following table classifies by function net expenditures on goods and services derivable from the table on page 539 together with identified final expenditures on goods and services included in that table under 'grants to semi-government authorities'. It includes the Commonwealth Government component of Tables 66 and 75 in the Australian National Accounts together with net expenditure on stocks.

**ALL COMMONWEALTH FUNDS: NET EXPENDITURE ON GOODS AND SERVICES  
BY FUNCTION, 1964-65 TO 1968-69  
(\$ million)**

|  | 1964-65    | 1965-66      | 1966-67      | 1967-68      | 1968-69      |
|--|------------|--------------|--------------|--------------|--------------|
| <b>NET CURRENT EXPENDITURE</b>                                   |            |              |              |              |              |
| Law, order and public safety . . . . .                           | 6          | 7            | 9            | 12           | 13           |
| Education . . . . .  | 19         | 21           | 24           | 29           | 34           |
| Cultural and recreational facilities . . . . .                   | 5          | 5            | 7            | 7            | 9            |
| Public health . . . . .  | 16         | 20           | 24           | 26           | 29           |
| Welfare . . . . .  | 15         | 14           | 17           | 21           | 24           |
| War and defence . . . . .  | 558        | 684          | 876          | 1,040        | 1,077        |
| Repatriation . . . . .   | 56         | 62           | 68           | 73           | 78           |
| Development of resources and assistance to<br>industry . . . . . | 95         | 106          | 115          | 124          | 146          |
| Transport and communication . . . . .                            | 27         | 25           | 30           | 34           | 36           |
| Legislature and general administration . . . . .                 | 98         | 111          | 139          | 153          | 163          |
| External affairs . . . . .                                       | 15         | 17           | 18           | 23           | 25           |
| Immigration . . . . .  | 33         | 33           | 35           | 38           | 53           |
| Regulation of trade and industry . . . . .                       | 9          | 9            | 9            | 13           | 15           |
| Housing . . . . .  | 4          | 4            | 5            | 5            | 5            |
| Other . . . . .  | 4          | 3            | ..           | ..           | 4            |
| Not allocated to function . . . . .                              | 5          | 10           | 11           | 17           | 23           |
| <b>Total net current expenditure . . . . .</b>                   | <b>964</b> | <b>1,132</b> | <b>1,388</b> | <b>1,615</b> | <b>1,736</b> |
| <b>NET CAPITAL EXPENDITURE—NEW ASSETS AND STOCKS</b>             |            |              |              |              |              |
| Education . . . . .  | 9          | 9            | 11           | 12           | 13           |
| Cultural and recreational facilities . . . . .                   | 12         | 10           | 9            | 12           | 7            |
| Public health . . . . .  | 3          | 3            | 2            | 3            | 3            |
| Development of resources and assistance to<br>industry . . . . . | 13         | 12           | 22           | 22           | 19           |
| Transport and communication—<br>Post office . . . . .            | 186        | 214          | 234          | 265          | 301          |
| Civil aviation . . . . .   | 16         | 22           | 28           | 29           | 37           |
| Roads . . . . .  | 9          | 14           | 12           | 18           | 22           |
| Other . . . . .  | 8          | 12           | 13           | 15           | 15           |
| Housing . . . . .  | 9          | 13           | 12           | 14           | 15           |
| Other . . . . .  | 23         | 24           | 36           | 42           | 52           |
| Not allocated to function . . . . .                              | 14         | 10           | 5            | 3            | 6            |
| <b>Total net capital expenditure . . . . .</b>                   | <b>302</b> | <b>342</b>   | <b>383</b>   | <b>435</b>   | <b>490</b>   |

In addition to showing departmental components of total net current expenditure on war and defence during the years 1964-65 to 1968-69, the following table also includes annual totals of other expenditures on war and defence classified to overseas grants and contributions and to net purchases of existing assets. Details of the expenditure on war and defence shown in the following table cover expenditure from all funds (including U.S. Defence Credit) by the services and associated departments including costs of maintaining forces in overseas posts.

**ALL COMMONWEALTH FUNDS: EXPENDITURE ON WAR AND DEFENCE**  
(\$'000)

|  | 1964-65        | 1965-66        | 1966-67        | 1967-68        | 1968-69        |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Net Current Expenditure—</b>  |                |                |                |                |                |
| <b>Department of Defence—</b>  |                |                |                |                |                |
| Administrative and general expenses . . . . .                                | 4,022          | 5,053          | 6,395          | 7,816          | 8,017          |
| Recruiting campaign . . . . .  | 1,690          | 1,646          | 1,556          | 1,600          | 1,611          |
| Buildings, works, etc. . . . .   | 285            | 181            | 931            | 1,507          | 1,797          |
| Plant and equipment . . . . .  | 161            | 1,890          | 906            | 253            | 1,065          |
| Defence Aid for Malaysia and Singapore . . . . .                             | 3,376          | 5,034          | 8,036          | 6,096          | 6,243          |
| S.E.A.T.O. Military Planning Office—Con-<br>tribution towards cost . . . . . | 24             | 18             | 18             | 22             | 24             |
| Maintenance and rent . . . . .   | 117            | 202            | 238            | 198            | 313            |
|  | 9,675          | 14,024         | 18,080         | 17,492         | 19,071         |
| <i>Less Receipts</i> . . . . .   | ..             | ..             | ..             | ..             | 74             |
| <b>Total</b> . . . . .   | <b>9,675</b>   | <b>14,024</b>  | <b>18,080</b>  | <b>17,492</b>  | <b>18,997</b>  |
| <b>Department of the Navy—</b>   |                |                |                |                |                |
| Naval forces—Pay, administrative and gen-<br>eral expenses . . . . .         | 60,431         | 68,027         | 79,346         | 87,285         | 99,882         |
| Naval construction and additions to the fleet                                | 35,967         | 44,918         | 52,616         | 53,127         | 47,250         |
| General stores . . . . .   | 20,942         | 29,264         | 37,527         | 40,772         | 52,447         |
| <b>Ships, aircraft, etc.—</b>  |                |                |                |                |                |
| Purchase and manufacture . . . . .   | 1,308          | 6,886          | 7,210          | 8,668          | 4,794          |
| Repairs and maintenance . . . . .  | 7,315          | 8,608          | 10,867         | 20,050         | 10,485         |
| Buildings, works, etc. . . . .   | 3,908          | 6,930          | 7,211          | 6,833          | 6,522          |
| Machinery and plant for dockyards and<br>establishments . . . . .            | 1,013          | 1,326          | 2,108          | 1,900          | 2,577          |
| Defence research and development . . . . .                                   | 1,395          | 263            | 348            | 329            | 240            |
| Maintenance and rent . . . . .   | 2,631          | 3,159          | 3,692          | 3,705          | 4,793          |
| Retirement benefits . . . . .  | 1,172          | 1,229          | 1,392          | 2,097          | 2,453          |
| Other . . . . .  | 2,772          | 2,460          | 3,053          | 3,130          | 2,196          |
|  | 138,854        | 173,070        | 205,369        | 227,896        | 233,639        |
| <i>Less Receipts</i> . . . . .   | 3,963          | 3,892          | 4,260          | 4,333          | 4,652          |
| <b>Total</b> . . . . .   | <b>134,891</b> | <b>169,179</b> | <b>201,109</b> | <b>223,563</b> | <b>228,987</b> |
| <b>Department of the Army—</b>   |                |                |                |                |                |
| Military forces—Pay, administrative and<br>general expenses . . . . .        | 108,834        | 133,500        | 169,865        | 197,276        | 216,332        |
| Forces overseas (other than pay) . . . . .                                   | 4,566          | 9,773          | 26,440         | 34,048         | 45,836         |
| Arms, armament and equipment . . . . .                                       | 61,690         | 67,921         | 84,675         | 96,143         | 115,602        |
| Buildings, works, etc. . . . .   | 13,421         | 35,821         | 56,863         | 38,769         | 16,860         |
| Maintenance and rent . . . . .   | 6,372          | 7,503          | 8,447          | 9,829          | 12,447         |
| Retirement benefits . . . . .  | 3,368          | 3,657          | 3,827          | 4,758          | 6,010          |
| Other . . . . .  | 276            | 509            | 468            | 463            | ..             |
|  | 198,527        | 258,684        | 350,585        | 381,288        | 413,087        |
| <i>Less Receipts</i> . . . . .   | 4,246          | 2,297          | 2,880          | 2,254          | 4,619          |
| <b>Total</b> . . . . .   | <b>194,282</b> | <b>256,389</b> | <b>347,705</b> | <b>379,035</b> | <b>408,468</b> |



ALL COMMONWEALTH FUNDS: EXPENDITURE ON WAR AND DEFENCE—*continued*  
(\$'000)

|  | 1964-65        | 1965-66        | 1966-67        | 1967-68          | 1968-69          |
|--|----------------|----------------|----------------|------------------|------------------|
| <b>Department of Air—</b>  |                |                |                |                  |                  |
| Air force—Pay, administrative and general expenses . . . . .             | 69,543         | 77,541         | 86,630         | 97,067           | 113,391          |
| Forces overseas (other than pay) . . . . .                               | 5,592          | 7,080          | 9,447          | 13,998           | 19,264           |
| <b>Aircraft—</b>   |                |                |                |                  |                  |
| Purchase and manufacture . . . . .                                       | 48,090         | 62,353         | 106,383        | 172,317          | 136,470          |
| Repairs and maintenance . . . . .  | 5,298          | 6,380          | 8,037          | 9,367            | 9,452            |
| Equipment and stores . . . . .   | 37,647         | 42,980         | 50,390         | 58,442           | 70,063           |
| Buildings, works, etc. . . . .   | 7,459          | 12,938         | 11,587         | 16,559           | 17,212           |
| Maintenance and rent . . . . .   | 5,570          | 6,024          | 7,096          | 7,912            | 9,335            |
| Retirement benefits . . . . .  | 2,296          | 2,582          | 2,808          | 3,165            | 4,040            |
| Other . . . . .  | 346            | 738            | 606            | 606              | ..               |
|  | 181,841        | 218,616        | 282,984        | 379,433          | 379,226          |
| <i>Less Receipts</i> . . . . .   | 905            | 4,336          | 1,999          | 1,446            | 3,351            |
| <b>Total</b> . . . . .   | <b>180,935</b> | <b>214,280</b> | <b>280,985</b> | <b>377,989</b>   | <b>375,875</b>   |
| <b>Department of Supply—</b>   |                |                |                |                  |                  |
| Administrative and general expenses . . . . .                            | 7,169          | 7,944          | 9,491          | 10,642           | 12,458           |
| Defence research and development . . . . .                               | 33,374         | 33,016         | 34,262         | 36,664           | 39,957           |
| Production development . . . . .   | 787            | 976            | 838            | 1,427            | 2,168            |
| <b>Government factories—Maintenance of production capacity . . . . .</b> |                |                |                |                  |                  |
|  | 2,766          | 2,270          | 3,358          | 3,309            | 3,341            |
| Transport and storage services . . . . .                                 | 6,764          | 7,027          | 7,661          | 10,088           | 9,107            |
| Reserve stocks . . . . .   | 1,074          | 2,775          | 3,568          | 3,545            | 2,453            |
| <b>Munitions factories—Working capital</b>                               |                |                |                |                  |                  |
| Machinery, plant, equipment, etc. . . . .                                | 5,811          | 8,001          | 10,032         | 9,355            | 8,330            |
| Buildings, works, n.e.i., etc. . . . .                                   | 4,840          | 5,259          | 5,021          | 4,796            | 4,772            |
| Maintenance and rent . . . . .   | 4,190          | 4,211          | 4,426          | 4,300            | 4,466            |
| Other . . . . .  | 16,497         | 18,981         | 25,197         | 27,392           | ..               |
|  | 83,272         | 92,464         | 104,329        | 112,387          | 89,431           |
| <i>Less Receipts</i> . . . . .   | 40,083         | 45,290         | 49,271         | 49,662           | 31,031           |
| <b>Total</b> . . . . .   | <b>43,190</b>  | <b>47,174</b>  | <b>55,058</b>  | <b>62,725</b>    | <b>58,400</b>    |
| <b>Other—</b>  |                |                |                |                  |                  |
| Civil Defence . . . . .  | 645            | 724            | 709            | 734              | 759              |
| Security Intelligence Organisation . . . . .                             | 1,920          | 1,990          | 2,565          | 2,753            | 2,807            |
| Other . . . . .  | 2,627          | 2,780          | 4,314          | 1,652            | -926             |
| <b>Total</b> . . . . .   | <b>5,191</b>   | <b>5,494</b>   | <b>7,588</b>   | <b>5,140</b>     | <b>2,640</b>     |
| <b>Total net current expenditure</b> . . . . .                           | <b>568,165</b> | <b>706,539</b> | <b>910,526</b> | <b>1,065,945</b> | <b>1,093,367</b> |
| <i>Of which—</i>   |                |                |                |                  |                  |
| Overseas grants and contributions . . . . .                              | 10,210         | 22,678         | 34,456         | 25,772           | 16,160           |
| Other net current expenditure . . . . .                                  | 557,955        | 683,861        | 876,070        | 1,040,173        | 1,077,207        |
| <b>Total net current expenditure</b> . . . . .                           | <b>568,165</b> | <b>706,539</b> | <b>910,526</b> | <b>1,065,945</b> | <b>1,093,367</b> |
| <b>Net capital outlay—</b>   |                |                |                |                  |                  |
| Net purchases of existing assets . . . . .                               | 813            | 3,598          | 2,409          | 1,653            | 5,968            |
| <b>Grand total</b> . . . . .   | <b>568,978</b> | <b>710,137</b> | <b>912,935</b> | <b>1,067,598</b> | <b>1,099,335</b> |

## Subsidies

The following table shows details of Commonwealth expenditure from all funds on subsidies and bounties for the years 1964-65 to 1968-69. Other assistance to primary producers is included in, for example, tables relating to cash benefits and payments to the States and additional information is given in chapter 23, 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, 1964-65 TO 1968-69**  
(**\$'000**)

| <i>Type of subsidy</i>                                      | <i>1964-65</i> | <i>1965-66</i> | <i>1966-67</i> | <i>1967-68</i> | <i>1968-69</i> |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Development of resources and assistance to industry—</b> |                |                |                |                |                |
| Dairy industry . . . . .                                    | 27,000         | 27,000         | 27,000         | 27,000         | 27,000         |
| Wheat prices stabilisation . . . . .                        | 1,892          | 18,069         | 16,154         | 15,508         | 42,870         |
| Phosphate fertilisers . . . . .                             | 22,880         | 24,983         | 26,319         | 23,564         | 31,665         |
| Oil search . . . . .  | 8,838          | 11,382         | 9,931          | 11,711         | 12,497         |
| Nitrogenous fertilisers . . . . .                           | ..             | ..             | 6,665          | 10,308         | 11,044         |
| Copper . . . . .  | 300            | 1              | ..             | ..             | ..             |
| Gold mining industry . . . . .                              | 1,860          | 2,462          | 3,848          | 4,362          | 1,791          |
| Pyrites . . . . .   | 924            | 854            | 103            | ..             | ..             |
| Cotton . . . . .  | 1,916          | 3,686          | 2,813          | 4,027          | 4,620          |
| Processed milk products . . . . .                           | 864            | 614            | 899            | 743            | 638            |
| Sulphate of ammonia . . . . .                               | 526            | 427            | 830            | 565            | 430            |
| Vinyl resin . . . . .                                       | 364            | 1,938          | 1,592          | 12             | ..             |
| Copper and brass strip . . . . .                            | 154            | 43             | ..             | ..             | ..             |
| Ship construction . . . . .                                 | 5,911          | 7,828          | 11,692         | 11,644         | 12,551         |
| Sulphuric acid . . . . .                                    | 1,822          | 1,906          | 1,556          | 1,286          | 988            |
| Tractor . . . . .   | 2,754          | 1,902          | 2,221          | 2,480          | 2,249          |
| Cellulose acetate flake . . . . .                           | 134            | 228            | 218            | 220            | 179            |
| Poultry industry assistance . . . . .                       | ..             | 5,536          | 9,213          | 10,418         | 10,920         |
| Urea . . . . .  | ..             | ..             | 9              | 163            | 424            |
| Devaluation compensation . . . . .                          | ..             | ..             | ..             | ..             | 35,862         |
| <b>Transport and communication—</b>                         |                |                |                |                |                |
| Air services . . . . .                                      | 1,000          | 1,200          | 1,306          | 1,901          | 1,780          |
| <b>Coastal shipping service—</b>                            |                |                |                |                |                |
| King Island and Bass Strait Islands . . . . .               | 66             | 161            | 160            | 150            | 141            |
| Northern Territory . . . . .                                | 14             | 43             | 44             | 39             | 24             |
| <b>Northern Territory—</b>                                  |                |                |                |                |                |
| Air mail service . . . . .                                  | 118            | 118            | ..             | ..             | ..             |
| Railway freight . . . . .                                   | 90             | 140            | 110            | 100            | 113            |
| Superphosphate sea subsidy . . . . .                        | ..             | ..             | 5              | 43             | 23             |
| Transport of stud stock . . . . .                           | 40             | 59             | 83             | 80             | 175            |
| South American shipping service . . . . .                   | 278            | 335            | 351            | 300            | 180            |
| <b>Regulation of trade and industry—</b>                    |                |                |                |                |                |
| Stevedoring industry . . . . .                              | 6,094          | 6,149          | 6,525          | 8,553          | 9,654          |
| Petrol prices stabilisation . . . . .                       | ..             | 9,920          | 15,218         | 16,578         | 17,948         |
| Northern Territory petrol prices . . . . .                  | ..             | 345            | 750            | 991            | 1,316          |
| Other . . . . .   | 326            | 400            | 399            | 363            | 68             |
| <b>Total . . . . .</b>                                      | <b>86,164</b>  | <b>127,729</b> | <b>146,014</b> | <b>153,108</b> | <b>227,145</b> |

## Cash benefits to persons

Total payments of cash benefits to persons during the years 1964-65 to 1968-69 are shown in the table following.

ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS  
1964-65 TO 1968-69  
(\$'000)

| Type of benefit  | 1964-65          | 1965-66          | 1966-67          | 1967-68          | 1968-69          |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Education—</b>  |                  |                  |                  |                  |                  |
| <b>Commonwealth scholarship scheme—</b>                        |                  |                  |                  |                  |                  |
| Post-graduate . . . . .  | 1,236            | 1,733            | 2,432            | 2,899            | 3,588            |
| University . . . . .   | 7,903            | 10,064           | 13,890           | 13,383           | 16,268           |
| Advanced education . . . . .                                   | ..               | 198              | 660              | 754              | 1,001            |
| Secondary . . . . .  | 3,382            | 5,197            | 6,243            | 6,474            | 6,558            |
| Technical . . . . .  | 212              | 600              | 816              | 1,031            | 1,123            |
| Soldiers' children education scheme . . . . .                  | 2,311            | 2,534            | 2,462            | 2,720            | 3,154            |
| Other . . . . .  | 573              | 812              | 816              | 852              | 903              |
| <i>Total, education . . . . .</i>                              | <i>15,614</i>    | <i>21,140</i>    | <i>27,319</i>    | <i>28,113</i>    | <i>32,595</i>    |
| <b>Health—</b>   |                  |                  |                  |                  |                  |
| Hospital benefits . . . . .                                    | 25,411           | 24,860           | 25,900           | 26,598           | 29,779           |
| Hospital benefits for pensioners . . . . .                     | 13,585           | 14,659           | 18,731           | 23,665           | 24,520           |
| Nursing home benefits . . . . .                                | 19,796           | 21,223           | 22,767           | 24,486           | 31,643           |
| Medical benefits . . . . .                                     | 35,277           | 41,282           | 43,841           | 46,431           | 49,556           |
| Medical benefits for pensioners . . . . .                      | 9,320            | 13,365           | 14,351           | 16,116           | 16,912           |
| Milk for school children . . . . .                             | 8,059            | 8,493            | 9,021            | 9,831            | 10,053           |
| Pharmaceutical benefits . . . . .                              | 60,638           | 67,713           | 72,000           | 73,019           | 81,764           |
| Pharmaceutical benefits for pensioners . . . . .               | 21,564           | 24,071           | 29,280           | 32,115           | 36,609           |
| Tuberculosis campaign . . . . .                                | 10,111           | 13,361           | 10,974           | 11,266           | 11,460           |
| Handicapped children's benefit . . . . .                       | ..               | ..               | ..               | ..               | 76               |
| <i>Total, health . . . . .</i>                                 | <i>203,762</i>   | <i>229,028</i>   | <i>246,868</i>   | <i>263,529</i>   | <i>292,372</i>   |
| <b>Welfare—</b>  |                  |                  |                  |                  |                  |
| Age and invalid pensions . . . . .                             | 426,597          | 442,355          | 481,840          | 513,984          | 558,587          |
| Child endowment . . . . .                                      | 172,830          | 176,432          | 199,282          | 187,920          | 193,263          |
| Commonwealth rehabilitation service . . . . .                  | 1,604            | 1,660            | 1,844            | 1,944            | 2,260            |
| Funeral benefits . . . . .                                     | 866              | 1,050            | 1,334            | 1,338            | 1,571            |
| Maternity allowances . . . . .                                 | 7,294            | 7,159            | 7,294            | 7,349            | 7,960            |
| Tuberculosis campaign—allowances . . . . .                     | 1,458            | 1,286            | 1,193            | 1,091            | 921              |
| Unemployment benefits, sickness and special benefits . . . . . | 14,540           | 15,557           | 19,044           | 18,832           | 16,830           |
| Widows' pensions . . . . .                                     | 47,044           | 50,017           | 56,438           | 61,061           | 69,080           |
| Sheltered employment allowances . . . . .                      | ..               | ..               | ..               | 104              | 288              |
| Deserted wives benefits . . . . .                              | ..               | ..               | ..               | 201              | 1,149            |
| Other . . . . .  | 1,025            | 2,066            | 1,795            | 2,220            | 2,723            |
| <i>Total, welfare . . . . .</i>                                | <i>673,258</i>   | <i>697,580</i>   | <i>770,064</i>   | <i>796,044</i>   | <i>854,631</i>   |
| <b>Development of resources and assistance to industry—</b>    |                  |                  |                  |                  |                  |
| Wool research studentships and fellowships . . . . .           | 58               | 85               | 158              | 270              | 360              |
| <b>Repatriation—</b>   |                  |                  |                  |                  |                  |
| War and service pensions and allowances . . . . .              | 179,313          | 198,662          | 190,842          | 196,219          | 216,958          |
| Other . . . . .  | 1,694            | 1,849            | 1,908            | 1,952            | 1,981            |
| <i>Total, repatriation . . . . .</i>                           | <i>181,007</i>   | <i>200,511</i>   | <i>192,750</i>   | <i>198,171</i>   | <i>218,939</i>   |
| <b>Immigration—</b>  |                  |                  |                  |                  |                  |
| Maintenance of migrant families . . . . .                      | 3,752            | 4,380            | 5,240            | 4,803            | 4,933            |
| <b>Regulation of trade and industry—</b>                       |                  |                  |                  |                  |                  |
| Coal mining industry—long service leave . . . . .              | 1,021            | 893              | 919              | 918              | 892              |
| Stevedoring industry . . . . .                                 | 1,614            | 1,726            | 2,824            | 2,194            | 1,436            |
| <i>Total, regulation of trade and industry . . . . .</i>       | <i>2,635</i>     | <i>2,619</i>     | <i>3,743</i>     | <i>3,112</i>     | <i>2,328</i>     |
| <b>Housing—</b>  |                  |                  |                  |                  |                  |
| <b>Commonwealth-State Housing Agreement—</b>                   |                  |                  |                  |                  |                  |
| Contribution to rental losses . . . . .                        | 130              | 213              | 142              | 44               | 60               |
| <b>Grand total . . . . .</b>                                   | <b>1,080,216</b> | <b>1,155,556</b> | <b>1,246,284</b> | <b>1,294,086</b> | <b>1,406,218</b> |

Further information concerning items in the preceding table is given in the appropriate chapters of this Year Book and in the annual bulletin *Commonwealth Finance* which shows particulars of cash benefits paid to persons in each State and Territory.

### 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). In the following summary tables, a distinction is made 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 551-4, but for greater detail on these and other forms of financial assistance see 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 FUNCTIONS, 1968-69 (\$'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 . . . . .   | 18,974         | 15,977         | 6,555          | 5,437          | 4,021          | 1,731         | 52,695           |
| Welfare . . . . .   | 206            | 26             | 84             | 7              | 2              | 1             | 326              |
| Development of resources and assistance to industry . . . . . | 4,798          | 6,986          | 2,110          | 1,417          | 425            | 228           | 15,965           |
| Not allocated to function—                                    |                |                |                |                |                |               |                  |
| Financial assistance grants . . . . .                         | 333,393        | 250,563        | 155,963        | 112,768        | 123,796        | 41,710        | 1,018,193        |
| Other . . . . .   | 17,038         | 12,442         | 6,849          | 7,593          | 4,932          | 19,328        | 68,181           |
| <b>Total, current . . . . .</b>                               | <b>374,409</b> | <b>285,994</b> | <b>171,561</b> | <b>127,222</b> | <b>133,176</b> | <b>62,998</b> | <b>1,155,360</b> |
| CAPITAL   |                |                |                |                |                |               |                  |
| Education . . . . .   | 18,608         | 16,148         | 8,092          | 5,356          | 3,730          | 2,787         | 54,721           |
| Public health . . . . .                                       | 2,496          | 1,375          | 362            | 503            | 375            | 402           | 5,513            |
| Welfare . . . . .   | 581            | 207            | 1,366          | 343            | 825            | 25            | 3,347            |
| Development of resources and assistance to industry . . . . . | 2,858          | 974            | 2,967          | 150            | 5,373          | 74            | 12,396           |
| Transport and communication—                                  |                |                |                |                |                |               |                  |
| Roads . . . . .   | 47,319         | 33,113         | 35,648         | 19,433         | 31,988         | 8,500         | 176,001          |
| Other . . . . .   | 1,750          | ..             | ..             | 6,243          | 3,443          | ..            | 11,436           |
| Other . . . . .   | 35             | ..             | ..             | ..             | 411            | ..            | 446              |
| <b>Total, capital . . . . .</b>                               | <b>73,647</b>  | <b>51,817</b>  | <b>48,435</b>  | <b>32,028</b>  | <b>46,145</b>  | <b>11,788</b> | <b>263,860</b>   |
| TOTAL GRANTS  |                |                |                |                |                |               |                  |
| <b>Grand total . . . . .</b>                                  | <b>448,056</b> | <b>337,811</b> | <b>219,996</b> | <b>159,250</b> | <b>179,321</b> | <b>74,786</b> | <b>1,419,220</b> |

**ALL COMMONWEALTH FUNDS: TOTAL GRANTS TO THE STATES, BY FUNCTION**  
**1964-65 TO 1968-69**  
 (\$'000)

| <i>Function</i>   | <i>1964-65</i> | <i>1965-66</i>   | <i>1966-67</i>   | <i>1967-68</i>   | <i>1968-69</i>   |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>CURRENT</b>  |                |                  |                  |                  |                  |
| Education . . . . .   | 28,529         | 32,929           | 38,772           | 48,339           | 52,695           |
| Welfare . . . . .   | 24             | 22               | 23               | 23               | 326              |
| Development of resources and assistance to industry . . . . . | 1,626          | 11,256           | 25,346           | 30,284           | 15,965           |
| Not allocated to function—                                    |                |                  |                  |                  |                  |
| Financial assistance grants . . . . .                         | 681,348        | 757,351          | 826,613          | 907,539          | 1,018,193        |
| Other . . . . .   | 63,536         | 74,701           | 74,193           | 70,964           | 68,181           |
| <b>Total, current . . . . .</b>                               | <b>775,061</b> | <b>876,259</b>   | <b>964,947</b>   | <b>1,057,152</b> | <b>1,155,360</b> |
| <b>CAPITAL</b>  |                |                  |                  |                  |                  |
| Education . . . . .   | 32,650         | 32,074           | 40,091           | 53,958           | 54,721           |
| Public health . . . . .                                       | 3,200          | 5,235            | 5,501            | 5,062            | 5,513            |
| Welfare . . . . .   | ..             | ..               | ..               | ..               | 3,347            |
| Development of resources and assistance to industry . . . . . | 4,007          | 3,512            | 3,155            | 8,424            | 12,396           |
| Transport and communication—                                  |                |                  |                  |                  |                  |
| Roads . . . . .   | 134,894        | 145,340          | 155,349          | 165,600          | 176,001          |
| Other . . . . .   | 7,656          | 12,426           | 12,278           | 20,925           | 11,436           |
| Other . . . . .   | 380            | 750              | 1,954            | 843              | 446              |
| <b>Total, capital . . . . .</b>                               | <b>182,789</b> | <b>199,338</b>   | <b>218,328</b>   | <b>254,811</b>   | <b>263,860</b>   |
| <b>TOTAL GRANTS</b>   |                |                  |                  |                  |                  |
| <b>Grand total . . . . .</b>                                  | <b>957,850</b> | <b>1,075,596</b> | <b>1,183,275</b> | <b>1,311,963</b> | <b>1,419,220</b> |

Further information concerning items included in the functional classifications of the two preceding tables is given in the annual bulletin *Commonwealth Finance* 1968-69.

*Repayable advances.* The following tables show functional classifications of amounts paid to the States as repayable advances.

**ALL COMMONWEALTH FUNDS: ADVANCES TO THE STATES, BY FUNCTION, 1968-69**  
(**\$'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>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| <b>GROSS</b>  |               |               |               |               |               |               |                |
| Development of resources and assistance to industry . . . | 6,960         | 3,500         | 2,859         | 2,264         | 4,329         | 2,438         | 22,350         |
| Transport and communication—                              |               |               |               |               |               |               |                |
| Railway projects . . . . .                                | ..            | ..            | ..            | 2,635         | 4,919         | ..            | 7,554          |
| Other . . . . .   | ..            | ..            | ..            | 11,000        | ..            | ..            | 11,000         |
| Power, fuel and light . . . . .                           | ..            | ..            | ..            | ..            | ..            | 3,200         | 3,200          |
| Housing . . . . .   | 45,308        | 36,038        | 12,146        | 19,500        | 12,394        | 7,511         | 132,899        |
| Not allocated to function . . . . .                       | ..            | ..            | ..            | ..            | ..            | ..            | ..             |
| <b>Total gross advances</b> . . . . .                     | <b>52,268</b> | <b>39,538</b> | <b>15,005</b> | <b>35,399</b> | <b>21,642</b> | <b>13,149</b> | <b>177,003</b> |
| <b>REPAYMENTS</b>   |               |               |               |               |               |               |                |
| Development of resources and assistance to industry . . . | 1,940         | 142           | 1,084         | 2,722         | 6,491         | 7,102         | 19,482         |
| Transport and communication—                              |               |               |               |               |               |               |                |
| Railway projects . . . . .                                | 96            | 96            | 1,208         | 213           | 273           | ..            | 1,886          |
| Other . . . . .   | 330           | ..            | 637           | ..            | 151           | ..            | 1,118          |
| Power, fuel and light . . . . .                           | ..            | ..            | ..            | ..            | ..            | ..            | ..             |
| Housing . . . . .   | 4,699         | 4,257         | 1,288         | 1,532         | 1,186         | 449           | 13,413         |
| Not allocated to function . . . . .                       | 9,965         | 10,134        | 2,221         | 4,002         | 2,607         | 2,273         | 31,202         |
| <b>Total repayments</b> . . . . .                         | <b>17,030</b> | <b>14,629</b> | <b>6,437</b>  | <b>8,469</b>  | <b>10,708</b> | <b>9,824</b>  | <b>67,099</b>  |
| <b>NET</b>  |               |               |               |               |               |               |                |
| Development of resources and assistance to industry . . . | 5,020         | 3,358         | 1,775         | -458          | -2,162        | -4,664        | 2,868          |
| Transport and communication—                              |               |               |               |               |               |               |                |
| Railway projects . . . . .                                | -96           | -96           | -1,208        | 2,422         | 4,646         | ..            | 5,668          |
| Other . . . . .   | -330          | ..            | -637          | 11,000        | -151          | ..            | 9,882          |
| Power, fuel and light . . . . .                           | ..            | ..            | ..            | ..            | ..            | 3,200         | 3,200          |
| Housing . . . . .   | 40,609        | 31,781        | 10,858        | 17,968        | 11,208        | 7,062         | 119,486        |
| Not allocated to function . . . . .                       | -9,965        | -10,134       | -2,221        | -4,002        | -2,607        | -2,273        | -31,202        |
| <b>Total net advances</b> . . . . .                       | <b>35,238</b> | <b>24,909</b> | <b>8,567</b>  | <b>26,930</b> | <b>10,934</b> | <b>3,325</b>  | <b>109,904</b> |

Minus sign (-) denotes excess of repayment.

ALL COMMONWEALTH FUNDS: TOTAL ADVANCES TO THE STATES  
BY FUNCTION, 1964-65 TO 1968-69

(\$'000)

|   | 1964-65        | 1965-66        | 1966-67        | 1967-68        | 1968-69        |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>GROSS</b>  |                |                |                |                |                |
| Development of resources and assistance to industry . . . . . | 12,832         | 27,255         | 24,158         | 50,208         | 22,350         |
| Transport and communication—                                  |                |                |                |                |                |
| Railway projects . . . . .                                    | 10,388         | 12,410         | 12,647         | 13,989         | 7,554          |
| Other . . . . .   | 3,376          | 6,107          | 2,806          | ..             | 11,000         |
| Power, fuel and light . . . . .                               | ..             | ..             | ..             | 5,300          | 3,200          |
| Housing . . . . .   | 115,116        | 124,242        | 127,753        | 129,943        | 132,899        |
| Not allocated to function . . . . .                           | 762            | 2,600          | ..             | 726            | ..             |
| <b>Total gross advances . . . . .</b>                         | <b>142,474</b> | <b>172,615</b> | <b>167,363</b> | <b>200,166</b> | <b>177,003</b> |

REPAYMENTS

|   |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
| Development of resources and assistance to industry . . . . . | 11,590        | 16,405        | 17,099        | 15,383        | 19,482        |
| Transport and communication—                                  |               |               |               |               |               |
| Railway projects . . . . .                                    | 824           | 1,387         | 1,540         | 1,724         | 1,886         |
| Other . . . . .   | 230           | 315           | 494           | 1,113         | 1,118         |
| Power, fuel and light . . . . .                               | ..            | ..            | ..            | ..            | ..            |
| Housing . . . . .   | 9,248         | 10,237        | 11,240        | 12,297        | 13,413        |
| Not allocated to function . . . . .                           | ..            | ..            | 990           | ..            | 31,202        |
| <b>Total repayments . . . . .</b>                             | <b>21,892</b> | <b>28,344</b> | <b>31,363</b> | <b>30,517</b> | <b>67,099</b> |

NET

|   |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
| Development of resources and assistance to industry . . . . . | 1,242          | 10,850         | 7,059          | 34,824         | 2,868          |
| Transport and communication—                                  |                |                |                |                |                |
| Railway projects . . . . .                                    | 9,564          | 11,023         | 11,107         | 12,265         | 5,668          |
| Other . . . . .   | 3,146          | 5,792          | 2,312          | -1,113         | 9,882          |
| Power, fuel and light . . . . .                               | ..             | ..             | ..             | 5,300          | 3,200          |
| Housing . . . . .   | 105,868        | 114,005        | 116,513        | 117,646        | 119,486        |
| Not allocated to function . . . . .                           | 762            | 2,600          | -990           | 726            | -31,202        |
| <b>Total net advances . . . . .</b>                           | <b>120,582</b> | <b>144,271</b> | <b>136,000</b> | <b>169,649</b> | <b>109,904</b> |

Minus sign (-) denotes excess of repayments.

Further information concerning items included in the functional classifications of the two preceding tables is given in the annual bulletin *Commonwealth Finance* 1968-69.

*The Financial Assistance Grants.* Under the provisions of the *States Grants Act* 1965-1968, 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. Western Australia's withdrawal from the 'special grants' system as from 1968-69 did not affect existing formula grants arrangements as, in 1968-69 and 1969-70, additional Commonwealth payments of \$15,500,000 were made to that State.

*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. 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 page 585 of this chapter.

*Special grants.* The Commonwealth Grants Commission inquires into and reports upon claims made by any State for a special grant and any matters relevant thereto. The recommendations of the Commission in respect of the years 1965-66 to 1969-70 for Tasmania, and in respect of Western Australia for the years 1965-66 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 1969-70 include an estimate of the indispensable need of the claimant State for 1969-70 and an adjustment to the estimated grant for 1967-68.

**COMMONWEALTH GRANTS COMMISSION: GRANTS RECOMMENDED, 1965-66 TO 1969-70**  
( '\$000)

|                                 | 1965-66       | 1966-67       | 1967-68       | 1968-69       | 1969-70       |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Western Australia—</b>       |               |               |               |               |               |
| Advance payment . . . . .       | 21,000        | 14,700        | 15,500        | ..            | ..            |
| Completion payment(a) . . . . . | 3,038         | 4,706         | 18            | 582           | ..            |
| <i>Total</i> . . . . .          | 24,038        | 19,406        | 15,518        | 582           | ..            |
| <b>Tasmania—</b>                |               |               |               |               |               |
| Advance payment . . . . .       | 16,400        | 19,500        | 19,000        | 18,000        | 22,000        |
| Completion payment(a) . . . . . | 1,332         | 1,166         | 889           | -1,190        | -100          |
| <i>Total</i> . . . . .          | 17,732        | 20,666        | 19,889        | 16,810        | 21,900        |
| <b>Grand total</b> . . . . .    | <b>41,770</b> | <b>40,072</b> | <b>35,407</b> | <b>17,392</b> | <b>21,900</b> |

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

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

The Commonwealth has provided financial assistance to Tasmania for the rehabilitation and restoration of damage caused by bushfires in February 1967 and to Western Australia for earthquake relief in the Meckering area of that State following the disaster in October 1968. Bushfire relief grants of \$100,000 to New South Wales and of \$200,000 to Victoria were made in 1968-69 and 1969-70 respectively.

The *Commonwealth Aid Roads Act* 1969 provided for principal and supplementary grants totalling \$1,252,050,000 to be paid to the States over the five-year period commencing on 1 July 1969. Supplementary grants totalling \$52,050,000 are to be made to South Australia, Western Australia and Tasmania to assist in the transition from arrangements under the 1964 Act and the principal grant of \$1,200,000,000 is to be allocated specifically as follows: Urban-arterial and sub-arterial roads \$600,690,000; Rural-arterial roads \$186,760,000 and other rural roads \$394,550,000 and planning and research \$18,000,000. Total grants of \$1,252,050,000 payable in the five-year period from 1969-70 to 1973-74 are to be allocated on the following basis: New South Wales \$380,400,000; Victoria, \$254,400,000; Queensland, \$231,600,000; South Australia, \$129,000,000; Western Australia, \$200,400,000 and Tasmania \$56,250,000. For details of previous legislation see earlier yearbooks.

*Beef cattle roads.* The *States Grants (Beef Cattle Roads) Act* 1968 provided 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.

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 1966-1968* authorised grants totalling approximately \$182,500,000 for the Commonwealth share of the agreed programme of development of State Universities for the years 1967 to 1969. (See also Chapter 20, Education, Cultural Activities, and Research.)

*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* extended 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 (Teachers Colleges) Act 1967* the Commonwealth provided for a maximum 1967-1969 triennium \$9,000,000 to support selected research projects.

Under the *States Grants (Teachers College) Act 1967* the Commonwealth provided for 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* provided 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* provided 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 and Dartmouth Reservoirs.* Investigations into and considerations of the feasibility and cost of alternative storage and hydro-electric facilities are being continued by contracting Governments under the River Murray Waters Agreement.

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

*Copeton Dam.* Commonwealth grants up to \$20,000,000 will be made to New South Wales under the *New South Wales Grant (Gwydir River Dam) Act 1969* for the construction of a dam on the Gwydir River near Copeton.

*King River Dam.* Under the *Victoria Grant (King River Dam) Act 1969* the Commonwealth is providing grants of up to \$4,000,000 to Victoria for the construction of a dam on the King River south of Cheshunt.

*Tailem Bend to Keith Pipeline.* The construction of a pipeline and certain associated works to carry water from Tailem Bend to Keith in South Australia is being assisted financially by provision of grants up to \$6,000,000 under the *South Australia Grant (Tailem Bend to Keith Pipeline) Act 1969*.

*Ord River Irrigation Project.* The *Western Australia (Ord River Irrigation) Act 1968* provided 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 was constructed at the expense of the State of New South Wales mainly by the Snowy Mountains Hydro-electric Authority, and the Commonwealth is financing 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 were fixed at an overall limit of \$23,000,000. Repayments over a twenty-year period commenced in 1968 in respect of advances made prior to 1 July 1967 and in 1971 in respect of advances made after 1 July 1967.

*Development of Exmouth township, Western Australia.* The Commonwealth has assisted the Western Australian Government in financing the cost of developing a township at Exmouth in connection with the United States Naval Communications Station 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* authorised 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* provided 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.

*Aboriginal Advancement.* The *States Grants (Aboriginal Advancement) Act 1968* provided for the payment to the States of grants totalling \$3,650,000 in 1968-69 and \$5 320,000 in 1969-70 for Aboriginal advancement particularly in the fields of housing, education and health. A loan of \$350,000 is to assist in the development of an irrigation project at Bamaga in the far north of Cape York for the benefit of the Aborigines living in the area.

*Home care programme and nursing homes.* Information on the range of services which are provided mainly for aged persons and which are financed by the Commonwealth in association with the States is given in the chapters on Welfare Services and Public Health.

## All Commonwealth funds: receipts

## Commonwealth taxation

Taxation constitutes the main sources of Commonwealth revenue, accounting for 87.7 per cent in 1968-69. The following tables on pages 555-7 show details of taxation receipts from each source during the years 1964-65 to 1968-69 and summarised information on their proportions of the totals. For detailed information on taxes on income *See* separate section at end of this chapter, pages 586-95.

ALL COMMONWEALTH FUNDS: TAXATION RECEIPTS, 1964-65 TO 1968-69  
(\$'000)

| <i>Source of receipts</i>                      | 1964-65          | 1965-66          | 1966-67          | 1967-68          | 1968-69          |
|--|------------------|------------------|------------------|------------------|------------------|
| Income tax—                                    |                  |                  |                  |                  |                  |
| Individuals . . . . .                          | 1,569,483        | 1,729,440        | 1,920,603        | 2,175,249        | 2,377,406        |
| Companies . . . . .                            | 709,044          | 801,105          | 784,544          | 836,664          | 1,006,543        |
| Dividend (withholding) . . . . .               | 16,039           | 17,247           | 22,708           | 21,716           | 28,303           |
| Interest (withholding) . . . . .               | ..               | ..               | ..               | 910              | 4,456            |
| Customs . . . . .                              | 268,400          | 270,871          | 274,873          | 312,220          | 346,264          |
| Excise . . . . .                               | 631,212          | 751,927          | 806,448          | 855,168          | 902,307          |
| Sales tax . . . . .                            | 362,825          | 370,005          | 380,657          | 416,626          | 494,090          |
| Pay-roll tax . . . . .                         | 150,078          | 161,943          | 172,232          | 184,416          | 205,568          |
| Estate duty . . . . .                          | 41,531           | 36,124           | 41,534           | 54,717           | 60,726           |
| Gift duty . . . . .                            | 7,308            | 6,195            | 7,658            | 8,543            | 9,376            |
| Primary production taxes and charges . . . . . | 19,515           | 28,836           | 30,524           | 31,348           | 33,408           |
| Stevedoring industry charge . . . . .          | 10,411           | 9,531            | 9,758            | 14,259           | 14,480           |
| Broadcasting stations' licence fees . . . . .  | 226              | 218              | 209              | 299              | 310              |
| Television stations' licence fees . . . . .    | 28               | 1,620            | 963              | 1,144            | 1,392            |
| Other . . . . .                                | 2,214            | 2,340            | 3,149            | 3,302            | 4,200            |
| <b>Total . . . . .</b>                         | <b>3,788,314</b> | <b>4,187,402</b> | <b>4,455,861</b> | <b>4,916,582</b> | <b>5,488,829</b> |

COMMONWEALTH TAXATION: PROPORTION OF EACH CLASS TO  
TOTAL NET COLLECTIONS, 1964-65 TO 1968-69  
(Per cent)

| <i>Type of tax</i>                             | 1964-65      | 1965-66      | 1966-67      | 1967-68      | 1968-69      |
|--|--------------|--------------|--------------|--------------|--------------|
| Income taxes . . . . .                         | 60.5         | 60.8         | 61.2         | 61.7         | 62.2         |
| Customs . . . . .                              | 7.1          | 6.5          | 6.2          | 6.4          | 6.3          |
| Excise . . . . .                               | 16.6         | 18.0         | 18.1         | 17.4         | 16.4         |
| Sales tax . . . . .                            | 9.6          | 8.8          | 8.5          | 8.5          | 9.0          |
| Pay-roll tax . . . . .                         | 4.0          | 3.9          | 3.9          | 3.8          | 3.7          |
| Estate duty . . . . .                          | 1.1          | 0.9          | 0.9          | 1.1          | 1.0          |
| Gift duty . . . . .                            | 0.2          | 0.1          | 0.2          | 0.2          | 0.2          |
| Primary production taxes and charges . . . . . | 0.5          | 0.7          | 0.7          | 0.6          | 0.6          |
| Stevedoring industry charge . . . . .          | 0.3          | 0.2          | 0.2          | 0.3          | 0.3          |
| Other . . . . .                                | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          |
| <b>Total taxation . . . . .</b>                | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

## Customs and excise receipts

**CUSTOMS DUTIES ACCORDING TO BRUSSELS TARIFF DIVISIONS, 1965-66 TO 1968-69**  
(\$'000)

| <i>Brussels<br/>Tariff<br/>Division</i> | <i>Source of receipts</i>   | <i>1965-66</i> | <i>1966-67</i> | <i>1967-68</i> | <i>1968-69</i> |
|---|---|----------------|----------------|----------------|----------------|
| 1                                       | Live animals; animal products . . . . .   | 1,155          | 1,040          | 911            | 1,164          |
| 2                                       | Vegetable products . . . . .  | 1,755          | 1,797          | 1,268          | 1,831          |
| 3                                       | Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes . . . . .  | 1,923          | 2,440          | 1,578          | 1,191          |
| 4                                       | Prepared foodstuffs; beverages, spirits and vinegar; tobacco . . . . .  | 43,656         | 47,149         | 51,278         | 53,742         |
| 5                                       | Mineral products . . . . .  | 19,394         | 9,488          | 5,688          | 5,606          |
| 6                                       | Products of the chemical industry and allied industries . . . . .   | 10,420         | 12,340         | 11,438         | 12,995         |
| 7                                       | 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         | 16,838         |
| 8                                       | 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          | 2,906          |
| 9                                       | 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          | 7,941          |
| 10                                      | Paper-making material; paper and paper-board and articles thereof . . . . .   | 6,838          | 7,545          | 8,437          | 9,778          |
| 11                                      | Textiles and textile articles . . . . .   | 34,952         | 38,019         | 44,447         | 46,865         |
| 12                                      | Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair; fans . . . . .  | 3,193          | 4,362          | 5,760          | 6,658          |
| 13                                      | 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          | 9,418          |
| 14                                      | Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin . . . . .   | 1,187          | 1,200          | 1,375          | 1,344          |
| 15                                      | Base metals and articles of base metal . . . . .  | 18,606         | 18,321         | 21,303         | 24,659         |
| 16                                      | Machinery and mechanical appliances; electrical equipment; parts thereof . . . . .  | 47,052         | 44,813         | 55,172         | 65,506         |
| 17                                      | Vehicles, aircraft, and parts thereof; vessels and certain associated transport equipment . . . . .   | 25,575         | 29,280         | 39,212         | 46,270         |
| 18                                      | 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 thereof . . . . . | 8,880          | 9,054          | 11,141         | 12,246         |
| 19                                      | Arms and ammunition; parts thereof . . . . .  | 466            | 473            | 327            | 334            |
| 20                                      | Miscellaneous manufactured articles . . . . .   | 8,537          | 8,422          | 8,684          | 9,438          |
| 21                                      | Works of art, collector's pieces and antiques . . . . .   | -5             | 5              | 3              | 13             |
|   | Miscellaneous . . . . .   | 4,366          | 4,613          | 3,970          | 4,195          |
|   | Primage . . . . .   | 5,420          | 5,799          | 5,668          | 5,341          |
|   | <i>Total, customs duties and primage . . . . .</i>  | <i>271,610</i> | <i>275,095</i> | <i>312,258</i> | <i>346,281</i> |
|   | <i>Less Remission of duty under special circumstances . . . . .</i>   | <i>139</i>     | <i>222</i>     | <i>38</i>      | <i>17</i>      |
|   | <b>Total . . . . .</b>  | <b>270,871</b> | <b>274,873</b> | <b>312,220</b> | <b>346,264</b> |

**COMMONWEALTH EXCISE REVENUE: CLASSIFICATION OF NET RECEIPTS**  
**1964-65 TO 1968-69**  
**(\$'000)**

| <i>Source of revenue</i>        | <i>1964-65</i> | <i>1965-66</i> | <i>1966-67</i> | <i>1967-68</i> | <i>1968-69</i> |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Beer . . . . .                  | 260,214        | 302,104        | 320,832        | 338,614        | 355,001        |
| Potable spirits . . . . .       | 19,207         | 22,871         | 24,872         | 26,783         | 24,440         |
| Tobacco . . . . .               | 17,795         | 18,070         | 17,028         | 16,460         | 15,711         |
| Cigars and cigarettes . . . . . | 171,073        | 199,740        | 200,901        | 214,315        | 225,262        |
| Cigarette papers . . . . .      | 901            | 858            | 824            | 836            | 833            |
| Petrol . . . . .                | 148,194        | 190,670        | 220,617        | 234,142        | 253,007        |
| Diesel fuel . . . . .           | 9,099          | 13,597         | 15,480         | 18,256         | 21,520         |
| Matches . . . . .               | 2,276          | 2,267          | 2,167          | 2,227          | 2,384          |
| Playing cards . . . . .         | 106            | 114            | 112            | 121            | 127            |
| Coal . . . . .                  | 599            | 621            | 634            | 642            | 820            |
| Cathode ray tubes . . . . .     | 605            | ..             | ..             | ..             | ..             |
| Canned fruit . . . . .          | 1,092          | 1,097          | 1,263          | 1,738          | 1,698          |
| Miscellaneous . . . . .         | 1              | -73            | 1,692          | 1,121          | 1,625          |
| <i>All items</i> . . . . .      | <i>631,162</i> | <i>751,936</i> | <i>806,423</i> | <i>855,255</i> | <i>902,428</i> |
| Diesel fuel taxation . . . . .  | 309            | 265            | 362            | 304            | 274            |
| Less rebates . . . . .          | 229            | 241            | 298            | 356            | 352            |
|                                 | <i>80</i>      | <i>24</i>      | <i>64</i>      | <i>-52</i>     | <i>-78</i>     |
| Other rebates . . . . .         | -30            | -33            | -39            | -34            | -43            |
| <b>Total</b> . . . . .          | <b>631,212</b> | <b>751,927</b> | <b>806,448</b> | <b>855,168</b> | <b>902,307</b> |

In addition to these details of collections of customs and excise duties, further information is given in Chapter 11, Overseas Transactions.

#### Primary production taxes and charges

The following section shows current rates of charges, and receipts from, primary production and other charges during the years 1964-65 to 1968-69. Further information relating to primary production charges is given in Chapter 23, Rural Industry.

*Wool tax.* The present rate of wool tax is 1 per cent of the sale value of the wool and this rate has operated since 1 August 1970.

*Wheat export charge and wheat tax.* The *Wheat Export Charge Act* 1968 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 guaranteed a return to wheatgrowers of 145 cents per bushel for the 1968-69 Pool and 145.9 cents for the 1969-70 Pool 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 Chapter 23, 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:

| <i>Class of Waterside Worker</i> |    |    | <i>Rate</i>        |
|----------------------------------|----|----|--------------------|
|                                  |    |    | \$                 |
| 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*, 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 Chapter 23, 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.* This charge was discontinued after it was levied in respect of 1968 season fruits.

*Poultry industry levy.* The rates of levy for each hen kept for commercial purposes (the first twenty hens being exempt) were 4.0 cents per fortnight from 1 July 1969 to 9 June 1970, 2.0 cents per fortnight from 10 June 1970 to 30 June 1970 and 4.0 cents per fortnight from 1 July 1970.

*Meat chicken levy.* The rate of levy is 10 cents per hundred meat chickens hatched, payable by any hatchery with 20,000 chickens or more.

**COMMONWEALTH PRIMARY PRODUCTION TAXES AND CHARGES  
RECEIPTS, 1964-65 TO 1968-69  
(\$'000)**

| <i>Source of revenue</i>               | <i>1964-65</i> | <i>1965-66</i> | <i>1966-67</i> | <i>1967-68</i> | <i>1968-69</i> |
|--|----------------|----------------|----------------|----------------|----------------|
| Apple and pear export charge . . . . . | 213            | 272            | 207            | 211            | 280            |
| Butter fat levy . . . . .              | ..             | 1,812          | 2,120          | 1,936          | 1,956          |
| Canned fruit export charge . . . . .   | 176            | 223            | 224            | 326            | 330            |
| Canning fruit charge . . . . .         | 102            | 120            | 116            | 123            | 164            |
| Cattle slaughter levy . . . . .        | 298            | ..             | ..             | ..             | ..             |
| Dairy produce export charge . . . . .  | 674            | 5              | ..             | ..             | ..             |
| Dairy produce levy . . . . .           | 817            | 31             | ..             | ..             | ..             |
| Dried fruits export charge . . . . .   | 155            | 193            | 159            | 143            | 139            |
| Dried vine fruits contributory charge— |                |                |                |                |                |
| Currants . . . . .                     | ..             | 72             | 52             | ..             | 25             |
| Raisins . . . . .                      | ..             | 165            | ..             | 42             | ..             |
| Sultanas . . . . .                     | ..             | 1,530          | ..             | 139            | ..             |
| Egg export charge . . . . .            | 82             | 20             | 5              | 4              | 4              |
| Honey levy . . . . .                   | 104            | 101            | 92             | 96             | 106            |
| Livestock slaughter levy—              |                |                |                |                |                |
| Cattle . . . . .                       | 1,157          | 1,441          | 1,315          | 1,314          | 1,351          |
| Sheep and lambs . . . . .              | 299            | 399            | 809            | 1,063          | 1,027          |
| Meat export charge . . . . .           | 103            | ..             | ..             | ..             | ..             |
| Poultry industry levy . . . . .        | ..             | 6,000          | 8,859          | 10,840         | 10,785         |
| Tobacco charge . . . . .               | 354            | 369            | 239            | 427            | 313            |
| Wheat tax . . . . .                    | 720            | 591            | 1,081          | 633            | 1,276          |
| Wine export charge . . . . .           | 274            | 288            | 380            | 357            | 379            |
| Wool tax . . . . .                     | 13,987         | 15,201         | 14,869         | 13,694         | 15,272         |
| <b>Total . . . . .</b>                 | <b>19,515</b>  | <b>28,836</b>  | <b>30,524</b>  | <b>31,348</b>  | <b>33,408</b>  |

**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 and an office in each 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 586-95 and customs and excise duties are dealt with in Chapter 11, 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 are taxed at either 2½ per cent or 25 per cent.

Particulars of the net amount of sales tax payable and the sales of taxable and exempt goods in each State for 1968-69 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 555 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  
1968-69  
(\$'000)**

|   | <i>N.S.W.<br/>(including<br/>A.C.T.)</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 . . . . .                                 | 285,416                                  | 245,404        | 82,054         | 56,262         | 50,172         | 14,591        | 717          | 734,616          |
| 12½ per cent . . . . .                                | 91,734                                   | 64,304         | 27,130         | 16,109         | 17,659         | 4,143         | 577          | 221,656          |
| 15 per cent . . . . .                                 | 634,117                                  | 423,968        | 182,090        | 116,646        | 117,484        | 26,104        | 3,838        | 1,504,247        |
| 25 per cent . . . . .                                 | 375,171                                  | 262,882        | 102,385        | 74,143         | 72,110         | 18,690        | 1,178        | 906,559          |
| <i>Total net sales</i>                                | <i>1,386,437</i>                         | <i>996,557</i> | <i>393,659</i> | <i>263,160</i> | <i>257,425</i> | <i>63,528</i> | <i>6,310</i> | <i>3,367,078</i> |
| Sales of exempt goods by registered persons . . . . . | 3,778,948                                | 2,453,787      | 1,144,885      | 675,206        | 619,587        | 232,511       | 27,791       | 8,932,715        |
| Total sales of taxable and exempt goods . . . . .     | 5,165,385                                | 3,450,344      | 1,538,544      | 938,366        | 877,012        | 296,039       | 34,101       | 12,299,791       |
| Sales tax payable . . . . .                           | 207,512                                  | 143,489        | 58,352         | 39,453         | 39,112         | 9,471         | 960          | 498,349          |

Sales of taxable and exempt goods and sales tax payable for Australia are shown in the following table for the years 1964-65 to 1968-69.

**COMMONWEALTH SALES TAX AND AMOUNT OF SALES  
AUSTRALIA, 1964-65 TO 1968-69  
(\$ million)**

| <i>Year of sale</i> | <i>Net sales<br/>on which<br/>sales tax<br/>was<br/>payable</i> | <i>Sales of<br/>exempt<br/>goods by<br/>registered<br/>persons</i> | <i>Total<br/>sales of<br/>taxable<br/>and exempt<br/>goods</i> | <i>Sales tax<br/>payable</i> |
|---------------------|---|--|--|------------------------------|
| 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                          |
| 1968-69 . . . . .   | 3,367   | 8,933  | 12,300   | 498                          |

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 1941-1969*, *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 \$184,416,000 in 1967-68 and \$205,568,000 in 1968-69.

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: (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, \$20,000 decreasing by \$2 for every \$8 by which the value exceeds \$20,000; (b) where no part of the estate passes to the widow or widower, children or grand-children, \$10,000 decreasing by \$2 for every \$8 by which the value exceeds \$10,000; 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 which are defined as dispositions of property 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, the more important being: payments to an employees' superannuation or like fund; retiring allowances or gratuities granted to employees; gifts to non-profit institutions or 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 one half of 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 and over, 26 per cent to 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   |

*Australian Capital Territory Stamp Duty and Tax.*

*Stamp Duty and Tax* on a range of instruments and transactions connected with the Australian Capital Territory, including Jervis Bay, came into operation on 1 July 1969.

The Australian Capital Territory Taxation (Administration) Act 1969 provides for the administrative procedures necessary for assessment and collection of duty and tax.

Six additional Acts specify the range of dutiable instruments or transactions subject to duty or tax which are as under:

*Cheques and Other Bills of Exchange and Promissory Notes:* Five cents on each.

*Hire Purchase Agreements:* 1½ per cent of the purchase price (if over \$100) after excluding any deposit and any terms or insurance charges.

*Insurance Business:* Five per cent of premiums other than for life assurance, third party motor vehicle insurance or workers' compensation insurance.

*Sales and Purchases of Marketable Securities:* 40 cents in each \$100 or part thereof. Where the value is less than \$100 the rate is 10 cents in each \$25 or part thereof.

*Conveyances, grants and assignments of leases of land:* \$1 for each \$100 or part thereof of the value of the interest transferred where a lease is granted by a person other than the Commonwealth, in addition duty is payable at 30 cents for each \$100 or part thereof of the total rent payable for the specified period for which a lease is given.

A general exemption is provided from all duties for public hospitals, public benevolent institutions, religious institutions, public educational institutions, visiting diplomatic personnel and their families. The total amount collected as Australian Capital Territory Stamp Duty and Tax for the year 1969-70 was \$1,969,000.

## STATE FINANCE

### Functions of State Governments

In comparing the financial results of the State 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-government 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 1968-69 education constituted 26.0 per cent of the total expenditure from the State Consolidated Revenue Funds; the working expenses of railways, tramways, and omnibuses, 19.2 per cent; debt charges, 16.9 per cent; charitable, public health and hospitals, 13.8 per cent; and law, order and public safety, 6.1 per cent.

#### Total expenditure

The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1964-65 to 1968-69 are shown in the following table.

#### STATE CONSOLIDATED REVENUE FUND EXPENDITURE, 1964-65 TO 1968-69

| Year                           | N.S.W.(a) | Vic.    | Qld     | S.A.    | W.A.    | Tas.    | Total     |
|--------------------------------|-----------|---------|---------|---------|---------|---------|-----------|
| EXPENDITURE<br>(\$'000)        |           |         |         |         |         |         |           |
| 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 |
| 1968-69                        | 970,330   | 666,645 | 388,777 | 286,895 | 276,137 | 110,350 | 2,699,134 |
| PER HEAD OF POPULATION<br>(\$) |           |         |         |         |         |         |           |
| 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    |
| 1968-69                        | 219.02    | 198.65  | 221.97  | 252.64  | 297.27  | 286.10  | 225.16    |

(a) See page 562 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, 1968-69

|  | <i>N.S.W.</i><br>(a) | <i>Vic.</i>    | <i>Qld</i>     | <i>S.A.</i>    | <i>W.A.</i>    | <i>Tas.</i><br>(b) | <i>Total</i>     |
|--|----------------------|----------------|----------------|----------------|----------------|--------------------|------------------|
| EXPENDITURE<br>(\$'000)                                    |                      |                |                |                |                |                    |                  |
| Debt (interest, exchange, debt redemption, etc.) . . . . . | 123,286              | 119,514        | 63,062         | 69,907         | 47,343         | 32,912             | 456,115          |
| Railways . . . . .   | 191,748              | 104,360        | 98,455         | 32,764         | 51,766         | 3,576              | 482,669          |
| Tramways and omnibuses . . . . .                           | 32,315               | ..             | ..             | ..             | 935            | 1,030              | 34,280           |
| Harbours and rivers, etc. . . . .                          | 17,582               | 1,580          | ..             | 3,684          | 2,801          | 41                 | 25,688           |
| Water supply, sewerage, irrigation and drainage . . . . .  | ..                   | 10,838         | ..             | 12,806         | 11,469         | 850                | 35,963           |
| Other business and industrial undertakings . . . . .       | ..                   | 693            | 56             | 919            | 4,425          | 93                 | 6,186            |
| Education . . . . .  | 254,459              | 202,499        | 87,956         | 69,792         | 58,403         | 29,812             | 702,921          |
| Health and charitable . . . . .                            | 128,344              | 93,732         | 56,425         | 36,991         | 41,176         | 15,706             | 372,374          |
| Justice . . . . .  | 17,117               | 6,014          | 5,419          | 2,219          | 2,225          | 1,132              | 34,126           |
| Police . . . . .   | 38,344               | 26,486         | 16,320         | 9,133          | 7,927          | 3,734              | 101,944          |
| Penal establishments . . . . .                             | 9,983                | 3,997          | 2,294          | 2,403          | 3,160          | 961                | 22,798           |
| Public safety . . . . .                                    | 2,683                | 144            | 1,810          | 452            | 616            | 567                | 6,272            |
| All other expenditure . . . . .                            | 154,470              | 96,787         | 56,980         | 45,826         | 43,802         | 19,936             | 417,802          |
| <b>Total . . . . .</b>                                     | <b>970,330</b>       | <b>666,645</b> | <b>388,777</b> | <b>286,895</b> | <b>276,137</b> | <b>110,350</b>     | <b>2,699,134</b> |

## PER HEAD OF POPULATION

(\$)

|  |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt (interest, exchange, debt redemption, etc.) . . . . . | 27.82         | 35.61         | 36.00         | 61.56         | 51.06         | 85.33         | 38.05         |
| Railways . . . . .   | 43.28         | 31.10         | 56.21         | 28.85         | 55.73         | 9.27          | 40.26         |
| Tramways and omnibuses . . . . .                           | 7.29          | ..            | ..            | ..            | 1.01          | 2.67          | 2.86          |
| Harbours and rivers, etc. . . . .                          | 3.97          | 0.47          | ..            | 3.24          | 3.02          | 0.11          | 2.14          |
| Water supply, sewerage, irrigation and drainage . . . . .  | ..            | 3.23          | ..            | 11.28         | 12.35         | 2.20          | 3.00          |
| Other business and industrial undertakings . . . . .       | ..            | 0.21          | 0.03          | 0.81          | 4.76          | 0.24          | 0.52          |
| Education . . . . .  | 57.44         | 60.34         | 50.22         | 61.46         | 62.87         | 77.29         | 58.64         |
| Health and charitable . . . . .                            | 28.97         | 27.93         | 32.22         | 32.57         | 44.33         | 40.72         | 31.06         |
| Justice . . . . .  | 3.86          | 1.79          | 3.09          | 1.95          | 2.40          | 2.93          | 2.85          |
| Police . . . . .   | 8.66          | 7.89          | 9.32          | 8.04          | 8.53          | 9.70          | 8.50          |
| Penal establishments . . . . .                             | 2.25          | 1.19          | 1.31          | 2.12          | 3.40          | 2.49          | 1.90          |
| Public safety . . . . .                                    | 0.61          | 0.04          | 1.03          | 0.40          | 0.66          | 1.47          | 0.52          |
| All other expenditure . . . . .                            | 34.87         | 28.84         | 32.53         | 40.35         | 47.15         | 51.69         | 34.85         |
| <b>Total . . . . .</b>                                     | <b>219.02</b> | <b>198.65</b> | <b>221.97</b> | <b>252.64</b> | <b>297.27</b> | <b>286.10</b> | <b>225.16</b> |

(a) See page 562 for transactions included. (b) Tasmanian transport services are under the separate control of semi-government authorities. Figures shown for relevant items represent payments to the authorities.

TOTAL STATE CONSOLIDATED REVENUE FUND EXPENDITURE: DETAILS  
1964-65 TO 1968-69

|   | 1964-65          | 1965-66          | 1966-67          | 1967-68          | 1968-69          |
|---|------------------|------------------|------------------|------------------|------------------|
| Debt (interest, exchange, debt redemption, etc.) . . . . .    | 343,990          | 370,551          | 397,077          | 425,108          | 456,115          |
| Railways, tramways and omnibuses (working expenses) . . . . . | 443,947          | 451,226          | 467,200          | 489,570          | 516,949          |
| Harbours and rivers, etc. . . . .                             | 20,652           | 19,445           | 20,580           | 23,629           | 25,688           |
| Water supply, sewerage, irrigation and drainage . . . . .     | 24,840           | 27,301           | 29,269           | 32,967           | 35,963           |
| Other business and industrial undertakings . . . . .          | 6,260            | 5,235            | 5,183            | 5,965            | 6,186            |
| Education . . . . .   | 457,333          | 499,733          | 552,836          | 620,987          | 702,921          |
| Health and charitable . . . . .                               | 260,508          | 285,587          | 309,569          | 330,947          | 372,374          |
| Justice . . . . .   | 24,187           | 26,286           | 29,029           | 32,277           | 34,126           |
| Police . . . . .  | 72,981           | 77,102           | 87,616           | 94,448           | 101,944          |
| Penal establishments . . . . .                                | 14,204           | 15,258           | 17,436           | 19,924           | 22,798           |
| Public safety . . . . .                                       | 4,038            | 4,400            | 4,644            | 5,143            | 6,272            |
| All other expenditure . . . . .                               | 292,194          | 338,135          | 369,814          | 387,639          | 417,802          |
| <b>Total . . . . .</b>  | <b>1,965,133</b> | <b>2,120,259</b> | <b>2,290,254</b> | <b>2,468,603</b> | <b>2,699,134</b> |

## 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 1968-69 was Commonwealth payments under financial assistance and other grants (40.6 per cent of the total revenue). Next in magnitude was the group of business undertakings (23.7 per cent), the principal contributors being the Government railways and tramways, followed by taxation receipts (20.6 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 pages 568-9). Of the remaining sources of revenue, interest (n.e.i.) constituted 4.1 per cent, land revenue 2.5 per cent, and National Welfare Fund payments 1.1 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 FUND RECEIPTS, 1964-65 TO 1968-69

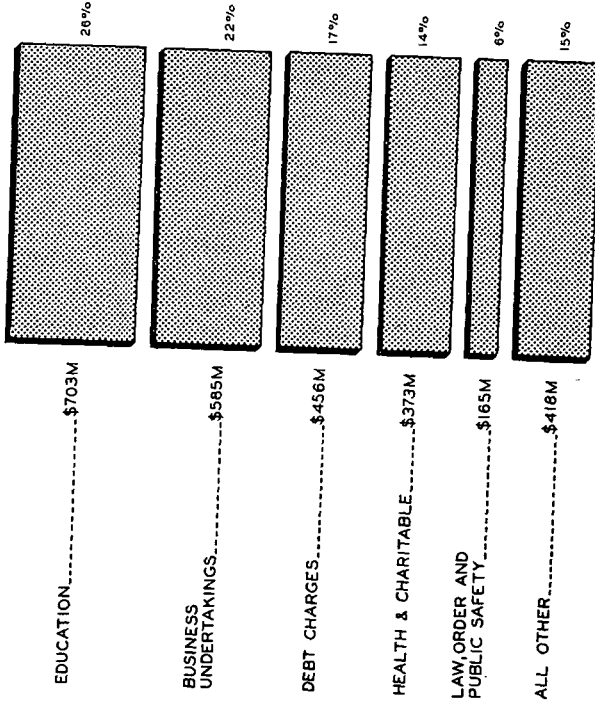
| Year                           | N.S.W.(a) | Vic.    | Qld     | S.A.    | W.A.    | Tas.    | Total     |
|--------------------------------|-----------|---------|---------|---------|---------|---------|-----------|
| RECEIPTS<br>(\$'000)           |           |         |         |         |         |         |           |
| 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 |
| 1968-69 . . . . .              | 966,743   | 664,183 | 387,866 | 287,355 | 275,081 | 106,656 | 2,687,884 |
| PER HEAD OF POPULATION<br>(\$) |           |         |         |         |         |         |           |
| 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    |
| 1968-69 . . . . .              | 218.22    | 197.92  | 221.45  | 253.04  | 296.13  | 276.53  | 224.22    |

(a) See page 562 for transactions included.

# STATE CONSOLIDATED REVENUE FUNDS

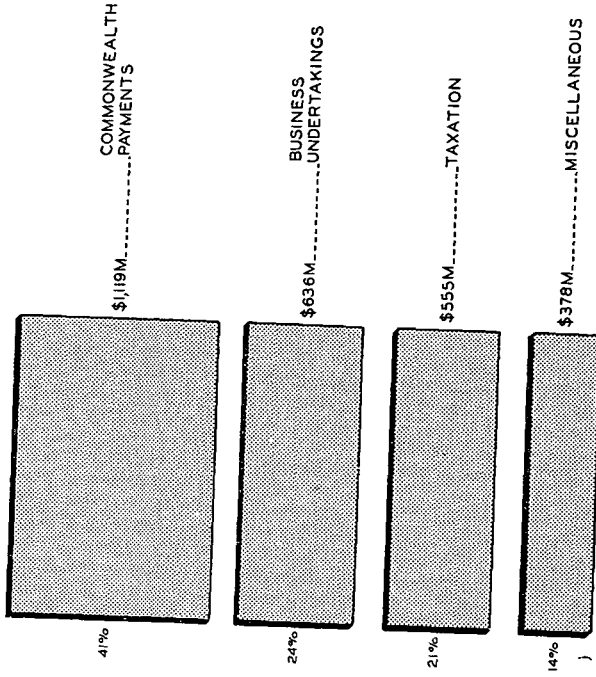
1968-69

## EXPENDITURE



TOTAL EXPENDITURE - \$2,699 MILLION

## RECEIPTS



TOTAL RECEIPTS - \$2,688 MILLION

## Sources of revenue

Classifying the revenue of the several States in the manner indicated on page 565, particulars for the year 1968-69 were as follows.

## STATE CONSOLIDATED REVENUE FUND RECEIPTS, BY SOURCE, 1968-69

| Source of revenue             | N.S.W.<br>(a)  | Vic.           | Qld            | S.A.           | W.A.           | Tas.<br>(b)    | Total            |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| RECEIPTS<br>(\$'000)          |                |                |                |                |                |                |                  |
| Taxation(c)                   | 197,858        | 182,574        | 64,671         | 49,872         | 42,772         | 17,149         | 554,896          |
| Business undertakings         | 282,148        | 132,802        | 99,558         | 62,120         | 58,999         | 270            | 635,897          |
| Lands                         | 22,402         | 9,147          | 14,127         | 2,437          | 17,301         | 1,930          | 67,344           |
| Interest, n.e.i.              | 9,948          | 26,493         | 18,917         | 22,566         | 14,176         | 18,172         | 110,272          |
| Commonwealth grants(d)—       |                |                |                |                |                |                |                  |
| Financial assistance          | 333,393        | 250,563        | 155,963        | 112,768        | 123,796        | 41,710         | 1,018,193        |
| Other(e)                      | 20,365         | 10,602         | 10,272         | 10,487         | 2,825          | 18,065         | 72,616           |
| Commonwealth National Welfare |                |                |                |                |                |                |                  |
| Fund payments(f)              | 15,647         | 4,263          | 3,756          | 3,445          | 161            | 1,358          | 28,630           |
| Miscellaneous                 | 84,982         | 47,740         | 20,601         | 23,660         | 15,050         | 8,002          | 200,035          |
| <b>Total</b>                  | <b>966,743</b> | <b>664,183</b> | <b>387,866</b> | <b>287,355</b> | <b>275,081</b> | <b>106,656</b> | <b>2,687,884</b> |

## PER HEAD OF POPULATION

|                               | (\$)          |               |               |               |               |               |               |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Taxation(c)                   | 44.66         | 54.41         | 36.92         | 43.92         | 46.05         | 44.46         | 46.29         |
| Business undertakings         | 63.69         | 39.57         | 56.84         | 54.70         | 63.51         | 0.70          | 53.05         |
| Lands                         | 5.06          | 2.73          | 8.07          | 2.15          | 18.63         | 5.00          | 5.62          |
| Interest, n.e.i.              | 2.25          | 7.89          | 10.80         | 19.87         | 15.26         | 47.11         | 9.20          |
| Commonwealth grants(d)—       |               |               |               |               |               |               |               |
| Financial assistance          | 75.25         | 74.67         | 89.05         | 99.30         | 133.27        | 108.14        | 84.94         |
| Other(e)                      | 4.60          | 3.16          | 5.86          | 9.23          | 3.04          | 46.84         | 6.06          |
| Commonwealth National Welfare |               |               |               |               |               |               |               |
| Fund payments(f)              | 3.53          | 1.27          | 2.14          | 3.03          | 0.17          | 3.52          | 2.39          |
| Miscellaneous                 | 19.18         | 14.23         | 11.76         | 20.83         | 16.20         | 20.75         | 16.69         |
| <b>Total</b>                  | <b>218.22</b> | <b>197.92</b> | <b>221.45</b> | <b>253.04</b> | <b>296.13</b> | <b>276.53</b> | <b>224.22</b> |

(a) See page 562 for transactions included. (b) Tasmanian transport services are under the separate control of semi-government 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 1968-69, 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 19.

STATE GOVERNMENT RECEIPTS FROM TAXATION: NET COLLECTIONS, BY TYPE OF TAX  
1968-69  
(\$'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>   |
|---|----------------|----------------|---------------|---------------|---------------|---------------|----------------|
| Probate and succession duties . . . . .               | 52,156         | 46,801         | 19,969        | 9,131         | 6,297         | 3,029         | 134,383        |
| Land tax . . . . .                                    | 33,802         | 21,839         | 4,746         | 7,644         | 4,746         | 2,352         | 75,129         |
| Liquor taxes . . . . .                                | 16,056         | 10,632         | 5,186         | 2,633         | 2,848         | 1,072         | 38,427         |
| Lottery taxes . . . . .                               | ..             | 5,990          | 842           | ..            | ..            | ..            | 6,832          |
| Poker machines tax . . . . .                          | 26,294         | ..             | ..            | ..            | ..            | ..            | 26,294         |
| Racing taxes . . . . .                                | 18,366         | 17,373         | 6,096         | 2,773         | 3,802         | 199           | 48,609         |
| Vehicle registration fees and taxes                   | 44,276         | 46,062         | 21,984        | 12,625        | 6,987         | 4,890         | 136,824        |
| Drivers', etc., licences and fees . . . . .           | 8,102          | 3,493          | 1,440         | 1,067         | 1,479         | 515           | 16,096         |
| Stamp duty (vehicle registration) . . . . .           | 3,783          | 5,976          | 2,803         | 2,134         | 1,670         | 342           | 16,707         |
| Road transport taxes . . . . .                        | 4,630          | 1,813          | 6,701         | 35            | 863           | 331           | 14,373         |
| Road maintenance contributions . . . . .              | 14,799         | 7,842          | 4,297         | 2,557         | 3,210         | ..            | 32,705         |
| Third party insurance surcharges and duties . . . . . | ..             | 2,605          | ..            | 400           | 755           | 291           | 4,051          |
| Fire Brigades contributions . . . . .                 | 600            | ..             | 4,124         | ..            | ..            | ..            | 4,724          |
| Stamp duties, n.e.i. . . . .                          | 74,768         | 73,619         | 20,212        | 12,713        | 21,267        | 3,996         | 206,575        |
| Licence and registration fees, n.e.i. . . . .         | 1,366          | 1,958          | 601           | 517           | 583           | 60            | 5,085          |
| Other taxes . . . . .                                 | 376            | 8,991          | 3,669         | ..            | 2,582         | 73            | 15,691         |
| <b>Total . . . . .</b>                                | <b>299,376</b> | <b>254,992</b> | <b>99,669</b> | <b>54,228</b> | <b>57,089</b> | <b>17,149</b> | <b>782,503</b> |
| <i>of which—</i>                                      |                |                |               |               |               |               |                |
| Paid to Consolidated Revenue Fund . . . . .           | 197,858        | 182,574        | 64,671        | 49,872        | 42,772        | 17,149        | 554,896        |
| Paid to Trust and other funds . . . . .               | 101,518        | 72,418         | 34,998        | 4,356         | 14,316        | ..            | 227,606        |

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 1968-69  
(\$'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>  |
|---|---------------|---------------|--------------|--------------|--------------|--------------|---------------|
| Taxes paid to other government authorities—               |               |               |              |              |              |              |               |
| Fire Brigades contributions . . . . .                     | 8,193         | 6,231         | ..           | 931          | 1,504        | 661          | 17,520        |
| Sugar cane assessment . . . . .                           | ..            | ..            | 784          | ..           | ..           | ..           | 784           |
| Metropolitan improvement rate . . . . .                   | ..            | 5,686         | ..           | ..           | ..           | ..           | 5,686         |
| Racing taxes . . . . .                                    | ..            | ..            | ..           | ..           | ..           | 1,121        | 1,121         |
| Vehicle registration fees and drivers' licences . . . . . | ..            | ..            | ..           | ..           | ..           | -35          | -35           |
| Road transport taxes . . . . .                            | ..            | ..            | ..           | ..           | ..           | 77           | 77            |
| Profits of State Lotteries . . . . .                      | 17,247        | ..            | 3,351        | 1,734        | 1,528        | ..           | 23,860        |
| <b>Total . . . . .</b>                                    | <b>25,440</b> | <b>11,917</b> | <b>4,135</b> | <b>2,665</b> | <b>3,032</b> | <b>1,824</b> | <b>49,013</b> |



The table hereunder shows, for the year 1968-69, 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, 1968-69**

(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 . . . . .                           | 16.06         | 17.53         | 16.35         | 16.05         | 10.47         | 15.96         | 16.16         |
| Land tax . . . . .  | 10.41         | 8.18          | 4.57          | 13.44         | 7.89          | 12.40         | 9.04          |
| Liquor taxes . . . . .  | 4.94          | 3.98          | 5.00          | 4.63          | 4.74          | 5.65          | 4.62          |
| Lottery(a), poker machines, racing taxes . . . . .                | 19.06         | 8.75          | 9.91          | 7.92          | 8.87          | 6.96          | 12.83         |
| Vehicle registration fees and taxes                               | 13.63         | 17.26         | 21.18         | 22.19         | 11.62         | 28.30         | 18.39         |
| Drivers', etc., licences and fees . . . . .                       | 2.49          | 1.31          | 1.39          | 1.87          | 2.46          |               |               |
| Stamp duty (vehicle registration) . . . . .                       | 1.17          | 2.24          | 2.70          | 3.75          | 2.78          | 1.80          | 2.01          |
| Road transport taxes and road maintenance contributions . . . . . | 5.98          | 3.62          | 10.59         | 4.56          | 6.77          | 2.15          | 5.67          |
| Third party insurance surcharges and duties . . . . .             | ..            | 0.98          | ..            | 0.70          | 1.26          | 1.53          | 0.49          |
| Stamp duties, n.e.i. . . . .                                      | 23.02         | 27.58         | 19.47         | 22.35         | 35.37         | 21.06         | 24.84         |
| Other taxes, etc. . . . .   | 3.24          | 8.57          | 8.84          | 2.54          | 7.77          | 4.19          | 5.95          |
| <b>Total . . . . .</b>  | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> |

(a) Includes profits of State Lotteries.

The total amounts and the amounts per head raised from all sources of State taxation during the years 1964-65 to 1968-69 are shown in the following tables.

**ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: NET COLLECTIONS, 1964-65 TO 1968-69**

| <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> |
|-------------------------------|---------------|-------------|------------|-------------|-------------|-------------|--------------|
| <b>NET COLLECTIONS</b>        |               |             |            |             |             |             |              |
| (\$'000)                      |               |             |            |             |             |             |              |
| 1964-65 . . . . .             | 224,349       | 159,626     | 68,861     | 37,706      | 28,207      | 12,066      | 530,815      |
| 1965-66 . . . . .             | 237,931       | 178,603     | 72,164     | 40,151      | 33,236      | 13,377      | 575,462      |
| 1966-67 . . . . .             | 258,324       | 199,247     | 83,434     | 46,050      | 41,798      | 14,784      | 643,637      |
| 1967-68 . . . . .             | 288,196       | 224,593     | 97,502     | 51,243      | 50,671      | 16,953      | 729,158      |
| 1968-69 . . . . .             | 324,816       | 266,909     | 103,804    | 56,893      | 60,121      | 18,974      | 831,517      |
| <b>PER HEAD OF POPULATION</b> |               |             |            |             |             |             |              |
| (\$)                          |               |             |            |             |             |             |              |
| 1964-65 . . . . .             | 54.16         | 50.90       | 42.33      | 35.84       | 34.52       | 32.93       | 47.64        |
| 1965-66 . . . . .             | 56.52         | 55.92       | 43.47      | 37.11       | 39.69       | 36.19       | 50.69        |
| 1966-67 . . . . .             | 60.46         | 61.31       | 49.42      | 41.71       | 48.48       | 39.54       | 55.72        |
| 1967-68 . . . . .             | 66.30         | 68.02       | 56.76      | 45.83       | 56.77       | 44.68       | 62.02        |
| 1968-69 . . . . .             | 73.32         | 79.54       | 59.27      | 50.10       | 64.72       | 49.19       | 69.36        |

**ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: TOTAL NET COLLECTIONS  
BY TYPE OF TAX, 1964-65 TO 1968-69  
(\$'000)**

|  | 1964-65        | 1965-66        | 1966-67        | 1967-68        | 1968-69        |
|--|----------------|----------------|----------------|----------------|----------------|
| Probate and succession duties . . . . .                                | 91,693         | 94,753         | 106,559        | 119,151        | 134,383        |
| Land tax . . . . .   | 62,702         | 69,497         | 72,736         | 76,103         | 75,129         |
| Liquor tax . . . . .   | 26,211         | 27,403         | 31,226         | 34,299         | 38,427         |
| Lottery(a), poker machines, racing<br>taxes . . . . .                  | 68,895         | 75,091         | 85,731         | 97,039         | 106,716        |
| Vehicle registration fees and taxes . . . . .                          | 95,084         | 106,872        | 115,282        | 124,409        | 136,790        |
| Drivers', etc., licences and fees . . . . .                            | 11,548         | 13,607         | 14,377         | 14,865         | 16,096         |
| Stamp duty (vehicle registration) . . . . .                            | 7,895          | 10,525         | 11,576         | 14,768         | 16,707         |
| Road transport taxes and road main-<br>tenance contributions . . . . . | 31,879         | 33,936         | 38,401         | 42,580         | 47,153         |
| Third party insurance surcharges and<br>duties . . . . .               | 2,815          | 3,132          | 3,314          | 3,472          | 4,051          |
| Stamp duties, n.e.i. . . . .   | 104,108        | 109,663        | 124,965        | 157,943        | 206,575        |
| Other taxes . . . . .  | 27,983         | 30,984         | 39,470         | 44,529         | 49,490         |
| <b>Total . . . . .</b>   | <b>530,815</b> | <b>575,462</b> | <b>643,637</b> | <b>729,158</b> | <b>831,517</b> |

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

|  | 1964-65        | 1965-66        | 1966-67        | 1967-68        | 1968-69        |
|--|----------------|----------------|----------------|----------------|----------------|
| Liquor tax . . . . .                                     | 7,706          | 8,236          | 9,120          | 9,849          | 10,779         |
| Racing tax . . . . .                                     | 1,647          | 2,105          | 2,739          | 3,613          | 4,807          |
| Poker machines tax . . . . .                             | 13,666         | 15,761         | 19,650         | 23,063         | 26,294         |
| Motor vehicle registration . . . . .                     | 81,318         | 92,384         | 99,782         | 107,924        | 119,032        |
| Drivers', etc. licences . . . . .                        | 8,830          | 9,708          | 9,729          | 10,131         | 10,881         |
| Road transport taxes . . . . .                           | 5,789          | 5,863          | 6,175          | 6,911          | 7,306          |
| Road maintenance contributions . . . . .                 | 20,625         | 22,851         | 26,339         | 28,929         | 32,705         |
| Third party insurance surcharges and<br>duties . . . . . | ..             | ..             | ..             | ..             | 400            |
| Fire brigades contributions . . . . .                    | 2,840          | 3,320          | 3,842          | 4,213          | 4,724          |
| Stamp duties, n.e.i. . . . .                             | 1,152          | 1,203          | 1,146          | 1,170          | 1,225          |
| Licences, n.e.i. . . . .                                 | 587            | 616            | 681            | 712            | 832            |
| Other taxes, etc. . . . .                                | 5,434          | 5,410          | 5,974          | 7,735          | 8,622          |
| <b>Total . . . . .</b>                                   | <b>149,593</b> | <b>167,455</b> | <b>185,177</b> | <b>204,248</b> | <b>227,606</b> |

**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 1968-69 the receipts from these sources was \$635,897,000 or 23.7 per cent of the receipts from all sources.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS  
UNDERTAKINGS, BY SOURCE, 1968-69**  
(\$'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)                                     | 228,560        | 100,329        | 99,290        | 29,350        | 49,163        | ..             | 506,691        |
| Tramways and omnibuses                          | 30,629         | ..             | ..            | ..            | ..            | ..             | 30,629         |
| Harbours, rivers, lights                        | 22,959         | (c)3,576       | ..            | 6,547         | 3,301         | ..             | 36,382         |
| Water supply, sewerage, irrigation and drainage | ..             | 14,479         | ..            | 24,831        | 4,538         | 70             | 43,919         |
| Electricity supply                              | ..             | 13,897         | 268           | ..            | ..            | ..             | 14,165         |
| Other   | ..             | 520            | ..            | 1,393         | 1,997         | 200            | 4,110          |
| <b>Total</b>                                    | <b>282,148</b> | <b>132,802</b> | <b>99,558</b> | <b>62,120</b> | <b>58,999</b> | <b>270</b>     | <b>635,897</b> |

(a) Tasmanian transport services are under the separate control of semi-government authorities. (b) The following contributions to railways revenue from Consolidated Revenue Fund are excluded—New South Wales, \$1,600,000; South Australia, \$11,000,000. (c) Includes Harbour Trust Fund contribution, \$1,500,000.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS UNDERTAKINGS  
1964-65 TO 1968-69**

| <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> |
|-----------------------------|---------------|-------------|------------|-------------|-------------|----------------|--------------|
| <b>RECEIPTS</b><br>(\$'000) |               |             |            |             |             |                |              |
| 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      |
| 1968-69                     | 282,148       | 132,802     | 99,558     | 62,120      | 58,999      | 270            | 635,897      |

**PER HEAD OF POPULATION**  
(\$)

|         |       |       |       |       |       |      |       |
|---------|-------|-------|-------|-------|-------|------|-------|
| 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 |
| 1968-69 | 63.69 | 39.57 | 56.84 | 54.70 | 63.51 | 0.70 | 53.05 |

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

**STATE CONSOLIDATED REVENUE FUND: TOTAL RECEIPTS FROM BUSINESS  
UNDERTAKINGS, BY SOURCE, 1964-65 TO 1968-69**  
(\$'000)

| <i>Source</i>                                   | <i>1964-65</i> | <i>1965-66</i> | <i>1966-67</i> | <i>1967-68</i> | <i>1968-69</i> |
|---|----------------|----------------|----------------|----------------|----------------|
| Railways, tramways and omnibuses                | 485,800        | 473,483        | 508,846        | 522,259        | 537,320        |
| Harbour services                                | 27,371         | 27,142         | 30,010         | 33,348         | 36,382         |
| Water supply, sewerage, irrigation and drainage | 33,424         | 37,370         | 41,206         | 41,790         | 43,919         |
| Other   | 15,892         | 15,951         | 22,588         | 18,035         | 18,275         |
| <b>Total</b>                                    | <b>562,487</b> | <b>553,946</b> | <b>602,650</b> | <b>615,431</b> | <b>635,897</b> |

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 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 below and on page 573. 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, 1968-69**  
(\$'000)

|   | N.S.W.         | Vic.(a)        | Qld           | S.A.          | W.A.          | Tas.          | Total          |
|---|----------------|----------------|---------------|---------------|---------------|---------------|----------------|
| Public works and services—                            |                |                |               |               |               |               |                |
| Railways . . . . .                                    | 24,500         | 16,901         | 16,873        | 5,212         | 15,503        | 582           | 79,570         |
| Tramways and omnibuses . . . . .                      | 940            | ..             | ..            | ..            | 267           | ..            | 1,207          |
| Roads . . . . .                                       | 4,855          | 4,476          | 2,844         | ..            | ..            | 789           | 36,136         |
| Bridges . . . . .                                     |                |                |               |               |               |               |                |
| Harbours and rivers . . . . .                         | 13,544         | 4,432          | 798           | 3,194         | 1,203         | ..            | ..             |
| Lights and lighthouses . . . . .                      | ..             | ..             | ..            | ..            |               |               |                |
| Water supply . . . . .                                | 21,626         | 18,156         | 229           | 18,273        | 14,235        | 1,277         | 84,803         |
| Sewerage . . . . .                                    |                | 1,754          | ..            | 9,253         |               |               |                |
| Electricity and gas supplies . . . . .                | 15,280         | 15,830         | 4,790         | 6,000         | 5,685         | 20,725        | 68,310         |
| Public buildings . . . . .                            | 92,778         | 70,892         | 30,167        | 26,989        | 21,932        | 13,903        | 256,660        |
| Loans and grants to local bodies . . . . .            | 1,437          | 2,236          | 14,212        | ..            | ..            | 91            | 17,976         |
| Housing(b) . . . . .                                  | 1,910          | 2,667          | 1,300         | 650           | 2,524         | 100           | 9,150          |
| Other public works, etc. . . . .                      | 445            | 546            | ..            | 3,065         | ..            | 803           | 4,859          |
| Primary production—                                   |                |                |               |               |               |               |                |
| Soldier settlement . . . . .                          | 50             | ..             | ..            | ..            | ..            | ..            | 50             |
| Land for settlement . . . . .                         | 2,400          | 1,927          | 440           | ..            | ..            | 50            | 4,817          |
| Advances to settlers . . . . .                        | 200            | 354            | ..            | 1,584         | ..            | 500           | 2,638          |
| Water conservation, irrigation and drainage . . . . . | 18,066         | (c)            | 8,001         | 3,321         | 884           | ..            | 30,272         |
| Vermin-proof fencing . . . . .                        | ..             | 2              | 10            | (d)           | ..            | ..            | 12             |
| Agriculture . . . . .                                 | 2,700          | 922            | ..            | ..            | 740           | 817           | 5,179          |
| Agricultural Bank . . . . .                           | ..             | ..             | 6,404         | ..            | ..            | ..            | 6,404          |
| Forestry . . . . .                                    | 3,600          | 3,020          | 5,290         | 2,282         | 400           | 1,550         | 16,142         |
| Mines and mineral resources . . . . .                 | 1,450          | 254            | 1,092         | 244           | 97            | 65            | 3,203          |
| Other . . . . .                                       | 3,316          | 6,970          | ..            | 342           | ..            | 175           | 10,803         |
| Other purposes . . . . .                              | ..             | (e)3,367       | ..            | 6,202         | 891           | 1,107         | 11,568         |
| <b>Total . . . . .</b>                                | <b>209,097</b> | <b>154,706</b> | <b>92,450</b> | <b>86,611</b> | <b>64,361</b> | <b>42,533</b> | <b>649,759</b> |
| Other than works, etc. . . . .                        | 662            | 279            | 398           | 307           | 142           | 1,811         | 3,599          |
| <b>Grand total . . . . .</b>                          | <b>209,759</b> | <b>154,985</b> | <b>92,848</b> | <b>86,918</b> | <b>64,503</b> | <b>44,344</b> | <b>653,357</b> |

(a) Expenditure from loan funds and on account of loans; includes expenditure from loan funds, from Treasurer's Advance Account, and from State Loans Repayment Fund. (b) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (c) Included in Public works and services—Water supply. (d) Included in item Advances to settlers. (e) Includes Rural Finance and Settlement Commission, for advances to rural industries \$1,569,000.

**STATE LOAN EXPENDITURE ON WORKS, SERVICES, ETC.**  
**1964-65 TO 1968-69**  
 (\$'000)

| <i>Year</i>          | <i>N.S.W.</i> | <i>Vic.(a)</i> | <i>Qld</i> | <i>S.A.</i> | <i>W.A.</i> | <i>Tas.</i> | <i>Total</i> |
|----------------------|---------------|----------------|------------|-------------|-------------|-------------|--------------|
| 1964-65—             |               |                |            |             |             |             |              |
| Gross . . . . .      | 156,879       | 128,465        | 77,963     | 73,639      | 51,029      | 35,780      | 523,756      |
| Repayments . . . . . | 12,121        | 7,588          | 10,972     | 11,085      | 4,071       | 2,428       | 48,265       |
| Net . . . . .        | 144,758       | 120,878        | 66,991     | 62,554      | 46,958      | 33,352      | 475,491      |
| 1965-66—             |               |                |            |             |             |             |              |
| Gross . . . . .      | 170,984       | 131,884        | 80,083     | 75,167      | 52,926      | 39,346      | 550,390      |
| Repayments . . . . . | 16,179        | 8,146          | 14,232     | 10,632      | 4,983       | 2,773       | 56,945       |
| Net . . . . .        | 154,806       | 123,738        | 65,851     | 64,535      | 47,943      | 36,573      | 493,446      |
| 1966-67—             |               |                |            |             |             |             |              |
| Gross . . . . .      | 184,457       | 141,804        | 93,378     | 77,809      | 55,481      | 40,118      | 593,047      |
| Repayments . . . . . | 15,138        | 8,900          | 8,990      | 11,156      | 4,391       | 3,482       | 52,057       |
| Net . . . . .        | 169,319       | 132,904        | 84,388     | 66,653      | 51,090      | 36,636      | 540,990      |
| 1967-68—             |               |                |            |             |             |             |              |
| Gross . . . . .      | 191,759       | 148,715        | 88,075     | 77,338      | 60,593      | 45,993      | 612,473      |
| Repayments . . . . . | 19,883        | 8,687          | 11,227     | 12,116      | 7,348       | 3,865       | 63,126       |
| Net . . . . .        | 171,875       | 140,028        | 76,848     | 65,223      | 53,244      | 42,128      | 549,346      |
| 1968-69—             |               |                |            |             |             |             |              |
| Gross . . . . .      | 209,759       | 154,985        | 92,848     | 86,918      | 64,503      | 44,344      | 653,357      |
| Repayments . . . . . | 25,562        | 8,154          | 12,115     | 15,680      | 9,693       | 4,270       | 75,474       |
| Net . . . . .        | 184,197       | 146,831        | 80,733     | 71,238      | 54,810      | 40,074      | 577,883      |

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

Information relating to the government securities and borrowings on issue on behalf of the States is given in the Section on Government Securities on Issue: Commonwealth and States (see pages 576-82).

## COMMONWEALTH AND STATE FINANCE

### Consolidated Revenue Fund expenditure and receipts

In the following table, aggregate expenditure and receipts of Commonwealth Consolidated Revenue Fund for each of the years 1964-65 to 1968-69 may be compared with State Consolidated Revenue Fund totals for the same years as shown in the section State Finance. 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 1964-65 to 1968-69, 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, 1964-65 TO 1968-69

| <i>Year</i>       | <i>Expenditure</i>  |               |              | <i>Receipts</i>     |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | <i>Commonwealth</i> | <i>States</i> | <i>Total</i> | <i>Commonwealth</i> | <i>States</i> | <i>Total</i> |
|                   | \$'000              | \$'000        | \$m          | \$'000              | \$'000        | \$m          |
| 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      |
| 1968-69 . . . . . | 6,085,765           | 2,699,134     | 7,657.6      | 6,085,765           | 2,687,884     | 7,646.4      |

## Taxation collections

The following table shows the combined Commonwealth and State taxation collections and the amount per head of population for the years 1964-65 to 1968-69. Taxation collections by other State authorities are included.

**COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS  
BY TYPE OF TAX, 1964-65 TO 1968-69**

|  | 1964-65          | 1965-66          | 1966-67          | 1967-68          | 1968-69          |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>NET COLLECTIONS</b>                                       |                  |                  |                  |                  |                  |
| (\$'000)   |                  |                  |                  |                  |                  |
| Income taxes . . . . .                                       | 2,291,183        | 2,544,652        | 2,725,415        | 3,030,918        | 3,410,886        |
| Estate, gift, probate and succession duties . . . . .        | 140,532          | 137,072          | 155,751          | 182,412          | 204,484          |
| Customs and excise duty . . . . .                            | 899,612          | 1,022,798        | 1,081,321        | 1,167,388        | 1,248,571        |
| Sales tax . . . . .  | 362,825          | 370,005          | 380,657          | 416,626          | 494,090          |
| Payroll tax . . . . .  | 150,078          | 161,943          | 172,232          | 184,416          | 205,568          |
| Land taxes . . . . .   | 62,702           | 69,497           | 72,736           | 76,103           | 75,129           |
| Liquor taxes . . . . .                                       | 26,357           | 27,574           | 31,423           | 34,525           | 38,686           |
| Lottery(a), poker machines and racing taxes . . . . .        | 68,895           | 75,091           | 85,731           | 97,039           | 106,716          |
| Taxes on ownership and operation of motor vehicles . . . . . | 149,974          | 168,912          | 183,892          | 201,175          | 222,205          |
| Stamp duties, n.e.i. . . . .                                 | 104,149          | 109,727          | 125,020          | 158,017          | 206,661          |
| Licences and registration fees, n.e.i. . . . .               | 4,022            | 5,772            | 5,422            | 6,044            | 6,804            |
| Other taxes . . . . .  | 55,185           | 65,972           | 76,743           | 86,668           | 93,506           |
| <b>Total . . . . .</b>                                       | <b>4,315,517</b> | <b>4,759,014</b> | <b>5,096,344</b> | <b>5,641,328</b> | <b>6,313,304</b> |
| <i>of which</i>  |                  |                  |                  |                  |                  |
| Commonwealth taxation (including Territories) . . . . .      | 3,784,702        | 4,183,552        | 4,452,707        | 4,912,171        | 5,481,788        |
| State taxation . . . . .                                     | 530,815          | 575,462          | 643,637          | 729,158          | 831,517          |
| <b>PER HEAD OF POPULATION</b>                                |                  |                  |                  |                  |                  |
| (\$)   |                  |                  |                  |                  |                  |
| Income taxes . . . . .                                       | 203.14           | 221.26           | 232.77           | 254.13           | 280.23           |
| Estate, gift, probate and succession duties . . . . .        | 12.46            | 11.92            | 13.30            | 15.29            | 16.80            |
| Customs and excise duty . . . . .                            | 79.76            | 88.93            | 92.35            | 97.88            | 102.58           |
| Sales tax . . . . .  | 32.17            | 32.17            | 32.51            | 34.93            | 40.59            |
| Payroll tax . . . . .  | 13.31            | 14.08            | 14.71            | 15.46            | 16.89            |
| Land taxes . . . . .   | 5.56             | 6.04             | 6.21             | 6.38             | 6.17             |
| Liquor taxes . . . . .                                       | 2.34             | 2.40             | 2.68             | 2.89             | 3.18             |
| Lottery(a), poker machines and racing taxes . . . . .        | 6.11             | 6.53             | 7.32             | 8.14             | 8.77             |
| Taxes on ownership and operation of motor vehicles . . . . . | 13.30            | 14.69            | 15.71            | 16.87            | 18.26            |
| Stamp duties, n.e.i. . . . .                                 | 9.23             | 9.54             | 10.68            | 13.25            | 16.98            |
| Licences and registration fees, n.e.i. . . . .               | 0.36             | 0.50             | 0.46             | 0.51             | 0.56             |
| Other taxes . . . . .  | 4.89             | 5.74             | 6.55             | 7.27             | 7.68             |
| <b>Total . . . . .</b>                                       | <b>382.63</b>    | <b>413.81</b>    | <b>435.26</b>    | <b>473.00</b>    | <b>518.69</b>    |
| <i>of which—</i>   |                  |                  |                  |                  |                  |
| Commonwealth taxation (including Territories) . . . . .      | 335.56           | 363.77           | 380.29           | 411.87           | 450.37           |
| State taxation . . . . .                                     | 47.64            | 50.69            | 55.72            | 62.02            | 69.36            |

(a) Includes profits of State Lotteries.

### Government Borrowing and Financing the Commonwealth Deficit

Movements in government securities on issue are the most important transactions involved in financing the Commonwealth deficit in each of the years 1964-65 to 1968-69 as shown in the table on page 538.

Specifically the deficit, as derived, consists of the following:

Net sales of Commonwealth securities (new issues, *less* redemptions, *less* net purchases from Commonwealth balances in the Trust Fund),

*less* net purchases of other investments from Commonwealth balances in the Trust Fund,

*plus* minor items of indebtedness (such as borrowing by Australian Capital Territory and Northern Territory housing trust accounts, and transactions associated with the issue of coin),

*less* net additions to cash balances and funds provided for the International Monetary Fund.

The following table summarises the relationship of the deficit in each of the years 1964-65 to 1968-69 with the net movement in securities on issue which are derivable from the tables shown on the following pages.

#### RECONCILIATION OF DEFICIT WITH NET MOVEMENT IN SECURITIES ON ISSUE

(\$ million)

(Source: Supplement to the *Treasury Information Bulletin*, August 1969)

|  | 1964-65    | 1965-66    | 1966-67    | 1967-68    | 1968-69    |
|--|------------|------------|------------|------------|------------|
| Net movement in securities on issue . . . . .                            | 362        | 415        | 570        | 707        | 596        |
| Less net increase in securities on issue held by Trust Fund(a) . . . . . | -155       | -135       | 10         | -146       | -268       |
|  | 206        | 280        | 580        | 561        | 328        |
| Adjustment from face value to cash basis . . . . .                       | 1          | ..         | ..         | (b)103     | ..         |
|  | 207        | 280        | 580        | 664        | 328        |
| Less increases in net assets of Commonwealth—                            |            |            |            |            |            |
| Cash balances . . . . .  | -4         | ..         | -1         | ..         | ..         |
| International Monetary Fund . . . . .                                    | -22        | -40        | -27        | -59        | -5         |
| Other(a) . . . . .   | 1          | 16         | ..         | 37         | 62         |
| <b>Deficit . . . . .</b>   | <b>183</b> | <b>255</b> | <b>552</b> | <b>642</b> | <b>385</b> |

(a) Excludes investment of other than Commonwealth balances in the Trust Fund. (b) Includes adjustment of Australian currency equivalent of Sterling debt, following devaluation of Sterling. See page 19 of the white paper on 'Government Securities on Issue at 30 June 1968.'

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 579-80, 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 1969 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).

Summary information shown in tables on pages 583 and 585-6 includes transactions related to the raising, disbursement, management and redemption of loans required to finance State deficits and works expenditure in accordance with this agreement. On the other hand, the series excludes

non-negotiable, non-interest-bearing securities issued to international institutions (International Monetary Fund, International Development Association, Asian Development Bank, etc.) because no cash receipts or expenditure were involved when these securities were issued. Transactions with these authorities are included in Commonwealth receipts, expenditure or financing items when they occur.

For this and the following reasons, Government Securities on Issue, as set out in the following tables 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'.

### 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 1969

|  | Currency in which repayable |                |                             |                     |                 |                              | Total—<br>Australian<br>currency<br>equivalents(a) |                   |
|--|-----------------------------|----------------|-----------------------------|---------------------|-----------------|------------------------------|--|-------------------|
|  | Australian<br>currency      | Sterling       | United<br>States<br>dollars | Canadian<br>dollars | Swiss<br>francs | Nether-<br>lands<br>guilders |  | Deutsche<br>marks |
|  | \$A'000                     | £Stg'000       | \$US<br>'000                | \$Can<br>'000       | Sw fr<br>'000   | f'000                        | DM<br>'000   | \$A'000           |
| For Commonwealth purposes  | 2,590,952                   | 80,033         | 748,094                     | 29,727              | 239,704         | 6,196                        | 791,740  | 3,682,140         |
| On account of States—  |                             |                |                             |                     |                 |                              |  |                   |
| New South Wales . . . . .  | 2,663,764                   | 92,666         | 67,430                      | 4,029               | 15,833          | 8,999                        | ..   | 2,931,318         |
| Victoria . . . . .   | 2,033,067                   | 27,844         | 34,160                      | 3,243               | 12,732          | 7,233                        | ..   | 2,130,294         |
| Queensland . . . . .   | 1,090,887                   | 22,625         | 24,579                      | 1,626               | 6,391           | 3,684                        | ..   | 1,164,870         |
| South Australia . . . . .  | 1,075,935                   | 23,176         | 18,491                      | 1,724               | 6,774           | 3,631                        | ..   | 1,145,810         |
| Western Australia . . . . .  | 774,295                     | 29,970         | 11,547                      | 1,240               | 4,863           | 2,830                        | ..   | 851,541           |
| Tasmania . . . . .   | 586,078                     | 4,041          | 11,070                      | 942                 | 3,703           | 2,094                        | ..   | 606,671           |
| <i>Total, States</i> . . . . .   | <i>8,224,027</i>            | <i>200,322</i> | <i>167,277</i>              | <i>12,804</i>       | <i>50,296</i>   | <i>28,471</i>                | <i>..</i>  | <i>8,830,505</i>  |
| Total, Commonwealth and States—  |                             |                |                             |                     |                 |                              |  |                   |
| Stock and bonds . . . . .  | 9,684,495                   | 275,419        | 300,925                     | 24,195              | 290,000         | 34,667                       | 700,000  | 10,787,350        |
| Treasury bills, internal . . . . .   | 859,200                     | ..             | ..                          | ..                  | ..              | ..                           | ..   | 859,200           |
| Treasury notes . . . . .   | 205,419                     | ..             | ..                          | ..                  | ..              | ..                           | ..   | 205,419           |
| Treasury bills, public . . . . .   | 14,000                      | ..             | ..                          | ..                  | ..              | ..                           | ..   | 14,000            |
| International Bank loans   | ..                          | ..             | 132,025                     | 15,636              | ..              | ..                           | 78,240   | 148,257           |
| Loans from Export-<br>Import Bank of the<br>United States . . . . .  | ..                          | ..             | 50,000                      | ..                  | ..              | ..                           | ..   | 44,643            |
| Aircraft loans—<br>Export-Import Bank<br>Other financial insti-<br>tutions . . . . .   | ..                          | ..             | 56,677                      | ..                  | ..              | ..                           | ..   | 50,604            |
| Debentures . . . . .   | 47,694                      | ..             | 81,299                      | 2,700               | ..              | ..                           | 13,500   | 77,831            |
| Loans for defence pur-<br>poses . . . . .  | ..                          | ..             | 294,445                     | ..                  | ..              | ..                           | ..   | 262,897           |
| Balance of securities of<br>States taken over by<br>Commonwealth and still<br>represented by State se-<br>curities . . . . . | ..                          | 4,165          | ..                          | ..                  | ..              | ..                           | ..   | 8,925             |
| Other . . . . .  | 4,171                       | (b)771         | ..                          | ..                  | ..              | ..                           | ..   | 5,823             |
| <i>Grand total—</i>  |                             |                |                             |                     |                 |                              |  |                   |
| Currencies in which<br>repayable . . . . .   | <i>10,814,979</i>           | <i>280,355</i> | <i>915,371</i>              | <i>42,531</i>       | <i>290,000</i>  | <i>34,667</i>                | <i>791,740</i>                                     | <i>..</i>         |
| Australian currency<br>equivalents(a)<br>\$A'000 . . . . .   | <i>10,814,979</i>           | <i>600,756</i> | <i>817,295</i>              | <i>35,126</i>       | <i>59,210</i>   | <i>8,550</i>                 | <i>176,728</i>                                     | <i>12,512,645</i> |

(a) For rates of exchange to \$A ruling at 30 June 1969 see page 575. (b) State securities issued by the Government of Western Australia to meet the costs of acquisition of the Midland Railway Company of Western Australia Ltd.



**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES  
ANNUAL INTEREST PAYABLE, 30 JUNE 1969**

|  | Currency in which payable |          |                             |                     |                 |                              |                   | Total—<br>Australian<br>currency<br>equivalents(a) |
|--|---------------------------|----------|-----------------------------|---------------------|-----------------|------------------------------|-------------------|--|
|  | Australian<br>currency    | Sterling | United<br>States<br>dollars | Canadian<br>dollars | Swiss<br>francs | Nether-<br>lands<br>guilders | Deutsche<br>marks |  |
|  | \$A'000                   | £Stg'000 | \$US<br>'000                | \$Can<br>'000       | Sw fr<br>'000   | f'000                        | DM<br>'000        |  |
| For Commonwealth purposes                        | 91,467                    | 4,235    | 39,118                      | 1,404               | 11,437          | 310                          | 50,410            | 150,291  |
| On account of States—                            |                           |          |                             |                     |                 |                              |                   |  |
| New South Wales                                  | 130,882                   | 4,321    | 3,527                       | 232                 | 712             | 450                          | ..                | 143,739  |
| Victoria   | 100,927                   | 1,397    | 1,771                       | 186                 | 573             | 362                          | ..                | 105,863  |
| Queensland                                       | 52,842                    | 925      | 1,290                       | 93                  | 288             | 184                          | ..                | 56,158   |
| South Australia                                  | 53,135                    | 846      | 959                         | 99                  | 305             | 182                          | ..                | 55,994   |
| Western Australia                                | 38,130                    | 1,038    | 587                         | 71                  | 219             | 141                          | ..                | 41,016   |
| Tasmania   | 29,011                    | 191      | 583                         | 54                  | 167             | 105                          | ..                | 30,046   |
| Total, States                                    | 404,927                   | 8,720    | 8,716                       | 736                 | 2,263           | 1,424                        | ..                | 432,815  |
| Grand total—                                     |                           |          |                             |                     |                 |                              |                   |  |
| Currencies in which<br>repayable                 | 496,394                   | 12,955   | 47,834                      | 2,140               | 13,700          | 1,733                        | 50,410            | ..   |
| Australian currency<br>equivalents(a)<br>\$A'000 | 496,394                   | 27,760   | 42,709                      | 1,767               | 2,797           | 428                          | 11,252            | 583,106  |

**AVERAGE RATE OF INTEREST LIABILITY  
(Per cent)**

|                           |      |      |      |      |      |      |      |      |
|---------------------------|------|------|------|------|------|------|------|------|
| For Commonwealth purposes | 3.53 | 5.29 | 5.23 | 4.72 | 4.77 | 5.00 | 6.37 | 4.08 |
| On account of States—     |      |      |      |      |      |      |      |      |
| New South Wales           | 4.91 | 4.66 | 5.23 | 5.75 | 4.50 | 5.00 | ..   | 4.90 |
| Victoria                  | 4.96 | 5.02 | 5.18 | 5.75 | 4.50 | 5.00 | ..   | 4.97 |
| Queensland                | 4.84 | 4.09 | 5.25 | 5.75 | 4.50 | 5.00 | ..   | 4.82 |
| South Australia           | 4.94 | 3.65 | 5.19 | 5.75 | 4.50 | 5.00 | ..   | 4.89 |
| Western Australia         | 4.92 | 3.46 | 5.08 | 5.75 | 4.50 | 5.00 | ..   | 4.82 |
| Tasmania                  | 4.95 | 4.74 | 5.27 | 5.75 | 4.50 | 5.00 | ..   | 4.95 |
| Total, States             | 4.92 | 4.35 | 5.21 | 5.75 | 4.50 | 5.00 | ..   | 4.90 |
| Grand total               | 4.59 | 4.62 | 5.23 | 5.03 | 4.72 | 5.00 | 6.37 | 4.66 |

(a) For rates of exchange to \$A ruling at 30 June 1969, see page 575.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES  
30 JUNE 1965 TO 1969**

|   |           | 30 June—   |            |            |            |            |
|---|-----------|------------|------------|------------|------------|------------|
|   |           | 1965       | 1966       | 1967       | 1968       | 1969       |
| For Commonwealth purposes—  |           |            |            |            |            |            |
| Australian currency   | \$A'000   | 2,512,888  | 2,520,779  | 2,531,402  | 2,674,987  | 2,590,952  |
| Sterling  | £Stg'000  | 76,253     | 73,398     | 69,262     | 80,442     | 80,033     |
| United States dollars   | \$US'000  | 368,641    | 380,067    | 516,494    | 705,120    | 748,094    |
| Canadian dollars  | \$Can'000 | 49,665     | 49,191     | 48,479     | 39,939     | 29,727     |
| Swiss francs  | Sw fr'000 | 194,288    | 194,088    | 239,711    | 239,704    | 239,704    |
| Netherlands guilders  | f'000     | 7,150      | 7,150      | 7,150      | 6,673      | 6,196      |
| Deutsche marks  | DM'000    | 84,596     | 84,596     | 84,596     | 178,240    | 791,740    |
| Total, Commonwealth—Aus-<br>tralian currency equivalents(a)             | \$A'000   | 3,133,997  | 3,144,518  | 3,275,339  | 3,600,291  | 3,682,140  |
| On account of States—   |           |            |            |            |            |            |
| Australian currency   | \$A'000   | 6,182,321  | 6,613,686  | 7,145,660  | 7,683,494  | 8,224,027  |
| Sterling  | £Stg'000  | 268,670    | 255,670    | 233,880    | 206,642    | 200,322    |
| United States dollars   | \$US'000  | 229,884    | 236,610    | 194,770    | 181,073    | 167,277    |
| Canadian dollars  | \$Can'000 | 15,633     | 14,690     | 13,852     | 13,006     | 12,804     |
| 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     | 30,661     | 28,471     |
| Total, States—Australian<br>currency equivalents(a)                     | \$A'000   | 7,090,533  | 7,494,623  | 7,934,074  | 8,316,544  | 8,830,505  |
| Total, Commonwealth and<br>States—Australian currency<br>equivalents(a) | \$A'000   | 10,224,530 | 10,639,141 | 11,209,413 | 11,916,836 | 12,512,645 |

(a) For rates of exchange to \$A ruling at 30 June 1969 see page 575.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES  
ANNUAL INTEREST PAYABLE, 30 JUNE 1965 TO 1969**

|  |                | 30 June—       |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
|  |                | 1965           | 1966           | 1967           | 1968           | 1969           |
| AMOUNT   |                |                |                |                |                |                |
| <b>For Commonwealth purposes—</b>  |                |                |                |                |                |                |
| Australian currency . . . . .  | \$A'000        | 89,540         | 91,723         | 91,848         | 96,063         | 91,467         |
| Sterling . . . . .   | £Stg'000       | 3,608          | 3,509          | 3,367          | 4,255          | 4,235          |
| United States dollars . . . . .  | \$US'000       | 18,202         | 18,955         | 26,577         | 36,848         | 39,118         |
| Canadian dollars . . . . .   | \$Can'000      | 2,297          | 2,275          | 2,244          | 1,878          | 1,404          |
| Swiss francs . . . . .   | Sw fr'000      | 7,982          | 7,973          | 10,537         | 10,537         | 11,437         |
| Netherlands guilders . . . . .   | f'000          | 358            | 357            | 357            | 334            | 310            |
| Deutsche marks . . . . .   | DM'000         | 4,801          | 4,801          | 4,801          | 10,999         | 50,410         |
| <i>Total, Commonwealth—Australian currency equivalents(a)</i> . . . . .            | <i>\$A'000</i> | <i>119,498</i> | <i>122,087</i> | <i>129,159</i> | <i>144,319</i> | <i>150,291</i> |
| <b>On account of States—</b>   |                |                |                |                |                |                |
| Australian currency . . . . .  | \$A'000        | 283,118        | 313,379        | 344,583        | 373,064        | 404,927        |
| Sterling . . . . .   | £Stg'000       | 11,034         | 10,632         | 9,871          | 8,943          | 8,720          |
| United States dollars . . . . .  | \$US'000       | 11,428         | 11,889         | 10,231         | 9,512          | 8,716          |
| Canadian dollars . . . . .   | \$Can'000      | 899            | 845            | 796            | 748            | 736            |
| 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          | 1,533          | 1,424          |
| <i>Total, States—Australian currency equivalents(a)</i> . . . . .                  | <i>\$A'000</i> | <i>322,515</i> | <i>352,138</i> | <i>379,921</i> | <i>402,178</i> | <i>432,815</i> |
| <b>Total, Commonwealth and States—Australian currency equivalents(a)</b> . . . . . | <b>\$A'000</b> | <b>442,014</b> | <b>474,225</b> | <b>509,080</b> | <b>546,497</b> | <b>583,106</b> |

**AVERAGE RATE OF INTEREST LIABILITY**

(Per cent)

|  |  |             |             |             |             |             |
|--|--|-------------|-------------|-------------|-------------|-------------|
| <b>For Commonwealth purposes—</b>  |  |             |             |             |             |             |
| Australian currency . . . . .  |  | 3.56        | 3.64        | 3.63        | 3.60        | 3.53        |
| Sterling . . . . .   |  | 4.73        | 4.78        | 4.86        | 5.29        | 5.29        |
| United States dollars . . . . .  |  | 4.94        | 4.99        | 5.15        | 5.23        | 5.23        |
| Canadian dollars . . . . .   |  | 4.62        | 4.63        | 4.63        | 4.70        | 4.72        |
| Swiss francs . . . . .   |  | 4.11        | 4.11        | 4.40        | 4.40        | 4.77        |
| Netherlands guilders . . . . .   |  | 5.00        | 5.00        | 5.00        | 5.00        | 5.00        |
| Deutsche marks . . . . .   |  | 5.68        | 5.68        | 5.68        | 6.17        | 6.37        |
| <i>Total, Commonwealth—Australian currency equivalents(a)</i> . . . . .            |  | <i>3.82</i> | <i>3.88</i> | <i>3.94</i> | <i>4.02</i> | <i>4.08</i> |
| <b>On account of States—</b>   |  |             |             |             |             |             |
| Australian currency . . . . .  |  | 4.58        | 4.74        | 4.82        | 4.86        | 4.92        |
| Sterling . . . . .   |  | 4.11        | 4.16        | 4.22        | 4.32        | 4.35        |
| United States dollars . . . . .  |  | 4.97        | 5.02        | 5.25        | 5.25        | 5.21        |
| 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>4.55</i> | <i>4.70</i> | <i>4.79</i> | <i>4.84</i> | <i>4.90</i> |
| <b>Total, Commonwealth and States—Australian currency equivalents(a)</b> . . . . . |  | <b>4.33</b> | <b>4.46</b> | <b>4.54</b> | <b>4.59</b> | <b>4.66</b> |

(a) For rates of exchange to \$A ruling at 30 June 1969 see page 575.

## 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 1969—AUSTRALIAN CURRENCY

|  | Currency in which repayable |                |                             |                          |                 |                              | Total          |
|--|-----------------------------|----------------|-----------------------------|--------------------------|-----------------|------------------------------|----------------|
|  | Australian<br>currency      | Sterling       | United<br>States<br>dollars | Can-<br>adian<br>dollars | Swiss<br>francs | Nether-<br>lands<br>guilders |                |
| <b>SECURITIES ON ISSUE</b>                 |                             |                |                             |                          |                 |                              |                |
| (\$A'000)                                  |                             |                |                             |                          |                 |                              |                |
| <b>For Commonwealth pur-<br/>poses—</b>    |                             |                |                             |                          |                 |                              |                |
| Treasury Bills, internal . . . . .         | 859,200                     | ..             | ..                          | ..                       | ..              | ..                           | 859,200        |
| Other short-term . . . . .                 | 219,419                     | ..             | ..                          | ..                       | ..              | ..                           | 219,419        |
| Other . . . . .                            | 1,512,333                   | 171,498        | 667,941                     | 24,552                   | 48,941          | 1,528                        | 176,728        |
| <i>Total, Commonwealth</i>                 | <i>2,590,952</i>            | <i>171,498</i> | <i>667,941</i>              | <i>24,552</i>            | <i>48,941</i>   | <i>1,528</i>                 | <i>176,728</i> |
| <b>On accounts of States—</b>              |                             |                |                             |                          |                 |                              |                |
| New South Wales . . . . .                  | 2,663,764                   | 198,569        | 60,205                      | 3,328                    | 3,233           | 2,220                        | ..             |
| Victoria . . . . .                         | 2,033,067                   | 59,665         | 30,500                      | 2,678                    | 2,600           | 1,784                        | ..             |
| Queensland . . . . .                       | 1,090,887                   | 48,482         | 21,946                      | 1,343                    | 1,305           | 909                          | ..             |
| South Australia . . . . .                  | 1,075,935                   | 49,662         | 16,510                      | 1,424                    | 1,383           | 896                          | ..             |
| Western Australia . . . . .                | 774,295                     | 64,221         | 10,310                      | 1,024                    | 993             | 698                          | ..             |
| Tasmania . . . . .                         | 586,078                     | 8,659          | 9,884                       | 778                      | 756             | 516                          | ..             |
| <i>Total, States</i>                       | <i>8,224,027</i>            | <i>429,258</i> | <i>149,354</i>              | <i>10,575</i>            | <i>10,269</i>   | <i>7,022</i>                 | <i>..</i>      |
| <b>Total, Commonwealth and<br/>States—</b> |                             |                |                             |                          |                 |                              |                |
| Treasury Bills, internal . . . . .         | 859,200                     | ..             | ..                          | ..                       | ..              | ..                           | 859,200        |
| Other short-term . . . . .                 | 219,419                     | ..             | ..                          | ..                       | ..              | ..                           | 219,419        |
| Other . . . . .                            | 9,736,360                   | 600,756        | 817,295                     | 35,126                   | 59,210          | 8,550                        | 176,728        |
| <b>Grand total</b>                         | <b>10,814,979</b>           | <b>600,756</b> | <b>817,295</b>              | <b>35,126</b>            | <b>59,210</b>   | <b>8,550</b>                 | <b>176,728</b> |

## PER HEAD OF POPULATION

(\$A)

|   |               |              |              |             |             |             |              |                 |
|---|---------------|--------------|--------------|-------------|-------------|-------------|--------------|-----------------|
| <b>For Commonwealth pur-<br/>poses</b>    | 210.73        | 13.95        | 54.32        | 2.00        | 3.98        | 0.12        | 14.37        | 299.48          |
| <b>On account of States—</b>              |               |              |              |             |             |             |              |                 |
| New South Wales . . . . .                 | 595.31        | 44.38        | 13.45        | 0.74        | 0.72        | 0.50        | ..           | 655.10          |
| Victoria . . . . .                        | 600.77        | 17.63        | 9.01         | 0.79        | 0.77        | 0.53        | ..           | 629.50          |
| Queensland . . . . .                      | 617.01        | 27.42        | 12.41        | 0.76        | 0.74        | 0.51        | ..           | 658.86          |
| South Australia . . . . .                 | 940.17        | 43.40        | 14.43        | 1.24        | 1.21        | 0.78        | ..           | 1,001.23        |
| Western Australia . . . . .               | 818.84        | 67.92        | 10.90        | 1.08        | 1.05        | 0.74        | ..           | 900.53          |
| Tasmania . . . . .                        | 1,508.57      | 22.29        | 25.44        | 2.00        | 1.95        | 1.33        | ..           | 1,561.57        |
| <i>Total, States</i>                      | <i>679.38</i> | <i>35.46</i> | <i>12.34</i> | <i>0.87</i> | <i>0.85</i> | <i>0.58</i> | <i>..</i>    | <i>729.48</i>   |
| <b>Total, Commonwealth<br/>and States</b> | <b>879.60</b> | <b>48.86</b> | <b>66.47</b> | <b>2.86</b> | <b>4.82</b> | <b>0.70</b> | <b>14.37</b> | <b>1,017.68</b> |

## ANNUAL INTEREST PAYABLE

(\$A'000)

|   |                |               |               |              |              |            |               |                |
|---|----------------|---------------|---------------|--------------|--------------|------------|---------------|----------------|
| <b>For Commonwealth pur-<br/>poses</b>    | 91,467         | 9,075         | 34,927        | 1,160        | 2,335        | 76         | 11,252        | 150,291        |
| <b>On account of States—</b>              |                |               |               |              |              |            |               |                |
| New South Wales . . . . .                 | 130,882        | 9,259         | 3,149         | 192          | 145          | 111        | ..            | 143,739        |
| Victoria . . . . .                        | 100,927        | 2,994         | 1,581         | 154          | 117          | 89         | ..            | 105,863        |
| Queensland . . . . .                      | 52,842         | 1,982         | 1,152         | 77           | 59           | 45         | ..            | 56,158         |
| South Australia . . . . .                 | 53,135         | 1,813         | 856           | 82           | 62           | 45         | ..            | 55,994         |
| Western Australia . . . . .               | 38,130         | 2,224         | 524           | 59           | 45           | 35         | ..            | 41,016         |
| Tasmania . . . . .                        | 29,011         | 409           | 521           | 45           | 34           | 26         | ..            | 30,046         |
| <i>Total, States</i>                      | <i>404,927</i> | <i>18,686</i> | <i>7,782</i>  | <i>608</i>   | <i>462</i>   | <i>351</i> | <i>..</i>     | <i>432,815</i> |
| <b>Total, Commonwealth<br/>and States</b> | <b>496,394</b> | <b>27,760</b> | <b>42,709</b> | <b>1,767</b> | <b>2,797</b> | <b>428</b> | <b>11,252</b> | <b>583,106</b> |

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES  
30 JUNE 1969—AUSTRALIAN CURRENCY—*continued*

|  | Currency in which repayable— |          |                             |                          |                 |                              | Total |                   |
|--|------------------------------|----------|-----------------------------|--------------------------|-----------------|------------------------------|-------|-------------------|
|  | Australian<br>currency       | Sterling | United<br>States<br>dollars | Can-<br>adian<br>dollars | Swiss<br>francs | Nether-<br>lands<br>guilders |       | Deutsche<br>marks |
| <b>ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION</b><br>(\$A) |                              |          |                             |                          |                 |                              |       |                   |
| For Commonwealth purposes . . . . .                            | 7.44                         | 0.74     | 2.84                        | 0.09                     | 0.19            | 0.01                         | 0.92  | 12.22             |
| On account of States—  |                              |          |                             |                          |                 |                              |       |                   |
| New South Wales . . . . .                                      | 29.25                        | 2.07     | 0.70                        | 0.04                     | 0.03            | 0.02                         | ..    | 32.12             |
| Victoria . . . . .   | 29.82                        | 0.88     | 0.47                        | 0.05                     | 0.03            | 0.03                         | ..    | 31.28             |
| Queensland . . . . .   | 29.89                        | 1.12     | 0.65                        | 0.04                     | 0.03            | 0.03                         | ..    | 31.76             |
| South Australia . . . . .                                      | 46.43                        | 1.58     | 0.75                        | 0.07                     | 0.05            | 0.04                         | ..    | 48.93             |
| Western Australia . . . . .                                    | 40.32                        | 2.35     | 0.55                        | 0.06                     | 0.05            | 0.04                         | ..    | 43.38             |
| Tasmania . . . . .   | 74.67                        | 1.05     | 1.34                        | 0.12                     | 0.09            | 0.07                         | ..    | 77.34             |
| <i>Total, States</i> . . . . .                                 | 33.45                        | 1.54     | 0.64                        | 0.05                     | 0.04            | 0.03                         | ..    | 35.75             |
| <i>Total, Commonwealth and States</i> . . . . .                | 40.37                        | 2.26     | 3.47                        | 0.14                     | 0.23            | 0.03                         | 0.92  | 47.43             |

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES  
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1965  
TO 1969—AUSTRALIAN CURRENCY  
(\$A'000)

|  | 30 June—   |            |            |            |            |
|--|------------|------------|------------|------------|------------|
|  | 1965       | 1966       | 1967       | 1968       | 1969       |
| <b>SECURITIES ON ISSUE</b>             |            |            |            |            |            |
| For Commonwealth purposes—             |            |            |            |            |            |
| Treasury Bills, internal . . . . .     | 632,400    | 681,500    | 679,500    | 685,000    | 859,200    |
| Other short-term . . . . .             | 196,432    | 195,996    | 178,452    | 414,735    | 219,419    |
| Other . . . . .                        | 2,305,165  | 2,267,022  | 2,417,388  | 2,500,557  | 2,603,521  |
| <i>Total, Commonwealth</i> . . . . .   | 3,133,997  | 3,144,518  | 3,275,339  | 3,600,291  | 3,682,140  |
| On account of States—                  |            |            |            |            |            |
| New South Wales . . . . .              | 2,407,364  | 2,531,928  | 2,666,905  | 2,772,812  | 2,931,318  |
| Victoria . . . . .                     | 1,679,339  | 1,781,544  | 1,893,069  | 1,998,614  | 2,130,294  |
| Queensland . . . . .                   | 919,706    | 977,046    | 1,038,902  | 1,094,921  | 1,164,870  |
| South Australia . . . . .              | 919,446    | 970,473    | 1,027,080  | 1,077,035  | 1,145,810  |
| Western Australia . . . . .            | 691,660    | 730,700    | 772,511    | 804,866    | 851,541    |
| Tasmania . . . . .                     | 473,019    | 502,932    | 535,606    | 568,296    | 606,671    |
| <i>Total, States</i> . . . . .         | 7,090,533  | 7,494,623  | 7,934,074  | 8,316,544  | 8,830,505  |
| <i>Total, Commonwealth and States—</i> |            |            |            |            |            |
| Treasury Bills, internal . . . . .     | 632,400    | 681,500    | 679,500    | 685,000    | 859,200    |
| Other short-term . . . . .             | 196,432    | 195,996    | 178,452    | 414,735    | 219,419    |
| Other . . . . .                        | 9,395,698  | 9,761,645  | 10,351,461 | 10,817,099 | 11,434,026 |
| <i>Grand total</i> . . . . .           | 10,224,530 | 10,639,141 | 11,209,413 | 11,916,836 | 12,512,645 |

| <b>ANNUAL INTEREST PAYABLE</b>                  |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| For Commonwealth purposes . . . . .             | 119,498 | 122,087 | 129,159 | 144,319 | 150,291 |
| On account of States—                           |         |         |         |         |         |
| New South Wales . . . . .                       | 110,250 | 119,668 | 128,128 | 134,301 | 143,739 |
| Victoria . . . . .                              | 77,650  | 85,023  | 91,936  | 98,070  | 105,863 |
| Queensland . . . . .                            | 40,492  | 44,493  | 48,904  | 51,970  | 56,158  |
| South Australia . . . . .                       | 41,534  | 45,350  | 48,797  | 51,889  | 55,994  |
| Western Australia . . . . .                     | 30,886  | 33,617  | 36,217  | 38,165  | 41,016  |
| Tasmania . . . . .                              | 21,706  | 23,987  | 25,941  | 27,776  | 30,046  |
| <i>Total, States</i> . . . . .                  | 322,515 | 352,138 | 379,921 | 402,178 | 432,815 |
| <i>Total, Commonwealth and States</i> . . . . . | 442,014 | 474,225 | 509,080 | 546,497 | 583,106 |

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 1969 at each rate of interest and classified according to the earliest and latest years of maturity see the annual bulletin *State, Territory and Local Government Authorities' Finance and Government Securities*.

#### Short-term securities on issue

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

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

Treasury notes with currencies of thirteen weeks (A Notes) and of twenty-six weeks (B Notes) were issued in multiples of \$1,000 with a minimum subscription of \$10,000. In 1968-69 the issue prices of A Notes varied from 98.91 per cent to 98.82 per cent and yields from 4.420 per cent to 4.789 per cent. The issue prices of B Notes varied from 97.80 per cent to 97.61 per cent and yields from 4.51 per cent to 4.910 per cent.

#### 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 1968 and 1969.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATE  
MATURING IN AUSTRALIA, BY HOLDER(a), 30 JUNE 1968 AND 1969  
(Source: Reserve Bank of Australia *Statistical Bulletin*)

| Holder   | 30 June—      |                     |               |                     |
|--|---------------|---------------------|---------------|---------------------|
|  | 1968          |                     | 1969          |                     |
|  | Amount        | Proportion of total | Amount        | Proportion of total |
|  | \$ million    | Per cent            | \$ million    | Per cent            |
| Reserve Bank of Australia . . . . .  | 1,041         | 10.1                | 846           | 7.8                 |
| Trading banks . . . . .  | 1,193         | 11.5                | 1,367         | 12.6                |
| Savings banks . . . . .  | 2,250         | 21.7                | 2,285         | 21.1                |
| Other banking institutions . . . . .   | 7             | 0.1                 | 12            | 0.2                 |
| Life insurance offices . . . . .   | 1,093         | 10.6                | 1,150         | 10.6                |
| Fire, marine and general insurance offices . . . . .                         | 123           | 1.2                 | 126           | 1.2                 |
| Other private financial institutions—  |               |                     |               |                     |
| Pension and provident funds . . . . .  | 174           | 1.7                 | 192           | 1.8                 |
| Friendly societies, hospitals and medical funds . . . . .                    | 25            | 0.2                 | 29            | 0.3                 |
| Trustee companies . . . . .  | 122           | 1.2                 | 115           | 1.1                 |
| Pastoral finance companies . . . . .   | 35            | 0.3                 | 37            | 0.3                 |
| Money market dealers . . . . .   | 494           | 4.8                 | 524           | 4.8                 |
| Miscellaneous . . . . .  | 80            | 0.8                 | 104           | 1.0                 |
| Government financial institutions—   |               |                     |               |                     |
| Insurance offices and funds . . . . .  | 121           | 1.2                 | 137           | 1.3                 |
| Pension and provident funds . . . . .  | 173           | 1.7                 | 195           | 1.8                 |
| Public trustees . . . . .  | 28            | 0.3                 | 26            | 0.2                 |
| All other(b) . . . . .   | 4             | ..                  | 3             | ..                  |
| Public authorities (excluding finance)—                                      |               |                     |               |                     |
| Commonwealth Government (including Commonwealth semi-governmental) . . . . . | 1,789         | 17.3                | 2,067         | 19.1                |
| State Government . . . . .   | 58            | 0.6                 | 57            | 0.5                 |
| Local government and State semi-governmental . . . . .                       | 245           | 2.4                 | 233           | 2.2                 |
| Companies (excluding finance) . . . . .                                      | 145           | 1.4                 | 183           | 1.7                 |
| Other holders—   |               |                     |               |                     |
| Marketing boards . . . . .   | 6             | 0.1                 | 3             | ..                  |
| Farmers . . . . .  | 87            | 0.8                 | 83            | 0.8                 |
| Non-profit organisations . . . . .   | 52            | 0.5                 | 48            | 0.4                 |
| All other . . . . .  | 1,012         | 9.8                 | 993           | 9.2                 |
| <b>Total . . . . .</b>   | <b>10,358</b> | <b>100.0</b>        | <b>10,815</b> | <b>100.0</b>        |

(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.

**Government securities on issue on account of the States; local government and semi-government 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 1963-64 to 1967-68 particulars of the securities on issue on account of the States, the securities on issue by local government and semi-government authorities, and the aggregates of these.

**GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES  
LOCAL GOVERNMENT AND SEMI-GOVERNMENT AUTHORITY  
SECURITIES ON ISSUE, 30 JUNE 1964 TO 1968**

| <i>State</i>                  | <i>Local<br/>government<br/>(a)</i> | <i>Semi-<br/>government(a)</i> | <i>Total</i>     |
|-------------------------------|-------------------------------------|--------------------------------|------------------|
| <b>SECURITIES ON ISSUE</b>    |                                     |                                |                  |
| (\$A'000)(b)                  |                                     |                                |                  |
| <b>30 June 1968—</b>          |                                     |                                |                  |
| New South Wales . . . . .     | 2,772,812                           | 622,317                        | 678,882          |
| Victoria . . . . .            | 1,998,614                           | 200,852                        | 1,566,079        |
| Queensland . . . . .          | 1,094,921                           | 346,229                        | 317,482          |
| South Australia . . . . .     | 1,077,035                           | 42,079                         | 152,548          |
| Western Australia . . . . .   | 804,866                             | 59,616                         | 108,881          |
| Tasmania . . . . .            | 568,296                             | 58,058                         | 64,091           |
| <b>Total, 30 June 1968</b>    | <b>8,316,544</b>                    | <b>1,329,152</b>               | <b>2,887,964</b> |
| 1967 . . . . .                | 7,934,074                           | 1,220,628                      | 2,688,052        |
| 1966 . . . . .                | 7,494,623                           | 1,121,852                      | 2,482,096        |
| 1965 . . . . .                | 7,090,533                           | 1,035,864                      | 2,312,824        |
| 1964 . . . . .                | 6,690,562                           | 953,191                        | 2,141,719        |
| <b>PER HEAD OF POPULATION</b> |                                     |                                |                  |
| (\$A)(b)                      |                                     |                                |                  |
| <b>30 June 1968—</b>          |                                     |                                |                  |
| New South Wales . . . . .     | 637.91                              | 142.04                         | 154.95           |
| Victoria . . . . .            | 605.27                              | 60.44                          | 471.23           |
| Queensland . . . . .          | 637.40                              | 199.87                         | 183.27           |
| South Australia . . . . .     | 963.19                              | 37.40                          | 135.57           |
| Western Australia . . . . .   | 901.81                              | 65.56                          | 119.73           |
| Tasmania . . . . .            | 1,497.88                            | 151.98                         | 167.78           |
| <b>Total, 30 June 1968</b>    | <b>707.39</b>                       | <b>112.13</b>                  | <b>243.63</b>    |
| 1967 . . . . .                | 681.20                              | 104.80                         | 230.79           |
| 1966 . . . . .                | 654.73                              | 98.00                          | 216.84           |
| 1965 . . . . .                | 630.53                              | 92.12                          | 205.67           |
| 1964 . . . . .                | 606.31                              | 86.38                          | 194.09           |

(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-government 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-government division to that of local government authorities (see pages 604-6).

### Commonwealth loan transactions: summary

Under the Financial Agreement between the Commonwealth and the States, the Commonwealth is responsible for raising loan moneys to meet approved Loan Council borrowing programmes of both the Commonwealth and State Governments.

The following table indicates sources of finance for State works and housing programmes as approved by the Loan Council.

#### GOVERNMENT BORROWING: STATE WORKS AND HOUSING PROGRAMMES 1964-65 TO 1968-69 (\$'000)

|   | 1964-65        | 1965-66        | 1966-67        | 1967-68        | 1968-69        |
|---|----------------|----------------|----------------|----------------|----------------|
| Public loans, domestic raisings, etc. . . . . | 424,092        | 413,871        | 501,133        | 407,655        | 472,559        |
| Overseas loans . . . . .                      | 22,108         | 22,369         | 53,945         | 76,795         | 125,998        |
| Commonwealth assistance to programmes(a)      | 133,800        | 168,760        | 89,922         | 192,550        | 111,443        |
| <b>Total . . . . .</b>                        | <b>580,000</b> | <b>605,000</b> | <b>645,000</b> | <b>677,000</b> | <b>710,000</b> |

(a) Allocated proceeds of Special Loans nos 163, 172, 180 and 187

#### 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 1964-65 to 1968-69.

#### COMMONWEALTH LOAN TRANSACTIONS: SUMMARY, 1964-65 TO 1968-69

|  | 1964-65 | 1965-66 | 1966-67 | 1967-68 | 1968-69  |
|--|---------|---------|---------|---------|----------|
| <b>New loans(a) raised in—</b>   |         |         |         |         |          |
| Australia . . . . . \$A'000  | 600,120 | 658,725 | 673,696 | 709,665 | 652,288  |
| London . . . . . £Stg'000  | ..      | ..      | ..      | 14,000  | ..       |
| New York(b) . . . . . \$US'000   | 87,269  | 75,807  | 185,794 | 243,759 | 138,105  |
| Canada . . . . . \$Can'000   | ..      | ..      | ..      | 2,050   | 950      |
| Switzerland . . . . . Sw fr.'000   | ..      | ..      | 50,000  | ..      | 60,000   |
| Germany . . . . . DM'000   | ..      | ..      | ..      | 100,000 | 615,000  |
| Miscellaneous debt in Australia(c) \$A'000   | 24,184  | 6,350   | 29,271  | 18,880  | 20,997   |
| <b>Net change in short-term debt—</b>  |         |         |         |         |          |
| Australia—Public . . . . . \$A'000   | -62,000 | -36,000 | 10,000  | 51,000  | -127,000 |
| Internal . . . . . \$A'000   | 33,400  | 49,100  | -2,000  | 5,500   | 174,200  |
| Treasury notes . . . . . \$A'000   | -72,138 | 35,564  | -27,544 | 185,283 | -68,316  |
| <b>Loans raised for conversion or redemption<br/>of existing securities maturing in—</b> |         |         |         |         |          |
| Australia . . . . . \$A'000  | 540,645 | 761,000 | 618,268 | 641,766 | 422,484  |
| London . . . . . £Stg'000  | ..      | ..      | ..      | 32,000  | ..       |

(a) Includes loans raised for redemption of Treasury bills. (b) Includes proceeds of, \$US23,519,000, \$US17,057,000 and \$US555,000 in 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 and proceeds of \$US100,989,000, \$US148,236,000 and \$US101,519,000 in 1966-67, 1967-68 and 1968-69 under credit arrangements for defence purchases in the United States. (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.

### 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 1923-1959* 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 \$30.94 million 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 1964-65 to 1968-69 are as follows.

#### NATIONAL DEBT SINKING FUND: COMMONWEALTH ACCOUNT, 1964-65 TO 1968-69 (\$'000)

|  | 1964-65        | 1965-66        | 1966-67        | 1967-68        | 1968-69       |
|--|----------------|----------------|----------------|----------------|---------------|
| <b>Receipts—</b>   |                |                |                |                |               |
| From Consolidated Revenue . . . . .                          | 62,171         | 64,969         | 21,589         | 25,421         | 32,832        |
| Loans and advances repaid . . . . .                          | 10,318         | 11,659         | 12,684         | 13,772         | 14,909        |
| War Service Homes money repaid . . . . .                     | 31,137         | 31,045         | (a)            | (a)            | (a)           |
| Reparation moneys . . . . .                                  | ..             | 221            | ..             | ..             | ..            |
| Interest on investments . . . . .                            | 12,040         | 11,910         | 9,351          | 7,665          | 5,502         |
| <i>Total, receipts</i> . . . . .                             | <i>115,666</i> | <i>119,804</i> | <i>43,624</i>  | <i>46,859</i>  | <i>53,243</i> |
| <b>Expenditure (net cost)—</b>                               |                |                |                |                |               |
| <b>Securities repurchased and redeemed in—</b>               |                |                |                |                |               |
| Australia . . . . .  | 153,857        | 81,869         | 112,435        | 68,019         | 33,340        |
| London . . . . .   | 7,239          | 6,565          | 9,905          | 5,983          | 693           |
| New York(b) . . . . .  | 22,301         | 26,166         | 29,852         | 26,145         | 28,253        |
| Canada . . . . .   | 69             | 151            | 131            | 122            | 28            |
| Netherlands . . . . .  | ..             | ..             | ..             | 118            | 119           |
| <i>Total, expenditure</i> . . . . .                          | <i>183,466</i> | <i>114,751</i> | <i>152,324</i> | <i>100,386</i> | <i>62,434</i> |
| Balance at 30 June . . . . .                                 | 297,761        | 302,814        | 194,114        | 140,587        | 131,396       |
| <b>Face value of securities repurchased and redeemed in—</b> |                |                |                |                |               |
| Australia . . . . .  | 153,823        | 82,258         | 112,784        | 68,287         | 33,473        |
| London . . . . .   | 6,279          | 5,711          | 10,340         | 6,043          | 876           |
| New York(b) . . . . .  | 10,204         | 12,026         | 29,875         | 26,569         | 29,624        |
| Canada . . . . .   | 34             | 75             | 134            | 135            | 32            |
| Netherlands . . . . .  | ..             | ..             | ..             | 118            | 118           |
| <i>Total, face value</i> . . . . .                           | <i>170,340</i> | <i>100,070</i> | <i>153,133</i> | <i>101,151</i> | <i>64,123</i> |

(a) In the years 1966-67, 1967-68 and 1968-69 principal repayments were credited to Consolidated Revenue Fund.  
 (b) Includes instalment repayments of loans from International Bank for Reconstruction and Development: 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, \$20.8m, net cost, \$20.2m; 1968-69—face value, \$21.8m, net cost \$21.1m.



## 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 1968-69 and for all States during the years 1964-65 to 1968-69 are shown in the following tables.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1968-69  
(\$'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>   |
|--|---------------|---------------|---------------|---------------|---------------|--------------|----------------|
| <b>Receipts—</b>   |               |               |               |               |               |              |                |
| <b>Contributions under Financial Agreement—</b>              |               |               |               |               |               |              |                |
| Commonwealth . . . . .                                       | 7,214         | 5,189         | 2,790         | 2,835         | 2,105         | 1,485        | 21,619         |
| States . . . . .   | 25,902        | 20,004        | 9,869         | 10,137        | 8,373         | 4,523        | 78,807         |
| Interest from States on cancelled securities . . . . .       | 41            | 27            | 24            | 13            | 14            | 7            | 126            |
| Special contributions by States . . . . .                    | 63            | 25            | 28            | 16            | 6             | ..           | 138            |
| Interest on investments, etc. . . . .                        | -65           | -79           | -17           | -27           | -14           | -19          | -220           |
| <i>Total, receipts . . . . .</i>                             | <i>33,154</i> | <i>25,167</i> | <i>12,694</i> | <i>12,974</i> | <i>10,483</i> | <i>5,997</i> | <i>100,469</i> |
| <b>Expenditure (net cost)—</b>                               |               |               |               |               |               |              |                |
| <b>Securities repurchased and redeemed in—</b>               |               |               |               |               |               |              |                |
| Australia . . . . .  | 16,559        | 10,180        | 5,614         | 5,591         | 4,480         | 2,695        | 45,120         |
| London . . . . .   | 1,966         | 2,357         | 3,169         | 2,060         | 2,510         | 270          | 12,333         |
| New York . . . . .   | 4,446         | 2,323         | 1,600         | 1,231         | 818           | 708          | 11,126         |
| Canada . . . . .   | 46            | 37            | 19            | 19            | 14            | 11           | 145            |
| Netherlands . . . . .  | 173           | 139           | 71            | 70            | 54            | 40           | 546            |
| <i>Total, expenditure . . . . .</i>                          | <i>23,189</i> | <i>15,036</i> | <i>10,472</i> | <i>8,972</i>  | <i>7,876</i>  | <i>3,724</i> | <i>69,270</i>  |
| Balance at 30 June 1969 . . . . .                            | 11,228        | 10,176        | 2,658         | 4,209         | 3,015         | 2,354        | 33,639         |
| <b>Face value of securities repurchased and redeemed in—</b> |               |               |               |               |               |              |                |
| Australia . . . . .  | 16,564        | 10,181        | 5,614         | 5,593         | 4,480         | 2,695        | 45,127         |
| London(a) . . . . .  | 2,349         | 2,486         | 3,300         | 2,239         | 2,848         | 321          | 13,543         |
| New York(a) . . . . .  | 4,939         | 2,560         | 1,777         | 1,359         | 893           | 790          | 12,318         |
| Canada(a) . . . . .  | 53            | 42            | 21            | 22            | 16            | 12           | 167            |
| Netherlands(a) . . . . .                                     | 171           | 137           | 70            | 69            | 54            | 40           | 540            |
| <i>Total, face value . . . . .</i>                           | <i>24,075</i> | <i>15,406</i> | <i>10,782</i> | <i>9,283</i>  | <i>8,291</i>  | <i>3,859</i> | <i>71,695</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, 1964-65 TO 1968-69**  
(**\$'000**)

|   | 1964-65       | 1965-66       | 1966-67       | 1967-68       | 1968-69        |
|---|---------------|---------------|---------------|---------------|----------------|
| <b>Receipts—</b>  |               |               |               |               |                |
| Contributions under Financial Agreement—                      |               |               |               |               |                |
| Commonwealth . . . . .  | 16,646        | 17,761        | 18,951        | 20,387        | 21,619         |
| States . . . . .  | 60,099        | 64,385        | 68,867        | 73,486        | 78,807         |
| Interest from States on cancelled securities . . . . .        | 26            | 106           | 113           | 93            | 126            |
| Special contributions by States . . . . .                     | 222           | 222           | 220           | 143           | 138            |
| Interest on investments, etc. . . . .                         | —36           | 30            | —46           | 48            | —220           |
| <i>Total, receipts</i> . . . . .                              | <i>76,958</i> | <i>82,503</i> | <i>88,105</i> | <i>94,157</i> | <i>100,469</i> |
| <b>Expenditure (net cost)—</b>                                |               |               |               |               |                |
| Securities repurchased and redeemed in—                       |               |               |               |               |                |
| Australia . . . . .   | 52,808        | 60,861        | 59,451        | 50,568        | 45,120         |
| London . . . . .  | 14,612        | 11,685        | 16,545        | 31,815        | 12,333         |
| New York . . . . .  | 9,948         | 11,775        | 10,441        | 11,330        | 11,126         |
| Canada . . . . .  | 358           | 782           | 680           | 631           | 145            |
| Netherlands . . . . .   | ..            | ..            | ..            | 543           | 546            |
| <i>Total, expenditure</i> . . . . .                           | <i>77,726</i> | <i>85,104</i> | <i>87,118</i> | <i>94,886</i> | <i>69,270</i>  |
| Balance at 30 June . . . . .                                  | 4,783         | 2,182         | 3,169         | 2,440         | 33,639         |
| <b>Face values of securities repurchased and redeemed in—</b> |               |               |               |               |                |
| Australia . . . . .   | 52,825        | 60,888        | 59,496        | 50,586        | 45,127         |
| London(a) . . . . .   | 12,250        | 10,002        | 13,579        | 28,953        | 13,543         |
| New York(a) . . . . .   | 4,554         | 5,455         | 4,925         | 5,629         | 12,318         |
| Canada(a) . . . . .   | 178           | 388           | 344           | 348           | 167            |
| Netherlands(a) . . . . .                                      | ..            | ..            | ..            | 677           | 540            |
| <i>Total, face value</i> . . . . .                            | <i>69,807</i> | <i>76,733</i> | <i>78,345</i> | <i>86,193</i> | <i>71,695</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 1969 were—*Income Tax Assessment Act 1936-1969, Income Tax Act 1968, Income Tax (Partnerships and Trusts) Act 1968, Income Tax (Non-Resident Dividends and Interest) 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 1936-1969* 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 1953-1969* 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 Commonwealth and the Government of 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, partnerships and trusts, non-profit companies with total income in excess of \$416 and all other companies deriving income are required to lodge returns of income each year. Partnerships and Trusts are not required to pay tax except in certain circumstances when they may be assessed as individuals. In general the net income is distributed to the partners or beneficiaries concerned and is assessable for tax in their respective individual returns.

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.

### Pay-as-you-earn system

*Salary and wage earners* are subject to tax instalment deductions by employers according to 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 remitted to the Taxation Department.

Not later than 14 July each year employers are required to supply each employee with a group certificate showing amount earned and total deductions made during the year ended 30 June.

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.

*Individuals with taxable income of \$400 or more from 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, 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.

### Assessable income

Assessable income includes all income, other than exempt income, derived directly or indirectly from sources in Australia and, in the case of resident taxpayers, includes income from sources outside Australia.

Income 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 income are exempt from tax, the more important being (i) war and service pensions (ii) age and invalid pensions, child endowment and other payments under the *Social Services Consolidation Act 1947-1950* 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, (viii) income of specified superannuation funds, (ix) pay, allowances and bounties for part-time duty, and gratuity payable on a call out for continuous full-time service of members of the Defence Force Emergency Reserves, and (x) pay and allowances of members of the Defence Forces while allotted for duty in special areas (i.e. part of Borneo and adjacent waters, and South Vietnam).

Expenditure incurred in producing assessable income or in carrying on a business is an allowable deduction, except to the extent that it is of a capital, private, or domestic nature, or is incurred in producing exempt income. Subscriptions to certain 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 paid, gifts to various institutions 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 special rebate is allowed for certain expenditure on export market development. The rebate is in addition to any normal deduction for the expenditure allowed as a business expense.

Residents of Zone A and Zone B, prescribed isolated areas subject to uncongenial climatic conditions and high costs of living are entitled to a zone allowance deduction. Members of the defence forces serving in certain overseas localities, are entitled to a deduction of the same amount as residents of Zone A.

#### Concessional deductions

Concessional allowances to residents for dependants, medical and dental expenses, life insurance, superannuation contributions, etc. are made as a deduction from income. The maximum deduction allowed for the income year 1969-70 for each dependant or for a housekeeper is shown below:

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

(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.

If a dependant derives separate net income, which includes age or invalid pension but not child endowment, the deduction is reduced by the amount, by which the separate net income exceeds \$130. Scholarships are excluded except insofar as they relate to maintenance.

Medical expenses (less amounts recouped from hospital and medical funds) paid by a resident taxpayer in respect of himself or dependants, including children under twenty-one years of age, are allowed as a concessional deduction. These expenses include payments to a legally qualified medical practitioner, dentist, nurse or chemist, or hospital, in respect of an illness or operation, therapeutic treatment or eye tests, expenditure on medical or surgical appliances, artificial limbs or eyes, hearing aids and spectacles, payment of an attendant of a blind or bed-ridden person or for the maintenance of a trained dog used by 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, (maximum \$1,200), (ii) payments to medical or hospital funds, (iii) funeral expenses (maximum \$100), and (iv) expenditure incurred for the full-time education of children less than twenty-one years of age (maximum \$300 for each child).

**Effective exemption from tax**

For the income years from 1963-64 onwards the income of a taxpayer without dependants was exempt from income tax if it did not exceed \$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<br>June— | Taxpayer with—   |              | Wife and—    |                 |                   |                  |
|-----------------------------|------------------|--------------|--------------|-----------------|-------------------|------------------|
|                             | No<br>dependants | Wife<br>only | one<br>child | two<br>children | three<br>children | four<br>children |
| 1964 to 1967 . . .          | 416              | 702          | 884          | 1,014           | 1,144             | 1,274            |
| 1968 to 1970 . . .          | 416              | 728          | 936          | 1,092           | 1,248             | 1,404            |

Special provisions applying for the 1969-70 income year to *resident aged persons* (i.e. men aged 65 years or more or women aged 60 years or more) were:

(A) *Individuals*

| Taxable<br>Income<br>$\$$ | Amount of Tax payable                               |
|---------------------------|---|
| Up to 1,300               | Nil   |
| 1,301 to 1,532            | One-sixth of the excess over \$1,300                |
| 1,533 to 2,080            | \$38.66 plus one-fifth of the excess over \$1,532   |
| 2,081 to 2,275            | \$148.26 plus two-thirds of the excess over \$2,080 |

(B) *Aged Persons Contributing to Maintenance of Spouse*

| Combined<br>Taxable<br>Income<br>$\$$ | Amount of Tax Payable                                    |
|---------------------------------------|--|
| Up to 2,262                           | Nil  |
| 2,263 to 2,500                        | One-sixth of the excess over \$2,262                     |
| 2,501 to 3,000                        | \$39.66 plus one-third of the excess over \$2,500        |
| 3,001 to 3,640                        | \$206.32 plus nine-twentieths of the excess over \$3,000 |
| 3,641 to 4,121                        | \$494.32 plus two thirds of the excess over \$3,640      |

**Rates of income tax on individuals**

The table on page 590 shows the rates of income tax for income years 1953-54 to 1969-70 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 1968*.

For primary producers the rate of income tax for the current year is, in general, 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 abnormal receipts, of actors, artists, inventors, etc. is taxed at the rate appropriate to the normal taxable income plus one-third of the abnormal receipts.

Interest derived from bonds, etc. issued between 1 January 1940 and 31 October 1968 by the Commonwealth, or on certain State semi-governmental loans issued free of State income tax, is subject to a rebate of tax of 10 cents for each \$1 of interest received. 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 1969-70 INCOME YEARS

| <i>Total taxable income</i> |                      | <i>1953-54</i>                   |  | <i>1954-55 to 1964-65(a)</i>     |  | <i>1965-66 to 1969-70(b)</i>     |  |
|-----------------------------|----------------------|----------------------------------|--|----------------------------------|--|----------------------------------|--|
| <i>Column 1</i>             | <i>Column 2</i>      | <i>Tax on amount in column 1</i> | <i>Tax on each \$ of balance of income</i> | <i>Tax on amount in column 1</i> | <i>Tax on each \$ of balance of income</i> | <i>Tax on amount in column 1</i> | <i>Tax on each \$ of balance of income</i> |
| <i>Exceeding</i>            | <i>Not exceeding</i> | <i>column 1</i>                  | <i>income</i>                              | <i>column 1</i>                  | <i>income</i>                              | <i>column 1</i>                  | <i>income</i>                              |
| <i>\$</i>                   | <i>\$</i>            | <i>\$</i>                        | <i>cents</i>                               | <i>\$</i>                        | <i>cents</i>                               | <i>\$</i>                        | <i>cents</i>                               |
| 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 1969-70.

**INCOME TAX ON SPECIFIED INCOMES, 1960-61 TO 1969-70 INCOME YEARS**  
(**\$**)

| <i>Income(a)</i> § | 1961-62 |               | 1965-66 |                | 1967-68       |
|--------------------|---------|---------------|---------|----------------|---------------|
|                    | 1960-61 | to<br>1963-64 | 1964-65 | and<br>1966-67 | to<br>1969-70 |

**TAXPAYER WITH NO DEPENDANTS**

|              |          |          |          |          |          |
|--------------|----------|----------|----------|----------|----------|
| 1,000 . . .  | 54.20    | 51.50    | 54.20    | 54.83    | 54.83    |
| 2,000 . . .  | 212.50   | 201.90   | 212.50   | 217.81   | 217.81   |
| 3,000 . . .  | 451.70   | 429.10   | 451.70   | 462.78   | 462.78   |
| 4,000 . . .  | 752.50   | 714.90   | 752.50   | 771.31   | 771.31   |
| 5,000 . . .  | 1,112.50 | 1,056.90 | 1,112.50 | 1,140.10 | 1,140.10 |
| 10,000 . . . | 3,402.50 | 3,232.40 | 3,402.50 | 3,487.56 | 3,487.56 |

**TAXPAYER WITH DEPENDENT WIFE**

|              |          |          |          |          |          |
|--------------|----------|----------|----------|----------|----------|
| 1,000 . . .  | 25.30    | 24.00    | 25.30    | 25.45    | 23.27    |
| 2,000 . . .  | 159.10   | 151.10   | 159.10   | 162.72   | 158.02   |
| 3,000 . . .  | 376.40   | 357.60   | 376.40   | 385.53   | 378.97   |
| 4,000 . . .  | 660.70   | 627.70   | 660.70   | 677.20   | 668.60   |
| 5,000 . . .  | 1,005.38 | 955.10   | 1,005.38 | 1,030.37 | 1,020.95 |
| 10,000 . . . | 3,254.70 | 3,092.00 | 3,254.70 | 3,335.99 | 3,322.21 |

**TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD**

|              |          |          |          |          |          |
|--------------|----------|----------|----------|----------|----------|
| 1,000 . . .  | 11.60    | 11.00    | 11.60    | 11.63    | 8.71     |
| 2,000 . . .  | 128.40   | 122.00   | 128.40   | 131.06   | 122.61   |
| 3,000 . . .  | 331.60   | 315.00   | 331.60   | 339.65   | 326.54   |
| 4,000 . . .  | 604.00   | 573.80   | 604.00   | 619.06   | 603.29   |
| 5,000 . . .  | 940.91   | 893.90   | 940.91   | 964.33   | 945.48   |
| 10,000 . . . | 3,160.70 | 3,002.70 | 3,160.70 | 3,239.55 | 3,212.00 |

**TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN**

|              |          |          |          |          |          |
|--------------|----------|----------|----------|----------|----------|
| 1,000 . . .  | 5.10     | 4.80     | ..       | ..       | ..       |
| 2,000 . . .  | 107.80   | 102.40   | 107.80   | 109.88   | 98.49    |
| 3,000 . . .  | 299.70   | 284.70   | 299.70   | 306.87   | 289.54   |
| 4,000 . . .  | 565.60   | 537.30   | 565.60   | 579.62   | 555.95   |
| 5,000 . . .  | 894.88   | 850.20   | 894.88   | 917.16   | 888.86   |
| 10,000 . . . | 3,093.50 | 2,938.80 | 3,093.50 | 3,170.66 | 3,129.32 |

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

## Income tax assessments

The following table shows for the 1967-68 income year the number of taxpayers, income, and net income tax assessed for individuals. For further information 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 1967-68)

| Grade of actual income(b)(\$)<br>and State or Territory of<br>assessment | Taxpayers        |                  |                  | Actual<br>income(b)<br>Total | Taxable income(c)      |                  |                   | Net<br>income<br>tax<br>assessed |
|--|------------------|------------------|------------------|------------------------------|------------------------|------------------|-------------------|----------------------------------|
|  | Males            | Females          | Total            |                              | Salary<br>and<br>wages | Other            | Total             |                                  |
|  | No.              | No.              | No.              | \$'000                       | \$'000                 | \$'000           | \$'000            | \$'000                           |
| 417- 599 . . . . .   | 43,883           | 90,821           | 134,704          | 69,206                       | 55,193                 | 11,055           | 66,249            | 1,394                            |
| 600- 799 . . . . .   | 53,941           | 114,894          | 168,835          | 118,158                      | 90,232                 | 19,214           | 109,446           | 3,538                            |
| 800- 999 . . . . .   | 59,980           | 125,302          | 185,282          | 167,040                      | 125,900                | 25,603           | 151,503           | 6,735                            |
| 1,000- 1,199 . . . . .   | 72,216           | 139,658          | 211,874          | 233,011                      | 175,283                | 33,249           | 208,531           | 11,667                           |
| 1,200- 1,399 . . . . .   | 79,518           | 145,940          | 225,458          | 293,048                      | 217,764                | 42,496           | 260,260           | 17,154                           |
| 1,400- 1,599 . . . . .   | 86,548           | 164,759          | 251,307          | 377,564                      | 281,242                | 53,682           | 334,924           | 25,529                           |
| 1,600- 1,799 . . . . .   | 92,132           | 170,513          | 262,645          | 446,591                      | 332,754                | 61,005           | 393,759           | 33,706                           |
| 1,800- 1,999 . . . . .   | 106,722          | 156,727          | 263,449          | 500,081                      | 369,074                | 67,506           | 436,580           | 41,086                           |
| 2,000- 2,199 . . . . .   | 136,044          | 124,270          | 260,314          | 546,505                      | 392,372                | 73,993           | 466,365           | 47,376                           |
| 2,200- 2,399 . . . . .   | 170,538          | 93,837           | 264,375          | 608,131                      | 429,402                | 76,660           | 506,061           | 54,716                           |
| 2,400- 2,599 . . . . .   | 198,558          | 68,339           | 266,897          | 666,848                      | 459,909                | 80,395           | 540,304           | 61,351                           |
| 2,600- 2,799 . . . . .   | 218,620          | 50,226           | 268,846          | 725,635                      | 496,241                | 81,937           | 578,177           | 69,089                           |
| 2,800- 2,999 . . . . .   | 222,434          | 36,668           | 259,102          | 751,145                      | 507,577                | 82,260           | 589,837           | 73,871                           |
| 3,000- 3,999 . . . . .   | 906,475          | 97,849           | 1,004,324        | 3,464,191                    | 2,298,149              | 383,193          | 2,681,341         | 383,872                          |
| 4,000- 5,999 . . . . .   | 625,003          | 59,991           | 684,994          | 3,243,179                    | 1,962,400              | 523,290          | 2,485,690         | 452,851                          |
| 6,000- 7,999 . . . . .   | 141,901          | 18,156           | 160,057          | 1,089,292                    | 541,405                | 305,962          | 847,367           | 199,938                          |
| 8,000- 9,999 . . . . .   | 48,641           | 7,679            | 56,320           | 499,000                      | 203,024                | 197,249          | 400,273           | 113,046                          |
| 10,000-19,999 . . . . .  | 52,422           | 7,966            | 60,388           | 787,688                      | 237,291                | 422,193          | 659,484           | 239,877                          |
| 20,000-29,999 . . . . .  | 6,203            | 922              | 7,125            | 168,629                      | 36,236                 | 111,487          | 147,724           | 70,193                           |
| 30,000 and over . . . . .  | 2,731            | 396              | 3,127            | 153,717                      | 22,718                 | 113,372          | 136,090           | 78,303                           |
| Central Office . . . . .   | 8,963            | 6,043            | 15,006           | 109,151                      | 25,821                 | 66,478           | 92,300            | 32,310                           |
| New South Wales . . . . .  | 1,223,922        | 624,870          | 1,848,792        | 5,563,516                    | 3,592,504              | 915,491          | 4,507,992         | 744,636                          |
| Victoria . . . . .   | 923,430          | 500,921          | 1,424,351        | 4,285,651                    | 2,700,637              | 781,414          | 3,482,050         | 587,862                          |
| Queensland . . . . .   | 454,747          | 202,893          | 657,640          | 1,879,090                    | 1,043,462              | 421,053          | 1,464,514         | 228,006                          |
| South Australia . . . . .  | 310,170          | 152,241          | 462,411          | 1,272,353                    | 798,466                | 217,565          | 1,016,030         | 153,322                          |
| Western Australia . . . . .  | 253,283          | 118,150          | 371,433          | 1,122,438                    | 639,668                | 265,023          | 904,692           | 151,263                          |
| Tasmania . . . . .   | 103,890          | 46,485           | 150,375          | 427,218                      | 264,837                | 70,253           | 335,090           | 51,114                           |
| Northern Territory . . . . .   | 12,789           | 4,583            | 17,372           | 62,563                       | 37,427                 | 7,110            | 44,537            | 7,622                            |
| Australian Capital Territory . . . . .                                   | 33,316           | 18,727           | 52,043           | 186,679                      | 131,345                | 21,415           | 152,759           | 29,158                           |
| <b>Total, residents . . . . .</b>  | <b>3,324,510</b> | <b>1,674,913</b> | <b>4,999,423</b> | <b>14,908,658</b>            | <b>9,234,167</b>       | <b>2,765,801</b> | <b>11,999,963</b> | <b>1,985,293</b>                 |
| <b>Total, non-residents . . . . .</b>                                    | <b>1,193</b>     | <b>558</b>       | <b>1,751</b>     | <b>5,546</b>                 | <b>3,255</b>           | <b>1,996</b>     | <b>5,251</b>      | <b>1,550</b>                     |
| <b>Total, residents and non-residents . . . . .</b>                      | <b>3,325,703</b> | <b>1,675,471</b> | <b>5,001,174</b> | <b>14,914,203</b>            | <b>9,237,422</b>       | <b>2,767,797</b> | <b>12,005,214</b> | <b>1,986,843</b>                 |

(a) Assessments in respect of 1967-68 incomes issued to 30 September 1969. Assessments issued after that date are not included. (b) Actual income means, broadly, '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.

Details of the number of individual taxpayers and net tax assessed by grades of actual income for the income years 1964-65 to 1967-68 are shown in the following table.



COMMONWEALTH INCOME TAX ASSESSMENTS: RESIDENT INDIVIDUALS, BY GRADE OF ACTUAL INCOME<sup>(a)</sup> (INCOME YEARS 1964-65 TO 1967-68)

| Grade of actual income <sup>(a)</sup> (\$) | Income year      |                         |                  |                         |                  |                         |                  |                         |
|--|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|
|  | 1964-65          |                         | 1965-66          |                         | 1966-67          |                         | 1967-68          |                         |
|  | Tax-payers       | Net income tax assessed | Tax-payers       | Net income tax assessed | Tax-payers       | Net income tax assessed | Tax-payers       | Net income tax assessed |
|  | No.              | \$'000                  | No.              | \$'000                  | No.              | \$'000                  | No.              | \$'000                  |
| 417- 599                                   | 137,122          | 1,296                   | 141,676          | 1,589                   | 134,068          | 1,431                   | 134,704          | 1,394                   |
| 600- 799                                   | 190,233          | 3,872                   | 182,683          | 3,847                   | 171,671          | 3,562                   | 168,835          | 3,538                   |
| 800- 999                                   | 221,616          | 7,878                   | 214,957          | 7,826                   | 196,995          | 7,100                   | 185,282          | 6,735                   |
| 1,000- 1,199                               | 247,883          | 13,242                  | 245,847          | 13,440                  | 231,968          | 12,641                  | 211,874          | 11,667                  |
| 1,200- 1,399                               | 259,250          | 19,403                  | 259,366          | 19,810                  | 243,793          | 18,526                  | 225,458          | 17,154                  |
| 1,400- 1,599                               | 278,864          | 27,264                  | 280,021          | 28,135                  | 271,943          | 27,385                  | 251,307          | 25,529                  |
| 1,600- 1,799                               | 266,670          | 32,210                  | 272,872          | 34,171                  | 276,844          | 35,234                  | 262,645          | 33,706                  |
| 1,800- 1,999                               | 270,858          | 38,126                  | 262,280          | 38,824                  | 264,304          | 40,321                  | 263,449          | 41,086                  |
| 2,000- 2,199                               | 291,532          | 47,004                  | 280,326          | 47,834                  | 270,010          | 47,865                  | 260,314          | 47,376                  |
| 2,200- 2,399                               | 293,571          | 53,046                  | 284,991          | 55,588                  | 274,637          | 55,529                  | 264,375          | 54,716                  |
| 2,400- 2,599                               | 290,225          | 59,929                  | 288,127          | 63,715                  | 280,725          | 63,381                  | 266,897          | 61,351                  |
| 2,600- 2,799                               | 275,392          | 64,662                  | 284,841          | 70,434                  | 276,502          | 70,252                  | 268,846          | 69,089                  |
| 2,800- 2,999                               | 248,244          | 65,743                  | 260,131          | 72,227                  | 262,004          | 75,065                  | 259,102          | 73,871                  |
| 3,000- 3,999                               | 765,272          | 273,694                 | 831,852          | 309,965                 | 922,098          | 351,613                 | 1,004,324        | 383,872                 |
| 4,000- 5,999                               | 403,473          | 260,996                 | 473,003          | 314,647                 | 591,665          | 394,361                 | 684,994          | 452,851                 |
| 6,000- 7,999                               | 99,934           | 126,301                 | 111,480          | 143,944                 | 140,914          | 179,821                 | 160,057          | 199,938                 |
| 8,000- 9,999                               | 40,478           | 82,261                  | 42,430           | 88,221                  | 51,490           | 105,428                 | 56,320           | 113,046                 |
| 10,000-19,999                              | 43,479           | 174,880                 | 46,226           | 191,563                 | 55,535           | 223,020                 | 60,388           | 239,877                 |
| 20,000-29,999                              | 4,894            | 48,492                  | 5,302            | 53,912                  | 6,295            | 63,229                  | 7,125            | 70,193                  |
| 30,000 and over                            | 2,021            | 46,433                  | 2,141            | 48,561                  | 2,524            | 58,389                  | 3,127            | 78,303                  |
| <b>Total</b>                               | <b>4,631,011</b> | <b>1,446,732</b>        | <b>4,770,552</b> | <b>1,608,256</b>        | <b>4,925,985</b> | <b>1,834,154</b>        | <b>4,999,423</b> | <b>1,985,293</b>        |

(a) Actual income means, broadly, gross income including exempt income less expenditure incurred in gaining that income.

### 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.

A private company is liable to pay additional tax upon the amount, if any, by which the dividends paid by the company within the prescribed period fall short of sufficient distribution as defined.

*Rates of tax.* The rates of primary tax for all companies and additional tax for private companies applicable to income years 1959-60 to 1968-69 are shown in the following table.

**RATES OF TAX: COMPANIES, 1959-60 TO 1968-69 INCOME YEARS**  
(Cents per \$)

| Income years ended June | Resident private company |              |  | Resident public company(a) |              | Non resident company |              |                 |              |
|-------------------------|--------------------------|--------------|--|----------------------------|--------------|----------------------|--------------|-----------------|--------------|
|                         | On taxable income        |              | Additional tax on undistributed income | On taxable income          |              | On dividends income  |              | On other income |              |
|                         | Up to \$10,000           | On remainder |  | Up to \$10,000             | On remainder | Up to \$10,000       | On remainder | Up to \$10,000  | On remainder |
| 1960 to 1963 . . . . .  | 25                       | 35           | 50                                     | 35                         | 40           | 30                   | 40           | 35              | 40           |
| 1964 to 1967 . . . . .  | 27½                      | 37½          | 50                                     | 37½                        | 42½          | 32½                  | 42½          | 37½             | 42½          |
| 1968 and 1969 . . . . . | 30                       | 40           | 50                                     | 40                         | 45           | 35                   | 45           | 40              | 45           |

(a) Excludes co-operative, non-profit and life insurance for which the rates of tax (in cents per \$) for 1968-69 were:

| 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           |

Where the taxable income of a non-profit company does not exceed \$1,386 the amount of tax payable is limited to half the amount by which the taxable income exceeds \$416.

Details in respect of company assessments for the 1967-68 income year are shown in the following table.

**COMMONWEALTH INCOME TAX ASSESSMENTS: RESIDENT AND NON-RESIDENT COMPANIES, BY GRADE OF INCOME AND STATE, ETC., OF ASSESSMENT**  
(Income derived in the year 1967-68)

| Grade of taxable income(b) (\$) and State or Territory of assessment | Taxable       |                   |                    |                              | Non-taxable   |                       |                |
|--|---------------|-------------------|--------------------|------------------------------|---------------|-----------------------|----------------|
|  | Compan-ies    | Actual income (a) | Taxable income (b) | Net in-come tax assessed (c) | Compan-ies    | Taxable income (b)(d) | Loss           |
|  |               |                   |                    |                              |               |                       |                |
| Loss for year . . . . .  |               |                   |                    |                              | 30,832        |                       | (e)261,548     |
| Nil . . . . .  |               |                   |                    |                              | 16,473        |                       |                |
| 1-1,999 . . . . .  | 24,399        | 25,069            | 16,347             | 4,810                        | 3,485         | 2,663                 |                |
| 2,000-9,999 . . . . .  | 29,956        | 180,758           | 164,565            | 47,171                       | 3,915         | 19,444                |                |
| 10,000-19,999 . . . . .  | 12,870        | 187,740           | 177,266            | 55,067                       | 1,193         | 16,652                |                |
| 20,000-39,999 . . . . .  | 6,790         | 202,133           | 189,038            | 63,832                       | 632           | 17,360                |                |
| 40,000-99,999 . . . . .  | 4,415         | 286,893           | 271,758            | 95,733                       | 344           | 20,805                |                |
| 100,000-199,999 . . . . .  | 1,667         | 247,373           | 231,613            | 83,582                       | 127           | 17,507                |                |
| 200,000-399,999 . . . . .  | 919           | 286,309           | 252,878            | 89,878                       | 58            | 15,453                |                |
| 400,000-999,999 . . . . .  | 607           | 398,237           | 368,120            | 126,250                      | 37            | 21,147                |                |
| 1,000,000-1,999,999 . . . . .  | 178           | 268,326           | 248,325            | 81,947                       | 8             | 9,107                 |                |
| 2,000,000 and over . . . . .   | 198           | 1,640,250         | 1,100,057          | 362,087                      | 8             | 35,448                |                |
| Central Office . . . . .   | 3,680         | 1,870,421         | 1,271,082          | 429,881                      | 1,691         | 40,352                | (f)60,851      |
| New South Wales . . . . .  | 33,512        | 723,621           | 681,725            | 224,735                      | 22,671        | 41,249                | 78,095         |
| Victoria . . . . .   | 22,475        | 532,375           | 505,562            | 162,595                      | 14,062        | 37,603                | 42,152         |
| Queensland . . . . .   | 7,829         | 187,620           | 176,002            | 64,187                       | 5,975         | 8,209                 | 43,074         |
| South Australia . . . . .  | 6,851         | 129,936           | 124,345            | 41,779                       | 5,934         | 9,892                 | 14,104         |
| Western Australia . . . . .  | 3,897         | 132,356           | 126,119            | 47,005                       | 2,643         | 3,116                 | 8,914          |
| Tasmania . . . . .   | 1,550         | 37,537            | 34,392             | 11,905                       | 1,184         | 3,648                 | 3,193          |
| Northern Territory . . . . .   | 396           | 10,972            | 10,430             | 3,327                        | 192           | 215                   | 671            |
| Australian Capital Territory . . . . .                               | 1,809         | 98,248            | 90,312             | 24,943                       | 2,760         | 31,300                | 10,494         |
| <b>Total . . . . .</b>   | <b>81,999</b> | <b>3,723,088</b>  | <b>3,019,968</b>   | <b>1,010,357</b>             | <b>57,112</b> | <b>175,585</b>        | <b>261,548</b> |

(a) Actual income means, broadly, '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 on the undistributed income of private companies. (d) Net tax assessed is nil because of rebates. (e) Not included in the total shown for taxable income. (f) Not included in figures shown in adjoining column.

## Yield of income taxes

*Income taxes collected.* The following table shows the net amounts of taxes collected and the proportions of the several components in the years 1964-65 to 1968-69.

## INCOME TAXES COLLECTED: COLLECTION YEARS 1964-65 TO 1968-69

| Source of income tax                     | 1964-65          | 1965-66          | 1966-67          | 1967-68          | 1968-69          |
|--|------------------|------------------|------------------|------------------|------------------|
| NET AMOUNTS COLLECTED (\$'000)           |                  |                  |                  |                  |                  |
| Individuals—                             |                  |                  |                  |                  |                  |
| Instalments—salaries and wages . . . . . | 990,600          | 1,160,369        | 1,323,537        | 1,507,456        | 1,727,290        |
| Direct cash payments . . . . .           | 579,762          | 570,799          | 598,509          | 669,091          | 651,340          |
| Companies . . . . .                      | 709,044          | 801,105          | 784,544          | 836,664          | 1,006,543        |
| Superannuation funds . . . . .           | 162              | 175              | 534              | 858              | 836              |
| Withholding tax—Dividend . . . . .       | 16,039           | 17,247           | 22,708           | 21,716           | 28,303           |
| Interest . . . . .                       | ..               | ..               | ..               | 910              | 4,456            |
| <b>Total . . . . .</b>                   | <b>2,295,607</b> | <b>2,549,695</b> | <b>2,729,832</b> | <b>3,036,695</b> | <b>3,418,768</b> |

## PERCENTAGES

|  | 1964-65       | 1965-66       | 1966-67       | 1967-68       | 1968-69       |
|--|---------------|---------------|---------------|---------------|---------------|
| Individuals—                             |               |               |               |               |               |
| Instalments—salaries and wages . . . . . | 43.15         | 45.51         | 48.48         | 49.64         | 50.53         |
| Direct cash payments . . . . .           | 25.26         | 22.38         | 21.93         | 22.03         | 19.05         |
| Companies . . . . .                      | 30.89         | 31.42         | 28.74         | 27.55         | 29.44         |
| Superannuation funds . . . . .           | 0.01          | 0.01          | 0.02          | 0.03          | 0.02          |
| Withholding tax—Dividend . . . . .       | 0.70          | 0.68          | 0.83          | 0.72          | 0.83          |
| Interest . . . . .                       | ..            | ..            | ..            | 0.03          | 0.13          |
| <b>Total . . . . .</b>                   | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> | <b>100.00</b> |

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

| Tax  | 1963-64          | 1964-65          | 1965-66          | 1966-67          | 1967-68          |
|--|------------------|------------------|------------------|------------------|------------------|
| Individuals . . . . .  | 1,232,442        | 1,447,886        | 1,608,952        | 1,835,333        | 1,986,843        |
| Companies—   |                  |                  |                  |                  |                  |
| Primary tax . . . . .  | 715,938          | 787,099          | 786,925          | 832,582          | 1,010,357        |
| Additional tax on undistributed<br>income of private companies . . . . . | 1,609            | 2,260            | 2,618            | 2,934            | 6,648            |
| <b>Total . . . . .</b>   | <b>1,949,989</b> | <b>2,237,245</b> | <b>2,398,495</b> | <b>2,670,849</b> | <b>3,003,848</b> |

*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 to individuals during the collection years 1964-65 to 1968-69 were: 1964-65, \$264,366,000; 1965-66, \$305,830,000; 1966-67, \$353,194,000; 1967-68, \$398,371,000; and 1968-69 \$477,965,000.

