

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 568–75). The subject of income taxes is also dealt with in a separate division at the end of this chapter (pages 579–89).

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 543–7 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 1969-70 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 1965-66 TO 1969-70 (\$ million)

	1965-66	1966-67	1967-68	1968-69	1969-70
Expenditure(a)	5,009	5,571	6,148	6,569	7,088
Receipts(a)	4,754	5,019	5,506	6,184	7,081
Deficit	255	552	642	385	7
Financing—					
United States Defence Credit (net)	..	91	118	55	-3
Other overseas borrowings	-23	-62	14	88	-128
Issue of securities in Australia—					
Net loan proceeds(b)	298	408	297	381	263
Net change in Treasury notes on issue	36	-26	184	-68	-137
Borrowings from the Reserve Bank	-36	165	51	-127	-14
Total securities issued in Australia	298	546	532	186	112
Funds provided for International Monetary Fund drawings of Australian currency	-40	-27	-59	-5	..
Use of Cash Balances	..	-1	..	..	-19
Other financing transactions in Australia(c)	21	5	37	62	45
Deficit	255	552	642	385	7

(a) Comparisons between the figures for 1965-66 and 1966-67 are affected by accounting changes in 1966-67 which reflect the revision of the National Debt Sinking Fund Act. In addition, the figures for 1966-67 and subsequent years have been adjusted to eliminate the effects of accounting changes occurring in 1968-69 and 1970-71. This series has not been adjusted for accounting changes introduced in the Budget for 1971-72. See Appendix. (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 outlay

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, 1969-70*. 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. 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.

The tables on pages 531-43 mainly follow (unrevised "All Commonwealth funds") figures given in Section I pages 1 to 17 of *Commonwealth Finance, 1969-70*. For later details relating to the transactions of all Commonwealth public authorities compiled in accordance with national accounting concepts, on a basis consistent with statistics for the public authority sector included in *National Income and Expenditure 1970-71* (and Section II of *Commonwealth Finance 1969-70* pages 18-21) See *Public Authority Finance: Commonwealth Authorities 1970-71* (Reference No. 5.12) (formerly *Commonwealth Finance*) pages 1-31.

ALL COMMONWEALTH FUNDS: RECEIPTS AND OUTLAY, 1965-66 TO 1969-70
(\$ million)

	1965-66	1966-67	1967-68	1968-69	1969-70
RECEIPTS					
Current receipts—					
Taxation	4,223	4,494	4,957	5,535	6,387
Fines, etc.	1	1	1	1	1
Business undertakings—gross operating surplus(a)	104	94	130	167	175
Rent, royalties and dividends	24	20	16	21	28
Interest	66	71	55	61	65
<i>Total current receipts</i>	<i>4,416</i>	<i>4,679</i>	<i>5,157</i>	<i>5,783</i>	<i>6,657</i>
Capital receipts—					
Net borrowing—					
Government securities—					
Australia	-38	15	137	-259	57
Overseas	4	121	210	167	-43
Net receipts of private trust funds	31	21	51	57	57
Other funds available	12	10	-2	51	31
<i>Total capital receipts</i>	<i>9</i>	<i>167</i>	<i>396</i>	<i>16</i>	<i>102</i>
Reduction in—					
Cash and bank balances	2	-13	15	-1	-19
Security holdings	-89	-7	-172	-141	-393
<i>Total receipts</i>	<i>4,338</i>	<i>4,826</i>	<i>5,395</i>	<i>5,656</i>	<i>6,347</i>

(a) The excess of total revenue over working expenses before providing for substantial additional capital costs (interest, provisions for depreciation or debt redemption).

ALL COMMONWEALTH FUNDS: RECEIPTS AND OUTLAY, 1965-66 TO 1969-70—*contd*
(\$ million)

	1965-66	1966-67	1967-68	1968-69	1969-70
OUTLAY					
Current outlay—					
Net current expenditure on goods and services—					
Purchase of goods and services and grants to organisations	1,137	1,400	1,630	1,771	1,794
Less Fees and charges for goods and services	-56	-61	-65	-103	-108
Total	1,082	1,339	1,565	1,668	1,687
Transfers to other sectors—					
Interest	73	72	88	83	93
Cash benefits to persons	1,154	1,243	1,292	1,405	1,597
Subsidies	114	128	134	210	184
Overseas grants and contributions	127	151	154	159	180
Grants for private capital purposes	47	45	57	31	33
Total	1,515	1,638	1,724	1,889	2,087
Transfers to other public authorities—					
Interest	-60	-70	-77	-85	-103
Grants to States	876	965	1,057	1,155	1,310
Grants to semi-government authorities	69	70	72	82	96
Total	886	965	1,051	1,152	1,303
Total current outlay	3,482	3,943	4,340	4,708	5,077
Capital outlay—					
Purchase of fixed assets and increase in stocks—					
Purchases of new assets	302	336	386	438	475
Purchases of existing assets	5	6	9	19	13
Less Sales of existing assets	-13	-9	-12	-15	-16
Increase in stocks	-2	-2	-4	-3	-3
Total	292	331	379	439	469
Transfers to other sectors—					
Advances to the private and overseas sectors	151	116	146	101	341
Less Repayments of advances	-34	-37	-39	-43	-120
Total	117	79	108	58	221
Transfers to other public authorities—					
Grants to States	199	218	255	264	312
Grants to semi-government authorities	37	49	53	55	57
Advances to States	173	167	200	177	212
Less Repayments of advances to States	-28	-31	-31	-67	-38
Advances to semi-government authorities	68	70	93	30	67
Less Repayments of advances to semi-government authorities	-1	-2	-2	-7	-29
Total	447	472	568	451	580
Total capital outlay	857	882	1,055	948	1,270
Total outlay	4,338	4,826	5,395	5,656	6,347

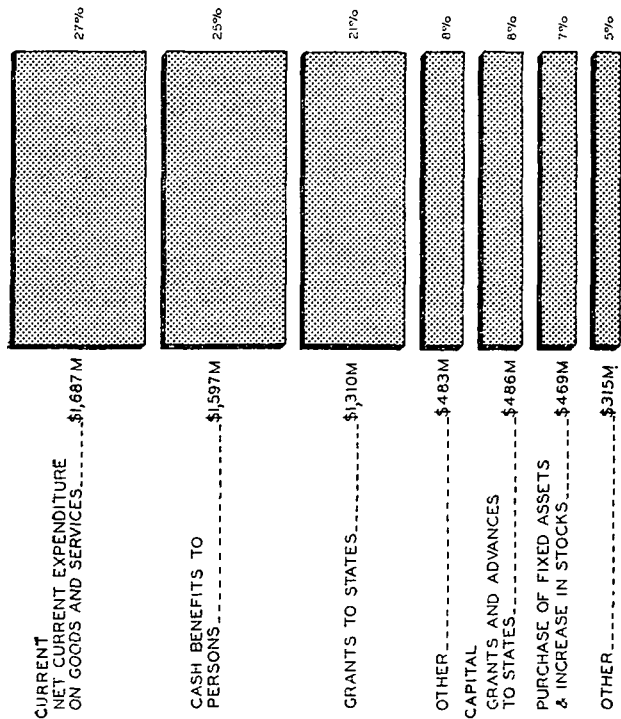
All Commonwealth funds: outlay, economic type and function

In the following two tables the outlay of all Commonwealth funds is shown in terms of a functional classification. The table on page 534 presents for 1969-70 the outlay under each functional head classified by economic type, highlighting the government's own demand for goods and services and the redistributive effect of its outlays. Current and capital outlay under each functional head are shown for the years 1965-66 to 1969-70 on page 535.

ALL COMMONWEALTH FUNDS

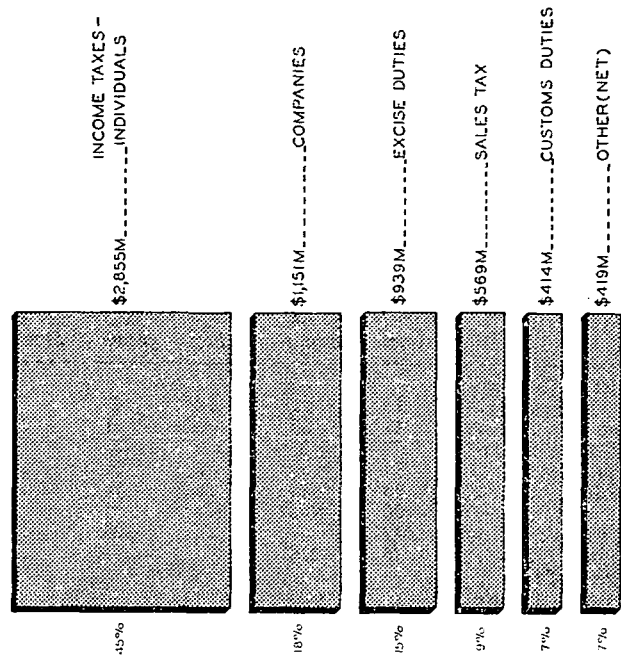
1969-70

OUTLAY



TOTAL - \$6,347 MILLION

RECEIPTS



TOTAL - \$6,347 MILLION

**ALL COMMONWEALTH FUNDS: TOTAL OUTLAY, BY ECONOMIC TYPE
AND FUNCTION, 1969-70**
(\$ million)

CURRENT OUTLAY								
	<i>Expen- diture on goods and services</i>	<i>Cash benefits</i>	<i>Sub- sidies</i>	<i>Over- seas grants</i>	<i>Current Grants to States</i>	<i>Current grants to semi- govern- ment auth- orities</i>	<i>Grants for private capital purposes</i>	<i>Total</i>
Law, order and public safety	16	..	..	..	..	..	..	16
Education	19	37	..	1	77	21	2	157
Cultural and recrea- tional facilities	15	..	..	..	..	..	..	15
Public health	33	345	..	..	..	..	..	380
Welfare	30	982	..	..	1	..	13	1,026
War and defence	1,017	..	..	25	..	..	..	1,042
Repatriation	84	226	..	..	..	..	6	316
Development of re- sources and assistance to industry	115	..	159	1	14	58	..	347
Transport and commu- nication	42	..	3	7	..	1	..	53
Legislature and general administration	190	..	..	..	..	..	..	190
Foreign affairs	31	..	..	45	..	..	..	75
Immigration	59	5	..	1	..	..	..	65
Regulation of trade and industry	13	1	22	..	..	14	..	50
Housing	5	..	..	..	..	..	12	17
Other	-2	..	..	97	..	1	..	97
Not allocated to function	18	..	..	2	1,218	2	..	(a)1,230
Total current outlay	1,687	1,597	184	180	1,310	96	33	5,077
CAPITAL OUTLAY								
	<i>Expenditure on new assets and stocks</i>	<i>Net pur- chases of existing assets</i>	<i>Capital grants to States</i>	<i>Capital grants to semi- govern- ment auth- orities</i>	<i>Net advances to States</i>	<i>Other net advances</i>	<i>Total</i>	
Education	5	..	71	4	..	..	80	
Cultural and recrea- tional facilities	5	..	..	..	..	..	5	
Public health	4	..	7	..	..	..	11	
War and defence . . . . .	..	2	..	..	..	..	2	
Development of re- sources and assistance to industry	10	..	18	2	-2	184	212	
Transport and communi- cation—								
Post office	336	7	..	..	..	..	343	
Civil aviation	39	2	..	..	..	-16	25	
Roads	9	..	199	..	-1	..	208	
Other	15	..	12	..	5	14	47	
Power, fuel and light . . . . .	..	..	..	..	10	34	43	
Housing	13	-15	..	..	127	32	158	
Other	34	2	5	..	..	3	44	
Not allocated to function	1	..	..	50	35	8	94	
Total capital outlay	472	-3	311	57	174	259	1,270	

(a) Including interest - \$10 million.

The following table shows outlay from all Commonwealth funds for the years 1965–66 to 1969–70, classified according to function and irrespective of economic type.

ALL COMMONWEALTH FUNDS: TOTAL OUTLAY, BY FUNCTION
1965–66 TO 1969–70
(\$ million)

	1965–66	1966–67	1967–68	1968–69	1969–70
CURRENT OUTLAY					
Law, order and public safety	7	10	12	13	16
Education	81	91	107	120	157
Cultural and recreational facilities	5	6	9	10	15
Public health	249	271	291	323	380
Welfare	721	797	826	890	1,026
War and defence	710	914	1,067	1,092	1,042
Repatriation	267	266	276	302	316
Development of resources and assistance to industry	233	267	308	365	347
Transport and communication	29	33	41	44	53
Legislature and general administration	107	137	149	164	190
Foreign affairs	45	50	61	66	75
Immigration	39	42	44	59	65
Regulation of trade and industry	28	35	43	47	50
Housing	18	16	18	18	17
Other	85	92	82	86	97
Not allocated to function	858	916	1,008	1,109	1,230
Total current outlay	3,482	3,943	4,340	4,708	5,077
CAPITAL OUTLAY					
Education	34	47	61	64	80
Cultural and recreational facilities	8	8	7	8	5
Public health	10	11	8	8	11
War and defence	4	2	2	10	2
Development of resources and assistance to industry	25	18	54	24	212
Transport and communication—					
Post office	215	235	267	305	343
Civil aviation	38	47	81	26	25
Roads	153	163	173	184	208
Other	42	38	48	47	47
Power, fuel and light	42	47	46	34	43
Housing	157	151	141	143	158
Other	19	26	31	46	44
Not allocated to function	110	87	137	48	94
Total capital outlay	857	882	1,055	948	1,270
TOTAL OUTLAY					
Total outlay	4,339	4,825	5,395	5,656	6,347

Main components of all Commonwealth funds outlay

The tables on pages 536-43 supply details of some of the main components of total outlay of the Commonwealth Government.

Defence

In addition to showing departmental components of total current outlay on defence during the years 1965-66 to 1969-70, the following table also includes annual totals of other outlay on defence classified to overseas grants and contributions and to net purchases of existing assets. Details of the expenditure on 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: OUTLAY ON DEFENCE (\$'000)

	1965-66	1966-67	1967-68	1968-69	1969-70
Current Outlay—					
Department of Defence—					
Administrative and general expenses	5,053	6,395	7,816	8,017	9,331
Recruiting campaign	1,646	1,556	1,600	1,611	1,775
Buildings, works, etc.	181	931	1,507	1,797	3,363
Plant and equipment	1,890	906	253	1,065	284
Defence Aid for Malaysia and Singapore	5,034	8,036	6,096	6,243	8,203
S.E.A.T.O. Military Planning Office—Con- tribution towards cost	18	18	22	24	22
Maintenance and rent	202	238	198	313	462
	14,024	18,080	17,492	19,071	23,440
<i>Less Receipts</i>				74	1
Total	14,024	18,080	17,492	18,997	23,439
Department of the Navy—					
Naval forces—Pay, administrative and gen- eral expenses	68,027	79,346	87,285	99,882	111,025
Naval construction and additions to the fleet General stores	44,918	52,616	53,127	47,250	33,131
	29,264	37,527	40,772	52,447	55,492
Ships, aircraft, etc.—					
Purchase and manufacture	6,886	7,210	8,668	4,794	4,114
Repairs and maintenance	8,608	10,867	20,050	10,485	12,903
Buildings, works, etc.	6,930	7,211	6,833	6,522	11,386
Machinery and plant for dockyards and establishments	1,326	2,108	1,900	2,577	2,829
Defence research and development	263	348	329	240	224
Maintenance and rent	3,159	3,692	3,705	4,793	5,449
Retirement benefits	1,229	1,392	2,097	2,453	2,889
Other	2,460	3,053	3,130	2,196	1,777
	173,070	205,369	227,896	233,639	241,219
<i>Less Receipts</i>	3,892	4,260	4,333	4,652	4,187
Total	169,179	201,109	223,563	228,987	237,032
Department of the Army—					
Military forces—Pay, administrative and general expenses	133,500	169,865	197,276	216,332	245,579
Forces overseas (other than pay)	9,773	26,440	34,048	45,836	23,823
Arms, armament and equipment	67,921	84,675	96,143	115,602	108,614
Buildings, works, etc.	35,821	56,863	38,769	16,860	14,553
Maintenance and rent	7,503	8,447	9,829	12,447	14,965
Retirement benefits	3,657	3,827	4,758	6,010	7,105
Other	509	468	463	..	..
	258,684	350,585	381,288	413,087	414,639
<i>Less Receipts</i>	2,297	2,880	2,254	4,619	3,535
Total	256,389	347,705	379,035	408,468	411,104

ALL COMMONWEALTH FUNDS: OUTLAY ON DEFENCE—*continued*
(\$'000)

	1965-66	1966-67	1967-68	1968-69	1969-70
Department of Air—					
Air force—Pay, administrative and general expenses	77,541	86,630	97,067	113,391	123,376
Forces overseas (other than pay)	7,080	9,447	13,998	19,264	19,211
Aircraft—					
Purchase and manufacture	62,353	106,383	172,317	136,470	55,066
Repairs and maintenance	6,380	8,037	9,367	9,452	11,323
Equipment and stores	42,980	50,390	58,442	70,063	66,183
Buildings, works, etc.	12,938	11,587	16,559	17,212	10,191
Maintenance and rent	6,024	7,096	7,912	9,335	9,944
Retirement benefits	2,582	2,808	3,165	4,040	4,980
Other	738	606	606	..	..
	218,616	282,984	379,433	379,226	300,274
<i>Less Receipts</i>	4,336	1,999	1,446	3,351	2,837
Total	214,280	280,985	377,989	375,875	297,437
Department of Supply—					
Administrative and general expenses	7,944	9,491	10,642	12,458	13,635
Defence research and development	33,016	34,262	36,664	39,957	40,626
Production development	976	838	1,427	2,168	2,993
Government factories—Maintenance of production capacity					
	2,270	3,358	3,309	3,341	3,473
Transport and storage services	7,027	7,661	10,088	9,107	10,534
Reserve stocks	2,775	3,568	3,545	2,453	1,177
Munitions factories—Working capital	2,004	475	869	2,379	465
Machinery, plant, equipment, etc.	8,001	10,032	9,355	8,330	9,706
Buildings, works, n.e.i., etc.	5,259	5,021	4,796	4,772	5,771
Maintenance and rent	4,211	4,426	4,300	4,466	5,056
Other	18,981	25,197	27,392	..	..
	92,464	104,329	112,387	89,431	93,436
<i>Less Receipts</i>	45,290	49,271	49,662	31,031	24,091
Total	47,174	55,058	62,725	58,400	69,345
Other—					
Civil Defence	724	709	734	786	734
Security Intelligence Organisation	1,990	2,565	2,753	2,807	3,053
Other	2,780	4,314	1,652	-953	475
Total	5,494	7,588	5,140	2,640	4,262
Total current outlay	706,539	910,526	1,065,945	1,093,367	1,042,619
<i>Of which—</i>					
Overseas grants and contributions	22,678	34,456	25,772	16,160	25,229
Other net current expenditure	683,861	876,070	1,040,173	1,077,207	1,017,390
Total current outlay	706,539	910,526	1,065,945	1,093,367	1,042,619
Net capital outlay—					
Net purchases of existing assets	3,598	2,409	1,653	6,007	1,721
Grand total	710,137	912,935	1,067,598	1,099,374	1,044,340

Education

Details of Commonwealth government outlay in the field of education are given in chapter 20, Education, Cultural Activities, and Research pages 652-64.

Subsidies

The following table shows details of Commonwealth outlay from all funds on subsidies and bounties for the years 1965-66 to 1969-70. 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.

ALL COMMONWEALTH FUNDS: OUTLAY ON SUBSIDIES 1965-66 TO 1969-70
(\$'000)

<i>Type of subsidy</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>	<i>1969-70</i>
Development of resources and assistance to industry—					
Dairy industry	27,000	27,000	27,000	27,000	27,000
Wheat prices stabilisation	18,069	16,154	15,508	42,870	..
Phosphate fertilisers	24,983	26,319	23,564	31,665	45,820
Oil search	11,382	9,931	11,711	12,497	14,298
Nitrogenous fertilisers . . . . .	..	6,665	10,308	11,044	9,876
Copper	1	..	..	..	..
Gold mining industry	2,462	3,848	4,362	1,791	1,859
Pyrites	854	103	..	..	..
Cotton	3,686	2,813	4,027	4,620	3,531
Processed milk products	614	899	743	638	516
Sulphate of ammonia	427	830	565	430	1,081
Vinyl resin	1,938	1,592	12	..	..
Copper and brass strip	43	..	..	..	..
Sulphuric acid	1,906	1,556	1,286	988	740
Tractor	1,902	2,221	2,480	2,249	1,757
Cellulose acetate flake	228	218	220	179	276
Poultry industry assistance	5,536	9,213	10,418	10,920	11,544
Urea . . . . .	..	9	163	424	496
Devaluation compensation . . . . .	..	..	..	35,862	30,069
Book bounty . . . . .	..	..	..	..	1,374
Industrial and development research grants . . . . .	..	..	654	5,300	8,915
Northern Territory drought relief freight concessions	178	57	50	2	239
Transport and communication—					
Air services	1,200	1,306	1,901	1,780	1,800
Coastal shipping service—					
King Island and Bass Strait Islands	161	160	150	141	150
Northern Territory	43	44	39	24	27
Northern Territory—					
Air mail service	118	..	..	..	..
Railway freight	140	110	100	113	87
Superphosphate sea subsidy . . . . .	..	5	43	23	50
Transport of stud stock	59	83	80	175	245
South American shipping service	335	351	300	180	157
Regulation of trade and industry—					
Petrol prices stabilisation	9,920	15,218	16,578	17,948	20,625
Northern Territory petrol prices	345	750	991	1,316	1,741
Other	400	399	363	68	11
Total	113,930	127,854	133,616	210,247	184,284

Cash benefits to persons

Total payments of cash benefits to persons during the years 1965-66 to 1969-70 are shown in the table following.

ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS
1965-66 TO 1969-70
(\$'000)

Type of benefit	1965-66	1966-67	1967-68	1968-69	1969-70
Education—					
Commonwealth scholarship scheme—					
Post-graduate	1,733	2,432	2,899	3,588	4,526
University	10,064	13,890	13,383	16,268	18,160
Advanced education	198	660	754	1,001	1,628
Secondary	5,197	6,243	6,474	6,558	6,738
Technical	600	816	1,031	1,123	1,162
Soldiers' children education scheme	2,534	2,462	2,720	3,154	3,203
Aboriginal study grants . . . . .	..	..	..	62	225
Aboriginal secondary grants . . . . .	..	..	..	..	502
Other	667	672	711	745	796
<i>Total, education</i>	<i>20,993</i>	<i>27,175</i>	<i>27,973</i>	<i>32,500</i>	<i>36,941</i>
Health—					
Hospital benefits	24,860	25,900	26,598	29,779	40,258
Hospital benefits for pensioners	14,659	18,731	23,665	24,520	24,163
Nursing home benefits	21,223	22,767	24,486	31,643	46,960
Medical benefits	41,282	43,841	46,431	49,556	56,863
Medical benefits for pensioners	13,365	14,351	16,116	16,912	19,224
Milk for school children	8,493	9,021	9,831	10,053	10,051
Pharmaceutical benefits	67,713	72,000	73,019	81,764	95,650
Pharmaceutical benefits for pensioners	24,071	29,280	32,115	36,609	41,069
Tuberculosis campaign	13,361	10,974	11,266	11,460	10,554
Handicapped children's benefit . . . . .	..	..	..	76	485
<i>Total, health</i>	<i>229,028</i>	<i>246,868</i>	<i>263,529</i>	<i>292,372</i>	<i>345,277</i>
Welfare—					
Age and invalid pensions	442,355	481,840	513,984	558,587	641,982
Child endowment	176,432	199,282	187,920	193,263	220,143
Commonwealth rehabilitation service	1,660	1,844	1,944	2,260	2,758
Funeral benefits	1,050	1,334	1,338	1,571	1,512
Maternity allowances	7,159	7,294	7,349	7,960	8,000
Tuberculosis campaign—allowances	1,286	1,193	1,091	921	771
Unemployment benefits, sickness and special benefits	15,557	19,044	18,832	16,830	18,592
Widows' pensions	50,017	56,438	61,061	69,080	81,753
Sheltered employment allowances . . . . .	..	..	104	288	436
Deserted wives benefits . . . . .	..	..	201	1,149	1,882
Personal care . . . . .	..	..	..	..	1,133
Delivered meals . . . . .	..	..	..	..	196
Other	2,268	2,019	2,204	2,980	2,904
<i>Total, welfare</i>	<i>697,783</i>	<i>770,288</i>	<i>796,029</i>	<i>854,889</i>	<i>982,062</i>
Development of resources and assistance to industry—					
Wool research studentships and fellowships	85	158	270	360	341
Repatriation—					
War and service pensions and allowances	198,662	190,842	196,219	216,958	223,366
Other	1,849	1,908	1,952	1,981	2,192
<i>Total, repatriation</i>	<i>200,511</i>	<i>192,750</i>	<i>198,171</i>	<i>218,939</i>	<i>225,557</i>
Immigration—					
Maintenance of migrant families	4,380	5,240	4,803	4,933	5,304
Regulation of trade and industry—					
Coal mining industry—long service leave	893	919	918	892	985
Housing—					
Commonwealth-State Housing Agreement—					
Contribution to rental losses	213	142	44	60	74
<i>Grand total</i>	<i>1,153,886</i>	<i>1,243,540</i>	<i>1,291,737</i>	<i>1,404,945</i>	<i>1,596,541</i>

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 633-8). In the following summary tables, a distinction is made between (i) direct Commonwealth financial assistance to the States in the form of grants to provide revenue for general and specific purposes and (ii) 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 543-7, 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 (i) above.

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES, BY FUNCTIONS, 1969-70 (\$'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 GRANTS							
Education	26,803	23,678	10,073	7,645	6,395	2,373	76,967
Welfare	366	56	527	37	55	7	1,048
Development of resources and assistance to industry	1,862	1,341	9,906	496	599	260	14,464
Not allocated to function—							
Financial assistance grants	373,908	280,008	176,522	125,706	138,835	46,340	1,141,319
Other	18,332	13,489	7,413	6,151	4,751	26,206	76,341
Total, current	421,271	318,572	204,441	140,035	150,635	75,186	1,310,139
CAPITAL GRANTS							
Education	25,641	19,900	9,642	7,285	6,094	2,579	71,141
Public health	2,496	1,394	916	1,368	241	165	6,579
Welfare	1,128	426	1,113	584	1,040	125	4,416
Development of resources and assistance to industry	4,012	1,718	3,994	1,642	6,292	68	17,726
Transport and communication—							
Roads	57,060	38,160	39,854	21,025	34,133	9,100	199,332
Other . . . . .	..	..	..	8,582	3,253	..	11,835
Other	5	..	..	..	119	..	124
Total, capital	90,342	61,598	55,519	40,486	51,172	12,037	311,153
TOTAL GRANTS							
Grand total	511,613	380,170	259,960	180,521	201,807	87,223	1,621,292

ALL COMMONWEALTH FUNDS: TOTAL GRANTS TO THE STATES, BY FUNCTION
1965-66 TO 1969-70
 (\$'000)

<i>Function</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>	<i>1969-70</i>
CURRENT GRANTS					
Education	32,929	38,772	48,339	52,858	76,967
Welfare	22	23	23	164	1,048
Development of resources and assistance to industry	11,256	25,346	30,284	15,965	14,464
Not allocated to function—					
Financial assistance grants	757,351	826,613	907,539	1,018,193	1,141,319
Other	74,701	74,193	70,964	68,181	76,341
Total, current	876,259	964,947	1,057,152	1,155,360	1,310,139
CAPITAL GRANTS					
Education	32,074	40,091	53,958	55,402	71,141
Public health	5,235	5,501	5,062	5,513	6,579
Welfare . . . . .	..	..	..	2,667	4,416
Development of resources and assistance to industry	3,512	3,155	8,424	12,396	17,726
Transport and communication—					
Roads	145,404	155,413	165,664	176,065	199,332
Other	12,426	12,278	20,925	11,436	11,835
Other	750	1,954	843	446	124
Total, capital	199,402	218,392	254,875	263,925	311,153
TOTAL GRANTS					
Grand total	1,075,661	1,183,339	1,312,027	1,419,285	1,621,292

Further information concerning items included in the functional classifications of the two preceding tables is given in the annual bulletin *Commonwealth Finance* 1969-70.

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, 1969-70
(\$'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>
GROSS							
Development of resources and assistance to industry . . .	1,800	573	7,131	1,756	4,273	1,039	16,572
Transport and communication—							
Railway projects . . . . .	..	..	..	3,630	4,647	..	8,277
Other . . . . .	..	..	..	..	..	..	..
Power, fuel and light . . . . .	..	..	..	..	..	9,700	9,700
Housing	49,711	36,733	13,989	21,250	12,373	7,635	141,691
Not allocated to function . . .	10,154	16,795	1,006	3,056	2,833	1,630	35,474
Total gross advances	61,665	54,101	22,126	29,692	24,126	20,004	211,714
REPAYMENTS							
Development of resources and assistance to industry	1,947	867	1,086	2,419	5,422	7,094	18,836
Transport and communication—							
Railway projects	96	96	1,276	262	1,281	..	3,011
Other	330	..	637	..	151	..	1,118
Power, fuel and light . . . . .	..	..	..	..	..	..	..
Housing	5,096	4,590	1,395	1,690	1,290	506	14,567
Not allocated to function . . .	..	..	..	..	..	..	..
Total repayments	7,469	5,553	4,394	4,371	8,144	7,600	37,572
NET							
Development of resources and assistance to industry	-147	-294	6,045	-663	-1,149	-6,055	-2,264
Transport and communication—							
Railway projects	-96	-96	-1,276	3,368	3,366	..	5,266
Other	-330	..	-637	..	-151	..	-1,118
Power, fuel and light . . . . .	..	..	..	..	..	9,700	9,700
Housing	44,615	32,142	12,594	19,560	11,083	7,129	127,124
Not allocated to function . . .	10,154	16,795	1,006	3,056	2,833	1,630	35,474
Total net advances	54,196	48,547	17,732	25,321	15,982	12,404	174,182

Minus sign (-) denotes excess of repayment.

ALL COMMONWEALTH FUNDS: TOTAL ADVANCES TO THE STATES
BY FUNCTION, 1965-66 TO 1969-70

(\$'000)

	1965-66	1966-67	1967-68	1968-69	1969-70
GROSS					
Development of resources and assistance to industry	27,255	24,158	50,208	22,350	16,572
Transport and communication—					
Railway projects	12,410	12,647	13,989	7,554	8,277
Other	6,107	2,806	..	11,000	..
Power, fuel and light . . . . .	..	..	5,300	3,200	9,700
Housing	124,242	127,753	129,943	132,899	141,691
Not allocated to function	2,600	..	726	..	35,474
Total gross advances	172,615	167,363	200,166	177,003	211,714
REPAYMENTS					
Development of resources and assistance to industry	16,405	17,099	15,383	19,482	18,836
Transport and communication—					
Railway projects	1,387	1,540	1,724	1,886	3,011
Other	315	494	1,113	1,118	1,118
Power, fuel and light . . . . .	..	..	..	..	..
Housing	10,237	11,240	12,297	13,413	14,567
Not allocated to function . . . . .	..	990	..	31,202	..
Total repayments	28,344	31,363	30,517	67,099	37,532
NET					
Development of resources and assistance to industry	10,850	7,059	34,824	2,868	-2,264
Transport and communication—					
Railway projects	11,023	11,107	12,265	5,668	5,266
Other	5,792	2,312	-1,113	9,882	-1,118
Power, fuel and light . . . . .	..	..	5,300	3,200	9,700
Housing	114,005	116,513	117,646	119,486	127,124
Not allocated to function	2,600	-990	726	-31,202	35,474
Total net advances	144,271	136,000	169,649	109,904	174,182

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* 1969-70.

General purpose grants

Current grants

The Financial Assistance Grants. Details of the financial assistance grants arrangements existing in 1969-70 and prior years are given in earlier issues of the Year Book (see No. 56, page 551). Revised arrangements to apply over the five years 1970-71 to 1974-75 are embodied in the *States Grants Act* 1970-1971.

The financial assistance grants, which are the main general revenue grants to the States, will continue to increase each year in proportion to the increase in average wages in Australia as a whole in the year ending 31 March in the year of payment and to the increase in each State's population

in the year ending 31 December in the year of payment and by a further 'betterment factor'. However, this last factor will increase, beginning with the calculation of the 1971-72 grants, from 1.2 per cent to 1.8 per cent. Additional grants of \$40 million were paid in 1970-71 and distributed between the States in proportion to the other grants payable to them under the Act and these grants will increase in subsequent years under the formula. Further grants will be provided in the years 1970-71 to 1974-75 to New South Wales and Victoria (equal to two dollars per head of their population) to Queensland (by way of an annual addition of \$2 million to the base on which its grant is calculated) and to Western Australia (the amount being \$12.5 million in 1970-71 reducing by \$3 million each year down to \$0.5 million in 1974-75). Tasmania's financial assistance grant, which will also increase in subsequent years under the formula, was increased by \$10 million in 1970-71 as a transfer from its special grants (*see below*).

The States received additional financial assistance grants of \$59.71 million in 1970-71 to compensate them for the loss of receipts duty and will continue to receive such compensatory grants, increasing under the formula, in subsequent years.

Under the revised revenue assistance arrangements two new forms of assistance are being provided to the States as from 1970-71 (*see below* under Debt Charges Assistance and Capital Grants). At the Premiers' Conference held in June 1971 it was agreed that as from 1971-72, the financial assistance grants would be reduced partly to offset the transfer of payroll taxation from the Commonwealth to the States.

Special Grants. These grants are paid to the financially weaker States as supplements to the financial assistance grants. They are subject to annual recommendation by the Commonwealth Grants Commission. Each recommendation by the Commission for payment of a special grant consists of two parts: (i) One part is based on an estimate of the claimant State's financial need in the current financial year, and is treated as an advance payment subject to adjustment two years later when the Commission has compared in detail the audited budget results and standards of effort and of services provided in that year for both the claimant State and the States which the Commission takes as 'standard' (New South Wales and Victoria at present). (ii) The other part represents the final adjustment to the advance payment made two years earlier and is known as the completion payment. The following table shows special grants paid in the years 1966-67 to 1970-71.

COMMONWEALTH GRANTS COMMISSION: GRANTS RECOMMENDED, 1966-67 TO 1970-71
(\$'000)

	1966-67	1967-68	1968-69	1969-70	1970-71
South Australia—					
Advance payment . . . . .	..	..	..	..	(a)5,000
Completion payment(b) . . . . .	..	..	..	..	..
<i>Total</i> . . . . .	..	..	..	..	5,000
Western Australia—					
Advance payment	14,700	15,500	..	..	..
Completion payment(b)	4,706	18	582	..	..
<i>Total</i>	19,406	15,518	582	..	..
Tasmania—					
Advance payment	19,500	19,000	18,000	22,000	22,000
Completion payment(b)	1,166	889	-1,190	-100	1,680
<i>Total</i>	20,666	19,889	16,810	21,900	(c)23,680
Grand total	40,072	35,407	17,392	21,900	28,680

(a) Completion grant (positive or negative) may be recommended for 1970-71 in 1972-73 as year of review.
 (b) Adjustment to estimated grant paid two years previously. (c) \$10,000,000 and \$13,680,000 paid as Financial Assistance Grants and Special Grants respectively.

Debt Charges Assistance. As part of the revised revenue assistance arrangements to apply over the five years 1970-71 to 1974-75 the Commonwealth is providing the States with grants to finance increasing portions of the interest and sinking fund charges on certain State debt amounting to \$1,000 million. The grants, which are authorised by the *States Grants (Debt Charges Assistance) Act 1970* totalled \$11,504,000 in 1970-71 and will increase by that sum each year, up to \$57,520,000 in 1974-75.

Capital grants

Also as part of the new revenue assistance arrangements, the Commonwealth has undertaken to pay grants to the States to finance capital works. The grants replace State borrowings and thereby relieve them of debt charges they would otherwise have had to pay. These grants totalled \$200 million in 1970-71 and will total \$209.8 million in 1971-72. The 1970-71 grants were authorised by the *States Grants (Capital Assistance) Act 1970*.

Specific purpose payments

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 578 of this chapter.

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 assists the 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.

Roads. 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 programme of beef cattle road construction over a period of seven years commencing from 1 July 1967.

Health. 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.

The *States Grants (Home Care) Act 1969*, the *States Grants (Paramedical Services) Act 1969* and the *States Grants (Nursing Homes) Act 1969* provide funds for a range of home care services, senior citizens' centres and nursing homes, mainly for aged persons. See Chapters 13, Welfare Services, and 14, Public Health.

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 *States Grants (Universities) Act 1969* authorised grants totalling approximately \$226,800,000 for the Commonwealth share of the agreed programme

of development of State Universities for the years 1970 to 1972. (*See also* Chapter 20, Education, Cultural Activities, and Research.)

The Commonwealth, in the 1970-72 triennium, is meeting the full cost of a \$12.5 million dollar research programme approved by the Australian Research Grants Committee. A further \$4 million dollars, is also being made available by the Commonwealth for a special programme of research and research training at State Universities.

Colleges of Advanced Education. Under the States Grants (Advanced Education) Acts, the Commonwealth is providing financial assistance to the States of \$93.1 million during the 1970-72 triennium for recurrent and capital expenditures.

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 College) Act* 1970 the Commonwealth provided for a maximum amount of \$30,000,000 over the three years ending 30 June 1973 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.

The *States Grants (Independent Schools) Act* 1969 authorised payments to the States, for transmission to independent schools, of contributions to school running costs at rates of \$35 per primary pupil and \$50 per secondary pupil per annum as from the beginning of 1970.

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. Commonwealth commitments under the National Water Resources Development Programme up to 30 June 1970 included further grants of up to \$12.8 million to Queensland for Bundaberg Irrigation Works, further assistance of up to \$9 million to New South Wales for flood mitigation works on various of its coastal rivers, and of \$8.2 million for additional investigation and measurement of State water resources in a three-year programme commencing in 1970-71.

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 million for the construction of a dam on the Nogoia River near Emerald.

Copeton Dam. Commonwealth grants up to \$20 million 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.

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.

Cressy-Longford Irrigation Works, Tasmania. Grants of up to \$750,000 to Tasmania for the construction of a channel system and associated works to carry water from the tailrace of the Poatina Power Station to supply rural holdings were provided for by the *Tasmania Grant (Cressy-Longford Irrigation Works) Act 1969*.

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) Acts 1968* and 1969 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 has assisted 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.

All Commonwealth funds: receipts

Commonwealth taxation

Taxation constitutes the main sources of Commonwealth revenue, accounting for 95.9 per cent in 1969-70. The following tables on pages 548-50 show details of taxation receipts from each source during the years 1965-66 to 1969-70 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 579-89.

ALL COMMONWEALTH FUNDS: TAXATION RECEIPTS, 1965-66 TO 1969-70
(£'000)

Source of receipts	1965-66	1966-67	1967-68	1968-69	1969-70
Income tax—					
Individuals	1,729,440	1,920,603	2,175,249	2,377,406	2,854,857
Companies	801,105	784,544	836,664	1,006,543	1,151,364
Dividend (withholding)	17,247	22,708	21,716	28,303	38,003
Interest (withholding) . . . . .	..	..	910	4,456	8,019
Customs	270,871	274,873	312,220	346,264	413,559
Excise	751,927	806,448	855,168	902,307	939,255
Sales tax	370,005	380,657	416,626	494,090	568,668
Pay-roll tax	161,943	172,232	184,416	205,568	230,469
Estate duty	36,124	41,534	54,717	60,726	71,332
Gift duty	6,195	7,658	8,543	9,376	8,553
Primary production taxes and charges	28,836	30,524	31,348	33,408	32,822
Stevedoring industry charge	9,531	9,758	14,259	14,480	13,801
Broadcasting listeners' and television viewers' licences	35,445	37,835	39,182	45,125	48,389
Broadcasting stations' licence fees	218	209	299	310	345
Television stations' licence fees	1,620	963	1,144	1,392	1,491
Other	2,914	3,844	4,074	4,938	6,048
Total	4,223,421	4,494,390	4,956,535	5,534,692	6,386,975

COMMONWEALTH TAXATION: PROPORTION OF EACH CLASS TO
TOTAL NET COLLECTIONS, 1965-66 TO 1969-70
(Per cent)

Type of tax	1965-66	1966-67	1967-68	1968-69	1969-70
Income taxes	60.3	60.7	61.2	61.7	63.4
Customs	6.4	6.1	6.3	6.3	6.5
Excise	17.8	17.9	17.3	16.3	14.7
Sales tax	8.8	8.5	8.4	8.9	8.9
Pay-roll tax	3.8	3.8	3.7	3.7	3.6
Estate duty	0.9	0.9	1.1	1.1	1.1
Gift duty	0.1	0.2	0.2	0.2	0.1
Primary production taxes and charges	0.7	0.7	0.6	0.6	0.5
Stevedoring industry charge	0.2	0.2	0.3	0.3	0.2
Broadcasting listeners' and television viewers' licences	0.8	0.8	0.8	0.8	0.8
Other	0.1	0.1	0.1	0.1	0.1
Total taxation	100.0	100.0	100.0	100.0	100.0

Customs and excise receipts

CUSTOMS DUTIES ACCORDING TO BRUSSELS TARIFF DIVISIONS, 1965-66 TO 1969-70
(\$'000)

<i>Brussels Tariff Division</i>	<i>Source of receipts</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>	<i>1969-70</i>
1	Live animals; animal products	1,155	1,040	911	1,164	1,208
2	Vegetable products	1,755	1,797	1,268	1,831	2,536
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	2,541
4	Prepared foodstuffs; beverages, spirits and vinegar; tobacco	43,656	47,149	51,278	53,742	60,572
5	Mineral products	19,394	9,488	5,688	5,606	8,992
6	Products of the chemical industry and allied industries	10,420	12,340	11,438	12,995	13,999
7	Artificial resins and plastic materials, cellu- lose esters and ethers, and articles thereof; rubber, synthetic rubbers, factice and articles thereof	11,781	12,278	15,457	16,838	19,719
8	Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar con- tainers; articles of gut (other than silk- worm gut)	1,962	2,409	2,688	2,906	3,495
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	8,741
10	Paper-making material; paper and paper- board and articles thereof	6,838	7,545	8,437	9,778	10,977
11	Textiles and textile articles	34,952	38,019	44,447	46,865	52,409
12	Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts therefor; prepared feathers and articles made there- with; artificial flowers; articles of human hair; fans	3,193	4,362	5,760	6,658	9,727
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	11,379
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	1,849
15	Base metals and articles of base metal	18,606	18,321	21,303	24,659	27,949
16	Machinery and mechanical appliances; elec- trical equipment; parts therefor	47,052	44,813	55,172	65,506	85,255
17	Vehicles, aircraft, and parts therefor; vessels and certain associated transport equipment	25,575	29,280	39,212	46,270	54,920
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 re- producers, magnetic; parts therefor	8,880	9,054	11,141	12,246	14,440
19	Arms and ammunition; parts therefor	466	473	327	334	459
20	Miscellaneous manufactured articles	8,537	8,422	8,684	9,438	11,123
21	Works of art, collector's pieces and antiques Miscellaneous	-5	5	3	13	10
	Primage	4,366	4,613	3,970	4,195	5,132
		5,420	5,799	5,668	5,341	6,142
	<i>Total, customs duties and primage</i>	<i>271,010</i>	<i>275,095</i>	<i>312,258</i>	<i>346,281</i>	<i>413,573</i>
	<i>Less Remission of duty under special circumstances</i>	<i>139</i>	<i>222</i>	<i>38</i>	<i>17</i>	<i>14</i>
	<i>Total</i>	<i>270,871</i>	<i>274,873</i>	<i>312,220</i>	<i>346,264</i>	<i>413,559</i>

**COMMONWEALTH EXCISE REVENUE: CLASSIFICATION OF NET RECEIPTS
1965-66 TO 1969-70
(\$'000)**

<i>Source of revenue</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>	<i>1969-70</i>
Beer	302,104	320,832	338,614	355,001	369,937
Potable spirits	22,871	24,872	26,783	24,440	26,525
Tobacco	18,070	17,028	16,460	15,711	14,799
Cigars and cigarettes	199,740	200,901	214,315	225,262	230,620
Cigarette papers	858	824	836	833	814
Petrol	190,670	220,617	234,142	253,007	266,627
Diesel fuel	13,597	15,480	18,256	21,520	23,852
Matches	2,267	2,167	2,227	2,384	2,346
Playing cards	114	112	121	127	136
Coal	621	634	642	820	1,157
Canned fruit	1,097	1,263	1,738	1,698	315
Miscellaneous	-73	1,692	1,121	1,625	2,168
<i>All items</i>	<i>751,936</i>	<i>806,423</i>	<i>855,255</i>	<i>902,428</i>	<i>939,295</i>
Diesel fuel taxation	265	362	304	274	322
Less rebates	241	298	356	352	355
	24	64	-52	-78	-33
Other rebates	-33	-39	-34	-43	-7
Total	751,927	806,448	855,168	902,307	939,255

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 1965-66 to 1969-70. 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* 1968-1970 to which the *Wheat Export Charge Act* is complementary, the Commonwealth Government guaranteed a return to wheatgrowers of 145 cents for the 1968-69 Pool, 145.9 cents for the 1969-70 Pool and 147.5 cents per bushel for the 1970-71 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 has been since 1961) 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 imposed 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 1928-1968*), canned fruits (*Canned Fruits Export Charges Act 1926-1966*), dried fruits (*Dried Fruits Export Charges Act 1924-1970*), eggs (*Eggs Export Charges Act 1947-1965*) and grapes (*Wine Grapes Charges Act 1929-1969*).

Stevedoring Industry Charge. The rates in operation since 15 February 1971 have been as follows:

<i>Class of Waterside Worker</i>		<i>Rate</i>
		\$
A	.. ..	17.55 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 Chapter 23, 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 46 cents per head of which 25 cents is for beef research, 1 cent for research into the meat processing industry and 20 cents to finance the operations of the Australian Meat Board. For sheep and lambs the levy is 3.85 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 2.00 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 1970 to 8 June 1971, 2.0 cents per fortnight from 9 June 1971 to 30 June 1971 and 4.0 cents per fortnight from 1 July 1971.

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, 1965-66 TO 1969-70
(\$'000)**

<i>Source of revenue</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>	<i>1969-70</i>
Apple and pear export charge	272	207	211	280	318
Butter fat levy	1,812	2,120	1,936	1,956	2,189
Canned fruit export charge	223	224	326	330	208
Canning fruit charge	120	116	123	164	99
Dairy produce export charge	5	..	..	..	..
Dairy produce levy	31	..	..	..	..
Dried fruits export charge	193	159	143	139	82
Dried vine fruits contributory charge—					
Currants	72	52	..	25	44
Raisins	165	..	42	..	..
Sultanas	1,530	..	139	..	..
Egg export charge	20	5	4	4	4
Honey levy	101	92	96	106	103
Livestock slaughter levy—					
Cattle	1,441	1,315	1,314	1,351	1,557
Sheep and lambs	399	809	1,063	1,027	1,229
Chicken meat levy . . . . .	..	..	..	..	68
Poultry industry levy	6,000	8,859	10,840	10,785	11,117
Tobacco charge	369	239	427	313	539
Wheat tax	591	1,081	633	1,276	788
Wine grapes charge	288	380	357	379	449
Wool tax	15,201	14,869	13,694	15,272	14,028
Total	28,836	30,524	31,348	33,408	32,822

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 579-89 and customs and excise duties are dealt with in Chapter 11, Overseas Transactions. For detailed statistics relating to Commonwealth income taxes on individuals and companies, partnerships and trusts, and on estate duty, gift duty, and sales tax see the annual bulletin *Commonwealth Taxation Assessments*.

Sales tax. The general rate of tax levied on all goods other than those specified in the schedules to the *Sales Tax (Exemptions and Classifications) Act 1935-1967* is 15 per cent and goods subject to special rates are taxed at either 2½ per cent or 27½ per cent. Prior to 19 August 1970 these special rates were 2½ per cent and 25 per cent.

Particulars of the net amount of sales tax payable and the sales of taxable and exempt goods in each State for 1969-70 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 548 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
1969-70
(\$'000)**

	<i>N.S.W. (including 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	304,547	266,917	86,608	60,573	55,647	14,465	939	789,696
15 per cent	851,502	551,486	238,082	145,889	154,560	32,359	5,632	1,979,510
25 per cent	431,399	299,216	115,251	90,867	81,199	21,536	1,519	1,040,987
<i>Total net sales</i>	<i>1,587,448</i>	<i>1,117,619</i>	<i>439,940</i>	<i>297,329</i>	<i>291,406</i>	<i>68,360</i>	<i>8,090</i>	<i>3,810,193</i>
Sales of exempt goods by registered persons	4,279,318	2,611,458	1,235,082	694,597	653,861	248,494	35,859	9,758,670
Total sales of taxable and exempt goods	5,866,767	3,729,077	1,675,023	991,927	945,268	316,855	43,949	13,568,864
Sales tax payable	243,189	164,200	66,690	46,114	44,875	10,599	1,248	576,916

Sales of taxable and exempt goods and sales tax payable for Australia are shown in the following table for the years 1965-66 to 1969-70.

**COMMONWEALTH SALES TAX AND AMOUNT OF SALES
AUSTRALIA, 1965-66 TO 1969-70
(\$ million)**

<i>Year of sale</i>	<i>Net sales on which sales tax was payable</i>	<i>Sales of exempt goods by registered persons</i>	<i>Total sales of taxable and exempt goods</i>	<i>Sales tax payable</i>
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
1969-70	3,810	9,759	13,569	577

In the foregoing tables, sales include goods transferred to stock for sale by retail, goods imported by persons other than registered taxpayers, and goods used in the business of the taxpayer. Exempt sales relate to goods exempted from sales tax under the *Sales Tax (Exemptions and Classifications) Act 1935-1967*. The figures shown do not represent the total sales of all commodities, as vendors trading only in exempt goods are not required to be registered, and consequently the volume of their sales is not included in the statistics above. In addition, non-taxable sales (i.e. goods sold by one registered taxpayer to another registered taxpayer) are excluded.

Pay-roll tax came into operation on 2 May 1941 and provided for the imposition of a tax on wages accruing after 30 June 1941. The relevant laws are *Pay-roll Tax Assessment Act 1941-1969*, *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 paid in excess of \$400 a week (\$20,800 per annum). Collections of pay-roll tax amounted to \$205,568,000 in 1968-69 and \$230,469,000 in 1969-70.

At the Premiers Conference held in June 1971 it was agreed that the States would have access to Pay-roll tax. For details see Appendix.

A rebate of payroll tax is available in certain circumstances to an employer who produces goods for export or earns export income from industrial property rights, etc., or who increases the level of annual export sales above 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 years 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 1941-1970* 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, widower, children (including adopted children, step-children and ex-nuptial children) or grandchildren of the deceased person: (i) for qualifying estates of deceased primary producers—\$24,000; (ii) for other estates—\$20,000; decreasing by \$2 for every \$8 by which the value of the estate exceeds \$24,000 or \$20,000 as the case may be; (b) where no part of the estate passes to the relatives mentioned in (a): (i) for qualifying estates of deceased primary producers—\$12,000; (ii) for other estates—\$10,000; decreasing by \$2 for every \$8 by which the value of the estate exceeds \$12,000 or \$10,000 as the case may be; and (c) where part only of the estate passes to the relatives mentioned in (a): an amount calculated proportionately under (a) and (b) above.

As a general rule, the estate of a deceased primary producer would qualify for the higher level of statutory exemption if: (i) the death occurred on or after 25 September 1969; (ii) the deceased person was domiciled in Australia at the time of his death; (iii) during the period of five complete income tax years preceding death, more than one-half of the deceased person's gross income was derived from the carrying on by him of a primary production business in Australia; and (iv) the gross value of rural property in Australia—being land and certain other types of assets used in a primary production business such as livestock and agricultural plant—exceeded the gross value of all other property in the estate. In specified circumstances, dividends and certain other receipts from a family proprietary company in which a deceased person held shares may be treated as income derived from the carrying on by him of a primary production business and the value of the shares may be included, either wholly or in part, in the value of the estate's rural property.

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 'quick succession' rebate of estate 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 pre-deceased him by not more than five years.

A 'rural property' rebate of part of any estate duty attributable to rural property included in the estate of a deceased primary producer may be allowable if the value of the estate (before deducting any statutory exemption) is less than \$250,000 and certain conditions are satisfied. The conditions are the same as those governing entitlements to higher levels of statutory exemptions for estates of deceased primary producers, as outlined in the explanations relating to statutory exemptions. If the value of a qualifying estate does not exceed \$140,000, the rebate is fifty per cent of any duty attributable to rural property in Australia. Rates of rebate gradually reducing from fifty per cent are applicable to estates having net values between \$140,000 and \$250,000.

The rates of duty have remained unchanged since 1941 and 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 dutiable estates and duty assessed, for each of the assessment years 1965-66 to 1969-70, are given in the following table.

COMMONWEALTH ESTATE DUTY ASSESSMENTS, 1965-66 TO 1969-70

		1965-66	1966-67	1967-68	1968-69	1969-70
Estates	No.	10,948	12,056	14,489	14,105	16,358
Gross value as assessed	\$'000	587,488	664,034	840,226	841,462	1,068,213
Deductions(a)	"	117,304	131,930	168,106	162,834	222,953
Statutory exemption	"	109,468	127,602	155,800	152,206	170,755
Dutiable value	"	360,715	404,502	516,320	526,422	674,504
Net duty assessed	"	38,410	43,817	57,711	64,045	83,379
Average dutiable value	\$	32,948	33,552	35,635	37,322	41,234
Average duty assessed per estate	\$	3,508	3,634	3,983	4,541	5,097

(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 organisations not carried on for the profit of any individual; 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 1965-66 to 1969-70 are given in the following table.

COMMONWEALTH GIFT DUTY ASSESSMENTS, 1965-66 TO 1969-70

	1965-66	1966-67	1967-68	1968-69	1969-70
Assessments No.	7,516	8,946	9,293	10,053	9,807
Value as assessed . . . \$'000	111,658	130,771	150,322	163,476	156,052
Duty assessed „	5,911	7,633	8,701	9,501	8,399

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 was \$1,969,000 in 1969-70 and \$2,475,000 in 1970-71.

STATE FINANCE

Functions of State Governments

In comparing the financial results of the States, allowances must be made for the various functions discharged by the respective State Governments and for local conditions in each case. Direct comparisons of the revenue, expenditure and debt of the individual States are difficult owing to the fact that functions which in one State are assumed by the central government are in another delegated to local government or semi-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, 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 1969-70 education constituted 27.0 per cent of the total expenditure from the State Consolidated Revenue Funds; the working expenses of railways, tramways, and omnibuses, 18.1 per cent; debt charges, 16.6 per cent; charitable, public health and hospitals, 14.1 per cent; and law, order and public safety, 6.2 per cent.

Total expenditure

The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1965-66 to 1969-70 are shown in the following table.

STATE CONSOLIDATED REVENUE FUND EXPENDITURE, 1965-66 TO 1969-70							
Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
EXPENDITURE (\$'000)							
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
1969-70	1,080,782	742,282	444,618	320,904	318,901	120,904	3,028,390
PER HEAD OF POPULATION (\$)							
1965-66	184.41	161.77	179.52	217.81	246.82	235.17	186.76
1966-67	195.15	172.19	191.65	227.10	264.67	252.51	198.28
1967-68	204.21	182.96	207.39	239.14	280.01	272.28	209.98
1968-69	219.03	198.65	221.97	252.64	297.27	286.10	225.16
1969-70	238.63	217.07	248.99	277.81	330.40	309.38	247.30

(a) See text above and page 557 for transactions included.

The table hereunder shows, for the year 1969-70, 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, 1969-70
(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	14.87	15.71	14.04	13.79	13.12	15.40	14.83
Land tax	8.73	7.94	4.44	11.73	9.40	12.42	8.31
Liquor taxes	4.42	4.02	5.03	4.77	4.55	5.36	4.43
Lottery(a), poker machines, racing taxes	18.77	9.18	10.35	6.77	8.79	6.58	12.92
Vehicle registration fees and taxes	12.58	17.27	20.62	20.69	11.27	26.71	17.54
Drivers', etc., licences and fees	2.29	1.22	1.36	1.71	2.18		
Stamp duty (vehicle registration)	1.27	2.37	2.72	3.67	2.76	1.71	2.07
Road transport taxes and road maintenance contributions	5.76	3.69	10.34	4.45	6.34	2.10	5.56
Motor car third party insurance surcharges and duties . . . . .	..	0.97	..	1.45	1.14	1.05	0.51
Stamp duties, n.e.i.	28.18	28.45	21.84	28.19	33.41	24.73	27.81
Other taxes, etc.	3.12	9.18	9.25	2.78	7.04	3.94	6.02
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(a) Includes profits of State Lotteries.

The total amounts and the amounts per head raised from all sources of State taxation during the years 1965-66 to 1969-70 are shown in the following tables.

ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: NET COLLECTIONS, 1965-66 TO 1969-70

<i>Year</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
NET COLLECTIONS (\$'000)							
1965-66	237,931	178,603	72,164	40,237	33,323	13,377	575,635
1966-67	258,324	199,247	83,434	46,140	41,895	14,784	643,824
1967-68	288,196	224,593	97,502	51,385	50,781	16,953	729,409
1968-69	324,816	266,909	103,804	57,057	60,239	18,974	831,798
1969-70	372,650	282,697	113,334	64,722	71,647	21,192	926,242
PER HEAD OF POPULATION (\$)							
1965-66	56.52	55.92	43.47	37.19	39.80	36.19	50.71
1966-67	60.46	61.31	49.42	41.79	48.60	39.54	55.74
1967-68	66.30	68.02	56.76	45.95	56.90	44.68	62.04
1968-69	73.32	79.54	59.27	50.24	64.85	49.19	69.39
1969-70	82.28	82.67	63.47	56.03	74.23	54.23	75.64

**STATE GOVERNMENT RECEIPTS FROM TAXATION: NET COLLECTIONS, BY TYPE OF TAX
1969-70
(\$'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	55,424	44,423	15,913	8,923	9,399	3,263	137,345
Land tax	32,544	22,436	5,037	7,595	6,737	2,633	76,982
Liquor taxes	16,445	11,370	5,701	3,090	3,262	1,135	41,003
Lottery taxes(a)	18,042	6,504	4,338	..	..	..	28,884
Poker machines tax	30,425	..	..	..	..	..	30,425
Racing taxes	21,463	19,444	7,392	2,562	4,553	210	55,624
Vehicle registration fees and taxes	46,895	48,832	23,372	13,389	8,075	5,150	145,713
Drivers', etc., licences and fees	8,551	3,442	1,536	1,107	1,562	545	16,743
Stamp duty (vehicle registration)	4,718	6,688	3,078	2,378	1,978	363	19,201
Road transport taxes	5,590	1,887	6,967	41	918	364	15,767
Road maintenance contributions	15,872	8,555	4,754	2,839	3,624	..	35,644
Motor car third party insurance surcharges and duties . . . . .	..	2,735	..	937	816	222	4,710
Fire Brigades contributions from insurance companies	753	..	4,864	..	..	..	5,617
Stamp duties, n.e.i.	105,027	80,417	24,757	18,243	23,934	5,240	257,618
Licence and registration fees, n.e.i.	1,720	1,966	635	746	679	73	5,820
Other taxes	357	9,712	4,255	..	2,550	89	16,963
Total	363,826	268,412	112,599	61,849	68,087	19,287	894,060
<i>of which—</i>							
Paid to Consolidated Revenue Fund	245,432	191,049	71,591	56,460	52,472	19,287	636,289
Paid to Trust and other funds	118,394	77,364	41,008	5,389	15,615	..	257,769

(a) Includes profits of State lotteries.

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, 1969-70
(\$'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	8,825	7,254	..	1,056	1,815	666	19,616
Sugar cane assessment . . . . .	..	..	735	..	..	..	735
Metropolitan improvement rate . . . . .	..	7,031	..	..	..	..	7,031
Racing taxes . . . . .	..	..	..	..	..	1,185	1,185
Vehicle registration fees and drivers' licences refunds . . . . .	..	..	..	..	..	-34	-34
Road transport taxes . . . . .	..	..	..	..	..	80	80
Licence and registration fees, n.e.i. . . . .	..	..	..	..	..	8	8
Profits of State Lotteries	(a)	..	(a)	1,817	1,745	..	3,562
Total	8,825	14,285	735	2,873	3,560	1,905	32,183

(a) Excludes profits from State lotteries. See footnote (a) previous table.

Sources of revenue

Classifying the revenue of the several States in the manner indicated on page 558, particulars for the year 1969-70 were as follows.

STATE CONSOLIDATED REVENUE FUND RECEIPTS, BY SOURCE, 1969-70

Source of revenue	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas. (b)	Total
RECEIPTS (\$'000)							
Taxation(c)	245,432	191,049	71,591	56,460	52,472	19,287	636,289
Business undertakings	304,537	139,490	106,173	71,229	66,961	262	688,652
Lands	27,893	12,293	16,137	3,031	23,633	2,309	85,297
Interest, n.e.i.	12,725	29,399	19,751	24,846	16,658	19,727	123,105
Commonwealth payments(d)—							
Financial assistance	373,908	280,008	176,522	125,706	138,835	46,340	1,141,319
Other(e)	12,653	18,052	26,335	10,681	2,491	24,967	95,179
Commonwealth National Welfare							
Fund payments(f)	17,828	5,028	2,137	3,999	226	1,463	30,681
Miscellaneous	81,405	51,583	22,429	27,873	16,912	9,362	209,564
Total	1,076,381	726,900	441,074	323,824	318,189	123,719	3,010,086

PER HEAD OF POPULATION

(\$)

Taxation(c)	54.19	55.87	40.09	48.88	54.36	49.35	51.96
Business undertakings	67.24	40.79	59.46	61.66	69.38	0.67	56.24
Lands	6.16	3.59	9.04	2.62	24.49	5.91	6.97
Interest, n.e.i.	2.81	8.60	11.06	21.51	17.26	50.48	10.05
Commonwealth payments(d)—							
Financial assistance	82.55	81.88	98.85	108.83	143.84	118.58	93.20
Other(e)	2.79	5.28	14.75	9.25	2.58	63.89	7.77
Commonwealth National Welfare							
Fund payments(f)	3.94	1.47	1.20	3.46	0.23	3.74	2.51
Miscellaneous	17.97	15.08	12.56	24.13	17.52	23.96	17.11
Total	237.65	212.57	247.00	280.34	329.66	316.58	245.81

(a) See page 556 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.

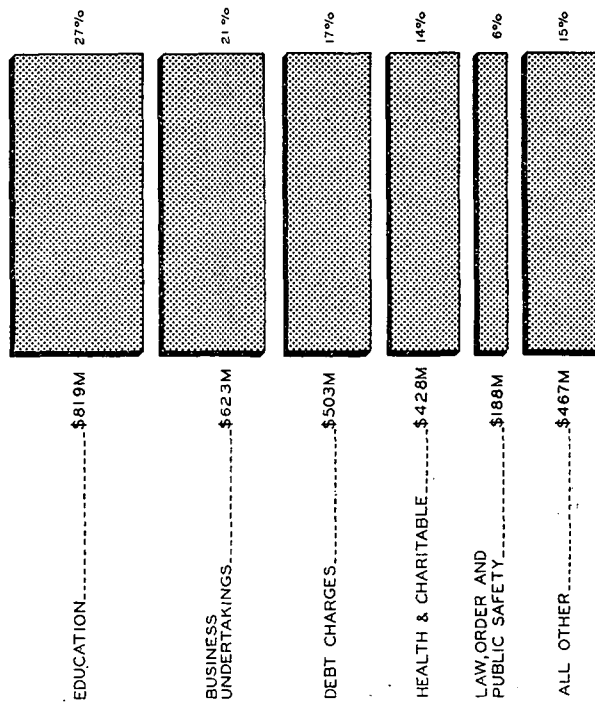
Net taxation collections

The following tables show, for the year 1969-70, 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, Local Government.

STATE CONSOLIDATED REVENUE FUNDS

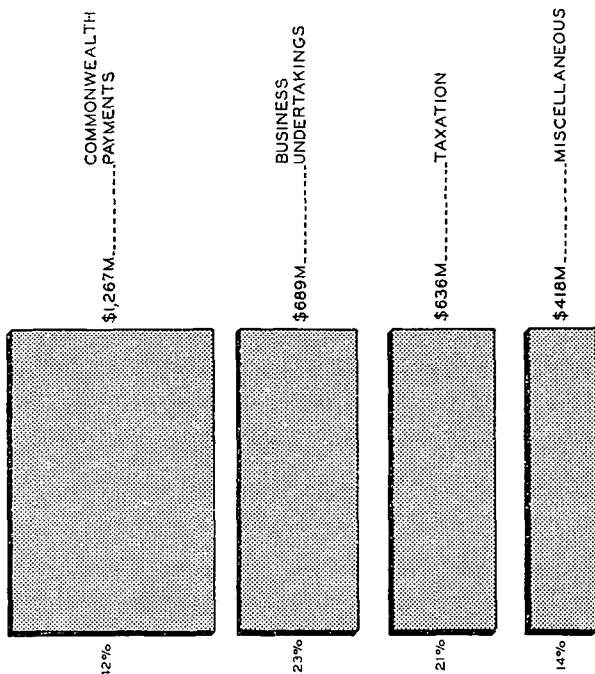
1969-70

EXPENDITURE



TOTAL EXPENDITURE - \$3,028 MILLION

RECEIPTS



TOTAL RECEIPTS - \$3,010 MILLION

**ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: TOTAL NET COLLECTIONS
BY TYPE OF TAX, 1965-66 TO 1969-70
(\$'000)**

	1965-66	1966-67	1967-68	1968-69	1969-70
Probate and succession duties	94,753	106,559	119,151	134,383	137,345
Land tax	69,497	72,736	76,103	75,129	76,982
Liquor tax	27,403	31,226	34,299	38,427	41,003
Lottery(a), poker machines, racing taxes	75,179	85,828	97,149	106,846	119,680
Vehicle registration fees and taxes	106,872	115,282	124,409	136,790	145,679
Drivers' etc., licences and fees	13,607	14,377	14,865	16,096	16,743
Stamp duty (vehicle registration)	10,525	11,576	14,768	16,707	19,201
Road transport taxes and road main- tenance contributions	33,936	38,401	42,580	47,153	51,491
Motor car third party insurance sur- charges and duties	3,132	3,314	3,472	4,051	4,710
Stamp duties, n.e.i.	109,663	124,965	157,943	206,575	257,618
Other taxes	31,070	39,560	44,671	49,642	55,790
Total	575,635	643,824	729,409	831,798	926,242

(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, 1965-66 TO 1969-70
(\$'000)**

	1965-66	1966-67	1967-68	1968-69	1969-70
Liquor tax	8,236	9,120	9,849	10,779	11,516
Racing tax	2,192	2,836	3,723	4,938	5,876
Poker machines tax	15,761	19,650	23,063	26,294	30,426
Profits of State Lotteries	8,981	8,950	9,565	9,909	10,443
Motor vehicle registration	92,384	99,782	107,924	119,032	126,376
Drivers', etc. licences	9,708	9,729	10,131	10,881	11,373
Road transport taxes	5,863	6,175	6,911	7,306	8,395
Road maintenance contributions	22,851	26,339	28,929	32,705	35,644
Motor car third party insurance sur- charges and duties . . . . .	..	..	..	400	937
Fire brigades contributions	3,320	3,842	4,213	4,724	5,617
Stamp duties, n.e.i.	1,203	1,146	1,170	1,225	1,536
Licences, n.e.i.	616	681	712	832	1,022
Other taxes, etc.	5,410	5,974	7,735	8,622	8,610
Total	176,523	194,223	213,923	237,646	257,769

**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 1969-70 the receipts from these sources was \$688,652,000 or 22.9 per cent of the receipts from all sources.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1969-70**
(\$'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)	247,288	105,204	105,903	34,063	57,200	..	549,658
Tramways and omnibuses	32,249	..	..	..	..	..	32,249
Harbours, rivers, lights	25,000	(c)3,557	..	7,244	2,297	..	38,098
Water supply, sewerage, irrigation and drainage	..	15,393	..	27,937	5,602	33	48,965
Electricity supply	..	14,868	270	..	..	..	15,138
Other	..	467	..	1,986	1,862	229	4,544
Total	304,537	139,490	106,173	71,229	66,961	262	688,652

(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, \$14,674,000. (c) Includes Harbour Trust contributions, \$1,559,000.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS UNDERTAKINGS
1965-66 TO 1969-70**

<i>Year</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.(a)</i>	<i>Total</i>
RECEIPTS (\$'000)							
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
1969-70	304,537	139,490	106,173	71,229	66,961	262	688,652

PER HEAD OF POPULATION
(\$)

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	65.57	0.66	52.17
1967-68	62.71	39.32	53.35	53.89	68.22	0.65	52.35
1968-69	63.69	39.57	56.84	54.70	63.51	0.70	53.05
1969-70	67.24	40.79	59.46	61.66	69.38	0.67	56.24

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

**STATE CONSOLIDATED REVENUE FUND: TOTAL RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1965-66 TO 1969-70**
(\$'000)

<i>Source</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>	<i>1969-70</i>
Railways, tramways and omnibuses	473,483	508,846	522,259	537,320	581,907
Harbour services	27,142	30,010	33,348	36,382	38,098
Water supply, sewerage, irrigation and drainage	..	37,370	41,206	43,919	48,965
Other	15,951	22,588	18,035	18,275	19,682
Total	553,946	602,650	615,431	635,897	688,652

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.

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, 1969-70
(\$'000)

	<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>
Public works and services—							
Railways	24,000	16,160	18,568	6,810	11,963	3,350	80,852
Tramways and omnibuses	2,165	..	..	..	240	..	2,405
Roads	2,085	1,778	686	1,000	..	1,123	30,015
Bridges							
Harbours and rivers	12,108	2,687	1,402	5,089	2,057		
Lights and lighthouses	21,610	24,519	16	21,275	15,565	649	93,602
Water supply							
Sewerage		1,173	..	8,795			
Electricity and gas supplies	16,905	19,290	2,800	6,000	4,567	23,125	72,687
Public buildings	94,936	75,477	33,888	33,317	27,095	15,083	279,797
Loans and grants to local bodies	1,375	3,708	16,025	..	..	42	21,151
Housing(b)	954	1,910	1,405	589	3,322	..	8,180
Other public works, etc.	543	883	..	1,620	73	951	4,070
Primary production—							
Soldier settlement	16	2	..	..	..	..	18
Land for settlement	2,583	2,250	366	2	..	100	5,301
Advances to settlers	200	..	..	1,812	..	720	2,732
Water conservation, irrigation and drainage	21,882	(c)	8,669	3,385	755	..	34,690
Vermin-proof fencing . . . . .	..	..	60	(d)	..	..	60
Agriculture	1,500	843	..	..	935	435	3,713
Agricultural Bank . . . . .	..	..	8,400	..	..	..	8,400
Forestry	4,300	3,365	5,600	2,485	400	1,450	17,600
Mines and mineral resources . . . . .	..	254	1,073	391	44	69	1,831
Other	4,022	4,884	..	593	1	453	9,952
Other purposes . . . . .	..	2,208	..	7,804	3,029	1,725	14,765
Total	211,184	161,393	98,958	100,966	70,045	49,275	691,821
Other than works, etc.	394	3,145	1,535	623	125	38	5,860
Grand total	211,578	164,538	100,493	101,589	70,170	49,312	697,681

(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.

**STATE LOAN EXPENDITURE ON WORKS, SERVICES, ETC.
1965-66 TO 1969-70
(\$'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>
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
1969-70—							
Gross	211,578	164,538	100,493	101,589	70,170	49,312	697,681
Repayments	23,022	6,616	13,221	19,326	10,823	4,342	77,350
Net	188,556	157,922	87,272	82,263	59,347	44,970	620,331

(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 569-75).

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 1965-66 to 1969-70 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 1965-66 to 1969-70, 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, 1965-66 TO 1969-70

<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
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	6,548.8	5,227,721	2,286,873	6,545.5
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	7,636.3	6,085,765	2,687,884	7,625.1
1969-70	6,978,750	3,028,390	8,707.0	6,978,750	3,010,086	8,688.7

Taxation collections

The following table shows the combined Commonwealth and State taxation collections and the amount per head of population for the years 1965-66 to 1969-70. Taxation collections by Commonwealth and State authorities (other than Local Government authorities) are included.

**COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS
BY TYPE OF TAX, 1965-66 TO 1969-70**

	1965-66	1966-67	1967-68	1968-69	1969-70
NET COLLECTIONS					
(\$'000)					
Income taxes	2,545,399	2,725,236	3,030,918	3,410,886	4,046,928
Estate, gift, probate and succession duties	137,072	155,751	182,412	204,484	217,230
Customs and excise duty	1,022,798	1,081,321	1,167,388	1,248,571	1,352,814
Sales tax	370,005	380,657	416,626	494,090	568,668
Payroll tax	161,943	172,232	184,416	205,568	230,469
Broadcasting listeners' and television viewers' licences	35,445	37,835	39,182	45,125	48,389
Land taxes	69,497	72,736	76,103	75,129	76,982
Liquor taxes	27,629	31,485	34,597	38,775	41,408
Lottery(a), poker machines and racing taxes	75,198	85,851	97,178	106,879	119,728
Taxes on ownership and operation of motor vehicles	168,912	183,892	201,175	222,205	239,321
Stamp duties, n.e.i.	110,012	125,325	158,314	207,044	259,681
Licences and registration fees, n.e.i.	5,969	5,605	6,280	7,090	7,822
Other taxes	65,818	76,632	86,551	93,240	97,716
Total	4,795,696	5,134,558	5,681,136	6,359,083	7,307,157
<i>of which</i>					
Commonwealth taxation (including Territories)	4,220,061	4,490,734	4,951,727	5,527,285	6,380,915
State taxation	575,635	643,824	729,409	831,798	926,242

PER HEAD OF POPULATION
(\$)

Income taxes	221.33	232.75	254.13	280.23	325.24
Estate, gift, probate and succession duties	11.92	13.30	15.29	16.80	17.46
Customs and excise duty	88.93	92.35	97.88	102.58	108.72
Sales tax	32.17	32.51	34.93	40.59	45.70
Payroll tax	14.08	14.71	15.46	16.89	18.52
Broadcasting listeners' and television viewers' licences	3.08	3.23	3.29	3.71	3.89
Land taxes	6.04	6.21	6.38	6.71	6.19
Liquor taxes	2.40	2.69	2.90	3.19	3.33
Lottery(a), poker machines and racing taxes	6.54	7.33	8.15	8.78	9.62
Taxes on ownership and operation of motor vehicles	14.69	15.71	16.87	18.26	19.23
Stamp duties, n.e.i.	9.57	10.70	13.27	17.01	20.87
Licences and registration fees, n.e.i.	0.52	0.48	0.53	0.58	0.63
Other taxes	5.72	6.54	7.26	7.66	7.85
Total	417.00	438.53	476.34	522.45	587.25
<i>of which—</i>					
Commonwealth taxation (including Territories)	366.94	383.54	415.18	454.11	512.81
State taxation	50.71	55.74	62.04	69.39	75.64

(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 1965-66 to 1969-70 as shown in the table on page 530.

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 1965-66 to 1969-70 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 1970)

	1965-66	1966-67	1967-68	1968-69	1969-70
Net movement in securities on issue	415	570	707	596	692
Less net increase in securities on issue held by Trust Fund(a)	-135	10	-146	-268	-512
	280	580	561	328	180
Adjustment from face value to cash basis . . . . .	..	..	(b)103	..	(c)-18
	280	580	664	328	163
Less increases in net assets of Commonwealth—					
Cash balances . . . . .	..	-1	..	..	-91
International Monetary Fund	-40	-27	-59	-5	..
Other(a)	16	..	37	62	(d)-137
Deficit	255	552	642	385	7

(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.' (c) Includes adjustment of Australian currency equivalent of Canadian and West German debt, following variation in the rate of exchange of the Canadian dollar and revaluation of the Deutsche Mark. (d) Includes advance to Wheat Board, \$184 million.

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 572-3, 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 1970 were as follows: £Sterling, 0.46667; United States dollars, 1.1200; Canadian dollars, 1.1525; Swiss francs, 4.8978; Netherlands guilders, 4.0544; Deutsche marks, 4.0992.

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 576 and 577-8 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, such as Commonwealth advances to the States for specific capital purposes including advances made under the Commonwealth and State Housing Agreements. 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 1970

	Currency in which repayable							Total— Australian currency equiva- lents(a)
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders	Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw fr '000	f'000	DM '000	\$A'000
For Commonwealth purposes	2,818,633	69,917	687,199	24,792	249,604	5,719	938,740	3,884,914
On account of States—								
New South Wales	2,824,216	88,918	61,986	3,824	15,833	8,307	..	3,078,698
Victoria	2,175,649	21,074	29,833	3,079	12,732	6,676	..	2,254,361
Queensland	1,188,037	11,554	22,048	1,543	6,391	3,401	..	1,235,964
South Australia	1,157,077	16,767	16,388	1,636	6,774	3,351	..	1,211,267
Western Australia	835,541	23,035	9,409	1,177	4,863	2,613	..	895,961
Tasmania	625,575	3,337	10,165	895	3,703	1,933	..	643,811
<i>Total, States</i>	<i>8,806,095</i>	<i>164,685</i>	<i>149,829</i>	<i>12,154</i>	<i>50,296</i>	<i>26,281</i>	..	<i>9,320,061</i>
Total, Commonwealth and States—								
Stock and bonds	10,289,763	231,491	264,203	23,000	290,000	32,000	850,000	11,316,125
Treasury bills, internal	1,031,300	..	..	..	..	..	..	1,031,300
Treasury notes	251,961	..	..	..	..	..	..	251,961
Treasury bills, public . . . . .	..	..	..	..	..	..	..	..
International Bank loans . . . . .	..	..	113,184	11,846	..	..	78,240	130,423
Loans from Export-Import Bank of the United States . . . . .	..	..	48,625	..	..	..	..	43,415
Aircraft loans—								
Export-Import Bank . . . . .	..	..	79,633	..	..	..	..	71,101
Other financial institutions . . . . .	..	..	39,715	2,100	9,900	..	10,500	41,864
Debentures	45,108	..	..	..	..	..	..	45,108
Loans for defence purposes . . . . .	..	..	291,669	..	..	..	..	260,419
Balance of securities of States taken over by Commonwealth and still represented by State securities . . . . .	..	2,397	..	..	..	..	..	5,136
Other	6,598	(b)713	..	..	..	..	..	8,126
<i>Grand total—</i>								
Currencies in which repayable	11,624,728	234,601	837,028	36,946	299,900	32,000	938,740	..
Australian currency equivalents(a)	11,624,728	502,714	747,347	32,057	61,232	7,893	229,006	13,204,976

(a) For rates of exchange to \$A ruling at 30 June 1970 see page 568. (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 1970**

	Currency in which payable							Total— Australian currency equiva- lents(a)
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders	Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw fr '000	f'000	DM '000		$A'000
For Commonwealth purposes	101,472	3,894	35,857	1,164	13,580	286	61,083	160,587
On account of States—								
New South Wales	143,776	4,177	3,241	220	712	415	..	156,060
Victoria	111,941	1,162	1,579	177	573	334	..	116,193
Queensland	59,563	557	1,192	89	288	170	..	61,999
South Australia	59,300	633	871	94	305	168	..	61,621
Western Australia	42,742	811	493	68	219	131	..	45,056
Tasmania	31,991	166	549	51	167	97	..	32,939
Total, States	449,313	7,507	7,925	699	2,263	1,314	..	473,868
Grand total— Currencies in which repayable	550,786	11,401	43,783	1,862	15,844	1,600	61,083	..
Australian currency equivalents(a) \$A'000	550,786	24,431	39,092	1,616	3,235	395	14,901	634,455

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

	3.60	5.57	5.22	4.69	5.44	5.00	6.51	4.13
For Commonwealth purposes	3.60	5.57	5.22	4.69	5.44	5.00	6.51	4.13
On account of States—								
New South Wales	5.09	4.70	5.23	5.75	4.50	5.00	..	5.07
Victoria	5.15	5.51	5.29	5.75	4.50	5.00	..	5.15
Queensland	5.01	4.82	5.41	5.75	4.50	5.00	..	5.02
South Australia	5.13	3.78	5.31	5.75	4.50	5.00	..	5.09
Western Australia	5.12	3.52	5.24	5.75	4.50	5.00	..	5.03
Tasmania	5.11	4.96	5.40	5.75	4.50	5.00	..	5.12
Total, States	5.10	4.56	5.29	5.75	4.50	5.00	..	5.08
Grand total	4.74	4.86	5.23	5.04	5.28	5.00	6.51	4.80

(a) For rates of exchange to \$A ruling at 30 June 1970, see page 568.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1966 TO 1970**

	30 June—					
		1966	1967	1968	1969	1970
For Commonwealth purposes—						
Australian currency	\$A'000	2,520,779	2,531,402	2,674,987	2,590,952	2,818,633
Sterling	£Stg'000	73,398	69,262	80,442	80,033	69,917
United States dollars	\$US'000	380,067	516,494	705,120	748,094	687,199
Canadian dollars	\$Can'000	49,191	48,479	39,939	29,727	24,792
Swiss francs	Sw fr'000	194,088	239,711	239,704	239,704	249,604
Netherlands guilders	f'000	7,150	7,150	6,673	6,196	5,719
Deutsche marks	DM'000	84,596	84,596	178,240	791,740	938,740
Total, Commonwealth—Aus- tralian currency equivalents(a)	\$A'000	3,144,518	3,275,339	3,600,291	3,682,140	3,884,914
On account of States—						
Australian currency	\$A'000	6,613,686	7,145,660	7,683,494	8,224,027	8,806,095
Sterling	£Stg'000	255,670	233,880	206,642	200,322	164,685
United States dollars	\$US'000	236,610	194,770	181,073	167,277	149,829
Canadian dollars	\$Can'000	14,690	13,852	13,006	12,804	12,154
Swiss francs	Sw fr'000	50,296	50,296	50,296	50,296	50,296
Netherlands guilders	f'000	32,850	32,850	30,661	28,471	26,281
Total, States—Australian currency equivalents(a)	\$A'000	7,494,623	7,934,074	8,316,544	8,830,505	9,320,061
Total, Commonwealth and States—Australian currency equivalents(a)	\$A'000	10,639,141	11,209,413	11,916,836	12,512,645	13,204,976

(a) For rates of exchange to \$A ruling at 30 June 1970 see page 568.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1966 TO 1970**

		30 June—				
		1966	1967	1968	1969	1970
AMOUNT						
For Commonwealth purposes—						
Australian currency	\$A'000	91,723	91,848	96,063	91,467	101,472
Sterling	£Stg'000	3,509	3,367	4,255	4,235	3,894
United States dollars	\$US'000	18,955	26,577	36,848	39,118	35,857
Canadian dollars	\$Can'000	2,275	2,244	1,878	1,404	1,164
Swiss francs	Sw fr'000	7,973	10,537	10,537	11,437	13,580
Netherlands guilders	f'000	357	357	334	310	286
Deutsche marks	DM'000	4,801	4,801	10,999	50,410	61,083
<i>Total, Commonwealth—Australian currency equivalent(a)</i>	\$A'000	122,087	129,159	144,319	150,291	160,587
On account of States—						
Australian currency	\$A'000	313,379	344,583	373,064	404,927	449,313
Sterling	£Stg'000	10,632	9,871	8,943	8,720	7,507
United States dollars	\$US'000	11,889	10,231	9,512	8,716	7,925
Canadian dollars	\$Can'000	845	796	748	736	699
Swiss francs	Sw fr'000	2,263	2,263	2,263	2,263	2,263
Netherlands guilders	f'000	1,643	1,643	1,533	1,424	1,314
<i>Total, States—Australian currency equivalents(a)</i>	\$A'000	352,138	379,921	402,178	432,815	473,868
Total, Commonwealth and States—Australian currency equivalents(a)	\$A'000	474,225	509,080	546,497	583,106	634,455

AVERAGE RATE OF INTEREST LIABILITY

(Per cent)

For Commonwealth purposes—						
Australian currency		3.64	3.63	3.60	3.53	3.60
Sterling		4.78	4.86	5.29	5.29	5.57
United States dollars		4.99	5.15	5.23	5.23	5.22
Canadian dollars		4.63	4.63	4.70	4.72	4.69
Swiss francs		4.11	4.40	4.40	4.77	5.44
Netherlands guilders		5.00	5.00	5.00	5.00	5.00
Deutsche marks		5.68	5.68	6.17	6.37	6.51
<i>Total, Commonwealth—Australian currency equivalents(a)</i>		3.88	3.94	4.02	4.08	4.13
On account of States—						
Australian currency		4.74	4.82	4.86	4.92	5.10
Sterling		4.16	4.22	4.32	4.35	4.56
United States dollars		5.02	5.25	5.25	5.21	5.29
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>		4.70	4.79	4.84	4.90	5.08
Total, Commonwealth and States—Australian currency equivalents(a)		4.46	4.54	4.59	4.66	4.80

(a) For rates of exchange to \$A ruling at 30 June 1970 see page 568.

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 1970—AUSTRALIAN CURRENCY**

	<i>Currency in which repayable</i>							<i>Total</i>
	<i>Australian currency</i>	<i>Sterling</i>	<i>United States dollars</i>	<i>Can- adian dollars</i>	<i>Swiss francs</i>	<i>Nether- lands guilders</i>	<i>Deutsche marks</i>	
SECURITIES ON ISSUE								
(\$'000)								
For Commonwealth pur- poses—								
Treasury Bills, internal	1,031,300	..	..	..	..	..	..	1,031,300
Other short-term	251,961	..	..	..	..	..	..	250,961
Other	1,535,372	149,821	613,571	21,511	50,962	1,411	229,006	2,601,653
<i>Total, Commonwealth</i>	<i>2,818,633</i>	<i>149,821</i>	<i>613,571</i>	<i>21,511</i>	<i>50,962</i>	<i>1,411</i>	<i>229,006</i>	<i>3,884,914</i>
On account of States—								
New South Wales	2,824,216	190,537	55,345	3,318	3,233	2,049	..	3,078,698
Victoria	2,175,649	45,158	26,637	2,672	2,600	1,647	..	2,254,361
Queensland	1,188,037	24,758	19,686	1,339	1,305	839	..	1,235,964
South Australia	1,157,077	35,927	14,632	1,420	1,383	827	..	1,211,267
Western Australia	835,541	49,360	8,401	1,021	993	644	..	895,961
Tasmania	625,575	7,151	9,076	777	756	477	..	643,811
<i>Total, States</i>	<i>8,806,095</i>	<i>352,894</i>	<i>133,776</i>	<i>10,546</i>	<i>10,269</i>	<i>6,482</i>	<i>..</i>	<i>9,320,061</i>
Total, Commonwealth and States—								
Treasury Bills, internal	1,031,300	..	..	..	..	..	..	1,031,300
Other short-term	251,961	..	..	..	..	..	..	251,961
Other	10,341,467	502,714	747,347	32,057	61,232	7,893	229,006	11,921,716
Grand total	11,624,728	502,714	747,347	32,057	61,232	7,893	229,006	13,204,976

PER HEAD OF POPULATION
(\$A)

For Commonwealth pur- poses								
	224.56	11.94	48.88	1.71	4.06	0.11	18.25	309.51
On account of States—								
New South Wales	618.40	41.72	12.12	0.73	0.71	0.45	..	674.13
Victoria	631.76	13.11	7.73	0.78	0.75	0.48	..	654.61
Queensland	660.31	13.76	10.94	0.74	0.73	0.47	..	686.95
South Australia	993.45	30.85	12.56	1.22	1.19	0.71	..	1,039.98
Western Australia	852.59	50.37	8.57	1.04	1.01	0.68	..	914.26
Tasmania	1,593.82	18.22	23.12	1.98	1.93	1.22	..	1,640.29
<i>Total, States</i>	<i>713.21</i>	<i>28.58</i>	<i>10.83</i>	<i>0.85</i>	<i>0.83</i>	<i>0.52</i>	<i>..</i>	<i>754.82</i>
Total, Commonwealth and States	926.15	40.05	59.54	2.55	4.88	0.63	18.25	1,052.05

ANNUAL INTEREST PAYABLE
(\$'000)

For Commonwealth pur- poses								
	101,472	8,345	32,015	1,010	2,773	71	14,901	160,587
On account of States—								
New South Wales	143,776	8,951	2,894	191	145	102	..	156,060
Victoria	111,941	2,490	1,410	154	117	82	..	116,193
Queensland	59,563	1,194	1,064	77	59	42	..	61,999
South Australia	59,300	1,356	778	82	62	41	..	61,621
Western Australia	42,742	1,738	440	59	45	32	..	45,056
Tasmania	31,991	356	490	44	34	24	..	32,939
<i>Total, States</i>	<i>449,313</i>	<i>16,086</i>	<i>7,076</i>	<i>606</i>	<i>462</i>	<i>324</i>	<i>..</i>	<i>473,868</i>
Total, Commonwealth and States	550,786	24,431	39,092	1,616	3,235	395	14,901	634,455

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1970—AUSTRALIAN CURRENCY—*continued*

	Currency in which repayable—							Total
	Australian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders	Deutsche marks	
ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION (\$A)								
For Commonwealth pur- poses	8.08	0.66	2.55	0.08	0.22	0.01	1.19	12.79
On account of States—								
New South Wales	31.48	1.96	0.63	0.04	0.03	0.02	..	34.17
Victoria	32.51	0.72	0.41	0.04	0.03	0.02	..	33.74
Queensland	33.11	0.66	0.59	0.04	0.03	0.02	..	34.46
South Australia	50.91	1.16	0.67	0.07	0.05	0.04	..	52.91
Western Australia	43.61	1.77	0.45	0.06	0.05	0.03	..	45.98
Tasmania	81.51	0.91	1.25	0.11	0.09	0.06	..	83.92
<i>Total, States</i>	<i>36.39</i>	<i>1.30</i>	<i>0.57</i>	<i>0.05</i>	<i>0.04</i>	<i>0.03</i>	..	<i>38.38</i>
Total, Commonwealth and States	43.88	1.95	3.11	0.13	0.26	0.03	1.19	50.55

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1966
TO 1970—AUSTRALIAN CURRENCY
(\$A'000)

	30 June—				
	1966	1967	1968	1969	1970
SECURITIES ON ISSUE					
For Commonwealth purposes—					
Treasury Bills, internal	681,500	679,500	685,000	859,200	1,031,300
Other short-term	195,996	178,452	414,735	219,419	297,069
Other	2,267,022	2,417,388	2,500,557	2,603,521	2,556,545
<i>Total, Commonwealth</i>	<i>3,144,518</i>	<i>3,275,339</i>	<i>3,600,291</i>	<i>3,682,140</i>	<i>3,884,914</i>
On account of States—					
New South Wales	2,531,928	2,666,905	2,772,812	2,931,318	3,078,698
Victoria	1,781,544	1,893,069	1,998,614	2,130,294	2,254,361
Queensland	977,046	1,038,902	1,094,921	1,164,870	1,235,964
South Australia	970,473	1,027,080	1,077,035	1,145,810	1,211,267
Western Australia	730,700	772,511	804,866	851,541	895,961
Tasmania	502,932	535,606	568,296	606,671	643,811
<i>Total, States</i>	<i>7,494,623</i>	<i>7,934,074</i>	<i>8,316,544</i>	<i>8,830,505</i>	<i>9,320,061</i>
Total, Commonwealth and States—					
Treasury Bills, internal	681,500	679,500	685,000	859,200	1,031,300
Other short-term	195,996	178,452	414,735	219,419	297,069
Other	9,761,645	10,351,461	10,817,099	11,434,026	11,876,607
Grand total	10,639,141	11,209,413	11,916,836	12,512,645	13,204,976

ANNUAL INTEREST PAYABLE

For Commonwealth purposes	122,087	129,159	144,319	150,291	160,587
On account of States—					
New South Wales	119,668	128,128	134,301	143,739	156,060
Victoria	85,023	91,936	98,070	105,863	116,193
Queensland	44,493	48,904	51,970	56,158	61,999
South Australia	45,350	48,797	51,889	55,994	61,621
Western Australia	33,617	36,217	38,165	41,016	45,056
Tasmania	23,987	25,941	27,776	30,046	32,939
<i>Total, States.</i>	<i>352,138</i>	<i>379,921</i>	<i>402,178</i>	<i>432,815</i>	<i>473,868</i>
Total, Commonwealth and States	474,225	509,080	546,497	583,106	634,455

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 1969-70 the issue prices of A Notes varied from 98.82 per cent to 98.67 per cent and yields from 4.789 per cent to 5.407 per cent. The issue prices of B Notes varied from 97.61 per cent to 97.34 per cent and yields from 4.910 per cent to 5.480 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 1969 and 1970.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATE
MATURING IN AUSTRALIA, BY HOLDER(a), 30 JUNE 1969 AND 1970**

(Source: Reserve Bank of Australia *Statistical Bulletin*)

Holder	30 June—			
	1969		1970	
	Amount	Proportion of total	Amount	Proportion of total
	\$ million	Per cent	\$ million	Per cent
Reserve Bank of Australia	846	7.8	1,190	10.2
Trading banks	1,367	12.6	1,279	11.0
Savings banks	2,285	21.1	2,229	19.2
Other banking institutions	12	0.2	1	..
Life assurance offices	1,150	10.6	1,195	10.3
Fire, marine and general insurance offices	126	1.2	128	1.1
Other private financial institutions—				
Pension and provident funds	192	1.8	222	1.9
Friendly societies, hospitals and medical funds	29	0.3	29	0.2
Trustee companies	115	1.1	113	1.0
Pastoral finance companies	37	0.3	25	0.2
Money market dealers	524	4.8	597	5.1
Miscellaneous	104	1.0	61	0.5
Government financial institutions—				
Insurance offices and funds	137	1.3	149	1.3
Pension and provident funds	195	1.8	204	1.8
Public trustees	26	0.2	24	0.2
All other(b)	3	..	3	..
Public authorities (excluding finance)—				
Commonwealth Government (including Commonwealth semi-governmental)	2,067	19.1	2,577	22.2
State Government	57	0.5	40	0.3
Local government and State semi-governmental	233	2.2	218	1.9
Companies (excluding finance)	183	1.7	174	1.5
Other holders—				
Marketing boards	3	..	3	..
Farmers	83	0.8	80	0.7
Non-profit organisations	48	0.4	51	0.4
All other	993	9.2	1,032	8.9
Total	10,815	100.0	11,625	100.0

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

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 1964-65 to 1968-69 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 1965 TO 1969**

<i>State</i>	<i>Local government (a)</i>	<i>Semi- government(a)</i>	<i>Total</i>
SECURITIES ON ISSUE			
(\$A'000)(b)			
30 June 1969—			
New South Wales	2,931,318	671,472	749,526
Victoria	2,130,294	215,641	1,664,542
Queensland	1,164,870	379,742	348,686
South Australia	1,145,810	47,479	182,326
Western Australia	851,541	66,686	125,638
Tasmania	606,671	63,280	72,521
Total, 30 June 1969	8,830,505	1,444,301	3,143,239
1968	8,316,544	1,329,152	2,887,964
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
PER HEAD OF POPULATION			
(\$A)(b)			
30 June 1969—			
New South Wales	655.07	150.06	167.50
Victoria	629.50	63.72	491.87
Queensland	658.86	214.79	197.22
South Australia	1,001.23	41.49	159.32
Western Australia	899.77	70.46	132.75
Tasmania	1,561.57	162.88	186.67
Total, 30 June 1969	725.35	118.64	258.19
1968	701.60	112.13	243.63
1967	681.20	104.80	230.79
1966	654.73	98.00	216.84
1965	630.53	92.12	205.67

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

NOTE. The considerable changes in the figures for local government and semi-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 598-600).

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 1965-66 TO 1969-70 (\$'000)

	1965-66	1966-67	1967-68	1968-69	1969-70
Public loans, domestic raisings, etc.	413,871	501,133	407,655	472,559	347,081
Overseas loans	22,369	53,945	76,795	125,998	55,919
Commonwealth assistance to programmes(a)	168,760	89,922	192,550	111,443	355,000
Total	605,000	645,000	677,000	710,000	758,000

(a) Allocated proceeds of Special Loans Nos 172, 180, 187 and 195.

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 1965-66 to 1969-70.

COMMONWEALTH LOAN TRANSACTIONS: SUMMARY, 1965-66 TO 1969-70

	1965-66	1966-67	1967-68	1968-69	1969-70
New loans(a) raised in—					
Australia \$A'000	658,725	673,696	709,665	652,288	935,127
London £Stg'000	..	..	14,000	..	..
New York(b) \$US'000	75,807	185,794	243,759	138,105	67,389
Canada \$Can'000	..	..	2,050	950	..
Switzerland Sw fr.'000	..	50,000	..	60,000	69,900
Germany DM'000	..	..	100,000	615,000	150,000
Miscellaneous debt in Australia(c) \$A'000	6,350	29,271	18,880	20,997	-4,993
Net change in short-term debt—					
Australia—Public \$A'000	-36,000	10,000	51,000	-127,000	-14,000
Internal \$A'000	49,100	-2,000	5,500	174,200	172,100
Treasury notes \$A'000	35,564	-27,544	185,283	-68,316	46,542
Loans raised for conversion or redemption of existing securities maturing in—					
Australia \$A'000	761,000	618,268	641,766	422,484	749,700
London £Stg'000	..	..	32,000	..	..

(a) Includes loans raised for redemption of Treasury Bills. (b) Includes proceeds of \$US17,057,000 and \$US555,000 in 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, \$US101,519,000, and \$US37,065,000 in 1966-67, 1967-68, 1968-69 and 1969-70 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 1965-66 to 1969-70 are as follows.

NATIONAL DEBT SINKING FUND: COMMONWEALTH ACCOUNT, 1965-66 TO 1969-70
(**\$'000**)

	1965-66	1966-67	1967-68	1968-69	1969-70
Receipts—					
From Consolidated Revenue	64,969	21,589	25,421	32,832	26,351
Loans and advances repaid	11,659	12,684	13,772	14,909	84,069
War Service Homes money repaid	31,045	(a)	(a)	(a)	(a)
Reparation moneys	221	..	..	..	..
Interest on investments	11,910	9,351	7,665	5,502	3,786
<i>Total, receipts</i>	<i>119,804</i>	<i>43,624</i>	<i>46,859</i>	<i>53,243</i>	<i>114,206</i>
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	81,869	112,435	68,019	33,340	113,083
London	6,565	9,905	5,983	693	21,386
New York(b)	26,166	29,852	26,145	28,253	28,319
Canada	151	131	122	28	83
Netherlands . . . . .	..	..	118	119	119
<i>Total, expenditure</i>	<i>114,751</i>	<i>152,324</i>	<i>100,386</i>	<i>62,434</i>	<i>162,990</i>
Balance at 30 June	302,814	194,114	140,587	131,396	82,612
Face value of securities repurchased and redeemed in—					
Australia	82,258	112,784	68,287	33,473	114,333
London	5,711	10,340	6,043	876	21,678
New York(b)	12,026	29,875	26,569	29,624	29,514
Canada	75	134	135	32	108
Netherlands . . . . .	..	..	118	118	118
<i>Total, face value</i>	<i>100,070</i>	<i>153,133</i>	<i>101,151</i>	<i>64,123</i>	<i>165,751</i>

(a) In the years 1966-67 to 1969-70 principal repayments were credited to Consolidated Revenue Fund. (b) Includes instalment repayments of loans from International Bank for Reconstruction and Development: 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; 1969-70—face value, \$17.6m, net cost, \$17.4m.

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 1969-70 and for all States during the years 1965-66 to 1969-70 are shown in the following tables.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1969-70
(\$'000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
Receipts—							
Contributions under Financial Agreement—							
Commonwealth	7,723	5,600	3,039	3,053	2,258	1,598	23,271
States	27,539	20,881	10,534	10,781	8,887	4,861	83,484
Interest from States on cancelled securities	73	30	20	18	24	8	173
Special contributions by States	63	25	28	16	6	..	138
Interest on investments, etc.	269	257	64	106	73	59	828
<i>Total, receipts</i>	<i>35,667</i>	<i>26,793</i>	<i>13,686</i>	<i>13,974</i>	<i>11,248</i>	<i>6,526</i>	<i>107,895</i>
Expenditure (net cost)—							
Securities repurchased and redeemed in—							
Australia	34,481	18,414	5,669	9,999	6,749	5,972	81,284
London	6,797	12,723	7,365	5,719	6,512	1,412	40,526
New York	4,235	2,205	1,533	1,184	724	702	10,584
Canada	137	109	55	59	42	31	433
Netherlands	172	139	70	70	54	40	545
<i>Total, expenditure</i>	<i>45,821</i>	<i>33,591</i>	<i>14,693</i>	<i>17,030</i>	<i>14,082</i>	<i>8,157</i>	<i>133,372</i>
Balance at 30 June 1970	1,073	3,378	1,652	1,153	182	724	8,162
Face value of securities repurchased and redeemed in—							
Australia	34,536	18,435	5,669	10,006	6,749	5,972	81,367
London(a)	7,496	12,144	7,066	5,560	6,891	1,408	40,565
New York(a)	2,237	1,160	811	622	380	372	5,582
Canada(a)	84	67	34	36	26	19	266
Netherlands(a)	114	92	47	46	36	27	362
<i>Total, face value</i>	<i>44,467</i>	<i>31,899</i>	<i>13,627</i>	<i>16,270</i>	<i>14,082</i>	<i>7,797</i>	<i>128,142</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, 1965-66 TO 1969-70
(S'000)

	1965-66	1966-67	1967-68	1968-69	1969-70
Receipts—					
Contributions under Financial Agreement—					
Commonwealth	17,761	18,951	20,387	21,619	23,271
States	64,385	68,867	73,486	78,807	83,484
Interest from States on cancelled securities	106	113	93	126	173
Special contributions by States	222	220	143	138	138
Interest on investments, etc.	30	-46	48	-220	828
<i>Total, receipts</i>	<i>82,503</i>	<i>88,105</i>	<i>94,157</i>	<i>100,469</i>	<i>107,895</i>
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	60,861	59,451	50,568	45,120	81,284
London	11,685	16,545	31,815	12,333	40,526
New York	11,775	10,441	11,330	11,126	10,584
Canada	782	680	631	145	433
Netherlands . . . . .	..	..	543	546	545
<i>Total, expenditure</i>	<i>85,104</i>	<i>87,118</i>	<i>94,886</i>	<i>69,270</i>	<i>133,372</i>
Balance at 30 June	2,182	3,169	2,440	33,639	8,162
Face value of securities repurchased and redeemed in—					
Australia	60,888	59,496	50,586	45,127	81,367
London(a)	10,002	13,579	28,953	13,543	40,565
New York(a)	5,455	4,925	5,629	12,318	5,582
Canada(a)	388	344	348	167	266
Netherlands(a) . . . . .	..	..	677	540	362
<i>Total, face value</i>	<i>76,733</i>	<i>78,345</i>	<i>86,193</i>	<i>71,695</i>	<i>128,142</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 1970 were—*Income Tax Assessment Act 1936-1969, Income Tax Act 1969, Income Tax (Partnerships and Trusts) Act 1969, Income Tax (Non-Resident Dividends and Interest) Act 1967, Income Tax (Drought Bonds) Act 1969*, 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 1936-1970* 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 comprehensive double taxation agreements between the Commonwealth and the Governments of the United Kingdom, the United States of America, Canada, New Zealand, Singapore and Japan. This Act also gives the force of law to an agreement with the Government of France for the avoidance of double taxation on income derived from international air transport;
- (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.

- (d) *International Organisations (Privileges and Immunities) Act 1963–1966*, and Regulations made under that Act, which provide for exemption from income tax of certain incomes of international organisations and their officials;
- (e) *Loan (Drought Bonds) Act 1969* which authorises the issue of drought bonds and empowers the Commissioner of Taxation to declare when drought bonds shall become redeemable.

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.

Where applicable, income tax payable is assessed and assessment notices showing the amounts payable are issued during the year following the year of income. For individuals the approximate amount payable, however, has already been collected during the income year (from employees by deductions from salary or 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.

Individual taxpayers

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 employer scheme of deduction, covering most employers of more than ten persons, the amount deducted is required to be regularly remitted to the Commonwealth Taxation Office.

Not later than 14 July each year employers are required to supply each employee with a group certificate showing amount earned and 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 Office. 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 provisional 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, certain expenditure on scientific research, 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 (for equipment purchased before 4 February 1971) and primary producers by way of an investment allowance for expenditure on specified plant and equipment. In addition, deductions may be allowed to primary producers for the cost of purchasing drought bonds. 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 1970-71 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), (iv) expenditure incurred for the full-time education of children less than twenty-one years of age (maximum \$300 for each child), and (v) subscriptions to trade, business or professional associations or unions (maximum \$42 to each).

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 deductions for dependants was to exempt resident taxpayers up to the incomes shown in the samples hereunder.

RESIDENT TAXPAYERS: EFFECTIVE EXEMPTIONS FROM INCOME TAX

(\$)

Income years ended June—	Taxpayer with—		Wife and—			
	No dependants	Wife only	one child	two children	three children	four children
1964 to 1967 . . .	416	702	884	1,014	1,144	1,274
1968 to 1971 . . .	416	728	936	1,092	1,248	1,404

Special provisions applying for the 1970-71 income year to *resident aged persons* (i.e. men aged 65 years or more or women aged 60 years or more) were:

(A) Single Persons Age Allowance Provisions

Taxable Income \$	
Up to 1,326	No income tax payable
	<i>Income Tax limited to:</i>
1,327-1,532	16½ per cent of taxable income over \$1,326
1,533-2,080	\$34.33 plus 18 per cent of taxable income over \$1,532
2,081-2,132	\$132.97 plus 45 per cent of taxable income over \$2,080
2,133-2,273	\$156.37 plus 66½ per cent of taxable income over \$2,132

(B) Married Couples Age Allowance Provisions

Combined Taxable Income(a) \$	
Up to 2,314	No income tax payable
	<i>Income Tax limited to:</i>
2,315-2,500	16½ per cent of taxable income over \$2,314
2,501-3,000	\$31.00 plus 31 per cent of taxable income over \$2,500
3,001-3,640	\$186.00 plus 40 per cent of taxable income over \$3,000
3,641-3,744	\$442.00 plus 45 per cent of taxable income over \$3,640
3,745-4,102	\$488.80 plus 66½ per cent of taxable income over \$3,744

(a) Where a spouse has no taxable income the 'combined taxable income' is regarded as equal to the taxable income of the taxpayer.

NOTE. Income tax calculated under age allowance provisions is not now subject to a 2½ per cent levy.

Rates of income tax on individuals

The table on page 583 shows the rates of income tax for income years 1954-55 to 1970-71 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 income tax payable is limited to 45 per cent of the excess of the taxable income over \$416, plus 2½ per cent of the amount so ascertained.

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 1969*.

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 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, prior to the 1966-67 income year, elected to withdraw from the averaging system, was able to review that decision, being permitted to return to the averaging system provided that the necessary election was made in respect of any one of the income years 1966-67 to 1969-70. In the year of re-entry the taxpayer would be treated for averaging purposes as though he had never withdrawn from the system. However, with existing legislation, 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 income 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.

COMMONWEALTH INCOME TAX—INDIVIDUALS: GENERAL RATES, 1954-55 TO 1970-71
INCOME YEARS

Total taxable income		1954-55 to 1964-65(a)		1965-66 to 1969-70(b)		1970-71(b)	
Column 1	Column 2	Tax on amount in column 1	Tax on each \$ of balance of income	Tax on amount in column 1	Tax on each \$ of balance of income	Tax on amount in column 1	Tax on each \$ of balance of income
Exceeding	Not exceeding						
\$	\$	\$	cents	\$	cents	\$	cents
Nil	200	Nil	0.42	Nil	0.40	Nil	0.30
200	300	0.83	1.25	0.80	1.20	0.60	1.20
300	400	2.08	2.92	2.00	2.90	1.80	2.70
400	500	5.00	4.58	4.90	4.50	4.50	4.10
500	600	9.58	6.25	9.40	6.10	8.60	5.50
600	800	15.83	8.33	15.50	8.20	14.10	7.40
800	1,000	32.50	10.83	31.90	10.80	28.90	9.70
1,000	1,200	54.17	12.50	53.50	12.50	48.30	11.30
1,200	1,400	79.17	14.17	78.50	14.20	70.90	12.80
1,400	1,600	107.50	15.83	106.90	15.90	96.50	14.30
1,600	1,800	139.17	17.50	138.70	17.60	125.10	15.80
1,800	2,000	174.17	19.17	173.90	19.30	156.70	17.30
2,000	2,400	212.50	21.67	212.50	21.60	191.30	19.50
2,400	2,800	299.17	24.58	298.90	24.60	269.30	22.10
2,800	3,200	397.50	27.08	397.30	27.10	357.70	24.40
3,200	3,600	505.83	29.58	505.70	29.60	455.30	26.70
3,600	4,000	624.17	32.08	624.10	32.10	562.10	28.80
4,000	4,800	752.50	35.42	752.50	35.40	677.30	31.90
4,800	5,600	1,035.83	38.33	1,035.70	38.30	932.50	34.50
5,600	6,400	1,342.50	41.25	1,342.10	41.20	1,208.50	37.00
6,400	7,200	1,672.50	43.75	1,671.70	43.80	1,504.50	39.40
7,200	8,000	2,022.50	46.25	2,022.10	46.30	1,819.70	41.70
8,000	8,800	2,392.50	48.75	2,392.50	48.70	2,153.30	43.90
8,800	10,000	2,782.50	51.67	2,782.10	51.70	2,504.50	46.50
10,000	12,000	3,402.50	55.00	3,402.50	55.00	3,062.50	50.60
12,000	16,000	4,502.50	57.92	4,502.50	57.90	4,074.50	56.40
16,000	20,000	6,819.17	60.42	6,818.50	60.40	6,330.50	62.40
20,000	32,000	9,235.83	63.33	9,234.50	63.30	8,826.50	66.70
32,000	upwards	16,835.83	66.67	16,830.50	66.70		

(a) For the 1959-60 and 1961-62 to 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.

Income tax payable on specified incomes

The following table shows, for the income years 1961-62 to 1970-71, the actual income tax payable by taxpayers with various incomes and numbers of dependants without regard to any rebate or refund which may apply.

**COMMONWEALTH INCOME TAX PAYABLE ON SPECIFIED INDIVIDUAL
INCOMES, 1961-62 TO 1970-71 INCOME YEARS**
(**\$**)

Income(a)\$	1961-62 to		1965-66 and		1967-68 to	
	1963-64	1964-65	1966-67	1969-70	1970-71	
TAXPAYER WITH NO DEPENDANTS						
1,000	51.50	54.20	54.83	54.83	49.50	
2,000	201.90	212.50	217.81	217.81	196.08	
3,000	429.10	451.70	462.78	462.78	416.66	
4,000	714.90	752.50	771.31	771.31	694.23	
5,000	1,056.90	1,112.50	1,140.10	1,140.10	1,026.53	
10,000	3,232.40	3,402.50	3,487.56	3,487.56	3,139.06	
20,000	8,774.00	9,235.80	9,465.36	9,465.36	9,047.16	
TAXPAYER WITH DEPENDENT WIFE						
1,000	24.00	25.30	25.45	23.27	21.12	
2,000	151.10	159.10	162.72	158.02	142.47	
3,000	357.60	376.40	385.53	378.97	341.26	
4,000	627.70	660.70	677.20	668.64	602.12	
5,000	955.10	1,005.38	1,030.37	1,020.95	919.18	
10,000	3,092.00	3,254.70	3,335.99	3,322.21	2,990.35	
20,000	8,609.90	9,063.00	9,288.29	9,272.20	8,847.60	
TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD						
1,000	11.00	11.60	11.63	8.71	7.97	
2,000	122.00	128.40	131.06	122.61	110.63	
3,000	315.00	331.60	339.65	326.54	294.15	
4,000	573.80	604.00	619.06	603.29	543.31	
5,000	893.90	940.91	964.33	945.48	851.18	
10,000	3,002.70	3,160.70	3,239.55	3,212.00	2,891.21	
20,000	8,505.40	8,953.10	9,175.61	9,143.43	8,714.57	
TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN						
1,000	4.80	..	..	..	..
2,000	102.40	107.80	109.88	98.49	88.93	
3,000	284.70	299.70	306.87	289.54	260.84	
4,000	537.30	565.60	579.62	555.95	500.61	
5,000	850.20	894.88	917.16	888.86	800.16	
10,000	2,938.80	3,093.50	3,170.66	3,129.32	2,816.86	
20,000	8,430.80	8,874.50	9,095.13	9,046.84	8,614.78	

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

Income tax assessments—Individuals

The following table shows for the 1968-69 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 1968-69)**

Grade of actual income(b) (\$ and State or Territory of assessment)	Taxpayers			Actual income(b) Total	Taxable income(c)			Net income tax assessed
	Males	Females	Total		Salary and wages	Other	Total	
	No.	No.	No.	\$'000	\$'000	\$'000	\$'000	\$'000
417- 599	44,043	90,668	134,711	69,243	55,673	10,723	66,395	1,419
600- 799	54,915	115,152	170,067	118,840	91,649	18,427	110,075	3,513
800- 999	54,933	117,531	172,464	155,347	117,694	23,967	141,660	6,300
1,000- 1,199	64,265	130,903	195,168	214,710	161,595	30,978	192,573	10,726
1,200- 1,399	71,995	137,843	209,838	272,881	204,062	38,756	242,820	16,025
1,400- 1,599	79,534	148,414	227,948	342,491	252,513	51,324	303,837	23,024
1,600- 1,799	85,620	164,016	249,636	424,276	315,961	59,799	375,760	32,133
1,800- 1,999	94,115	161,551	255,666	485,503	360,326	67,081	427,406	40,471
2,000- 2,199	112,178	142,567	254,745	534,884	390,039	73,776	463,815	47,353
2,200- 2,399	138,564	113,928	252,492	580,440	415,852	77,770	493,622	53,978
2,400- 2,599	164,839	87,114	251,953	629,888	442,763	82,032	524,794	60,635
2,600- 2,799	188,631	64,667	253,298	683,393	472,570	85,252	557,821	67,734
2,800- 2,999	200,321	49,380	249,701	723,935	497,258	86,326	583,584	74,441
3,000- 3,999	945,906	125,135	1,071,041	3,712,241	2,494,741	422,017	2,916,757	422,246
4,000- 5,999	799,860	77,522	877,382	4,178,536	2,614,299	622,552	3,236,851	592,593
6,000- 7,999	191,193	24,280	215,473	1,464,630	758,975	380,164	1,139,140	265,319
8,000- 9,999	62,046	10,186	72,232	639,421	264,133	245,781	509,914	140,613
10,000-19,999	64,662	10,906	75,568	985,828	295,145	522,553	817,698	289,976
20,000-29,999	7,729	1,116	8,845	209,293	44,054	137,683	181,737	85,481
30,000 and over	3,115	486	3,601	167,151	27,365	118,716	146,081	82,470
Central office	8,580	5,655	14,235	111,006	26,424	66,866	93,291	32,651
New South Wales	1,256,029	660,284	1,916,313	6,208,011	4,009,598	1,047,475	5,057,071	874,693
Victoria	952,192	524,562	1,476,754	4,716,867	2,972,657	864,871	3,837,528	670,576
Queensland	464,670	214,021	678,691	2,058,760	1,160,552	461,032	1,621,584	263,684
South Australia	322,129	163,281	485,410	1,442,802	883,236	279,081	1,162,316	183,702
Western Australia	269,320	131,068	400,388	1,303,702	739,147	325,677	1,064,824	187,554
Tasmania	105,924	48,106	154,030	463,578	289,817	76,245	366,062	58,520
Northern Territory	14,028	5,601	19,629	76,040	44,957	10,346	55,303	10,844
Australian Capital Territory	35,592	20,787	56,379	212,168	150,281	24,083	174,364	34,227
Total residents	3,428,464	1,773,365	5,201,829	16,592,933	10,276,669	3,155,676	13,432,342	2,316,451

(a) Assessments in respect of 1968-69 incomes issued to 30 September 1970. Assessments issued after that date are not included.
(b) Actual income is '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 income tax assessed by grades of actual income for the income years 1965-66 to 1968-69 are shown in the following table.

COMMONWEALTH INCOME TAX ASSESSMENTS: RESIDENT INDIVIDUALS, BY GRADE OF ACTUAL INCOME(a) (INCOME YEARS 1965-66 TO 1968-69)

Grade of actual income(a) (\$)	1965-66		1966-67		1967-68		1968-69	
	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	141,676	1,589	134,068	1,431	134,704	1,394	134,711	1,419
600- 799	182,683	3,847	171,671	3,562	168,835	3,538	170,067	3,513
800- 999	214,957	7,826	196,995	7,100	185,282	6,735	172,464	6,300
1,000- 1,199	245,847	13,440	231,968	12,641	211,874	11,667	195,168	10,726
1,200- 1,399	259,366	19,810	243,793	18,526	225,458	17,154	209,838	16,025
1,400- 1,599	280,021	28,135	271,943	27,385	251,307	25,529	227,948	23,024
1,600- 1,799	272,872	34,171	276,844	35,234	262,645	33,706	249,636	32,133
1,800- 1,999	262,280	38,824	264,304	40,321	263,449	41,086	255,666	40,471
2,000- 2,199	280,326	47,834	270,010	47,865	260,314	47,376	254,745	47,353
2,200- 2,399	284,991	55,588	274,637	55,529	264,375	54,716	252,492	53,978
2,400- 2,599	288,127	63,715	280,725	63,381	266,897	61,351	251,953	60,635
2,600- 2,799	284,841	70,434	276,502	70,252	268,846	69,089	253,298	67,734
2,800- 2,999	260,131	72,227	262,004	75,065	259,102	73,871	249,701	74,441
3,000- 3,999	831,852	309,965	922,098	351,613	1,004,324	383,872	1,071,041	422,246
4,000- 5,999	473,003	314,647	591,665	394,361	684,994	452,851	877,382	592,593
6,000- 7,999	111,480	143,944	140,914	179,821	160,057	199,938	215,473	265,319
8,000- 9,999	42,430	88,221	51,490	105,428	56,320	113,046	72,232	140,613
10,000-19,999	46,226	191,563	55,535	223,020	60,388	239,877	75,568	289,976
20,000-29,999	5,302	53,912	6,295	63,229	7,125	70,193	8,845	85,481
30,000 and over	2,141	48,561	2,524	58,389	3,127	78,303	3,601	82,470
Total	4,770,552	1,608,256	4,925,985	1,834,154	4,999,423	1,985,293	5,201,829	2,316,451

(a) Actual income is 'gross income including exempt income less expenditure incurred in gaining that income.'

Partnerships and trusts

Income tax returns are required to be lodged on behalf of partnerships and trusts which, as partnerships and trusts, are not required to pay tax except in certain specified circumstances when they may be assessed as individuals. In general, the net income remaining, after allowing all deductions including expenditure incurred in gaining the income, is distributed to the partners or beneficiaries concerned and is assessable for tax in the respective individual returns.

The following table shows for the 1968-69 income year numbers, total business income and net income of partnerships and trusts. Greater detail is published in *Commonwealth Taxation Assessments Bulletins*.

PARTNERSHIPS AND TRUSTS—INCOME YEAR 1968-69

Item	Partnerships	Trusts	Total
Number	364,781	124,997	489,778
Total business income \$'000	5,307,268	79,161	5,386,429
Net income \$'000	1,866,561	207,212	2,073,773

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 a prescribed period fall short of sufficient distribution as defined.

Rates of tax. The rates of primary income tax for all companies and additional tax for private companies applicable to income years 1959–60 to 1970–71 are shown in the following table.

RATES OF INCOME TAX: COMPANIES, 1959-60 TO 1970-71 INCOME YEARS
(Cents per \$)

Income years ended June	Resident private company			Resident public company(a)		Non resident company			
	On taxable income		Additional tax on un- distributed income	On taxable income		On dividends income		On other income	
	Up to \$10,000	On re- mainder		Up to \$10,000	On re- mainder	Up to \$10,000	On re- mainder	Up to \$10,000	On re- mainder
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
1970 .	32½	42½	50	42½	47½	37½	47½	42½	47½

(a) Excludes co-operative, non-profit and life insurance for which the rates of tax (in cents per \$) for 1969–70 income year were:

Type of company	Taxable income	
	Up to \$10,000	On remainder
Co-operative	37½	47½
Non-profit—Friendly societies' dispensaries	37½	37½
Other	37½	47½
Mutual life insurance	32½	42½
Other life insurance—Mutual income	32½	42½
Other income	42½	47½

A non-profit company is not liable to income tax unless the taxable income exceeds \$416, and where the taxable income does not exceed \$1,386 the maximum amount payable is one-half of the excess over \$416 less any rebate or credit to which the company is entitled. Other companies are assessed for income tax if the taxable income is \$1 or more.

Details in respect of company income tax assessments for the 1968–69 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 1968-69)

Grade of taxable income(a) (\$) and State or Territory of assessment	Taxable			Non-taxable		
	Com- panies	Taxable income (a)	Net in- come tax assessed (b)	Com- panies	Taxable income (a)(c)	Loss
Loss for year						(d)245,562
Nil . . . . .	..	..	..	..	..	..
1- 1,999	2,6206	17,445	5,106	3,782	2,871	..
2,000- 9,999	32,633	180,088	51,476	4,244	21,327	..
10,000- 19,999	14,043	193,057	59,791	1,276	17,917	..
20,000- 39,999	7,352	205,324	69,024	643	17,713	..
40,000- 99,999	4,903	299,268	104,902	395	24,332	..
100,000- 199,999	1,796	249,977	90,471	125	17,441	..
200,000- 399,999	972	269,939	94,629	71	19,409	..
400,000- 999,999	685	414,480	141,362	47	28,088	..
1,000,000-1,999,999	227	319,122	105,597	9	11,782	..
2,000,000 and over	216	1,291,249	429,019	9	38,478	(e)
New South Wales	37,831	1,121,956	367,719	25,229	70,231	114,045
Victoria	26,629	1,607,745	538,570	14,383	71,489	66,713
Queensland	8,613	234,564	87,316	6,711	9,489	22,639
South Australia	7,464	181,386	63,559	6,275	10,888	13,587
Western Australia	4,694	158,282	58,937	3,441	4,911	18,059
Tasmania	1,675	42,893	13,922	1,276	1,639	3,268
Northern Territory	430	9,522	3,522	235	656	1,457
Australian Capital Territory	1,697	83,600	17,831	2,687	30,056	5,793
Total	89,033	3,439,948	1,151,375	60,237	199,359	245,562

(a) Taxable income is the income remaining after deducting from assessable income all allowable deductions. (b) Excludes additional tax on the undistributed income of private companies. (c) Net tax assessed is nil because of rebates. (d) Not included in the total shown for taxable income. (e) 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 1965-66 to 1969-70.

COMMONWEALTH INCOME TAXES COLLECTED: COLLECTION YEARS 1965-66 TO 1969-70

Source of income tax	1965-66	1966-67	1967-68	1968-69	1969-70
NET AMOUNTS COLLECTED (\$'000)					
Individuals—					
Instalments—salaries and wages	1,160,369	1,323,537	1,507,456	1,727,290	2,084,219
Direct cash payments	570,799	598,509	669,091	651,340	772,882
Companies	801,105	784,544	836,664	1,006,543	1,151,364
Superannuation funds	175	534	858	836	1,035
Withholding tax—Dividend	17,247	22,708	21,716	28,303	38,003
Interest . . . . .	..	..	910	4,456	8,019
Total	2,549,695	2,729,832	3,036,695	3,418,768	4,055,523

PERCENTAGES

Individuals—					
Instalments—salaries and wages	45.51	48.48	49.64	50.53	51.39
Direct cash payments	22.38	21.93	22.03	19.05	19.06
Companies	31.42	28.74	27.55	29.44	28.39
Superannuation funds	0.01	0.02	0.03	0.02	0.02
Withholding tax—Dividend	0.68	0.83	0.72	0.83	0.94
Interest . . . . .	..	..	0.03	0.13	0.20
Total	100.00	100.00	100.00	100.00	100.00

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

COMMONWEALTH INCOME TAXES ASSESSED: INCOME YEARS 1964-65 TO 1968-69
(\$'000)

Tax	1964-65	1965-66	1966-67	1967-68	1968-69
Individuals—					
Residents	1,446,732	1,608,256	1,834,154	1,985,293	2,316,451
Non-residents	1,154	696	1,179	1,550	1,531
Companies—					
Primary tax	787,099	786,925	832,582	1,010,357	1,148,259
Additional tax on undistributed income of private companies	2,260	2,618	2,934	6,648	4,384
Superannuation Funds	207	541	573	656	677
Total	2,237,452	2,399,036	2,671,422	3,004,504	3,471,302

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 1965-66 to 1969-70 were: 1965-66, \$305,830,000; 1966-67, \$353,194,000; 1967-68, \$398,371,000; 1968-69, \$477,965,000; and 1969-70, \$514,065,000.

