

## CHAPTER XVII. PUBLIC FINANCE.

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

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

### A. COMMONWEALTH FINANCE.

#### § 1. General.

1. **Financial Provisions of the Constitution.**—The main provisions of the Constitution relating to the initiation and development of the financial system of the Commonwealth are contained in Sections 81 to 105A of the Commonwealth Constitution (*see* pages 20–23 of Official Year Book No. 39 and also in earlier issues). Two other sections which have a most important bearing on questions of Commonwealth finance are Sections 69 and 51.

Section 69 provides for the transfer to the Commonwealth from the States of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments. Section 87 deals with the financial relations between the Commonwealth and the States. These matters have been treated in previous issues of the Official Year Book and on pages 694–9 of this issue a summary is given of the present provisions for Commonwealth financial assistance to the States.

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

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

#### § 2. Consolidated Revenue Fund.

##### Division I.—Nature of Fund.

1. **Provisions of the Constitution.**—The provisions made for the establishment of a Commonwealth Consolidated Revenue Fund, and the means to be adopted for operating on the fund, are contained in Sections 81 to 83 of the Constitution (*see* page 20 of Official Year Book No. 39 and also in earlier issues).

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

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

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

For most of the 1939-45 War years and thereafter, the Consolidated Revenue Fund has been balanced, as all available revenue after charging expenditure on ordinary services has been used for defence, war and repatriation purposes. In 1951-52 the Fund was balanced after a special payment of £98.5 million had been made to the National Debt Sinking Fund for investment in a special loan for States' works requirements.

Receipts and expenditure increased from £95 million each in 1938-39 to £377 million in 1944-45. By 1949-50 they had risen to £581 million, but in 1950-51 they increased sharply to £842 million and in 1951-52 had reached more than £1,016 million.

### Division II.—Revenue.

1. General.—The following table furnishes details of the revenue from each source and the amount per head of population under each of the main headings during the years 1938-39 and 1947-48 to 1951-52 :—

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

Source.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Taxation .. .. .	74,111	422,413	490,813	518,959	777,187	934,011
Proportion of Total .. %	78.0	90.7	88.5	89.4	92.3	91.9
Per head of population ..	£10 13 9	£55 5 9	£62 18 8	£64 9 5	£93 10 2	£109 7 6
Business Undertakings ..	17,892	32,580	34,912	42,087	48,792	64,955
Proportion of Total .. %	18.8	7.0	6.3	7.3	5.8	6.4
Per head of population ..	£2 11 9	£4 5 3	£4 9 6	£5 4 7	£5 17 5	£7 12 2
Territories(a) .. .. .	356	666	738	926	1,150	1,558
Proportion of Total .. %	0.4	0.1	0.1	0.1	0.1	0.1
Per head of population ..	£0 1 0	£0 1 9	£0 1 11	£0 2 3	£0 2 9	£0 3 8
Other Revenue—						
Interest, etc. .. .. .	1,144	1,296	1,532	1,889	2,756	3,795
Coinage .. .. .	128	497	635	466	499	895
Defence .. .. .	151	216	353	541	702	499
Civil Aviation .. .. .	6	1,595	1,998	2,870	3,504	3,247
Health .. .. .	18	14	20	25	31	51
Patents, Trade Marks, etc. ..	68	124	128	124	128	143
Bankruptcy .. .. .	31	16	20	22	23	27
Wool Committee Operations						
Surplus .. .. .		125	103			
Commerce and Agriculture ..		-22	235	659	1,174	34
Shipping and Transport ..	158	176	478	264	282	260
Net Profit on Australian Note						
Issue .. .. .	767	4,087	4,460	4,183	3,394	3,381
Surplus Balances of Trust						
Accounts .. .. .			17,000	6,700		
Other .. .. .	235	2,122	950	937	2,170	3,972
Total .. .. .	2,706	10,246	27,914	18,680	14,663	16,304
Proportion of Total .. %	2.8	2.2	5.0	3.2	1.8	1.6
Per head of population ..	£0 7 9	£1 6 10	£3 11 7	£2 6 5	£1 15 4	£1 18 2
Grand Total .. .. .	95,065	465,905	554,377	580,652	841,792	1,016,828
Per head of population ..	£13 14 3	£60 19 7	£71 1 8	£72 2 8	£101 5 8	£119 1 6

(a) Excludes Railways.

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

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on page 677.

2. Taxation.—(i) *Total Collections.* (a) *Amount.* Collections under each heading for the years 1938-39 and 1947-48 to 1951-52 are shown below :—

## COMMONWEALTH TAXATION : TOTAL NET COLLECTIONS.

(£'000.)

Heading.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Customs .. .. .	31,161	57,597	63,465	77,726	91,921	113,936
Excise .. .. .	16,472	58,008	62,735	66,157	73,083	99,981
Sales Tax .. .. .	9,308	34,729	39,029	42,425	57,173	95,459
Flour Tax(a) .. .. .	1,809	985	1	..	..	..
Land Tax .. .. .	1,489	3,641	3,032	4,210	3,591	6,199
Income Taxes(b) .. .. .	11,883	161,452	182,092	179,094	267,999	537,503
Social Services Contribution .. .. .	..	71,448	90,255	100,560	73,958	7,676
Wool Deduction .. .. .	..	..	..	..	109,531	5,963
Pay-roll Tax .. .. .	..	16,595	19,803	22,728	28,721	37,170
Gold Tax .. .. .	..	11	-5	-9	..	..
Estate Duty .. .. .	1,915	4,555	4,740	6,054	6,401	7,778
Gift Duty .. .. .	..	780	582	745	1,044	1,202
Entertainments Tax .. .. .	..	5,198	5,299	4,698	5,148	6,161
Wool Levy(a) .. .. .	74	..	..	..	..	..
Wool Contributory Charge(a) .. .. .	..	1,424	1,029	1,439	44,844	2,230
Wheat Tax and Export Charge(a) .. .. .	..	5,730	18,086	12,633	13,353	12,202
Stevedoring Industry Charge(a) .. .. .	..	260	670	499	420	551
<b>Total Taxation</b> .. .. .	<b>74,111</b>	<b>422,413</b>	<b>490,813</b>	<b>518,959</b>	<b>777,187</b>	<b>934,021</b>
Proportion of Revenue .. .. .	78.0	90.7	88.5	89.4	92.3	91.9

(a) Paid to Trust Fund for purposes of industry concerned. (b) Includes War-time (Company) Tax, Super Tax and Undistributed Profits Tax.

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

(b) *Proportion of each Class on Total Collections.* The following table shows the proportion of the total collections represented by returns from each class of taxation for the years 1938-39 and 1947-48 to 1951-52 :—

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

(Per Cent.)

Heading.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Customs .. .. .	42.1	13.7	12.9	15.0	11.8	12.2
Excise .. .. .	22.3	13.7	12.8	12.7	9.4	10.7
Sales Tax .. .. .	12.6	8.2	8.0	8.2	7.4	10.2
Flour Tax .. .. .	2.4	0.2	..	..	..	..
Land Tax .. .. .	2.0	0.9	0.6	0.8	0.5	0.7
Income Taxes(a) .. .. .	16.0	38.2	37.1	34.5	34.4	57.6
Social Services Contribution .. .. .	..	16.9	18.4	19.4	9.5	0.8
Wool Deduction .. .. .	..	..	..	..	14.1	0.6
Pay-roll Tax .. .. .	..	3.9	4.0	4.4	3.7	4.0
Gold Tax .. .. .	..	..	..	..	..	..
Estate Duty .. .. .	2.6	1.1	1.0	1.2	0.8	0.8
Gift Duty .. .. .	..	0.2	0.1	0.1	0.1	0.1
Entertainments Tax .. .. .	..	1.2	1.1	0.9	0.7	0.7
Wool Levy .. .. .	..	..	..	..	..	..
Wool Contributory Charge .. .. .	..	0.3	0.2	0.3	5.8	0.2
Wheat Tax and Export Charge .. .. .	..	1.4	3.7	2.4	1.7	1.3
Stevedoring Industry Charge .. .. .	..	0.1	0.1	0.1	0.1	0.1
<b>Total</b> .. .. .	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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

(ii) *Customs Revenue. (a) Classified.* Particulars of net customs receipts<sup>7</sup> for the years 1938-39 and 1947-48 to 1951-52 are shown in the following table:—

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

Classes.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Ales, spirits and beverages ..	1,165	941	1,171	1,462	1,890	2,751
Tobacco and manufactures thereof .. .. .	3,256	10,807	14,612	17,657	20,830	24,996
Sugar .. .. .	7	7	3	2	7	..
Agricultural products and groceries .. .. .	1,366	1,443	1,301	1,515	1,690	1,806
Textiles and attire .. .. .	2,801	5,726	6,644	7,066	9,894	12,842
Metals and machinery .. .. .	2,386	4,418	5,782	8,439	8,574	14,342
Oils, paints, etc. .. .. .	9,927	16,130	17,316	19,274	23,720	25,115
Earthenware, etc. .. .. .	510	1,102	1,089	1,274	1,467	2,188
Drugs and chemicals .. .. .	310	436	322	397	758	941
Wood, wicker and cane .. .. .	739	686	993	966	488	695
Jewellery and fancy goods .. .. .	481	966	1,237	1,900	2,530	2,908
Leather and rubber .. .. .	477	810	923	1,124	1,535	2,044
Paper and stationery .. .. .	454	766	485	428	545	934
Vehicles .. .. .	2,062	2,691	3,938	8,735	7,804	8,902
Musical instruments .. .. .	32	51	78	86	124	124
Miscellaneous articles .. .. .	1,024	2,788	1,826	1,261	1,625	2,373
Primage .. .. .	3,914	7,093	5,393	5,711	8,206	9,296
Special War Duty .. .. .	..	- 10	- 6	- 9	- 1	- 1
Other receipts .. .. .	250	746	358	438	235	880
<b>Total .. .. .</b>	<b>31,161</b>	<b>57,597</b>	<b>63,465</b>	<b>77,726</b>	<b>91,921</b>	<b>113,936</b>

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

(b) *States.* The following table shows the net Customs Duties collected in each State during the years 1938-39 and 1947-48 to 1951-52:—

**COMMONWEALTH CUSTOMS REVENUE: NET COLLECTIONS IN EACH STATE.**  
(£'000.)

State.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
New South Wales(a) .. .. .	14,070	25,412	26,150	30,431	36,920	45,784
Victoria .. .. .	9,971	19,030	21,293	25,958	31,120	37,617
Queensland .. .. .	2,978	5,339	6,475	8,306	9,766	12,071
South Australia(b) .. .. .	2,090	4,117	5,138	6,817	7,899	9,591
Western Australia .. .. .	1,654	2,814	3,252	4,798	4,582	6,652
Tasmania .. .. .	398	885	1,157	1,416	1,634	2,221
<b>Total .. .. .</b>	<b>31,161</b>	<b>57,597</b>	<b>63,465</b>	<b>77,726</b>	<b>91,921</b>	<b>113,936</b>

(a) Includes Australian Capital Territory.

(b) Includes Northern Territory.

(iii) *Excise Revenue. (a) Classified.* Particulars of the amount of net excise collected under each division during the years 1938-39 and 1947-48 to 1951-52 are given hereunder:—

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

Particulars.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Beer .. .. .	7,289	27,044	31,807	33,402	37,243	56,941
Spirits .. .. .	1,604	6,720	7,023	6,926	8,129	8,890
Tobacco .. .. .	3,868	9,931	9,622	10,229	10,759	13,845
Cigars and cigarettes .. .. .	2,419	9,786	9,558	10,192	10,662	13,848
Cigarette papers .. .. .	531	1,060	897	1,002	1,166	1,085
Petrol .. .. .	582	1,810	2,238	2,678	3,065	3,419
Matches .. .. .	82	1,304	1,201	1,201	1,213	1,058
Playing cards .. .. .	11	58	67	61	63	55
Coal .. .. .	..	..	..	207	375	499
Miscellaneous .. .. .	86	295	322	259	408	341
<b>Total .. .. .</b>	<b>16,472</b>	<b>58,008</b>	<b>62,735</b>	<b>66,157</b>	<b>73,083</b>	<b>99,981</b>

(b) States. Net excise collections in each State for the years 1938-39 and 1947-48 to 1951-52 were as follows:—

## COMMONWEALTH EXCISE REVENUE : NET COLLECTIONS IN EACH STATE.

(£'000.)

State.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
New South Wales (a) ..	6,940	22,486	25,523	26,035	29,100	40,211
Victoria ..	5,688	18,475	18,561	20,306	21,841	29,072
Queensland ..	1,538	6,601	7,102	7,317	8,272	11,047
South Australia (b) ..	1,018	4,846	5,329	5,801	6,500	8,600
Western Australia ..	1,104	4,618	5,117	5,467	5,977	8,151
Tasmania ..	184	982	1,103	1,231	1,393	1,991
Total ..	16,472	58,008	62,735	66,157	73,083	99,981

(a) Includes Australian Capital Territory.

(b) Includes Northern Territory.

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

These figures do not give the absolute measure of taxes paid by the residents of each State, because the Central Office collections, which include taxation on account of all States, have not been allocated to the States. In the absence of precise information, it may be assumed, as a rough approximation, that Central Office collections may be divided among States in proportion to State office collections. It is probable, however, that a somewhat larger share is derived from the more populous States, New South Wales and Victoria.

(b) *Land Tax.* Commonwealth Land Tax was levied annually from 1910-11 to 1951-52 on the unimproved value of land. It was abolished from 1st July, 1952. The following table shows the rates of land tax imposed for each assessment year from 1942-43 to 1950-51:—

## LAND TAX : RATE OF TAX PER £1 OF TAXABLE VALUE.

(T = Taxable Value(a).)

(Pence.)

Assessment Year.	Residents.			Absentees.				
	If the Taxable Value is from £1 to £75,000—	If the Taxable Value is over £75,000—		If the Taxable Value is from £1 to £80,000—		If the Taxable Value is over £80,000—		
		On £75,000—	On excess over £75,000—	On first £5,000—	On excess over £5,000—	On £5,000—	On next £75,000—	On excess over £80,000—
1942-43 to 1950-51 (b)	$\left(1 + \frac{T}{18,750}\right)$	5.0	9.0	1.0	$\left(2 + \frac{T-5,000}{18,750}\right)$	1.0	6.0	10.0

(a) Taxable Value:—(i) For Residents—the unimproved value of land held less an exemption of £5,000, and (ii) For Absentees—the unimproved value of land (no exemption being allowed). (b) In addition, if the taxable value exceeded £20,000, there was payable a super tax equal to the lesser amount of the following:—(i) twenty per cent. of the amount of land tax; or (ii) one per cent. of the amount by which the taxable value of the land exceeded £20,000.

In 1951-52 the exemption allowed to residents was increased to £8,750 and the super tax abolished. Except for this, the rates remained unchanged for residents. In the case of absentees, the rates were changed to the following:—(i) If the taxable value did not exceed £83,750—On first £8,750, 1.0d. in £1; on the balance,  $\left(2 + \frac{T-8,750}{18,750}\right)$  d. in £1. (ii) If the taxable balance exceeded £83,750—On first £8,750, 1.0d. in £1; on next £75,000, 6.0d. in £1; and on the balance, 10.0d. in £1. The values of land, or of interests in land, as assessed for the financial year 1939-40, were adopted for the financial years 1940-41 to 1950-51. A revaluation of land was made for the assessment year 1951-52.

Land tax receipts in each State and Central Office for the years 1938-39 and 1947-48 to 1951-52 were as follows. The receipts referred to in this table differ slightly from the collections shown on page 667 because some refunds credited before 30th June were not paid until after that date.

## LAND TAX RECEIPTS.

(£'000.)

State, etc.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Central Office ..	526	1,460	1,165	1,995	1,525	2,475
New South Wales ..	510	1,190	1,041	1,207	1,183	1,656
Victoria ..	291	656	552	692	562	1,104
Queensland ..	29	63	60	61	63	288
South Australia ..	55	118	122	114	129	275
Western Australia ..	64	102	97	104	95	228
Tasmania ..	13	33	32	38	33	137
Total ..	1,488	3,622	3,069	4,211	3,590	6,163

(c) *Estate Duty.* The Commonwealth Estate Duty was first levied in 1914. Particulars of exemptions and the rates imposed prior to 1940 are given in earlier issues of the Year Book (see No. 37, page 614).

Estate duty, under the Estate Duty Assessment Act 1940, is assessed on the net value of the estate less a statutory exemption determined in accordance with the following formula:—(a) where the whole of the estate passes to the widow, children or grand-children of the deceased, the sum of £2,000 decreasing by £1 for every £10 by which the value exceeds £2,000 up to £10,000, and thereafter decreasing by £1 for every £2 by which the value exceeds £10,000; (b) where no part of the estate passes to the widow, children or grand-children, the sum of £1,000 decreasing by £1 for every £10 by which the value exceeds £1,000 up to £6,000, and thereafter decreasing by £1 for every £8 by which the value exceeds £6,000; and (c) where part only of the estate passes to the widow, children or grand-children, the statutory exemption is to be calculated proportionately under (a) and (b).

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

Particulars of the collections in each State and Central Office for the years 1938-39 and 1947-48 to 1951-52 are shown in the following table. These figures differ slightly from the figures on page 667 as some refunds were credited before 30th June and not paid until after that date.

**ESTATE DUTY RECEIPTS.**  
(£'000.)

State, etc.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Central Office ..	999	2,046	1,993	2,494	2,502	2,848
New South Wales ..	423	988	1,121	1,246	1,456	1,943
Victoria ..	294	907	1,045	1,383	1,563	1,688
Queensland ..	60	291	225	438	308	537
South Australia ..	83	245	192	290	260	458
Western Australia ..	34	109	132	154	226	190
Tasmania ..	16	56	53	48	73	94
Northern Territory ..	..	..	..	..	1	..
Total ..	1,909	4,642	4,761	6,053	6,389	7,758

Particulars of the number and value of estates with duty assessed, for each of the assessment years 1938-39 and 1947-48 to 1951-52, are given in the following table:—

**ESTATE DUTY ASSESSMENTS.**

Particulars.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Number of Estates ..	9,681	12,082	12,350	13,982	15,680	16,289
Gross Value Assessed ..	£'000 65,699	95,373	99,717	117,534	134,074	144,073
Deductions ..	£'000 12,630	15,537	16,475	19,219	22,714	22,683
Statutory Exemption ..	£'000 14,166	14,166	14,402	16,271	18,175	18,672
Dutiable Value ..	£'000 53,069	65,670	68,840	82,044	93,185	103,318
Duty Payable ..	£ 2,002,283	4,883,702	4,902,352	5,992,790	6,933,608	7,797,967
Average dutiable value ..	£ 5,482	5,435	5,574	5,868	5,943	6,343
Average duty per estate ..	£ 207	404	397	429	442	479

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

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

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

The receipts from gift duty in each State for the years 1947-48 to 1951-52 are shown in the following table. The figures shown in the table differ from those shown on page 667 because certain refunds credited before 30th June were not paid until after that date.

**GIFT DUTY RECEIPTS.**  
(£'000.)

State, etc.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
New South Wales ..	394	262	297	500	529
Victoria ..	199	173	244	297	417
Queensland ..	53	34	46	73	39
South Australia ..	107	65	121	110	160
Western Australia ..	24	37	33	52	44
Tasmania ..	7	11	4	11	14
Northern Territory ..	..	..	..	..	..
Total ..	784	582	745	1,043	1,203

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

(f) *Pay-roll Tax.* The Pay-roll Tax Assessment Act 1941-42 and the Pay-roll Tax Act 1941 imposed a pay-roll tax of 2½ per cent. on all wages in excess of £20 per week paid by an employer after 30th June, 1941. These measures formed part of the Commonwealth scheme of child endowment, the revenue from the tax being designed to provide part of the money required. Pay-roll tax is collected in a similar manner to sales tax. Employers are required to register and to furnish a monthly return of all wages paid.

The following table shows the receipts from pay-roll tax in each State for the years 1947-48 to 1951-52. The figures shown vary slightly from the collections shown on page 667 because some refunds which were credited before 30th June were not paid until after that date.

**PAY-ROLL TAX RECEIPTS.**  
(£'000.)

State, etc.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
New South Wales .. .. .	7,313	8,535	9,510	12,091	15,728
Victoria .. .. .	4,747	5,645	6,655	8,335	10,706
Queensland .. .. .	1,876	2,356	2,714	3,393	4,300
South Australia .. .. .	1,285	1,589	1,835	2,359	3,077
Western Australia .. .. .	919	1,119	1,326	1,686	2,238
Tasmania .. .. .	459	539	656	826	1,081
Northern Territory .. .. .	14	19	23	26	35
Total .. .. .	16,613	19,802	22,719	28,716	37,165

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

(h) *Entertainments Tax.* The Entertainments Tax Assessment Act 1942-1946 and Entertainments Tax Act 1942-1949 came into force on 1st October, 1942, following the agreement of the State Governments to the request of the Commonwealth to suspend their entertainments tax legislation for the duration of the war and one year after. This enabled the Commonwealth Government to re-enter this field of taxation. Until 1945-46 the Commonwealth recompensed the States by annual payments of £765,787, an amount equal to that collected by the States during the year 1941-42. Thereafter, these payments were incorporated with Income Tax in the Tax Reimbursement and the agreement that the States should not levy a tax on entertainments was terminated.

The rates of entertainments tax from 1st October, 1949 are shown in the following table. Details of rates operating prior to 1st October, 1949 are given in earlier issues of the Official Year Book (see No. 37, page 617).

**RATES OF ENTERTAINMENTS TAX OPERATING FROM 1st OCTOBER, 1949.**

Amount paid for Admission (excluding amount of Tax).		Reduced Rates.	Full Rates.
Exceeding—	But not exceeding—		
s. d.	s. d.	s. d.	s. d.
	1s. od.	Nil	0 2
1 0	1 3	Nil	0 4
1 3	1 6	0 3	0 4
1 6	2 0	0 4	0 5
2 0	2 6	0 5	0 7
2 6	3 0	0 6	0 9
3 0	3 6	0 8	0 10
3 6	4 0	0 9	1 0
4 0	4 6	0 10	1 1
4 6	5 0	0 11	1 3
5 0	5 6	1 1	1 5
5 6	6 0	1 3	1 8
6 0	..	1s. 5d. plus 1½d. for each 6d. (or part thereof) by which the payment for admission exceeds 6s. 6d.(a)	1s. 10d. plus 2½d. for each 6d. (or part thereof) by which the payment for admission exceeds 6s. 6d.(a)

(a) Fractions of a penny in the amount of tax are treated as follows :—½d. and ¼d. are disregarded—¾d. is taken as one penny.



The reduced rates of tax apply to entertainments which consist of one or more of the following items, viz. :—a stage play, a ballet, a performance of music, a lecture, a recitation, a music hall or other variety entertainment, or a circus or travelling show, and to entertainments which consist solely of a game or sport in which human beings are the sole participants and the entertainment is conducted by a society which is not established or carried on for profit. The full rates apply to all other forms of entertainment. Entertainments tax is not charged on admission to entertainments the proceeds of which are devoted to public, patriotic, philanthropic, religious or charitable purposes or where the entertainment is of an educational or scientific character.

Entertainments tax received during the five years 1947-48 to 1951-52 is shown in the following table. The figures shown in the table differ from those shown on page 667 because certain refunds credited before 30th June were not paid until after that date.

## ENTERTAINMENTS TAX RECEIPTS.

(£'000.)

State, etc.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
New South Wales ..	2,190	2,226	1,959	2,157	2,645
Victoria .. .. .	1,572	1,601	1,430	1,523	1,771
Queensland .. ..	661	647	580	658	789
South Australia ..	364	400	335	398	452
Western Australia ..	279	281	280	284	352
Tasmania .. .. .	127	129	107	114	144
Northern Territory ..	6	7	7	6	7
Total .. .. .	5,199	5,291	4,698	5,140	6,160

In the following table details are given of the number of admissions on which entertainments tax was paid during the year ended 30th June, 1952 :—

## COMMONWEALTH ENTERTAINMENTS TAX : NUMBER OF ADMISSIONS TO TAXABLE ENTERTAINMENTS, 1951-52.

('000.)

Price of Admission (before Tax).		Theatres.	Picture Theatres.	Racing.	Dancing and Skating.	Sport.	Other.	Total.
s. d.	s. d.							
1 0	..	..	4,137	328	359	..	37	4,861
1 0½	1 6	..	22,017	516	515	403	94	23,564
1 6½	2 0	..	26,158	1,084	1,468	2,358	814	32,020
2 0½	2 6	..	68	1,164	2,715	1,807	610	47,399
2 6½	3 0	..	279	28,143	148	1,977	1,361	32,518
3 0½	3 6	..	162	11,964	1,930	1,085	342	16,025
3 6½	4 0	..	426	3,296	2,164	371	232	7,000
4 0½	4 6	..	81	1,492	108	140	71	2,008
4 6½	5 0	..	222	1,445	360	107	127	2,739
5 0½	5 6	..	128	230	258	62	70	132
5 6½	6 0	..	248	63	573	71	20	300
6 0½	6 6	..	51	4	93	16	18	55
6 6½	7 0	..	210	1	341	27	3	166
7 0½	7 6	..	65	..	32	37	8	42
7 6½	8 0	..	367	..	756	55	9	186
8 0½	8 6	..	30	..	27	38	31	7
8 6½	9 0	..	22	..	7	7	2	10
9 0½	9 6	..	..	..	533	113	..	4
9 6½	10 0	..	618	..	28	12	7	178
Over 10 0	..	..	570	..	1,549	328	89	180
Total	..	3,704	140,085	11,999	9,503	6,958	4,972	177,221

There were 13,150,000 admissions at the reduced rate, and 164,071,000 at the full rate.

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

Since the inception of the tax certain exemptions have been allowed. These exemptions, which have been extended from time to time, relate mainly to goods of an essential nature or for use in primary production. The most recent exemptions were those granted from 7th August, 1952.

A general rate of Sales Tax is levied on all goods other than those specified in the schedules of the Sales Tax (Exemptions and Classifications) Act 1935-1952. These schedules set out details of goods exempt from sales tax and those subject to special rates. The general and special rates which operated from 15th November, 1946, were :—

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

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

Particulars of the net amount of sales tax payable, and the sales of taxable and exempt goods in each State for 1951-52 are given in the following table. The figures are in respect of sales during the period 1st July to 30th June.

#### SALES TAX AND AMOUNT OF SALES, 1951-52.

(£'000.)

Particulars.	N.S.W. (a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	Total.
Net Sales on which Sales Tax was payable at—								
3½ per cent. ..	57,226	42,517	11,670	11,164	8,684	2,923	62	134,246
10 per cent. ..	9,473	7,807	3,353	1,870	1,455	285	..	24,243
12½ per cent. ..	133,613	96,337	35,713	33,606	20,261	7,788	124	327,442
20 per cent. ..	32,801	26,777	8,032	10,521	5,779	1,276	6	85,192
25 per cent. ..	2,784	1,542	771	524	367	90	1	6,079
33½ per cent. ..	15,703	11,927	3,653	2,666	1,801	520	6	36,276
50 per cent. ..	2,695	1,209	436	279	288	75	1	4,983
66⅔ per cent. ..	2,286	1,689	377	329	212	36	..	4,929
Total ..	256,381	189,805	64,005	60,959	38,847	12,993	200	623,390
Sales of Exempt Goods by Registered Persons ..	536,682	375,939	158,422	131,330	85,813	32,361	1,149	1,321,696
Total Sales of Taxable and Exempt Goods ..	793,263	565,744	222,427	192,289	124,660	45,354	1,349	1,945,086
Sales Tax Payable ..	38,235	27,751	9,248	8,789	5,527	1,757	25	91,332

(a) Includes Australian Capital Territory.

Sales of taxable and exempt goods and sales tax payable for Australia as a whole for the years 1938-39 and 1947-48 to 1951-52 are shown in the following table :—

#### SALES TAX AND AMOUNT OF SALES.

(£'000.)

Year.	Net Sales on which Sales Tax was Payable.	Sales of Exempt Goods by Registered Persons.	Total Sales of Taxable and Exempt Goods.	Sales Tax Payable.
1938-39 .. .. .	196,491	280,656	477,147	9,363
1947-48 .. .. .	314,311	639,948	954,259	34,059
1948-49 .. .. .	363,164	757,381	1,120,545	38,197
1949-50 .. .. .	455,251	866,575	1,321,826	40,789
1950-51 .. .. .	552,919	1,138,887	1,691,806	54,471
1951-52 .. .. .	623,390	1,321,696	1,945,086	91,332

In the foregoing tables exempt sales relate to goods exempted from sales tax under the Sales Tax (Exemptions and Classifications) Act 1935-1952. The figures shown in the foregoing tables do not represent the total sales of all commodities, as vendors trading in exempt goods only are not required to be registered and consequently the volume of their sales is not included in the statistics above.

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

(k) *Wool Levy.* The Wool Tax Act 1936 and Wool Tax Assessment Act 1936 provided for a levy on all wool grown in Australia and shorn on or after 1st July, 1936. Details of this levy are given in earlier issues of the Official Year Book. This levy was suspended from 1st July, 1946 until 30th June, 1952 while the Wool Contributory Charge was imposed. The amounts collected from wool levy in 1938-39, 1946-47 and 1947-48 were £74,396, £11,628 and £458 respectively. No levy has been collected since 1947-48.

However, with the repeal of the Wool Contributory Charge, a levy on wool produced in Australia was re-introduced from 1st July, 1952. The Wool Tax Acts (Nos. 1 and 2) of 1952 provide for the payment of a levy of four shillings per bale until 30th June, 1953 after which date the rate of tax may be varied within prescribed limits. The purpose of the tax is to provide funds for publicity and research previously provided by the Wool Contributory Charge.

(l) *Wool Contributory Charge.* The Wool (Contributory Charge) Act 1945 and the Wool (Contributory Charge) Assessment Act 1945 imposed a charge on all wool produced in Australia and sold, manufactured or exported. Wool sold by the Australian Wool Realization Commission was not liable to the charge. The rate of the charge was a percentage of the sale value of the wool sufficient to provide—(a) the amounts required to meet the share of the industry in the operating expenses of the Joint Organization for the disposal of wool stocks; (b) the amounts required for payment of interest on the amount spent by the Commonwealth in purchase of wool under the disposals plan; and (c) the amount of the wool levy.

The Acts came into operation on 1st July, 1946, and the rate fixed was 5 per cent. on the sale value of the wool. From 1st August, 1947 the rate was reduced to 0.75 per cent. A further reduction to 0.5 per cent. was made on 1st July, 1948. On 26th August, 1950, the rate of the charge was reduced to 0.25 per cent. and a further charge of 7.25 per cent. to provide funds for a reserve prices scheme was introduced. In the Wool (Reserve Prices) Fund Act 1950 it was provided that if a reserve prices scheme which had the general approval of wool-growers was not in operation on 30th September, 1951 the amounts of contributory charge collected for that purpose, were to be refunded. A scheme placed before wool-growers was not accepted and the collections were subsequently refunded. (*See also* Chapter XIX.—Pastoral Production.) The various Wool (Contributory) Charge Acts were repealed by the Wool Tax Assessment Act of 1952 and the charge superseded by the wool levy. Collections in each State during the years 1947-48 to 1951-52 are shown in the following table:—

**WOOL CONTRIBUTORY CHARGE RECEIPTS.**  
(£'000.)

State.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
New South Wales .. ..	502	315	552	15,665	755
Victoria .. ..	360	295	402	12,957	409
Queensland .. ..	249	192	212	6,860	573
South Australia .. ..	154	108	134	4,500	278
Western Australia .. ..	134	100	116	4,061	184
Tasmania .. ..	25	19	23	801	30
<b>Total .. ..</b>	<b>1,424</b>	<b>1,029</b>	<b>1,439</b>	<b>44,844</b>	<b>2,230</b>

(m) *Wool Sales Deduction.* The Wool Sales Deduction Act 1950 and the Wool Sales Deduction (Administration) Act 1950 came into operation on 2nd December, 1950 and required that a deduction be made from the sale value of wool sold or exported, the amount deducted being set off against the Income Tax and Social Services Contribution assessed in respect of the income of the year 1950-51. These Acts were repealed by the Wool Sales Deduction Legislation Repeal Act 1951 which came into operation on 17th November, 1951, and provided for the refund to producers, etc., of amounts paid on the value of wool sold or otherwise disposed of, after 30th June, 1951. The deduction for each State during the year 1951-52 was as follows:—New South Wales, £1,343,037; Victoria, £158,964; Queensland, £3,013,160; South Australia, £1,170,491; Western Australia, £289,942; Tasmania, —£12,418; Total, £5,963,176.

(n) *Wheat Export Charge and Wheat Tax.* The Wheat Export Charge Acts 1946 imposed an export charge on wheat (including the content of wheat products) harvested after 30th September, 1945 and exported from the Commonwealth after 30th November, 1945. These Acts did not apply to wheat harvested between 1st October, 1945 and 1st October, 1947 and exported by the Australian Wheat Board, but provision was made in the Wheat Tax Act 1946 to collect an amount equivalent to the charge that would have been collected on this wheat, by imposing a tax on wheat acquired by the Board. Wheat Tax collected amounted to £5,500,000 in 1946-47 and £5,729,780 in 1947-48. These amounts were paid to the Wheat Prices Stabilization Fund and, under the Wheat Tax (Refund and Repeal) Act 1948, were refunded to growers. The amount of the refund was £11,548,637 (including interest, £318,857).

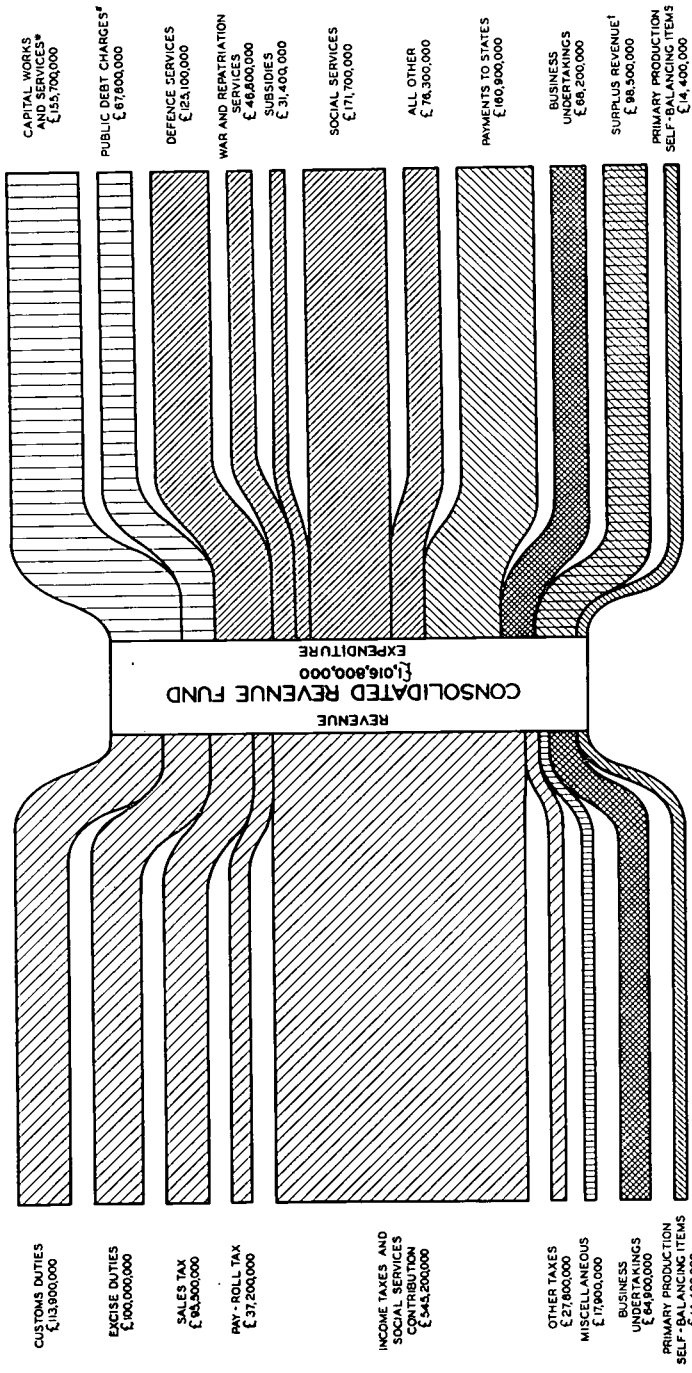
The Wheat Export Charge Act 1948, which operated from 25th November, 1948, repealed the Wheat Export Charge Acts 1946 and provided for an export charge on all wheat and wheat products of the 1947-48 and subsequent seasons exported after 25th November, 1948. Subject to a lower rate being prescribed, the rate of charge per bushel of wheat exported by the Australian Wheat Board was fixed at 50 per cent. of the amount by which the average price per bushel of all wheat exported by the Board exceeded the guaranteed price, with a maximum charge of 2s. 2d. per bushel. If the exporter was not the Australian Wheat Board the charge was the same except that there was no maximum charge of 2s. 2d. per bushel.

The guaranteed price for the 1947-48 season was 6s. 3d. per bushel for all fair average quality bulk wheat f.o.r. at the ports of export. It was raised to 6s. 8d. per bushel for the 1948-49 season with further rises to 7s. 1d. for the 1949-50 season, 7s. 10d. for the 1950-51 season and 10s. 0d. for the 1951-52 season. Unless Parliament otherwise provides the Act shall not apply to wheat harvested after 30th September, 1953.

Under the Wheat Industry Stabilization Act 1946-1948 an amount equivalent to the charges collected under the Wheat Export Charge Act 1948 is paid to the Wheat Prices Stabilization Fund. Out of this fund payments shall be made to the Australian Wheat Board, when required, for the purpose of building up the average export price for any season to the guaranteed price. By reason of the favourable level of export prices, part of the funds of the Wheat Stabilization Fund were considered surplus and accordingly, the export charge collected on wheat for the 1947-48 and 1948-49 seasons was repaid to growers under the Wheat Industry Stabilization (Refund of Charge) Acts 1950 and 1951. These repayments amounted to £17,000,000 and £12,960,000 (including interest) respectively. (*See also* Chapter XX.—Agricultural Production.)

Collections of wheat tax and wheat export charge were as follows:—1947-48, £5,730,000; 1948-49, £18,086,000; 1949-50, £12,633,000; 1950-51, £13,353,000; and 1951-52, £12,202,000.

COMMONWEALTH CONSOLIDATED REVENUE FUND, YEAR ENDED 30<sup>TH</sup> JUNE, 1952

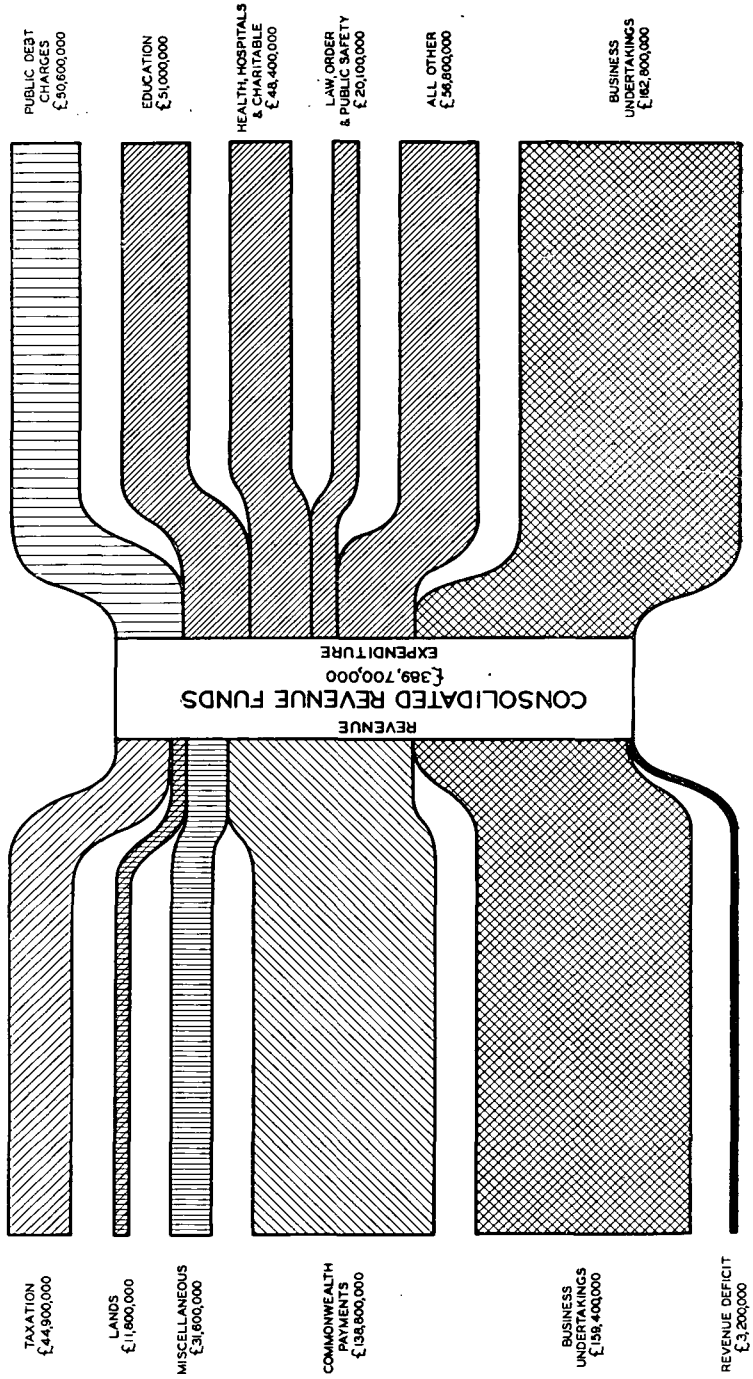


\*INCLUDES DEFENCE WORKS AND SERVICES £45,000,000

†INCLUDES WAR DEBT CHARGES £28,000,000

‡PAID TO NATIONAL DEBT FINANCING FUND

STATE CONSOLIDATED REVENUE FUNDS, YEAR ENDED 30<sup>TH</sup> JUNE, 1952



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

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

Since 1947 the charge has been amended as follows :—11th October, 1949 a reduction to 2½d. per man-hour; 11th December, 1951 an increase to 4d. per man-hour and a further increase to 11d. per man-hour from 18th November, 1952.

Collections in each State during the years 1947-48 to 1951-52 are shown in the following table :—

**STEVEDORING INDUSTRY CHARGE RECEIPTS.**  
(£'000.)

State.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
New South Wales ..	102	234	173	142	178
Victoria .. .. .	65	165	130	107	148
Queensland .. ..	31	113	82	70	82
South Australia ..	28	72	49	42	64
Western Australia ..	18	45	35	33	45
Tasmania .. .. .	16	39	28	25	34
Northern Territory ..	..	2	2	1	..
<b>Total .. .. .</b>	<b>260</b>	<b>670</b>	<b>499</b>	<b>420</b>	<b>551</b>

3. *Business Undertakings.*—(i) *Postmaster-General's Department.* Particulars of net receipts for each of the financial years 1938-39 and 1947-48 to 1951-52 are contained in the following table :—

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

Particulars.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Private boxes and bags ..	74	86	94	96	144	164
Commission on money orders and postal notes .. ..	289	374	408	441	472	827
Telegraphs .. .. .	1,372	2,834	2,991	3,756	4,442	5,066
Telephones .. .. .	8,640	14,184	15,055	19,168	22,667	31,059
Postage .. .. .	6,636	12,373	12,735	13,942	16,020	20,687
Radio .. .. .	516	798	1,192	(a)	(a)	(a)
Miscellaneous .. .. .	439	741	832	946	1,032	1,568
<b>Total .. .. .</b>	<b>17,366</b>	<b>31,390</b>	<b>33,307</b>	<b>38,349</b>	<b>44,777</b>	<b>59,371</b>

(a) Included under Broadcasting Services.

Further particulars of the Postmaster-General's Department's receipts to 1950-51 are given in Chapter V.—Transport and Communication (Division I. Posts, Telegraphs, Telephones and Wireless).

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

Details of net receipts for the years 1949-50 to 1951-52 are shown in the following table :—

**BROADCASTING SERVICES : NET RECEIPTS.**  
(£'000.)

Particulars.	1949-50.	1950-51.	1951-52.
Listeners' Licence Fees .. .. .	1,899	1,943	2,776
Broadcasting Station Licence Fees .. .. .	17	18	20
Miscellaneous .. .. .	18	10	9
Total .. .. .	1,934	1,971	2,805

(iii) *Commonwealth Railways.* The Commonwealth Government is responsible for four railways—the Trans-Australian, the Central Australia, the North Australia and the Australian Capital Territory. The following table shows the amounts paid to the credit of the Consolidated Revenue Fund on account of each of these railways for the years 1938-39 and 1947-48 to 1951-52 :—

**COMMONWEALTH RAILWAY REVENUE.**  
(£'000.)

Railway.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Trans-Australian ..	331	754	889	981	1,175	1,479
Central Australia ..	138	384	679	776	816	1,241
North Australia ..	50	37	29	35	38	49
Aust. Cap. Territory ..	7	15	9	12	15	10
Total ..	526	1,190	1,606	1,804	2,044	2,779

Further particulars to 1950-51 are given in Chapter V.—Transport and Communication (Division B. Government Railways).

4. *Other Sources of Revenue.*—Revenue derived by Consolidated Revenue Fund from the Territories of the Commonwealth during 1951-52 amounted to £1,558,000 (Australian Capital Territory, £1,144,000; Northern Territory, £414,000). Of other sources of revenue, amounting in 1951-52 to £16,304,000, the following are noteworthy :—Interest, £3,795,000; Civil Aviation, £3,247,000; Net Profit on Australian Note Issue, £3,381,000; and Sale of Shares in Amalgamated Wireless (A/asia.) Ltd., £1,902,000.

**Division III.—Expenditure.**

1. *Details of Expenditure from Consolidated Revenue.*—The following table shows details of the expenditure from the Consolidated Revenue Fund during the years 1938-39 and 1947-48 to 1951-52.



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

Department, etc.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Defence Services	8,061	69,148	56,304	42,774	74,045	125,586
War (1939-45) and Repatriation Services	..	62,593	111,494	74,821	129,635	105,931
War (1914-18) and Repatriation Services	19,257	19,674	21,647	21,773		
Subsidies and Bounties	236	45,882	23,108	20,683	40,537	31,341
<b>Total Cost of Departments—</b>						
Governor-General ..	33	45	52	45	53	79
Parliament ..	445	828	771	1,182	1,473	1,717
Prime Minister ..	1,133	1,857	2,239	2,734	3,954	4,185
External Affairs ..	70	1,832	1,661	1,972	3,778	7,415
Treasury ..	2,258	5,747	6,170	6,617	8,285	9,704
Attorney-General ..	282	689	745	821	1,096	1,349
Interior ..	1,275	1,703	2,039	2,358	2,727	2,871
Works ..	(a)	1,752	1,998	1,187	1,742	1,619
Civil Aviation ..	328	3,859	5,028	6,500	8,488	9,998
Trade and Customs ..	838	1,648	1,827	2,152	2,681	3,203
Health ..	338	581	768	1,034	1,133	1,305
Commerce and Agriculture ..	984	5,024	5,155	1,700	2,040	2,330
Social Services ..	325	801	1,073	1,357	1,826	2,134
Supply and Shipping and Transport ..	215	5,032	3,980	3,666	1,914	1,987
Territories ..	(b)	55	75	91	129	160
Immigration ..	(d)	1,411	3,580	9,801	12,970	13,770
Labour and National Service ..	..	1,537	1,998	2,275	2,413	2,432
National Development ..	..	353	437	442	771	1,191
Commonwealth Scientific and Industrial Research Organization ..	223	1,579	1,825	2,007	2,566	3,003
National Welfare Fund ..	(c) 16,428	88,043	110,058	123,288	132,680	171,709
National Debt Sinking Fund	..	..	..	..	..	98,500
Special Payment (Surplus) ..	..	..	..	..	..	..
<b>Business Undertakings—</b>						
Postmaster-General ..	14,878	32,171	38,669	44,512	54,802	64,291
Broadcasting Services ..	(d)	(d)	(d)	2,872	3,591	4,135
Railways ..	1,351	2,089	2,594	2,792	3,381	4,025
Territories ..	1,100	4,189	5,768	7,294	8,260	9,746
<b>Capital Works and Services—</b>						
Defence and War Services ..	1,349	3,288	5,624	12,500	75,125	45,113
Repatriation ..	141	6,217	8,664	14,848	(e) 342	27,861
Postmaster-General ..	3,851	8,260	14,770	19,792	34,897	28,819
Broadcasting Services ..	(d)	(d)	(d)	157	212	251
Railways ..	142	148	223	482	1,461	2,637
Territories ..	739	1,447	2,628	3,161	5,085	5,153
Other ..	493	9,429	13,463	25,757	31,471	45,899
<b>Total Capital Works and Services</b> ..	6,715	28,789	45,372	76,697	148,593	155,733
Payments to or for States ..	15,649	66,660	78,604	101,132	128,032	160,947
Primary Production—Self-Balancing Items ..	(f) 2,015	8,914	19,329	14,073	58,197	14,432
<b>Grand Total</b> ..	94,437	464,485	554,377	580,652	841,792	1,016,828
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population ..	13 12 5	60 15 11	71 1 8	72 2 8	101 5 8	119 1 6

(a) Included with Department of the Interior. (b) Included with Prime Minister's Department.  
(c) Invalid and Age Pensions and Maternity Allowances. (d) Provided in part from Postmaster-General's Department Votes and balance from Wireless Broadcasting Trust Account. (e) In addition, £24,911,000 was provided from Loan Fund. (f) Assistance to Primary Producers.

Particulars for each department include interest, sinking fund, superannuation charges, etc., but do not include the expenditure on capital works and services and

Defence, War and Repatriation Services. Further details of the expenditure in each section are given in paragraphs 2 to 12 following.

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on page 677. In this diagram Public Debt Charges (interest and sinking fund payments, etc.) are shown as a separate item, whereas in the table above these charges are included in the section to which they relate.

Details of Commonwealth expenditure on public debt charges for 1938-39 and 1947-48 to 1951-52 are shown in the following table:—

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

Item.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
<b>War (1914-18) Debt—</b>						
Interest .. .. .	7,508	6,213	6,066	5,868	} (c)	} (c)
Exchange on Oversea Interest	108	101	104	35		
Sinking Fund .. .. .	2,049	2,718	2,809	2,377		
Other (b) .. .. .	224	21	32	52		
<b>Total .. .. .</b>	<b>9,889</b>	<b>9,053</b>	<b>9,011</b>	<b>8,332</b>		
<b>War (1939-45) Debt (d)—</b>						
Interest .. .. .	..	38,351	38,448	39,165	44,493	43,785
Exchange on Oversea Interest	..	58	59	59	121	117
Sinking Fund .. .. .	..	9,824	10,275	10,320	13,835	15,002
Other (b) .. .. .	..	190	158	327	312	215
<b>Total .. .. .</b>	<b>..</b>	<b>48,423</b>	<b>48,940</b>	<b>50,371</b>	<b>58,761</b>	<b>59,119</b>
<b>Business Undertakings—</b>						
<b>Postmaster-General's Department—</b>						
Interest .. .. .	1,399	984	924	864	758	744
Exchange on Oversea Interest	..	396	378	417	696	693
Sinking Fund .. .. .	1,129	1,858	1,950	2,048	2,150	2,257
Other (b) .. .. .	..	58	..	..	..	..
<b>Total .. .. .</b>	<b>2,887</b>	<b>3,296</b>	<b>3,252</b>	<b>3,329</b>	<b>3,604</b>	<b>3,694</b>
<b>Railways—</b>						
Interest .. .. .	392	320	313	301	298	294
Exchange on Oversea Interest	..	71	67	74	122	121
Sinking Fund .. .. .	63	116	122	128	134	141
Other (b) .. .. .	11	20	1	7	1	..
<b>Total .. .. .</b>	<b>541</b>	<b>527</b>	<b>503</b>	<b>510</b>	<b>555</b>	<b>556</b>
<b>Territories—</b>						
Interest .. .. .	318	267	262	241	230	219
Exchange on Oversea Interest	..	..	..	..	..	..
Sinking Fund .. .. .	58	90	95	99	105	110
Other (b) .. .. .	4	..	..	..	3	..
<b>Total .. .. .</b>	<b>380</b>	<b>357</b>	<b>357</b>	<b>340</b>	<b>338</b>	<b>329</b>
<b>Works and Other Purposes—</b>						
Interest .. .. .	2,714	2,207	2,444	2,458	2,370	2,844
Exchange on Oversea Interest	512	332	361	354	424	415
Sinking Fund .. .. .	613	635	688	640	864	791
Other (b) .. .. .	37	219	77	75	59	46
<b>Total .. .. .</b>	<b>3,876</b>	<b>3,393</b>	<b>3,570</b>	<b>3,527</b>	<b>3,717</b>	<b>4,096</b>
<b>Total—</b>						
Interest .. .. .	12,331	48,342	48,457	48,897	48,149	47,886
Exchange on Oversea Interest	1,042	958	969	939	1,363	1,346
Sinking Fund .. .. .	3,924	15,241	15,939	16,112	17,088	18,301
Other (b) .. .. .	276	508	268	461	375	261
<b>Grand Total .. .. .</b>	<b>17,573</b>	<b>65,049</b>	<b>65,633</b>	<b>66,409</b>	<b>66,975</b>	<b>67,794</b>

(a) Excludes payments to or for States under the Financial Agreement. See pages 694-9.  
 (b) Redemption, conversion and loan management, etc., expenses. (c) Included with War (1939-45) Debt.  
 (d) Includes War (1914-18) Debt in 1950-51 and 1951-52.

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

The figures represent the combined expenditures from revenue, trust and loan fund for the years 1938-39 and 1947-48 to 1951-52.

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

(£'000.)

Item.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
<b>Department of Defence—</b>						
Administrative and general expenses	46	218	231	280	379	494
Buildings, works, etc. . . . .	11	7	4	7	20	34
Rent, pensions, etc. . . . .	4	14	15	16	23	29
<b>Total . . . . .</b>	<b>61</b>	<b>239</b>	<b>250</b>	<b>303</b>	<b>422</b>	<b>557</b>
<b>Department of the Navy—</b>						
Naval Forces—Pay, maintenance, etc. . . . .	2,592	12,181	12,813	12,268	19,337	30,390
Miscellaneous war expenditure . . . . .	..	1,452	607	823	1,149	59
Naval construction and additions to the fleet . . . . .	1,643	3,404	2,676	1,384	2,244	3,302
Auxiliary vessels for naval defence . . . . .	..	608	965	841	(a)	(a)
Aircraft and aero engines . . . . .	..	..	2,398	1,855	983	678
Buildings, works, etc. . . . .	433	604	872	1,121	1,659	2,812
Maintenance, rent, pensions and debt charges . . . . .	163	283	364	447	600	710
Amount chargeable to War and Repatriation Services (b) . . . . .	..	..	..	-1,729	-1,145	..
<b>Total . . . . .</b>	<b>4,831</b>	<b>18,532</b>	<b>20,695</b>	<b>17,010</b>	<b>24,827</b>	<b>37,951</b>
<b>Department of the Army—</b>						
Military Forces—Pay, maintenance, etc. . . . .	2,941	20,397	12,563	12,273	15,869	27,776
Special units serving abroad—Maintenance . . . . .	..	2,439	845	702	1,108	839
Prisoners of war, war criminals, internees . . . . .	..	62	30	42	19	..
Arms, armament, ammunition . . . . .	1,129	4,978	983	1,894	5,387	17,926
Buildings, works, etc. (c) . . . . .	418	193	249	758	4,349	8,769
Maintenance, rent, pensions and debt charges . . . . .	334	388	645	861	1,095	1,250
Amount chargeable to War and Repatriation Services (b) . . . . .	..	..	..	-942	-1,072	..
<b>Total . . . . .</b>	<b>4,822</b>	<b>28,457</b>	<b>15,315</b>	<b>15,588</b>	<b>26,755</b>	<b>56,560</b>

See next page for notes.

DEFENCE SERVICES: COMMONWEALTH EXPENDITURE FROM REVENUE, TRUST AND LOAN FUNDS—*continued.*

(£'000.)

Item.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
<b>Department of Air—</b>						
Air Force—Pay, maintenance, etc. . . . .	1,304	9,781	8,006	7,904	10,833	16,929
R.A.A.F. squadrons overseas . . . . .	..	1,722	1,397	529	1,209	3,113
Aircraft, equipment and stores . . . . .	1,049	6,435	6,652	2,912	13,210	23,502
Buildings, works, etc. . . . .	489	184	323	692	1,592	3,883
Maintenance, rent, pensions and debt charges . . . . .	81	419	528	781	1,030	1,149
Amount chargeable to War and Repatriation Services(b) . . . . .	..	..	..	—855	..	..
<b>Total</b> . . . . .	<b>2,923</b>	<b>18,541</b>	<b>16,906</b>	<b>11,963</b>	<b>27,874</b>	<b>48,576</b>
<b>Department of Supply—</b>						
Administrative and general expenses . . . . .	36	1,436	1,309	1,197	1,721	1,525
Supply Research Laboratories . . . . .	..	355	431	610	806	886
Government undertakings and establishments . . . . .	477	1,008	885	1,705	1,764	(d)
Transport and storage services . . . . .	..	609	383	420	257	(d)
Miscellaneous expenditure . . . . .	44	203	43	30	4	36
Defence research and development . . . . .	..	1,413	4,550	5,575	6,204	6,434
Strategic stores and equipment reserve . . . . .	..	..	..	..	57,048	10,049
Machinery, plant, equipment, etc. . . . .	655	994	482	578	897	331
Buildings, works, etc. . . . .	463	244	317	324	264	270
Maintenance, rent, pensions, and debt charges . . . . .	83	407	362	433	492	384
Amount chargeable to War and Repatriation Services(b) . . . . .	..	..	..	—462	—237	..
<b>Total</b> . . . . .	<b>1,758</b>	<b>6,669</b>	<b>8,762</b>	<b>10,410</b>	<b>69,280</b>	<b>19,915</b>
<b>Department of Defence Production(e)—</b>						
Administrative and general expenses . . . . .	..	..	..	..	..	842
Government undertakings and establishments . . . . .	..	..	..	..	..	2,508
Defence production materials . . . . .	..	..	..	..	..	1,000
Storage services . . . . .	..	..	..	..	..	720
Machinery and plant . . . . .	..	..	..	..	..	1,047
Buildings, works, etc. . . . .	..	..	..	..	..	790
Maintenance, rent and pensions . . . . .	..	..	..	..	..	233
<b>Total</b> . . . . .	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>7,140</b>
<b>Total Defence Services—</b>						
Consolidated Revenue Fund . . . . .	(f)9,410	72,436	61,928	55,274	149,170	170,699
Trust Fund . . . . .	3,072	(g) 2	..	..	..	..
Loan Fund . . . . .	1,913	..	..	..	—12	..
<b>GRAND TOTAL</b> . . . . .	<b>14,395</b>	<b>72,438</b>	<b>61,928</b>	<b>55,274</b>	<b>149,158</b>	<b>170,699</b>

(a) Included with Miscellaneous War Expenditure. (b) Represents expenditure on War and Repatriation Services (see page 685) included in departmental expenditure above, but for which dissection is not available. (c) Includes National Defence Contributions Trust Account. (d) Provided under Department of Defence Production. (e) Included with Department of Supply prior to 1951-52. (f) Expenditure from excess receipts of previous years appropriated for Defence Equipment Trust Account. (g) Expenditure from National Defence Contributions Trust Account.

3. **War and Repatriation Services.**—Expenditure from Consolidated Revenue and Loan Fund for War and Repatriation Services and Post-war Charges in relation to both the 1914-18 and 1939-45 Wars is shown in the following table for the years 1938-39 and 1947-48 to 1951-52. Expenditure on subsidies, which for the years 1947-48 to 1949-50 were paid from the War and Repatriation Votes, have been excluded from this table and are dealt with separately in paragraph 4. Expenditure on the maintenance of forces in Korea and at other overseas posts and the cost of arms and equipment is included in Defence Services (see paragraph 2).

WAR AND REPATRIATION SERVICES AND POST-WAR CHARGES: COMMONWEALTH EXPENDITURE FROM CONSOLIDATED REVENUE AND LOAN FUNDS.  
(£'000.)

Item.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Public Debt Charges—						
Interest (including exchange on interest payments) .. .. .	7,616	44,723	44,677	45,126	44,614	43,902
Sinking Fund .. .. .	2,049	12,542	13,084	13,197	13,835	15,002
Other .. .. .	225	211	190	379	312	215
Total Public Debt Charges(a) .. .. .	9,890	57,476	57,951	58,702	58,761	59,119
War Gratuities .. .. .		3,360	31,884	9,994	30,797	42
War and Service Pensions .. .. .	8,227	17,167	20,268	22,023	27,532	33,566
Commonwealth Reconstruction Training Scheme—						
University .. .. .		3,890	3,231	2,390	1,595	510
Technical .. .. .		8,888	6,965	4,444	2,401	1,236
Rural .. .. .		340	303	252	145	61
Correspondence .. .. .		7	1			
War Service Land Settlement .. .. .		2,242	2,922	4,074	4,388	5,641
Re-establishment loans for agricultural purposes .. .. .		2,503	1,572	1,065	296	188
Repatriation Department—						
Repatriation Benefits—						
Maintenance of departmental institutions .. .. .	319	2,670	2,938	3,208	4,133	4,912
Medical treatment .. .. .	231	1,546	1,780	2,025	2,512	2,938
Small business loans .. .. .		1,535	1,073	777	583	278
Expenses in providing employment .. .. .		591	303	53	32	(b)
Vocational training .. .. .		1,238	714	265	67	(b)
Living and other allowances .. .. .	81	296	333	334	507	1,630
Soldiers' Children Education Scheme .. .. .	117	153	160	193	184	209
Other benefits and allowances .. .. .	2	105	85	70	79	89
Administration and general expenses .. .. .	315	1,911	2,075	2,473	3,061	3,196
Expenditure recovered(c) .. .. .	-71	-1,439	-1,995	-1,951	-1,777	-1,615
Total Repatriation Department .. .. .	994	8,606	7,466	7,447	9,381	11,637
War Service Homes—Salaries and general expenses .. .. .	98	176	200	266	492	631
Defence Departments—Proportion of expenditure(d) .. .. .				3,988	2,455	
Other Departments—Miscellaneous expenditure .. .. .	48	3,074	1,784	1,156	438	1,243
International Payments—						
United Kingdom Grant .. .. .			10,000	10,000		
International Relief and Rehabilitation .. .. .		2,240	2,770	1,650	(e)	(e)
International Monetary Agreements .. .. .		10,193		2,778	14	40
Reciprocal Lend-Lease to the United States Forces .. .. .		521		12		
Lend-Lease Settlement .. .. .		1,095	108			
Other .. .. .		98	149	132	81	102
Other Administrations—Recoverable expenditure(f) .. .. .		-11,248	-2,528	-1,942	-1,849	1,071
Miscellaneous Credits .. .. .		-12,714	-5,451	-2,371	-1,749	-2,853
Credits from the Disposals Commission .. .. .		-15,649	-6,454	-3,982	-1,681	-1,183
Capital Works and Services—						
Repatriation Department .. .. .	36	309	268	297	342	271
War Service Homes Act 1918-1949 .. .. .	105	5,908	8,396	14,551	24,911	27,590
Other .. .. .		3				
Total Capital Works and Services .. .. .	141	6,220	8,664	14,848	25,253	27,861
Total, War and Repatriation Services and Post-war Charges—						
Consolidated Revenue Fund .. .. .	19,398	88,485	141,805	111,443	129,977	133,792
Loan Fund .. .. .				25,483	28,773	5,120
GRAND TOTAL .. .. .	19,398	88,485	141,805	136,926	158,750	138,912

(a) Excludes Interest and Sinking Fund payments on War (1914-18) Debt due to the United Kingdom Government, payment of which was suspended in 1931. (b) Included with living and other allowances. (c) From Service Departments and Australian Soldiers' Repatriation Trust Account. (d) Represents expenditure on War and Repatriation Services by Defence Departments (see pages 683-4), but for which dissection is not available. (e) Provided under Ordinary Services. (f) Munitions, stores, etc., supplied to the Government of United Kingdom and other administrations. Includes repayments and waiver of war-time indebtedness of other administrations.

4. Subsidies and Bounties.—The following table shows details, for the years 1938-39 and 1947-48 to 1951-52, of Commonwealth expenditure from revenue on subsidies, bounties and assistance to primary producers. Expenditure on special relief such as drought, frost, flood and bush fire, etc. (see table, p. 689, for more important items), is not included, nor are items of expenditure grouped under "Primary Production—

Self Balancing Items" (see paragraph 12 following). These items of expenditure are from the proceeds of certain taxes on primary products and profits from marketing schemes, which have been paid to trust funds for the purpose of price or other stabilization schemes or for distribution to producers. Further information relating to these schemes and other assistance to primary producers is given in Chapter XX.—Agricultural Production.

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

### SUBSIDIES AND BOUNTIES : COMMONWEALTH EXPENDITURE.

(£'000.)

Item.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
<b>Subsidies—</b>						
<b>Price Stabilization—</b>						
Tea .. .. .	..	6,840	4,667	6,986	7,129	5,577
Potatoes .. .. .	..	2,703	1,065	..	..	..
Whole Milk .. .. .	..	2,157	564	..	..	..
Recoupment of Basic Wage Increases .. .. .	..	609	..	..	..	..
Imports (other than Tea) .. .. .	..	8,539	7,605	572	..	..
Coal .. .. .	..	2,352	232	..	1,704	1,519
Firewood .. .. .	..	257	5	..	..	..
Raw Wool .. .. .	..	9,227	..	..	..	..
Tobacco .. .. .	..	41	..	..	..	..
Other .. .. .	..	2,306	682	..	140	143
<b>Total .. .. .</b>	..	35,031	14,820	7,558	8,973	7,239
<b>Assistance to Primary Production—</b>						
Dairy Industry .. .. .	..	7,018	4,653	8,008	a 14,998	a 17,843
Superphosphate .. .. .	..	3,491	3,374	3,657	263	..
Nitrogenous Fertilizers .. .. .	..	130	164	781	599	1,521
Jute Products for Primary Industry .. .. .	..	164	..	2	..	..
Assistance to Stock Feeders .. .. .	..	5	21	..	..	..
Wheat Industry .. .. .	..	..	..	622	683	..
Other .. .. .	..	..	37	..	36	9
<b>Total .. .. .</b>	..	10,808	8,249	13,070	16,579	19,373
<b>Total Subsidies .. .. .</b>	..	45,839	23,069	20,628	25,552	26,612
<b>Bounties—</b>						
Tractor .. .. .	..	20	37	54	90	103
Raw Cotton .. .. .	..	115	9	..	..	..
Wool Products .. .. .	..	..	..	..	14,875	2,254
Wine Export .. .. .	..	14	2	1	..	..
Wheat—for Stock Feed .. .. .	..	..	..	..	..	2,368
Other .. .. .	(b) 121	..	..	..	20	4
<b>Total Bounties .. .. .</b>	236	43	39	55	14,985	4,729
<b>Grand Total .. .. .</b>	236	45,882	23,108	20,683	40,537	31,341

(a) Dairy products.

(b) Includes Sulphur Bounty, £88,000.

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

Information on the functions of the several departments and the acts administered by the Ministers of the departments was published in Official Year Book No. 37, pages 276-86, and particulars of subsequent changes in departmental structure are given in later issues.

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

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

(£'000.)

Department.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Governor-General .. .. .	28	36	37	37	44	64
Parliament—						
Cost of Parliament .. .. .	279	479	521	647	833	1,062
Electoral Office .. .. .	105	151	191	288	344	341
Total .. .. .	384	630	712	935	1,177	1,403
Prime Minister—						
Department .. .. .	62	98	105	119	155	210
Audit Office .. .. .	38	147	192	210	272	289
Public Service Board .. .. .	51	153	212	289	381	405
National Library .. .. .	4	25	38	52	73	96
High Commissioner's Office—United Kingdom .. .. .	81	351	450	485	548	621
Commonwealth Grants Commission .. .. .	5	9	10	10	12	14
Office of Education .. .. .	..	148	193	226	276	200
Security Services .. .. .	..	..	13	115	208	276
Total .. .. .	241	931	1,213	1,506	1,925	2,111
External Affairs—						
Department .. .. .	20	230	238	284	380	442
Oversea representation .. .. .	..	766	689	811	965	1,160
Total .. .. .	20	996	927	1,095	1,345	1,602
Treasury—						
Department .. .. .	59	286	241	236	329	367
Taxation Branch and Boards of Review .. .. .	616	3,227	3,666	4,119	5,323	6,117
Bureau of Census and Statistics .. .. .	61	169	227	274	374	461
Commonwealth Superannuation Board .. .. .	9	20	28	38	52	73
Total .. .. .	745	3,702	4,162	4,667	6,078	7,018
Attorney-General—						
Department .. .. .	20	44	60	79	123	149
Crown Solicitor .. .. .	28	124	134	140	179	205
High Court .. .. .	34	50	53	58	69	78
Bankruptcy Administration .. .. .	44	49	54	59	79	90
Court of Conciliation and Arbitration .. .. .	24	90	118	134	139	168
Patents, Trade Marks and Designs .. .. .	71	128	145	152	197	319
Other Branches .. .. .	37	154	130	131	231	241
Total .. .. .	258	639	694	753	1,017	1,250
Interior—						
Department .. .. .	296	580	674	803	965	1,083
Meteorological Branch .. .. .	80	116	195	292	399	440
Observatory .. .. .	7	32	36	45	56	60
Forestry Branch .. .. .	10	45	51	60	79	86
Total .. .. .	393	773	956	1,200	1,499	1,669

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

Department.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.			
Works .. .. .	(a)	1,659	1,873	1,058	1,594	1,481			
Civil Aviation .. .. .	90	1,262	1,839	2,115	3,166	3,571			
Trade and Customs .. .. .	721	1,442	1,620	1,860	2,474	2,953			
Health—									
Department .. .. .	} 135	261	{ 153	209	297	353			
Quarantine .. .. .							67	143	161
Health Services .. .. .							26	190	174
Total .. .. .	135	287	410	463	727	857			
Commerce and Agriculture—									
Department .. .. .	58	223	223	240	296	333			
Inspection of goods for export .. .. .	175	349	400	446	516	582			
Commercial Intelligence Services Abroad .. .. .	47	178	192	201	241	299			
Division of Agricultural Economics and Division of Agricultural Production .. .. .	..	58	63	78	119	122			
Total .. .. .	280	808	878	965	1,172	1,336			
Social Services—Department .. .. .	139	713	945	1,249	1,686	1,974			
Supply and Shipping and Transport—									
Department .. .. .	..	796	646	766	223	161			
Marine Branch .. .. .	208	360	393	435	553	748			
Ship Construction .. .. .	..	(b)	67	71	80	85			
Total .. .. .	208	1,156	1,106	1,272	856	994			
Territories—Department .. .. .	(c)	54	74	88	127	158			
Immigration—Department .. .. .	(a)	207	396	820	888	1,230			
Labour and National Service—Department .. .. .	..	1,179	1,222	1,525	1,845	1,773			
National Development—									
Department .. .. .	..	321	288	299	437	452			
Bureau of Mineral Resources .. .. .	..	(a)	118	118	282	480			
Total .. .. .	..	321	406	417	719	932			
Commonwealth Scientific and Industrial Research Organization—Department .. .. .	195	1,521	1,757	1,930	2,477	2,895			
Total All Departments .. .. .	3,837	18,316	21,227	23,955	30,816	35,271			

(a) Included with Department of the Interior.  
(c) Included with Prime Minister's Department.

(b) Provided under War and Defence Services.

The following table gives details of miscellaneous expenditure included in the total cost of the various departments. It covers such items as interest and sinking fund payments allocated to the departments, repairs and maintenance of buildings, and special expenditure for which the Commonwealth is committed, such as contributions to international organizations, payment of Commonwealth scholarships, etc. The costs of social services, which are paid from the National Welfare Fund, are not included in this table (*see* p. 691 for this information).



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

Department.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Governor-General .. .. .	5	9	15	8	9	15
Parliament—						
Cost of elections .. .. .	3	147	3	177	210	231
Other .. .. .	58	51	56	70	86	83
Total .. .. .	61	198	59	247	296	314
Prime Minister—						
Commonwealth Scholarship Scheme and financial assistance to University students .. .. .	..	230	219	199	425	742
Australian National University .. .. .	..	50	102	216	280	450
Bush fire and flood relief, etc. .. .. .	19	..	11	101	312	43
Jubilee celebrations, 1951 .. .. .	..	..	..	..	268	91
Other .. .. .	873	646	694	712	744	748
Total .. .. .	892	926	1,026	1,228	2,029	2,074
External Affairs—						
United Nations and Allied Organizations .. .. .	(b) 46	441	580	699	701	715
Australian National Antarctic Research Expeditions .. .. .	..	255	108	84	119	145
International development and relief Contributions to other international agencies, etc. .. .. .	..	..	..	..	1,511	4,859
Total .. .. .	4	140	46	94	102	94
Total .. .. .	50	836	734	877	2,433	5,813
Treasury—						
Exchange on interest and loan management expenses .. .. .	549	399	502	505	510	473
Other .. .. .	964	1,646	1,506	1,445	1,697	2,213
Total .. .. .	1,513	2,045	2,008	1,950	2,207	2,686
Attorney-General .. .. .	24	50	51	68	79	99
Interior—						
Other departments in Canberra—Transport services, fuel, light and power; oversea publicity, etc. .. .. .	..	139	200	209	262	231
Other .. .. .	882	791	883	949	966	971
Total .. .. .	882	930	1,083	1,158	1,228	1,202
Works .. .. .	(c)	93	125	129	148	138
Civil Aviation—						
Maintenance and development of civil aviation .. .. .	162	407	667	1,441	1,767	2,526
Domestic and international air services—Mails, subsidies, etc. .. .. .	56	1,876	2,112	2,444	3,041	3,274
Meteorological maintenance services and other .. .. .	20	314	410	500	514	627
Total .. .. .	238	2,597	3,189	4,385	5,322	6,427
Trade and Customs .. .. .	117	206	207	292	207	250
Health—						
Subsidy, cattle tick control .. .. .	69	53	53	253	53	53
Miscellaneous expenditure on health .. .. .	93	169	217	241	265	295
Other .. .. .	41	72	88	77	88	100
Total .. .. .	203	294	358	571	406	448
Commerce and Agriculture—						
Dairy industry—Efficiency grant .. .. .	..	..	141	101	205	293
Wool use publicity, promotion and research .. .. .	74	547	318	341	348	341
Wheat—Contract with New Zealand .. .. .	..	2,692	3,538	..	..	..
Other .. .. .	630	977	280	293	375	360
Total .. .. .	704	4,216	4,277	735	868	994

For footnotes see next page.

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

	(£'000.)					
Department.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Social Services—						
Compassionate allowances, etc. . . . .	} 186	{ 48	53	54	76	87
Other . . . . .		40	75	54	64	73
Total . . . . .	186	88	128	108	140	160
Supply and Shipping and Transport—						
Joint Coal Board . . . . .	..	866	284	724	636	716
Australian Shipping Board, shipping subsidies, etc. . . . .	..	2,927	1,939	626	86	185
Storage services . . . . .	..	(d)	572	977	285	(d)
Other . . . . .	7	83	79	67	51	92
Total . . . . .	7	3,876	2,874	2,394	1,058	993
Territories . . . . .	(e)	1	1	3	2	2
Immigration—						
Assisted migration . . . . .	(e)	1,123	2,784	6,647	8,110	8,892
Other migration activities . . . . .	(e)	74	404	2,257	3,708	3,365
Other . . . . .	(e)	7	5	77	264	283
Total . . . . .	(e)	1,204	3,193	8,981	12,082	12,540
Labour and National Service—						
Stevedoring Industry Board . . . . .	..	260	670	499	421	551
Hostels Trust Account—Working advance . . . . .	..	..	21	126	55	25
Other . . . . .	..	98	85	125	92	83
Total . . . . .	..	358	776	750	568	659
National Development . . . . .	..	32	31	25	52	259
Commonwealth Scientific and Industrial Research Organization—						
Miscellaneous grants to scientific bodies . . . . .	28	58	68	65	69	83
Other . . . . .	..	..	..	12	20	25
Total . . . . .	28	58	68	77	89	108
<b>Total, All Departments . . . . .</b>	<b>4,910</b>	<b>18,017</b>	<b>20,203</b>	<b>23,986</b>	<b>29,223</b>	<b>35,181</b>

(a) Includes rent, repairs and maintenance, interest and sinking fund payments, pension and superannuation contributions. (b) League of Nations. (c) Included with Department of the Interior. (d) Provided under War or Defence Services. (e) Included with Prime Minister's Department.

6. **National Welfare Fund.**—The National Welfare Fund was established for the purpose of providing a fund for the payment of Commonwealth social services benefits. During the years 1947-48 to 1949-50 an amount equivalent to the total collections of pay-roll tax and social services contribution was paid to the fund from Consolidated Revenue. During 1950-51 the social services contribution was amalgamated with the normal income tax and it became necessary to base the contributions on another formula. For the year 1950-51 the amount paid to the fund was the total of collections of pay-roll tax and social services contribution and £30,000,000. In 1951-52 the amount paid to the fund was the amount paid in 1950-51 increased in the same proportion as collections of pay-roll tax increase over the collections of pay-roll tax in 1950-51. By an amendment to the National Welfare Fund Act 1943-1950, the amount to be paid to the fund in 1952-53 and subsequent years was changed to the amount of moneys paid out of the fund. In addition to these payments from Consolidated Revenue the fund received a small amount of interest from investments of the fund.

In the following table details are given of the income and expenditure of the National Welfare Fund and the balance in the fund at the end of each year for the years 1947-48 to 1951-52. A dissection of expenditure into the various types of benefits is given in Chapter XIV.—Welfare Services (*see* page 540).

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

Year.	Income.			Expenditure.	Balance in Fund at end of Year.
	Contribution from Consolidated Revenue.	Interest on Investments.	Total.		
1947-48 .. .. .	88,043	503	88,546	68,613	69,927
1948-49 .. .. .	110,058	672	110,730	80,777	99,880
1949-50 .. .. .	123,288	751	124,039	92,804	131,115
1950-51 .. .. .	132,680	985	133,665	114,983	149,797
1951-52 .. .. .	171,709	1,129	172,838	137,608	185,027

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

8. **Business Undertakings.**—(i) *Postmaster-General's Department.* From the beginning of 1949-50, Broadcasting Services were separated from the Postmaster-General's Department. In years prior to 1949-50 part of the expenditure on these services is included with the Postmaster-General's Department. Details of the expenditure of this Department for the years 1938-39 and 1947-48 to 1951-52 are given in the following table :—

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

Item.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Salaries, stores and materials, mail, engineering services, etc.	11,473	27,923	34,302	39,902	49,653	58,661
Audit (proportion) .. .. .	12	13	13	17	17	25
Pensions and Retiring Allowances .. .. .	75	28	27	23	20	20
Superannuation .. .. .	317	575	614	642	775	1,041
Rents, repairs, etc. .. .. .	114	336	461	599	733	850
Interest .. .. .	1,399	984	924	864	758	744
Sinking Fund .. .. .	1,129	1,858	1,950	2,048	2,150	2,257
Exchange on Interest Payments	359	396	378	417	696	693
Loans, Redemption and Conversion expenses .. .. .	..	58	..	..	..	..
<b>Total Working, etc., expenses .. .. .</b>	<b>14,878</b>	<b>32,171</b>	<b>38,669</b>	<b>44,512</b>	<b>54,802</b>	<b>64,291</b>
<b>Capital Works and Services .. .. .</b>	<b>3,851</b>	<b>8,260</b>	<b>14,770</b>	<b>19,792</b>	<b>34,897</b>	<b>28,819</b>
<b>Grand Total .. .. .</b>	<b>18,729</b>	<b>40,431</b>	<b>53,439</b>	<b>64,304</b>	<b>89,699</b>	<b>93,110</b>

Further details of expenditure for 1950-51 on account of the Postmaster-General's Department appear in Chapter V.—Transport and Communication (Division I, Posts, Telegraphs, Telephones and Wireless).

(ii) *Broadcasting Services.* Since 1949-50 all expenditure on broadcasting services has been brought together in one section. Previously these services had been financed partly by the Postmaster-General's Department and partly from the Wireless Broadcasting Trust Account. Details of expenditure for the years 1949-50 to 1951-52 are shown in the following table :—

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

Item.	1949-50.	1950-51.	1951-52.
Australian Broadcasting Control Board .. .. .	37	59	61
Australian Broadcasting Commission—Salaries, general and programme expenses .. .. .	1,539	2,010	2,254
Technical and other Services—Postmaster-General	1,290	1,509	1,807
Repairs and maintenance .. .. .	6	12	11
Audit (proportion) .. .. .	..	1	2
<b>Total Working, etc., expenses .. .. .</b>	<b>2,872</b>	<b>3,591</b>	<b>4,135</b>
<b>Capital Works and Services .. .. .</b>	<b>157</b>	<b>212</b>	<b>251</b>
<b>Grand Total .. .. .</b>	<b>3,029</b>	<b>3,803</b>	<b>4,386</b>

(iii) *Railways.* The Commonwealth Railways, previously administered by the Department of the Interior, were transferred in March, 1950 to the newly-formed Department of Fuel, Shipping and Transport (later Shipping and Transport). The expenditure on railways for the years 1938-39 and 1947-48 to 1951-52 is shown below.

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

Item.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
<b>Working expenses—</b>						
Trans-Australian .. .. .	494	900	1,055	1,165	1,457	1,540
North Australia .. .. .	55	56	55	74	69	91
Central Australia .. .. .	214	486	657	728	867	1,178
Aust. Capital Territory .. .. .	7	15	18	19	26	37
Interest .. .. .	392	320	313	301	298	294
Sinking Fund .. .. .	75	116	122	128	135	141
Exchange on Interest Pay- ments .. .. .	63	70	67	74	122	121
Contribution to South Aus- tralia (Port Augusta—Port Pirie Railway) .. .. .	20	20	20	20	20	20
Superannuation .. .. .	14	28	27	28	34	43
Freight concessions—North Australia and Central Australia Railways .. .. .	..	..	204	196	297	513
Miscellaneous .. .. .	17	(a) 78	(a) 56	(a) 59	56	47
<b>Total Working, etc., ex-   penses .. .. .</b>	<b>1,351</b>	<b>2,089</b>	<b>2,594</b>	<b>2,792</b>	<b>3,381</b>	<b>4,025</b>
<b>Capital Works and Services .. .. .</b>	<b>142</b>	<b>148</b>	<b>223</b>	<b>482</b>	<b>1,461</b>	<b>2,637</b>
<b>Grand Total .. .. .</b>	<b>1,493</b>	<b>2,237</b>	<b>2,817</b>	<b>3,274</b>	<b>4,842</b>	<b>6,662</b>

(a) Includes loans, redemption and conversion expenses, 1947-48, £20,000; 1948-49, £1,000; 1949-50, £7,000.

Additional details of the financial operations of the Commonwealth Railways to 1950-51 are given in Chapter V.—Transport and Communication (Division B, Government Railways).

9. Territories.—The following table shows the expenditure on account of Commonwealth Territories for the years 1938-39 and 1947-48 to 1951-52. The Australian Capital Territory is administered by the Department of the Interior, and the Department of Territories controls the external territories and the Northern Territory. The expenditure has been grouped in one table for convenience. Information in greater detail will be found in the *Finance Bulletins* issued by this Bureau.

## COMMONWEALTH TERRITORIES : EXPENDITURE.

( £'000.)

Territory.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
<b>Administrative and Maintenance of Services—</b>						
Australian Capital(a) ..	637	1,046	1,240	1,519	1,924	2,157
Northern (a) .. ..	493	861	1,105	1,422	1,814	2,041
Papua .. ..	49	} 2,278	3,418	4,348	4,518	5,532
New Guinea .. ..	6					
Norfolk Island .. ..	5	4	5	5	4	16
<b>Total .. ..</b>	<b>1,100</b>	<b>4,189</b>	<b>5,768</b>	<b>7,294</b>	<b>8,260</b>	<b>9,746</b>
<b>Capital Works and Services—</b>						
Australian Capital(a) ..	244	1,082	1,833	2,426	3,713	3,851
Northern(a) .. ..	495	365	633	707	1,361	1,281
Papua(b) .. ..	..	} ..	162	28	11	21
New Guinea .. ..	..					
<b>Total .. ..</b>	<b>739</b>	<b>1,447</b>	<b>2,628</b>	<b>3,161</b>	<b>5,085</b>	<b>5,153</b>

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

(b) Excludes developmental expenditure.

10. Capital Works and Services.—In the following table details are given of Commonwealth expenditure on capital works and services during each of the years 1938-39 and 1947-48 to 1951-52 and of the aggregate to 30th June, 1952. The table covers all expenditure on capital works and services made from the Consolidated Revenue Fund, the Loan Fund and Trust Funds.

## COMMONWEALTH EXPENDITURE ON CAPITAL WORKS AND SERVICES FROM REVENUE, TRUST AND LOAN FUNDS.

( £'000.)

Particulars.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.	1901-2 to 1951- 52— Total(a)
<b>Defence and War—</b>							
Navy .. ..	2,076	302	768	4,240	4,262	6,415	52,789
Army .. ..	1,547	191	249	1,154	7,153	18,410	94,884
Air Force .. ..	1,538	185	323	2,266	1,592	3,883	56,851
Munitions and other .. ..	1,173	2,309	4,205	4,786	62,055	16,434	180,932
Civil Aviation .. ..	419	3,541	2,607	3,805	4,845	6,424	29,973
Ships—Construction and purchase	300	1,083	294	2,000	1,462	2,413	32,782
Docks, yards and equipment ..	..	309	198	78	95	..	13,605
Lighthouses .. ..	2	16	22	49	50	81	1,894
Snowy Mountains Authority ..	..	..	..	2,497	6,077	10,393	18,967
Health .. ..	35	12	16	477	679	1,224	3,374
Commonwealth Scientific and Industrial Research Organization ..	..	106	81	88	145	260	816

For footnotes see next page.

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

Particulars.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.	1901-2 to 1951- 52— Total.(a)
War Service Homes .. ..	105	5,908	8,396	14,551	24,011	27,590	105,114
Immigration .. ..	..	18	2,744	7,304	7,168	7,243	26,161
Postmaster-General's Department ..	3,774	8,218	14,753	19,560	34,739	28,818	203,243
Broadcasting Services .. ..	..	..	..	157	211	251	619
Railways—							
Commonwealth .. ..	142	298	224	481	1,459	2,634	19,719
Other .. ..	..	22	13	13	1	1,074	3,616
Locomotives and rolling-stock .. ..	..	..	..	..	..	..	2,333
Coal Industry Act 1946 .. ..	..	..	1,650	4,232	3,000	4,100	12,982
Christmas Island Phosphate Co.—							
Acquisition of assets .. ..	..	..	1,724	..	156	..	1,880
Territories—							
Australian Capital Territory .. ..	488	1,076	1,844	2,418	3,697	3,851	26,053
Northern Territory .. ..	244	407	649	708	1,361	1,281	7,549
Papua-New Guinea .. ..	..	..	162	28	11	20	400
Norfolk Island .. ..	..	..	..	..	..	..	2
Subscriptions to Capital—							
Commonwealth Oil Refineries Ltd.	..	..	..	..	..	..	425
National Oil Pty. Ltd. .. ..	..	..	..	225	..	..	225
Amalgamated Wireless (Austral- asia) Ltd. .. ..	75	..	156	..	158	..	814
Qantas Empire Airways Ltd. .. ..	..	2,455	900	200	377	..	4,347
British Commonwealth Pacific Air- lines Ltd. .. ..	..	500	500	..	..	..	1,000
Commonwealth Engineering Co. Ltd. .. ..	..	..	..	102	..	..	202
New Guinea Resources Prospecting Co. Ltd. .. ..	..	..	..	..	13	13	26
Advances—							
Australian National Airlines Com- mission .. ..	..	1,500	700	..	..	..	4,370
Aluminium Production Commission Overseas .. ..	..	30	126	125	300	2,039	2,664
Commission .. ..	..	..	..	225	..	..	1,650
Beaufort Homes .. ..	..	300	..	..	..	..	391
Glen Davis Shale Oil Project .. ..	..	..	186	208	177	350	921
All other works, buildings, etc. ..	241	1,641	2,152	4,705	7,321	10,527	(c) 39,039
<b>Total .. ..</b>	<b>11,559</b>	<b>30,427</b>	<b>45,642</b>	<b>76,682</b>	<b>173,475</b>	<b>155,728</b>	<b>952,612</b>
Source of Funds—							
Consolidated Revenue Fund .. ..	6,715	28,789	45,372	76,697	148,593	155,733	(d)
Loan Fund .. ..	1,598	179	12	15	24,882	5	(d)
Trust Funds (e) .. ..	3,246	2	..	..	..	..	(d)
Disposals Commission (f) .. ..	..	1,815	282	..	..	..	(d)
<b>Total .. ..</b>	<b>11,559</b>	<b>30,427</b>	<b>45,642</b>	<b>76,682</b>	<b>173,475</b>	<b>155,728</b>	<b>952,612</b>

(a) Includes properties transferred from the States. (b) Includes Strategic Stores and Equipment Reserve, 1950-51, £37,048,000; 1951-52, £10,049,000. (c) Includes River Murray Waters Act:—Works, £3,101,000; War Memorial, Canberra, £292,000; Solar Observatory, Mount Stromlo, £184,000; Forestry School, Canberra, £36,000. (d) Not available. (e) From excess receipts of previous years and National Defence Contribution Trust Account. (f) Surplus buildings, equipment, etc., taken over from Disposals Commission.

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

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

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

In addition, the Commonwealth agreed to pay to the National Debt Sinking Fund for redemption of State Debts the following amounts:—(a) an annual contribution of 2s. 6d. per cent. of the net public debt of the States at 30th June, 1927 for a period of 58 years from 1st July, 1927 (in respect of New South Wales net public debt from 1st July, 1928); (b) an annual contribution of 5s. per cent. on new borrowings (except those for redemption, conversion or funding a State deficit) after 1st July, 1927 for a period of 53 years from the date of raising; (c) an annual contribution of 5s. per cent. on loans raised to meet revenue deficits occurring between 1st July, 1927 and 30th June, 1935 for a period of 39 years from 1st July, 1944.

(iii) *Special Grants.* The Constitution provides in Section 96 for the granting of special financial assistance to the States. Western Australia has received financial assistance each year since 1910-11. In 1912 a grant was made to Tasmania, the amount payable in the first year, 1912-13, being £95,000, which was to be progressively reduced by £10,000 in each successive year. The Tasmania Grant Act 1913 provided for an addition to this grant, bringing the amount payable to £85,000 per annum to the year 1921-22, after which annual grants of varying magnitude were made. South Australia received £360,000 in 1929-30 and further grants in each successive year.

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

Applications have been received from South Australia, Western Australia and Tasmania during each year from 1933 and the recommendations of the Commission in respect of the years 1938-39 and 1948-49 to 1952-53 are shown in the following table. Commencing with 1949-50 the Commission has divided the grants recommended into two parts. One part is the Commission's estimate of the indispensable need of the claimant State for the year in which the payment is to be made after allowing a sufficient margin for safety. The other part is an adjustment of this estimate for an earlier year after an examination of the audited accounts for that year. Thus the grants for 1952-53 include an estimate of the indispensable need of the claimant State for 1952-53 and an adjustment to the estimated grant for 1950-51.

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

State, etc.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
South Australia—						
Estimated grant ..	1,040	1,194	3,850	4,570	4,250	6,600
Adjustment to estimated grants of previous years ..	..	(a) 1,656	(b) 324	(c) 762	(d) 308	(e) -257
Net grant recommended ..	1,040	2,850	4,174	5,332	4,558	6,343
Western Australia—						
Estimated grant ..	570	1,389	4,850	4,750	5,000	8,200
Adjustment to estimated grants of previous years ..	..	(a) 2,211	(b) 768	(c) 1,089	(d) 88	(e) -159
Net grant recommended ..	570	3,600	5,618	5,839	5,088	8,041
Tasmania—						
Estimated grant ..	410	283	1,000	1,100	750	1,550
Adjustment to estimated grants of previous years ..	..	(a) 717	(b) 262	(c) -96	(d) 126	(e) ..
Net grant recommended ..	410	1,000	1,262	1,004	876	1,550
Grand Total ..	2,020	7,450	11,054	12,175	10,522	15,934

(a) Of 1946-47.

(b) Of 1947-48.

(c) Of 1948-49.

(d) Of 1949-50.

(e) Of 1950-51.

(iv) *Tax Reimbursement Grants.* Details of the States Grants (Income Tax Reimbursement) Act 1942 and the States Grants (Entertainments Tax Reimbursement) Act 1942 are given in earlier issues of the Official Year Book (*see No. 37, pages 635 to 637*). These Acts provided for grants to the States as compensation for vacating the fields of Income Tax and Entertainments Tax. Grants under these Acts ceased after 1945-46 and were replaced by grants under the States Grants (Tax Reimbursement) Act 1946-1948. This Act provided for the following reimbursement grants to be paid to the States, the figures shown relating to 1946-47 and 1947-48 respectively:—New South Wales, £16,477,000, £18,536,625; Victoria, £8,860,000, £9,967,500; Queensland, £6,601,000, £7,426,125; South Australia, £3,458,000, £3,890,250; Western Australia, £3,384,000, £3,807,000; Tasmania, £1,220,000, £1,372,500; Total, £40,000,000, £45,000,000.

For 1948-49 and subsequent years an amount is to be determined by increasing the aggregate grants paid in 1947-48 (£45,000,000) by the same proportion as the aggregate population of the six States at the beginning of the financial year increases over the aggregate population of the six States at 1st July, 1947. This amount is to be further increased by a percentage equal to the percentage increase in average wages per person employed in the financial year preceding the year in which the reimbursement grants are to be paid over the average wages per person employed in 1945-46. The amount so determined will be the aggregate of the reimbursement grants and is to be distributed to the States in the following proportions:—

- (i) 1948-49 to 1956-57:—(a) The following percentages of the grant shall be distributed in the proportion indicated by the distribution of the aggregate reimbursement grant in 1946-47 and 1947-48, viz.:—1948-49, 90 per cent.; 1949-50, 80 per cent.; and thus decreasing by 10 per cent. each year to 10 per cent. in 1956-57, and (b) the remainder in the proportion indicated by the "adjusted" population\* for each State.
- (ii) 1957-58 and subsequent years:—the proportion indicated by the "adjusted" population for each State.

It is provided that, if the application of the foregoing formula for distribution of the aggregate grants causes the amount of the reimbursement grant for any State to fall below the grant for 1946-47, the grant payable will be the same as that for 1946-47 and the balance of the aggregate grant is to be distributed between the remaining States in the proportions above:

An amount equal to arrears of State income taxes collected by the States in any year is to be deducted from the reimbursement grants for that year. The aggregate amount so deducted less any refunds of State income taxes made by the Commonwealth is to be repaid in the event of uniform taxation ceasing to operate. This amount bore interest at 3 per cent. up to 30th June, 1946, but thereafter, under the new arrangement, will bear no interest. The payment of the tax reimbursement grant in any year to any State is subject to the condition that that State does not impose a tax on incomes in that year.

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

(v) *Additional Financial Assistance, 1949-50 to 1951-52.*—(a) *Coal Strike Emergency Grant.* During 1949-50 State business undertakings suffered considerable losses as a result of the coal strike. Towards meeting these losses the Commonwealth made grants totalling £8,000,000 to the States. The amounts paid to each State were:—New South Wales, £3,261,000; Victoria, £1,830,000; Queensland, £1,309,000; South Australia, £687,000; Western Australia, £661,000; and Tasmania, £252,000.

(b) *Special Financial Assistance Grants.* During 1950-51 there were heavy additions to the financial needs of the States and in June, 1951 a special grant of £15,000,000 was made. The amounts granted to each State were—New South Wales, £6,250,000; Victoria, £4,750,000; Queensland, £2,000,000; South Australia, £800,000; Western Australia, £1,000,000; and Tasmania, £200,000.

\* In the "adjusted" population, allowances are made for differences in the proportion of school children in the population and the density of the population in each State.



Again in 1951-52 payments were made to the States under a Special Financial Assistance Act. The total amount of £33,577,000 was distributed as follows:—New South Wales, £13,074,000; Victoria, £9,124,000; Queensland, £5,005,000; South Australia, £2,790,000; Western Australia, £2,390,000; and Tasmania, £1,194,000.

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

(b) *Commonwealth Aid Roads.* On the expiration of the Commonwealth Aid Roads and Works Act 1947-1949 the Commonwealth Aid Roads Act 1950 provided, for a period of five years from 1st July, 1950, an amount equivalent to the sum of (i) 6d. per gallon of customs duty and (ii) 3½d. per gallon of excise duty collected on petroleum and shale products as specified in Customs Tariff Item 229C and Excise Tariff Item 11 (excluding such products used in civil aircraft). Out of this amount the following grants are to be made to the States for construction and maintenance of roads and the purchase of road-making plant:—

- (a) Sixty-five per cent. of the amount, less £600,000, per annum, for expenditure on roads, and
- (b) Thirty-five per cent. of the amount for expenditure on roads in rural areas other than highways, trunk or main roads.

Of the former amount, one-sixth may be spent on other works connected with transport by road or water. Five per cent. of the grants to the States is payable to Tasmania. Fifty-seven per cent. is to be divided between the other States in proportion to their populations at 30th June, 1947, and 38 per cent. according to area. In addition, the Commonwealth may spend each year £500,000 on strategic roads and £100,000 on the promotion of road safety practices.

(vii) *Other Payments.* (a) *Price Control Reimbursement.* These grants are made each year to reimburse the States for expenditure incurred in administering prices, rents and land sales controls.

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

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

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

(e) *Encouragement of Meat Production.* To develop meat production in Queensland and Western Australia grants are made to these States for the provision of improved roads and other facilities for the movement of live-stock. Provision is made for the Commonwealth to meet the cost of the construction and improvement of certain

specified roads in both States and the construction of eight cattle loading and unloading points in Queensland. Provision is also made for the Commonwealth to meet half the cost of improving watering facilities on specified stock routes in both States. The amount of the grants for improving watering facilities on stock routes is limited to £75,000 in Queensland and £31,500 in Western Australia.

(f) *Assistance to Universities.* The States Grants (Universities) Act 1951, provides for grants to be made to the States for the purpose of financial assistance to Universities during the three years 1950-51 to 1952-53.

(viii) *Amounts Paid.* (a) *Year 1951-52.* The following table shows particulars of the amounts paid to each of the States as grants for the several purposes referred to in the preceding paragraphs.

**COMMONWEALTH PAYMENTS TO OR FOR THE STATES, 1951-52.(a)**  
(£'000.)

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	Total.
Interest on States' Debts ..	2,918	2,127	1,096	704	473	267	7,585
Sinking Fund on States' Debts (b) ..	980	528	334	316	273	126	2,557
Special Grants ..	..	..	..	4,558	5,088	876	10,522
Tax Reimbursement Grants	34,745	20,347	13,962	7,409	7,000	2,805	86,268
Special Financial Assistance	13,074	9,124	5,005	2,790	2,390	1,194	33,577
Commonwealth Aid Roads(c)	4,130	2,549	2,812	1,611	2,812	733	14,647
Price Control Reimbursement ..	400	220	91	90	88	48	937
Western Australian Waterworks Grant ..	..	..	..	..	289	..	289
Coal Mining Industry—Long Service Leave ..	394	1	72	..	25	7	499
Imported Houses—Grants ..	..	1,030	419	173	166	..	1,788
Encouragement of Meat Production ..	..	..	105	..	100	..	205
Grants to Universities ..	523	406	187	168	131	58	1,473
<b>Total ..</b>	<b>57,164</b>	<b>36,332</b>	<b>24,083</b>	<b>17,819</b>	<b>18,835</b>	<b>6,114</b>	<b>160,347</b>

(a) Excludes relief to primary producers and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Paid to Trust Fund; excludes £600,000 for road safety practices and Commonwealth strategic roads.

(b) 1938-39 and 1947-48 to 1951-52. The following table shows particulars of payments by the Commonwealth to or on behalf of the States during each of these years.

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

Particulars.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Financial Agreement—						
Interest on States' Debts ..	7,585	7,585	7,585	7,585	7,585	7,585
Sinking Fund on States' Debts (b) ..	1,478	1,732	1,852	2,005	2,241	2,557
Special Grants ..	2,020	6,042	7,450	11,054	12,175	10,522
Tax Reimbursement—						
Grants ..	..	44,588	53,488	62,271	70,107	86,268
Additional Grants ..	..	..	..	..	5,000	..
Special Financial Assistance ..	..	..	..	..	15,000	33,577
Coal Strike Emergency Grant ..	..	..	..	8,000	..	..
Price Control Reimbursement ..	..	..	597	706	704	937
Grants for Road Construction, etc. (c)	4,266	6,707	7,631	9,267	14,143	15,247
Local Public Works—Interest and Sinking Fund ..	100	..	..	..	..	..
Youth Employment ..	200	..	..	..	..	..
Western Australian Waterworks ..	..	..	..	37	218	289
Coal Mining Industry—Long Service Leave ..	..	..	..	207	374	499
Imported Houses—Grants ..	..	..	..	..	170	1,788
Encouragement of Meat Production ..	..	..	..	..	315	205
Assistance to Universities ..	..	..	..	..	..	1,473
Interest on Loans for Drought Relief ..	..	6	1	..	..	..
<b>Total ..</b>	<b>15,649</b>	<b>66,660</b>	<b>78,604</b>	<b>101,132</b>	<b>128,032</b>	<b>160,947</b>

(a) Excludes relief to primary producers and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Includes payments for road safety practices and Commonwealth strategic roads not included in the preceding table.

Since Federation to 30th June, 1952 an aggregate amount of more than £1,175 million has been paid by the Commonwealth Government to or on behalf of the States. Of this, New South Wales' share was £418 million, Victoria's £259 million, Queensland's £169 million, South Australia's £138 million, Western Australia's £138 million and Tasmania's £53 million. About £74 million was paid to the States from 1900-01 to 1909-10 under section 87 of the Constitution, £109 million from 1910-11 to 1926-27 under the Surplus Revenue Acts, and £227 million from 1927-28 to 1951-52 under the Financial Agreement. Special grants to the States of South Australia, Western Australia and Tasmania have amounted to £95 million, tax reimbursement grants under the various Acts to £491 million, and grants for road construction to £108 million.

For further particulars of the total amounts paid to the several States since Federation see *Finance Bulletin* No. 43 published by this Bureau.

Particulars of special Commonwealth grants for the relief of primary producers are not included in the foregoing tables. For details see Chapter XX.—Agricultural Production. See also para. 4. Subsidies and Bounties and para. 12.—Primary Production—Self-balancing Items of this Division.

12. **Primary Production—Self-balancing Items.**—Expenditure under this item represents the proceeds of certain taxes on primary products or profits from marketing schemes which have been paid to trust funds for the purpose of price stabilization and other assistance schemes, or for distribution to producers. Details of expenditure from the trust funds are given in § 3. Commonwealth Trust Funds. Information relating to the taxes levied is given in Division II.—Revenue of this section (see pages 675, 676 and 679) and details of the price stabilization and other assistance schemes may be found in Chapter XX.—Agricultural Production. Details of expenditure from the Consolidated Revenue Fund during the last five years are given in the following table.

**PRIMARY PRODUCTION—SELF-BALANCING ITEMS: RECEIPTS AND EXPENDITURE FROM COMMONWEALTH CONSOLIDATED REVENUE FUND.**  
(£'000.)

Receipts From—	Expenditure on—	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Flour Tax .. .. .	Wheat Industry—Assistance (a) .. .. .	985	1	..	..	..
Wheat Export Charge and Wheat Tax .. .. .	Wheat Industry Stabilization (b) .. .. .	5,730	18,086	12,634	13,353	12,202
Wool Contributory Charge	Wool Use Promotion and Disposals Plan .. .. .	1,424	1,029	1,439	1,654	486
Wool Committee Operations Surplus	Wool Reserve Prices Fund .. .. .	..	..	..	43,190	1,744
Eggs—War-time Control Surplus Funds .. .. .	Wool Industry Assistance .. .. .	125	103	..	..	..
	Eggs—War-time Control—Distribution of surplus .. .. .	650	110	..	..	..
Total .. .. .		8,914	19,329	14,073	58,197	14,432

(a) Paid to Wheat Industry Stabilization Fund.

(b) Paid to Wheat Prices Stabilization Fund.

### § 3. Commonwealth Trust Funds.

1 Receipts, Expenditure and Balances, 1951-52.—The following table shows the opening and closing balances, and receipts and expenditure of some of the more important Trust Funds of the Commonwealth for the year ended 30th June, 1952.

COMMONWEALTH TRUST FUNDS : RECEIPTS, EXPENDITURE AND BALANCES,  
1951-52.  
(£'000.)

Fund.	Balance at 30th June, 1951.	Year ended 30th June, 1952.		Balance at 30th June, 1952.
		Receipts.	Expenditure.	
Aluminium Production .. ..	45	2,739	2,710	74
Australian New Guinea Production ..	1,512	6,711	6,799	1,424
Citizens' National Emergency Loans ..	95	..	53	42
Coal Mining Industry Long Service Leave .. .. .	539	513	94	958
Coinage .. .. .	3,891	3,253	3,253	3,891
Commonwealth Aid Roads .. .. .	1,699	15,247	15,427	1,519
Commonwealth Aid Roads and Works ..	1	..	..	1
Defence Forces Retirement Benefits ..	3,167	1,422	478	4,111
Diverted Cargoes .. .. .	114	..	35	79
Enemy Subjects .. .. .	1,128	78	32	1,174
Flax Production .. .. .	252	490	424	318
Import Procurement Suspense .. .. .	452	103	71	484
Insurance Deposits .. .. .	3,064	133	..	3,197
International Development and Relief International Post-war Relief and Re- habilitation .. .. .	..	4,630	3,643	987
.. .. .	698	(a) —112	367	219
Lend-Lease Settlement .. .. .	1,845	14	68	1,791
Liquid Fuel Equalization .. .. .	930	..	..	930
National Debt Sinking .. .. .	10,282	161,401	36,425	135,258
National Welfare .. .. .	149,797	172,838	137,608	185,027
Parliamentary Retiring Allowances ..	55	42	15	82
Public Trustee and Custodian .. .. .	1,912	238	9	2,141
Strategic Stores and Equipment Reserve	48,010	10,049	7,867	50,192
Superannuation .. .. .	22,239	6,446	2,948	25,737
Temple Society .. .. .	448	310	37	721
War Damage .. .. .	161	41	110	92
War Gratuity .. .. .	5,934	..	1,389	4,545
War Service Homes .. .. .	..	28,238	28,238	..
War Service Homes—Insurance .. .. .	543	44	54	533
Wheat Industry Stabilization .. .. .	309	..	5	304
Wheat Prices Stabilization .. .. .	28,178	12,749	13,003	27,924
Wine Industry Assistance .. .. .	500	..	..	500
Wool Contributory Charge .. .. .	4,007	486	341	4,152
Wool Industry .. .. .	7,828	219	559	7,488
Wool Research .. .. .	812	341	421	732
Wool (Reserve Prices) .. .. .	43,283	1,881	45,050	114
Other .. .. .	19,321	(b) 294,738	291,071	22,988
Total .. .. .	363,051	725,282	598,604	489,729

(a) Represents transfer of receipts to International Development and Relief Fund. (b) Includes surplus balances transferred to Consolidated Revenue Fund, £179,000. These items have been treated as reductions of receipts.

2. Summary, 1938-39 and 1947-48 to 1951-52.—In the following table the balances and total receipts and expenditure of the Trust Funds are shown for each of these years.

COMMONWEALTH TRUST FUNDS.  
(£'000.)

Heading.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Balance brought forward .. .. .	25,609	171,135	196,478	245,194	278,647	363,051
Receipts .. .. .	84,167	301,981	379,294	410,174	622,435	725,282
Expenditure .. .. .	85,550	276,638	330,578	376,721	538,031	598,604
Balance carried forward .. .. .	24,226	196,478	245,194	278,647	363,051	489,729

### § 4. Commonwealth Loan Fund.

Brief historical notes relating to the Commonwealth Loan Fund are given in earlier issues of the Official Year Book (*see* No. 37, page 640). In the following table details are given of the net expenditure from the Commonwealth Loan Fund for the years 1938-39 and 1947-48 to 1951-52 and of the aggregate expenditure to 30th June, 1952. The figures shown represent "net" loan expenditure, i.e., after adjustments have been made on account of amounts expended in earlier years.

#### COMMONWEALTH NET EXPENDITURE FROM LOAN FUND.

(£.)

Particulars.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.	Total to 30th June, 1952.
War (1914-18) and Repatriation Services .. .. .	..	..	..	..	..	..	372,989,867
Defence, War (1939-45) and Repatriation Services .. .. .	..	..	-18,733,000 (a)	25,483,273	28,773,061 (b)	5,119,982 (b)	1,618,806,094
Capital Works and Services—							
Defence .. .. .	1,912,284	..	..	..	-11,884	..	(c) 8,682,064
Civil Aviation, Buildings and Works .. .. .	..	..	..	..	..	..	213,086
Ships, Yards and Docks .. .. .	-305,351	-164,943	-3,624	..	..	..	7,694,461
Lighthouses, Works and Services .. .. .	-1,000	..	..	..	..	..	634,490
River Murray Waters Act .. .. .	..	..	..	..	..	..	2,105,625
Postmaster-General's Department—							
Telegraph and Telephone Construction .. .. .	..	..	..	..	..	..	36,057,558
Buildings, Works, Sites, etc. .. .. .	-1,290	-1,349	-1,023	-7,409	-797	-827	4,067,991
Subscription to Capital of Amalgamated Wireless Ltd. .. .. .	..	..	..	..	..	..	300,000
Radio Stations and Equipment .. .. .	..	..	..	..	..	..	104,538
Serum and Health Laboratories .. .. .	..	..	..	..	..	..	80,149
Other Health Buildings and Services .. .. .	..	..	..	..	..	..	21,864
Repatriation Buildings, etc. .. .. .	..	..	..	..	..	..	47,026
War Service Homes (d) .. .. .	..	..	..	..	..	..	7,329,523
Railways .. .. .	-339	-4,519	-1,026	-995	-1,118	-3,005	13,755,113
Territories (e) .. .. .	-6,768	-8,644	-6,105	-7,384	-16,006	-971	8,744,153
Immigration .. .. .	..	..	..	..	..	..	1,680,834
Other .. .. .	..	..	..	..	..	..	1,381,094
Other Purposes—							
Assistance to States—							
Unemployment Relief .. .. .	-3,822	..	..	..	..	..	2,667,020
Mining .. .. .	..	..	..	..	..	..	283,750
Forestry .. .. .	..	..	..	..	..	..	322,000
Farmers' Debt Adjustment .. .. .	2,000,000	..	..	..	..	..	7,967,000
Roads .. .. .	..	..	..	..	..	..	249,686
Wire and Wire Netting .. .. .	..	..	..	..	..	..	608,849
Drought Relief .. .. .	..	..	..	..	..	..	1,844,205
Housing .. .. .	..	13,305,000	14,492,000	17,215,000	21,640,000	26,547,000	111,009,000
Wheat Bounty .. .. .	..	..	..	..	..	..	3,429,571
Total Capital Works and Services and Other Purposes .. .. .	3,593,714	13,125,545	14,480,222	17,199,212	21,610,195	26,542,197	221,280,650
International Bank Dollar Loan(f) .. .. .	..	..	..	..	4,043,785	23,830,838	27,874,623
<b>GRAND TOTAL</b> .. .. .	<b>3,593,714</b>	<b>13,125,545</b>	<b>-4,252,778</b>	<b>42,682,485</b>	<b>54,427,041</b>	<b>55,493,017</b>	<b>2,240,951,234</b>

(a) Repayment of surplus balances of Defence Trust Accounts. (b) Comprises expenditure under War Service Homes Acts 1914-1949—(1950-51, £24,911,484) and financial assistance to the States in connexion with War Service Land Settlement—1950-51, £3,861,577; 1951-52, £5,119,982. (c) Excludes amounts charged to War Loan Fund. (d) In addition, £13,045,408 was expended from War Loan Fund prior to 1923-24. (e) Includes Administration and other Public Buildings, Australian Capital Territory. (f) Payment to National Debt Sinking Fund. See pages 734 and 735.

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

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

**B. STATE FINANCE.****§ 1. General.**

1. **Functions of State Governments.**—In comparing the financial returns of the States, allowances must be made for the various functions discharged by the respective Governments, and for local conditions in each case. Direct comparisons of the revenue, expenditure and debt of the individual States are difficult, owing to the fact that functions which in one State are assumed by the Central Government are in another relegated to municipal or semi-governmental bodies which are vested with certain defined borrowing powers and whose financial transactions are not included with those of the Central Government. Care, therefore, is needed in making comparisons, and the particulars contained in this Chapter should be read with those contained in Chapter XV.—Local Government. In many respects, moreover, the budgets of the Australian Governments differ materially from those of most European countries, owing to the inclusion therein of the revenue and expenditure of departments concerned in rendering public services, such as railways, tramways, water supply, etc., which in other countries are often left to private enterprise.

2. **Accounts of State Governments.**—The various financial transactions of the States are in each case mainly concerned with one or other of three Funds—the “Consolidated Revenue Fund”, the “Trust Fund”, and the “Loan Fund”. All revenue (except certain items paid into special funds) collected by the State is paid into its Consolidated Revenue Fund, from which payments are made under the authority of an annual Appropriation Act passed by the Legislature, or by a permanent appropriation under a special act.

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

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

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

3. **Inter-relation of Commonwealth and State Finances.**—A statement in some detail, covering the inter-relation of Commonwealth and State Finances during the period from the inception of Federation to the passing of the Financial Agreement Act 1928, was published in Official Year Book No. 22, pages 379–80. Changes in the financial relations between the Commonwealth and States since the passing of the Financial Agreement Act have been described in issues of the Official Year Book from year to year (*see also* pages 719–21).

**§ 2. State Consolidated Revenue Funds.****Division I.—Revenue.**

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

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

Of these sources, that yielding the largest revenue for the States as a whole is the group of business undertakings, the principal contributors being the government railways and tramways. Next in magnitude are Commonwealth payments under the Tax Reimbursement Acts, followed in order by the Commonwealth payments under the Financial Agreement and special grants, taxation and lands receipts. Since the

introduction in 1942-43 of the uniform tax scheme, Commonwealth payments under the income and entertainments tax reimbursement acts and, from 1946-47, under the tax reimbursement act, have replaced revenue previously received from income and entertainments taxes.

2. **Revenue Received.**—The following table shows particulars of the total amounts and the amounts per head of consolidated revenue received by the several States during the years 1938-39 and 1947-48 to 1951-52.

## STATE CONSOLIDATED REVENUE.

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>TOTAL REVENUE.</b>							
(£'000.)							
1938-39 ..	51,099	26,985	19,330	12,304	10,950	3,615	124,283
1947-48 ..	86,082	41,728	26,820	18,843	17,711	4,816	196,000
1948-49 ..	96,082	46,842	32,979	21,845	20,561	5,740	224,049
1949-50 ..	106,504	55,557	37,119	26,360	26,018	7,077	258,635
1950-51 ..	128,298	63,546	44,723	31,072	28,974	7,819	304,432
1951-52 ..	167,095	81,661	55,753	37,588	33,955	10,469	386,521

## PER HEAD OF POPULATION.

	£ s. d.																							
1938-39 ..	18	13	7	14	8	3	19	3	6	20	13	6	23	9	0	15	4	2	17	19	5			
1947-48 ..	28	12	8	20	3	4	24	2	1	28	17	9	34	16	1	18	7	11	25	15	0			
1948-49 ..	31	7	2	22	3	4	29	1	4	32	16	10	39	7	6	21	8	0	28	16	11			
1949-50 ..	33	11	6	25	12	0	31	18	3	38	7	7	47	13	5	25	10	3	32	5	4			
1950-51 ..	39	3	9	28	8	2	37	9	10	43	14	0	50	14	3	27	3	9	36	15	11			
1951-52 ..	49	15	10	35	9	7	45	13	2	51	10	9	57	8	9	35	1	3	45	9	8			

(a) See § 1 para. 2, page 702.

3. **Sources of Revenue.**—(i) *General.* Classifying the revenue of the several States in the manner indicated in para. 1 above, particulars for the year 1951-52 are as follows.—

## STATE CONSOLIDATED REVENUE : SOURCES, 1951-52.

Source of Revenue.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>TOTAL REVENUE.</b>							
(£'000.)							
Taxation (b) ..	16,214	12,232	6,652	4,794	2,380	2,638	44,910
Business Under-							
takings ..	82,454	29,180	22,391	12,938	12,430	4	159,397
Lands ..	5,848	1,839	2,845	306	650	254	11,792
Interest (n.e.i.) ..	636	2,267	1,089	1,751	847	1,206	7,796
Commonwealth Pay-							
ments—							
Tax Reimburse-							
ments ..	34,745	20,347	13,962	7,409	7,000	2,805	86,268
Other (c) ..	16,392	11,471	6,186	8,142	8,039	2,337	52,567
Miscellaneous ..	10,806	4,275	2,628	2,248	2,609	1,225	23,791
Total ..	167,095	81,661	55,753	37,588	33,955	10,469	386,521

## PER HEAD OF POPULATION.

	(£ s. d.)																							
Taxation (b) ..	4	16	8	5	6	4	5	9	0	6	11	6	4	0	6	8	16	9	5	5	8			
Business Under-																								
takings ..	24	11	5	12	13	7	18	6	9	17	14	9	21	0	6	0	0	3	18	15	2			
Lands ..	1	14	10	0	16	5	2	6	7	0	8	5	1	2	0	0	17	0	1	7	9			
Interest (n.e.i.) ..	0	3	9	0	19	8	0	17	10	2	8	0	1	8	8	4	0	9	0	18	4			
Commonwealth Pay-																								
ments—																								
Tax Reimburse-																								
ments ..	10	7	1	8	16	9	11	8	8	10	3	2	11	16	10	9	7	11	10	3	0			
Other (c) ..	4	17	8	4	19	8	5	1	4	11	3	3	13	12	0	7	16	6	6	3	9			
Miscellaneous ..	3	4	5	1	17	2	2	3	0	3	1	8	4	8	3	4	2	1	2	16	0			
Total ..	49	15	10	35	9	7	45	13	2	51	10	9	57	8	9	35	1	3	45	9	8			

(a) See § 1 para. 2, page 702. (b) In all States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (c) Includes payments under Financial Agreement, Special Grants, Prices Control Reimbursement Grants and Special Financial Assistance.

In comparing the revenue of the States, it should be borne in mind that business undertakings which in one State may be controlled by the Government are, in another State, controlled by a board or trust. For example, in New South Wales and Western Australia the tramway systems are controlled by the Government, while in the other States ownership is largely vested in trusts. Harbour and river services and water supply and sewerage are also controlled in some cases by the State and in others by trusts.

(ii) *Revenue from Taxation.* (a) *General.* The following table shows, for the year 1951-52, particulars of all State taxation collections irrespective of whether such moneys have been paid into the Consolidated Revenue Funds or not. For this reason the particulars hereunder differ from those shown in the tables relating to the Consolidated Revenue Funds and represent a comprehensive statement of all taxation collections by the Government in each State. In this and the succeeding statements of taxation, the collections have been grouped according to the nature of the tax rather than the method of collection. For example, stamp duties on betting tickets and bookmakers' licences have been included under "Entertainments Tax" instead of under "Stamp Duties" and "Licences" respectively. Commonwealth payments under the State Grants (Tax Reimbursement) Act are included because these grants have replaced revenue received by the States from income and entertainments taxes prior to the introduction of the uniform tax scheme in 1942-43:—

**STATE REVENUE FROM TAXATION: TOTAL NET COLLECTIONS(a) AND  
COMMONWEALTH TAX REIMBURSEMENTS, 1951-52.**

( £'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Probate and Succession Duties ..	7,588	3,874	1,870	1,081	683	298	15,394
Other Stamp Duties ..	4,805	3,321	2,032	852	916	302	12,228
Land ..	2	876	888	405	208	132	2,511
Income (Arrears) ..	82	29	32	1	10	1	155
Liquor ..	1,650	1,323	319	46	215	128	3,681
Lotteries ..			245			(b) 1,318	1,563
Entertainments (c) ..	2,001	2,113	292	1,015	282	149	5,852
Motor—							
Registration Fees and Taxes ..	6,324	3,917	2,574	1,393	918	380	15,506
Drivers', etc., Licences ..	646	320	114	125	51	30	1,286
Other ..	1,656	978	727	142	100	128	3,731
<b>Total Motor ..</b>	<b>8,626</b>	<b>5,215</b>	<b>3,415</b>	<b>1,660</b>	<b>1,069</b>	<b>538</b>	<b>20,523</b>
Licences (n.e.i.) ..	86	192	537	{ 45	{ 24	4	982
Other ..				{ 46	{ 48		
Paid to Consolidated Revenue Fund ..	16,214	12,232	6,652	4,794	2,376	2,638	44,906
Paid to Special Funds ..	8,626	4,711	2,978	357	1,079	232	17,983
<b>Total ..</b>	<b>24,840</b>	<b>16,943</b>	<b>9,630</b>	<b>5,151</b>	<b>3,455</b>	<b>2,870</b>	<b>62,889</b>
Commonwealth Tax Reimbursement (d) ..	34,745	20,347	13,962	7,409	7,000	2,805	86,268
<b>GRAND TOTAL ..</b>	<b>59,585</b>	<b>37,290</b>	<b>23,592</b>	<b>12,560</b>	<b>10,455</b>	<b>5,675</b>	<b>149,157</b>

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue or to other funds. (b) Includes income tax on Lottery Prizes, £862,000. (c) Mainly racing. (d) Excludes £33,577,000 Special Financial Assistance, which was distributed as follows:—New South Wales, £13,074,000; Victoria, £9,124,000; Queensland, £5,005,000; South Australia, £2,790,000; Western Australia, £2,390,000; and Tasmania, £1,194,000.



The table hereunder shows, for the year 1951-52, the proportions to the total taxation revenue of collections under individual classes of tax :—

**STATE REVENUE FROM TAXATION : PROPORTIONS OF INDIVIDUAL TAXES, ETC., TO TOTAL, 1951-52.**  
(Per Cent.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Probate and Succession Duties ..	12.74	10.39	7.93	8.61	6.53	5.26	10.32
Other Stamp Duties ..	8.06	8.90	8.61	6.78	8.76	5.32	8.20
Land ..	..	2.35	3.77	3.22	1.99	2.33	1.68
Income (Arrears) ..	0.14	0.08	0.14	0.01	0.10	0.02	0.10
Liquor ..	2.77	3.55	1.35	0.37	2.06	2.24	2.47
Lotteries ..	..	..	1.04	..	..	23.21	1.05
Entertainments ..	3.36	5.67	1.24	8.08	2.69	2.63	3.92
Motor ..	14.48	13.98	14.47	13.22	10.22	9.48	13.76
Licences (n.e.i.) ..	0.14	0.52	2.27	0.36	0.23	0.08	0.66
Other ..	..	..	..	0.36	0.46	..	..
Total ..	41.69	45.44	40.82	41.01	33.04	50.57	42.16
Commonwealth Tax Reimbursement ..	58.31	54.56	59.18	58.99	66.96	49.43	57.84
GRAND TOTAL ..	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(b) 1938-39 and 1947-48 to 1951-52. Prior to federation, duties of Customs and Excise constituted the principal source of revenue from taxation. Thereafter, until the introduction of the uniform income tax scheme in 1942-43, the most productive State taxes were the various income taxes which, in 1941-42, included unemployment relief, State development and hospital taxes. Since 1941-42 the States have been reimbursed by the Commonwealth for the revenue lost by the discontinuance of these taxes. Details of the reimbursement grants are given on pp. 696 and 703-6. Information relating to the State income taxes which were levied prior to 1942-43 may be found in earlier issues of the Year Book.

The total amounts and the amounts per head raised from all sources of taxation by the several State Governments, including amounts not paid into the Consolidated Revenue Fund and tax reimbursements received from the Commonwealth, during the years 1938-39 and 1947-48 to 1951-52, are shown in the following table :—

**STATE REVENUE FROM TAXATION : TOTAL NET COLLECTIONS (INCLUDING COMMONWEALTH TAX REIMBURSEMENTS).**

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL NET COLLECTIONS. (£'000.)							
1938-39 ..	20,263	12,023	8,646	4,199	3,597	1,779	50,507
1947-48(a)	31,305	18,246	12,051	6,321	5,726	3,102	76,751
1948-49(a)	36,290	21,490	14,220	7,661	6,581	3,670	89,912
1949-50(a)	41,915	25,051	16,356	8,842	7,669	4,216	104,049
1950-51(a)	51,213	30,672	19,991	10,815	9,146	4,947	126,784
1951-52(a)	59,585	37,290	23,592	12,560	10,455	5,675	149,157
PER HEAD OF POPULATION. (£ s. d.)							
1938-39 ..	7 8 2	6 8 5	8 11 6	7 1 1	7 14 1	7 9 8	7 6 1
1947-48(a)	10 8 3	8 16 4	10 16 8	9 13 10	11 5 1	11 17 0	10 1 8
1948-49(a)	11 16 11	10 3 5	12 10 8	11 10 4	12 12 1	13 13 7	11 11 6
1949-50(a)	13 4 4	11 10 10	14 1 3	12 17 6	14 1 0	15 4 0	12 19 7
1950-51(a)	15 12 10	13 14 3	16 15 2	15 4 3	16 0 2	17 4 0	15 6 6
1951-52(a)	17 15 1	16 4 1	19 6 5	17 4 5	17 13 8	19 0 2	17 11 1

(a) Includes Commonwealth Tax Reimbursement.

The following table shows, for the years 1938-39 and 1947-48 to 1951-52, the aggregate amounts collected by the several State Governments, under the various forms of State taxation. Particulars of the Commonwealth reimbursements for 1947-48 and subsequent years, and amounts paid to funds other than Consolidated Revenue, which are included in the total collections, are also shown.

**STATE REVENUE FROM TAXATION : TOTAL NET COLLECTIONS<sup>(a)</sup> AND  
COMMONWEALTH REIMBURSEMENTS.**  
(£'000.)

Tax.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Probate and Succession Duties	5,000	8,836	10,091	10,600	13,004	15,394
Other Stamp Duties .. ..	3,466	5,993	6,829	9,431	11,961	12,228
Land .. .. .	1,407	1,236	1,257	1,201	1,362	2,511
<b>Income Taxes—</b>						
State Collections .. ..	29,791	(b) 416	(b) 256	(b) 267	(b) 291	(b) 155
Commonwealth Reimbursements .. ..	..	44,588	53,488	62,271	(c) 75,107	(c) 86,268
<b>Total Taxes on Income..</b>	<b>29,791</b>	<b>45,004</b>	<b>53,744</b>	<b>62,538</b>	<b>75,398</b>	<b>86,423</b>
Liquor .. .. .	1,045	2,063	2,267	2,432	2,726	3,681
Lotteries .. .. .	532	1,011	1,137	1,276	1,426	1,563
Entertainments <sup>(d)</sup> .. ..	1,884	3,081	3,567	3,741	4,430	5,852
Motor .. .. .	6,961	8,899	10,256	12,038	15,570	20,523
Licences and all other .. ..	421	628	764	792	907	982
<b>Grand Total .. .. .</b>	<b>50,507</b>	<b>76,751</b>	<b>89,912</b>	<b>104,049</b>	<b>126,784</b>	<b>149,157</b>
<b>Paid to Special Funds ..</b>	<b>7,578</b>	<b>8,199</b>	<b>9,140</b>	<b>10,795</b>	<b>14,269</b>	<b>17,983</b>

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue or to other funds. (b) Arrears of State income taxes. (c) Excludes Special Financial Assistance—1950-51, £15,000,000; 1951-52, £33,577,000. (d) Mainly racing.

(iii) *Business Undertakings.* (a) 1951-52. A very large proportion of State gross revenues is made up of receipts from business undertakings under the control of the Governments. The principal of these are railways and tramways, harbour works, water supply and sewerage and electricity supply, and, in addition, State batteries for the treatment of auriferous ores are included for Western Australia, and various minor revenue-producing services are rendered by the Governments of all States. For the year 1951-52 the revenue from these sources was £159,397,000 or 41.2 per cent. of the revenue from all sources. Details of revenue are as follows:—

**STATE REVENUE FROM BUSINESS UNDERTAKINGS, 1951-52.**  
(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas. <sup>(a)</sup>	Total.
Railways <sup>(b)</sup> .. .. .	68,910	(c) 24,375	22,391	9,418	9,216	..	134,310
Tramways and Omnibuses .. ..	11,190	(d) 303	..	..	917	..	12,410
Harbours, Rivers, Lights .. ..	2,354	(e) 441	..	1,296	478	..	4,569
Water Supply, Sewerage, Irrigation and Drainage .. ..	..	2,069	..	2,045	1,454	..	5,568
Electricity Supply .. .. .	..	1,125	..	..	..	4	1,129
Other .. .. .	..	867	..	179	365	..	1,411
<b>Total .. .. .</b>	<b>82,454</b>	<b>29,180</b>	<b>22,391</b>	<b>12,938</b>	<b>12,430</b>	<b>4</b>	<b>159,397</b>

(a) Tasmanian transport services are under the separate control of the Transport Commission. (b) The following contributions to Railways revenue from Consolidated Revenue Fund are excluded—New South Wales, £800,000; Victoria, £1,755,000; South Australia, £5,050,000. (c) Includes electric tramways operated by the Railways Department. (d) Tramway contribution to Consolidated Revenue. (e) Includes Harbour Trust Fund contribution, £319,000.

(b) 1938-39 and 1947-48 to 1951-52. The total revenue from Business Undertakings and the revenue per head in each State are shown in the following table :—

## STATE REVENUE FROM BUSINESS UNDERTAKINGS.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL REVENUE.							
(£'000.)							
1938-39 ..	24,676	11,649	7,642	4,957	5,633	(a) 511	55,068
1947-48 ..	46,207	19,131	10,956	7,434	6,701	9	90,438
1948-49 ..	49,974	20,457	14,909	8,389	7,728	6	101,463
1949-50 ..	50,879	23,834	15,460	9,133	8,822	4	108,132
1950-51 ..	61,675	22,646	18,876	10,120	9,782	4	123,103
1951-52 ..	82,454	29,180	22,391	12,938	12,430	4	159,397

## PER HEAD OF POPULATION.

(£ s. d.)

1938-39 ..	9 0 5	6 2 6	7 11 7	8 6 6	12 1 4	(a) 2 3 0	7 19 3
1947-48 ..	15 7 5	8 15 3	9 17 0	11 8 0	13 3 4	0 0 8	11 17 8
1948-49 ..	16 6 3	9 13 7	13 2 9	12 12 3	14 16 0	0 0 6	13 1 3
1949-50 ..	16 0 10	10 19 8	13 5 10	13 6 0	16 3 4	0 0 4	13 9 10
1950-51 ..	18 16 9	10 2 6	15 16 5	14 4 8	17 2 5	0 0 4	14 17 7
1951-52 ..	24 11 5	12 13 7	18 6 9	17 14 9	21 0 6	0 0 3	18 15 2

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

In the table below particulars of total State revenue from Business Undertakings for the various types of undertakings are shown for the years 1938-39 and 1947-48 to 1951-52 :—

## STATE REVENUE FROM BUSINESS UNDERTAKINGS.

(£'000.)

Source.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Railways, Tramways and Omnibuses ..	48,154	82,264	92,321	98,289	112,396	146,720
Harbour Services ..	2,357	2,912	3,257	3,627	3,939	4,569
Water Supply, Sewerage, Irrigation and Drainage ..	2,543	3,560	3,950	4,338	4,745	5,568
Other .. ..	2,014	1,702	1,935	1,878	2,023	2,540
Total .. ..	55,068	90,438	101,463	108,132	123,103	159,397

(iv) *Lands.* The revenue from the sale and rental of crown lands has, with few exceptions, been treated from the earliest times as forming part of the Consolidated Revenue Funds, and has been applied to meet ordinary expenses. The following table shows the revenue from sales and rentals of crown lands for the year 1951-52.

## STATE LAND REVENUE, 1951-52.

( £'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Sales ..	133	160	..	53	32	3	381
Conditional Purchases	375	..	..	5	123	9	512
Rentals ..	4,350	252	1,567	248	132	87	6,636
Forestry ..	950	1,385	1,156	..	346	151	3,988
Other ..	40	92	122	..	17	4	275
Total ..	5,848	1,889	2,845	306	650	254	11,792

The total land revenue for all States for the years 1938-39 and 1947-48 to 1951-52 respectively was:—£4,144,000, £6,196,000, £6,476,000, £7,004,000, £7,917,000, £11,792,000.

(v) *Commonwealth Payments.* Commonwealth payments to the States represent a considerable proportion of the States' Revenue. In 1951-52 the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was £138,835,000 (35.9 per cent.). This was made up of the contribution towards interest or States' debts under the Financial Agreement, £7,585,000, special grants to the States of South Australia, Western Australia and Tasmania, £10,522,000, prices control reimbursement, £883,000, special financial assistance, £33,577,000 and tax reimbursement grants, £86,268,000. The latter item has been included under the State taxation above as it is paid to the States as a reimbursement for vacating the field of income taxation.

In addition to these, the States receive a number of other payments which are paid to trust funds. The main items in this class are the contribution towards the sinking fund on States' debts (£2,557,000 in 1951-52) paid to the National Debt Sinking Fund and grants for Commonwealth Aid Roads (£14,647,000 in 1951-52) paid to State trust funds.

More detailed information concerning Commonwealth payments to the States is given under part A of this Chapter (§ 2, para. 11, page 694).

(vi) *Interest and Miscellaneous.* In addition to the foregoing, there are in each State several miscellaneous sources of revenue, including such items as interest, fines, fees, etc. In 1951-52 interest, mainly from loans to local governing bodies, on public account balances and for soldier land settlement supplied £7,796,000, whilst "Miscellaneous" revenue, which includes fines of the courts and fees for services, amounted to £23,791,000.

## Division II.—Expenditure.

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

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

In earlier years the working expenses of railways and tramways were the most important item of State Governmental expenditure, but, for a period prior to 1941-42, public debt charges were the heaviest item. Since then, however, railways and tramways expenditure has again taken the major place. In the year 1951-52 the working expenses of the railways, tramways and omnibuses were 38.9 per cent. of the total expenditure from the State Consolidated Revenue Funds; next in importance were education, 13.1 per cent.; public debt charges, 13.0 per cent.; charitable public health and hospitals, 12.4 per cent.; and law, order and public safety, 5.2 per cent.

2. **Total Expenditure.**—The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1938-39 and 1947-48 to 1951-52 are shown in the following table:—

## STATE EXPENDITURE : CONSOLIDATED REVENUE FUNDS.

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>TOTAL EXPENDITURE.</b> (£'000.)							
1938-39 ..	53,558	27,773	19,316	12,701	11,170	3,641	128,159
1947-48 ..	86,204	42,282	26,914	19,156	18,062	5,102	197,720
1948-49 ..	95,918	48,225	32,929	22,130	21,378	5,845	226,425
1949-50 ..	107,681	55,816	37,090	26,550	25,994	7,344	260,475
1950-51 ..	128,265	63,889	44,625	30,842	28,814	8,066	304,501
1951-52 ..	166,997	84,067	55,708	37,499	34,547	10,871	389,689

PER HEAD OF POPULATION.  
(£ s. d.)

1938-39 ..	19 11 7	14 16 8	19 3 3	21 6 10	23 18 5	15 6 5	18 10 8
1947-48 ..	28 13 6	20 8 8	24 3 9	29 7 4	35 9 11	19 9 9	25 19 6
1948-49 ..	31 6 1	22 16 5	29 0 5	33 5 5	40 18 9	21 15 9	29 3 0
1949-50 ..	33 18 11	25 14 5	31 17 9	38 13 1	47 12 7	26 9 6	32 9 11
1950-51 ..	39 3 6	28 11 3	37 8 2	43 7 7	50 8 8	28 0 11	36 16 1
1951-52 ..	49 15 2	36 10 6	45 12 5	51 8 3	58 8 10	36 8 3	45 17 2

(a) See § 1, para. 2, page 702.

3. **Details of Expenditure.**—(i) 1951-52. The following table shows the total expenditure and expenditure per head for each of the principal items:—

## STATE EXPENDITURE : DETAILS, 1951-52.

Particulars.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.(b)	Total.
<b>TOTAL EXPENDITURE.</b> (£'000.)							
Public Debt (interest, sinking fund, exchange, etc.)	17,817	11,074	7,569	6,410	5,298	2,377	50,545
Railways ..	61,160	28,424	23,959	12,722	11,044	..	137,309
Tramways and Omnibuses	13,390	..	..	..	1,011	..	14,401
Harbours and Rivers, etc.	1,601	241	..	963	262	..	3,067
Water Supply, Sewerage, Irrigation and Drainage	..	2,192	..	1,711	1,330	..	5,233
Other Business and Industrial Undertakings ..	..	934	2	188	906	779	2,809
Education ..	20,947	13,230	6,114	4,331	4,279	2,124	51,025
Health and Charitable ..	19,533	12,378	7,088	3,590	3,806	2,001	48,396
Justice ..	1,872	1,141	555	258	272	142	4,240
Police ..	4,205	3,300	2,653	971	988	458	12,575
Penal establishments ..	1,320	455	164	181	143	75	2,338
Public safety ..	250	339	222	45	75	31	962
Reduction of previous deficits (c) ..	..	..	..	..	..	126	126
All other expenditure ..	24,902	10,359	7,382	6,129	5,133	2,758	56,663
<b>Total ..</b>	<b>166,997</b>	<b>84,067</b>	<b>55,708</b>	<b>37,499</b>	<b>34,547</b>	<b>10,871</b>	<b>389,689</b>

(a) See § 1, para. 2, page 702.  
of the Transport Commission.(b) Tasmanian transport services are under the separate control of the Transport Commission.  
(c) Appropriated from the Commonwealth grant.

## STATE EXPENDITURE: DETAILS, 1951-52—continued.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
PER HEAD OF POPULATION. (£ s. d.)							
Public Debt (interest, sinking fund, exchange, etc.) ..	5 6 2	4 16 3	6 4 0	8 15 9	8 19 3	7 19 3	5 19 0
Railways ..	18 4 6	12 7 0	19 12 5	17 8 10	18 13 8	..	16 3 2
Tramways and Omnibuses ..	3 19 10	..	..	..	1 14 3	..	1 13 11
Harbours and Rivers, etc. ..	0 9 6	0 2 1	..	1 6 5	0 8 11	..	0 7 2
Water Supply, Sewerage, Irrigation and Drainage ..	..	0 19 1	..	2 6 11	2 5 0	..	0 12 4
Other Business and Industrial Undertakings ..	..	0 8 1	..	0 5 2	1 10 8	2 12 2	0 6 7
Education ..	6 4 10	5 15 0	5 0 2	5 18 9	7 4 9	7 2 3	6 0 1
Health and Charitable ..	5 16 5	5 7 7	5 16 1	4 18 5	6 8 9	6 14 1	5 13 11
Justice ..	0 11 2	0 9 11	0 9 1	0 7 1	0 9 2	0 9 6	0 10 0
Police ..	1 5 0	1 8 8	2 3 5	1 6 8	1 13 5	1 10 8	1 9 7
Penal establishments ..	0 7 10	0 3 11	0 2 8	0 5 0	0 4 10	0 5 1	0 5 6
Public safety ..	0 1 6	0 2 11	0 3 8	0 1 3	0 2 6	0 2 1	0 2 3
Reduction of previous deficits ..	..	..	..	..	..	0 8 5	0 0 4
All other expenditure ..	7 8 5	4 10 0	6 0 11	8 8 0	8 13 8	9 4 9	6 13 4
<b>Total ..</b>	<b>49 15 2</b>	<b>36 10 6</b>	<b>45 12 5</b>	<b>51 8 3</b>	<b>58 8 10</b>	<b>36 8 3</b>	<b>45 17 2</b>

(ii) 1938-39 and 1947-48 to 1951-52. Expenditure by the several States for these years on principal items is shown in the following table:—

STATE EXPENDITURE.  
(£'000.)

Particulars.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
Public Debt (interest, sinking fund, exchange, etc.) ..	40,158	40,626	41,915	43,999	46,231	50,545
Railways, Tramways and Omnibuses (working expenses) ..	38,138	74,305	87,907	99,230	115,366	151,710
Harbours and Rivers, etc. ..	680	1,332	1,609	1,789	2,155	3,067
Water Supply, Sewerage, Irrigation and Drainage ..	1,076	2,456	2,814	3,363	4,137	5,233
Other Business and Industrial Undertakings ..	1,035	1,467	2,318	2,340	2,319	2,809
Education ..	12,639	23,964	27,778	32,786	39,973	51,025
Health and Charitable ..	15,307	18,693	22,262	27,739	34,817	48,396
Justice ..	1,323	2,075	2,536	2,851	3,376	4,240
Police ..	3,733	5,987	6,906	8,257	9,831	12,575
Penal establishments ..	646	1,145	1,281	1,490	1,731	2,338
Public safety ..	297	565	644	657	711	962
Reduction of previous deficits ..	..	..	..	1,012	1,196	126
All other expenditure ..	13,127	25,105	28,455	34,962	42,658	56,663
<b>Total ..</b>	<b>128,159</b>	<b>197,720</b>	<b>226,425</b>	<b>260,475</b>	<b>304,501</b>	<b>389,689</b>

**Division III.—Surplus Revenue.**

The following table shows for each of the years 1938-39 and 1947-48 to 1951-52 the total amount and amount per head of the surplus or deficit of each State:—

**STATE SURPLUS REVENUE.**

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL AMOUNT. (£'000.)							
1938-39 ..	-2,459	-787	14	-397	-221	-26	-3,876
1947-48 ..	-122	-554	-94	-313	-351	-286	-1,720
1948-49 ..	164	-1,383	50	-285	-817	-105	-2,376
1949-50 ..	-1,177	-259	29	-190	24	-267	-1,840
1950-51 ..	33	-343	98	230	160	-247	-69
1951-52 ..	98	-2,406	45	89	-592	-402	-3,168
PER HEAD OF POPULATION. (£ s. d.)							
1938-39 ..	-0 18 0	-0 8 5	0 0 3	-0 13 4	-0 9 5	-0 2 3	-0 11 3
1947-48 ..	-0 0 10	-0 5 4	-0 1 8	-0 9 7	-0 13 10	-1 1 10	-0 4 6
1948-49 ..	0 1 1	-0 13 1	0 0 11	-0 8 7	-1 11 3	-0 7 10	-0 6 1
1949-50 ..	-0 7 5	-0 2 5	0 0 6	-0 5 6	0 0 10	-0 19 3	-0 4 7
1950-51 ..	0 0 3	-0 3 1	0 1 8	0 6 5	0 5 7	-0 17 2	-0 0 2
1951-52 ..	0 0 8	-1 0 11	0 0 9	0 2 6	-1 0 1	-1 7 0	-0 7 6

(a) See § 1, para. 2, page 702.

NOTE.—Minus sign (-) indicates deficit.

**§ 3. State Trust Funds.**

In addition to the moneys received as revenue and paid to the credit of Consolidated Revenue Funds, considerable sums are held by the State Governments in trust for various purposes. The balances of trust funds held at 30th June of the years 1939 and 1948 to 1952 were as follows:—

**STATE TRUST FUND BALANCES.**

(£'000.)

At 30th June.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1939 .. ..	15,684	8,189	3,062	1,448	3,744	530	32,657
1948 .. ..	35,297	17,303	29,751	2,855	8,639	709	94,554
1949 .. ..	29,559	16,449	29,924	2,689	9,381	609	88,611
1950 .. ..	32,922	16,468	30,382	3,162	10,929	390	94,253
1951 .. ..	43,169	18,725	33,907	6,184	12,090	360	114,435
1952 .. ..	39,419	20,084	35,097	1,896	10,537	625	107,658

(a) Special Deposits Account and Special Accounts.

**§ 4. State Loan Funds.**

1. **General.**—As far back as 1812 revenue collections were supplemented by borrowed moneys, the earliest loan being raised by New South Wales for the purpose of assisting immigration, at rates of interest varying from 2½d. to 5½d. per £100 per diem, or

approximately from  $4\frac{1}{4}$  per cent. to 8 per cent. per annum. Australian public borrowing, however, is mainly due to the fact that the State Governments, in addition to ordinary administrative duties, undertake functions which in other countries are usually entrusted to local authorities or left to private enterprise. Foremost amongst these are the construction and control of the railway systems. Loan moneys have also been largely used for improvements to harbours and rivers, and for the construction of roads, water supply and sewerage works. The State loan expenditure and public debt thus differ very materially from those of most European countries, and from those of the Commonwealth, where such expenditure was very largely incurred for defence or war purposes. As shown above, the State debts consist chiefly of moneys raised and expended with the object of assisting the development of the resources of the country, and are to a very large extent represented by tangible assets.

Statements relating to Loan Expenditure are shown below for both "gross" and "net" expenditure. The gross expenditure represents the amounts disbursed during each year whereas the net expenditure represents the gross expenditure less any credits to the Loan Fund during the year on account of repayments of advances to local governing bodies, settlers, etc., the sale of assets, and transfers from other funds. Such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made.

2. Details of Loan Expenditure.—(i) *Gross Loan Expenditure, 1951-52.* Particulars of gross loan expenditure on works, services, etc., are shown in the following table:—

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1951-52.

(£'000.)

Heads of Expenditure.	N.S.W.	Vic.(a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Public Works and Services—							
Railways	21,160	10,498	6,448	4,856	8,024	2,040	53,026
Tramways and Omnibuses	2,500			655	238		3,393
Roads	225	1,094	1,879	450			
Bridges						585	8,653
Harbours and Rivers	1,658	189	105	970	1,498		
Lights and Lighthouses							
Water Supply		10,620	1,382	4,065	1,562	352	19,990
Sewerage	821	80		703	405		
Electricity Supply	15,002	9,000		7,000	3,342	7,139	41,483
Public Buildings	8,941	7,272	2,409	2,146	1,403	1,026	23,197
Loans and Grants to Local Bodies	115	217	4,931				5,263
Unemployment Relief Works							
Housing(b)	3,803	4,185	1,720	6,921	271	3,090	19,990
Other Public Works, etc.	644	422		29	79	1,136	2,310
Primary Production—							
Soldier Settlement	4,905	5,754		2		130	9,891
Land for Settlement			660	228	19	9	916
Advances to Settlers				79		225	304
Water Conservation				112	176		
Irrigation and Drainage	4,357		908	467	292		6,312
Rabbit-proof Fencing		23		(c)			23
Agriculture	491		226		15		732
Agricultural Bank			1,230				1,230
Forestry	753	1,390	1,635	985	296	330	5,389
Mines and Mineral Resources	616	38	129	722	342		1,847
Other	263	125		80	45	3	516
Other Purposes		(d) 4,177		728	751	817	6,473
Total Public Works, Services, etc.	65,354	55,084	23,662	31,198	18,758	16,882	210,938
Per Head of Population..	£19 9 6	£23 18 8	£19 7 7	£42 15 6	£31 14 7	£56 10 11	£24 16 6

(a) Expenditure from Loan Funds and on account of Loans; includes expenditure from Loan Funds, from Treasurer's Advance Account, and from State Loans Repayment Fund. (b) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (c) Included with Advances to Settlers. (d) Includes Gas and Fuel Corporation £2,393,000 and Rural Finance Corporation, for advances to rural industries, £1,600,000.



(ii) *Net Loan Expenditure, 1951-52.* State net loan expenditure on works, services, etc., was as follows:—

**STATE NET LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1951-52.**  
(£'000.)

Heads of Expenditure.	N.S.W.	Victoria. (a)	Q'land.	S. Aust. (b)	W. Aust.	Tas.	Total.
<b>Public Works and Services—</b>							
Railways .. .. .	20,934	10,495	6,413	3,708	7,452	1,819	50,821
Tramways and Omnibuses .. .. .	2,431	..	..	655	147	..	3,233
Roads .. .. .	129	1,037	1,663	439	..	..	3,233
Bridges .. .. .	..	3	..	..	..	..	3
Harbours and Rivers .. .. .	1,637	185	103	..	1,347	..	3,267
Lights and Lighthouses .. .. .	..	..	..	942	..	486	1,428
Water Supply .. .. .	..	10,519	1,382	3,830	1,547	351	19,510
Sewerage .. .. .	809	78	..	607	387	..	1,673
Electricity Supply .. .. .	15,001	9,000	..	7,000	3,342	7,037	41,380
Public Buildings .. .. .	8,869	6,901	2,318	2,119	1,365	1,005	22,577
<b>Loans and Grants to Local Bodies</b> .. .. .	115	215	4,152	..	..	..	4,465
Unemployment Relief .. .. .	..	..	..	..	..	16	..
Works .. .. .	..	..	..	..	..	..	..
Housing (e) .. .. .	38	9	..	..	..	..	48
Other Public Works, etc. .. .. .	3,476	3,008	1,584	6,378	270	2,592	17,308
.. .. .	601	422	..	29	78	706	1,836
<b>Primary Production—</b>							
Soldier Settlement .. .. .	3,209	4,992	15	177	..	94	7,915
Land for Settlement .. .. .	..	494	584	134	10	19	2,115
Advances to Settlers .. .. .	..	11	11	34	..	83	95
Water Conservation .. .. .	..	..	106	175	..	..	281
Irrigation and Drainage .. .. .	4,168	..	863	435	292	..	6,044
Rabbit-proof Fencing .. .. .	..	2	7	(d)	..	..	9
Agriculture .. .. .	491	..	218	..	4	..	705
Agricultural Bank .. .. .	..	..	1,087	..	..	..	1,087
Forestry .. .. .	750	1,002	1,635	140	296	327	4,150
Mines and Mineral Resources .. .. .	588	5	119	716	305	..	1,733
Other .. .. .	263	58	23	75	45	76	342
Other Purposes .. .. .	..	(e) 4,175	..	626	704	808	6,313
<b>Total Public Works, Services, etc.</b> .. .. .	63,433	51,573	22,070	27,795	17,758	15,008	197,637
Per Head of Population .. .. .	£18 18 0	£22 8 2	£18 1 6	£38 2 2	£30 0 10	£50 5 4	£23 5 2

(a) Expenditure from Loan Funds and on account of Loans; includes expenditure from Loan Funds, from Treasurer's Advance Account, and from State Loans Repayment Fund. (b) Credits arising from the cancellation of securities redeemed from Sinking Fund are not included. (c) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreements. (d) Included in Advances to Settlers. (e) Includes Gas and Fuel Corporation, £2,393,000 and Rural Finance Corporation, for advances to rural industries, £1,600,000.

NOTE.—Minus sign (—) indicates excess of repayments to loan funds.

**3. Loan Expenditure on Works, Services, etc., 1938-39 and 1947-48 to 1951-52.—**

(i) *Gross Loan Expenditure.* Gross loan expenditure on works, etc. for these years is shown in the following table:—

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

Year.	N.S.W.	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>GROSS LOAN EXPENDITURE.</b> (£'000.)							
1938-39 .. .. .	8,789	3,218	3,393	2,529	1,783	1,687	21,399
1947-48 .. .. .	16,241	11,013	5,822	5,607	3,031	3,463	45,177
1948-49 .. .. .	22,960	12,727	7,118	7,149	3,819	4,393	58,166
1949-50 .. .. .	27,219	20,325	9,035	12,122	8,351	5,783	82,835
1950-51 .. .. .	41,168	35,309	17,698	20,601	11,404	15,200	141,380
1951-52 .. .. .	65,354	55,084	23,662	31,198	18,758	16,882	210,938

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

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.—*continued.*

Year.	N.S.W.	Victoria.(a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
PER HEAD OF POPULATION.							
(£ s. d.)							
1938-39 ..	3 4 3	1 14 5	3 7 4	4 5 0	3 16 4	7 2 0	3 1 11
1947-48 ..	5 8 0	5 6 5	5 4 8	8 11 11	5 19 2	13 4 7	5 18 9
1948-49 ..	7 9 10	6 0 5	6 5 6	10 15 0	7 6 3	16 7 7	7 9 0
1949-50 ..	8 11 7	9 7 4	7 15 4	17 13 0	15 6 0	20 17 0	10 6 8
1950-51 ..	12 11 6	15 15 9	14 16 9	28 19 6	19 19 2	52 17 1	17 1 9
1951-52 ..	19 9 6	23 18 8	19 7 7	42 15 6	31 14 7	56 10 11	24 16 6

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

(ii) *Net Loan Expenditure.* The following table shows the net loan expenditure on works for the same period:—

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

Year.	N.S.W.	Victoria.(a)	Q'land.	S. Aust.(a)	W. Aust.	Tas.	Total.
NET LOAN EXPENDITURE.							
(£'000.)							
1938-39 ..	5,408	2,290	2,041	1,226	1,636	577	13,178
1947-48 ..	15,129	8,786	4,718	3,805	2,537	2,634	37,609
1948-49 ..	22,056	10,534	5,866	5,214	3,580	3,511	50,761
1949-50 ..	24,850	17,869	7,910	9,968	8,105	4,880	73,582
1950-51 ..	38,149	32,024	16,031	18,285	10,327	13,531	128,347
1951-52 ..	63,433	51,573	22,070	27,795	17,758	15,008	197,637

## PER HEAD OF POPULATION.

(£ s. d.)

1938-39 ..	1 19 6	1 4 6	2 0 6	2 1 2	3 10 1	2 8 7	1 18 1
1947-48 ..	5 0 8	4 4 11	4 4 10	5 16 8	4 19 9	10 1 3	4 18 10
1948-49 ..	7 4 0	4 19 8	5 3 5	7 16 9	5 17 2	13 1 9	6 10 8
1949-50 ..	7 16 8	8 4 8	6 16 0	14 10 3	14 17 0	17 11 10	9 3 7
1950-51 ..	11 13 0	14 6 4	13 8 10	25 14 4	18 1 6	47 1 0	15 10 3
1951-52 ..	18 18 0	22 8 2	18 1 6	38 2 2	30 0 10	50 5 4	23 5 2

(a) See footnotes (a) and (b) to table in para. 2 (ii) above.

The four tables in this paragraph and paragraph 2 do not include particulars of expenditure on loan discounts and flotations, the funding of deficits, the retirement of treasury bills, and similar items of a nature other than works, services, etc. The aggregate net expenditure on those items to 30th June, 1952 is shown in paragraph 4 following. Summaries of the gross and net expenditure and repayments in respect of all loan purposes for the years 1949-50 to 1951-52 are shown in paragraph 5 following.

4. Total Net Loan Expenditure to 30th June, 1952.—Particulars of the total net loan expenditure of the States from the initiation of borrowing to 30th June, 1952 are shown in the following table:—

## STATE NET LOAN EXPENDITURE TO 30th JUNE, 1952.

( £'000.)

Heads of Expenditure.	N.S.W.	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>Public Works and Services—</b>							
Railways .. .. .	225,648	102,657	84,985	46,759	38,068	12,204	510,321
Tramways and Omnibuses .. .. .	15,371	..	..	(b) 5,441	1,932	..	22,744
Roads and Bridges .. .. .	21,205	15,425	10,464	4,361	3,183	..	55,559
Harbours, Rivers, Light-houses .. .. .	27,934	2,060	3,793	10,705	10,382	9,147	118,659
Water Supply .. .. .	42,924	60,052	3,444	29,892	15,301	(c) 565	164,325
Sewerage .. .. .	23,821	356	..	6,184	5,607	..	109,703
Electricity Supply .. .. .	42,713	28,089	..	17,500	12,985	27,308	112,537
Public Buildings .. .. .	..	30,181	16,707	8,926	7,742	6,268	..
Loans and Grants to Local Bodies .. .. .	1,891	2,308	29,039	6	86	219	33,549
Unemployment Relief Works .. .. .	16,083	13,147	..	..	(d)	331	29,561
Housing (e) .. .. .	9,108	8,550	5,629	22,804	1,056	7,565	54,712
Commonwealth Services .. .. .	3,964	..	525	1,283	..	..	5,772
Other Public Works and Services .. .. .	7,111	2,107	2,917	1,049	2,317	3,607	19,108
<b>Primary Production—</b>							
Closer Settlement .. .. .	11,679	..	(f) 988	933	7,247	193	21,040
Land for Settlement .. .. .	..	41,571	4,957	307	336	..	47,171
Soldier Settlement .. .. .	18,489	28,580	758	6,635	3,518	1,627	59,607
Advances to Settlers .. .. .	1,964	3,764	105	1,664	2,060	547	10,104
Water Conservation .. .. .	34,144	..	4,599	4,367	2,037	..	55,021
Irrigation and Drainage .. .. .	288	1,008	121	6,035	3,839	349	11,757
Rabbit-proof Fencing .. .. .	6,083	1,154	1,012	..	4,067	..	12,316
Agriculture (h) .. .. .	..	..	6,474	..	(i) 4,311	..	10,785
Agricultural Bank .. .. .	3,782	11,395	6,973	1,492	1,683	1,749	27,074
Mines and Mineral Resources .. .. .	1,949	824	2,705	3,433	5,390	..	14,301
Other .. .. .	1,193	1,665	2,318	818	244	194	6,432
Other Purposes .. .. .	89	(j) 10,867	124	(k) 3,559	(l) 11,629	2,061	28,329
<b>Total Public Works, Services, etc. .. .. .</b>	<b>517,433</b>	<b>365,760</b>	<b>188,637</b>	<b>184,153</b>	<b>145,360</b>	<b>73,585</b>	<b>1,474,928</b>
<b>Other than Works, etc.—</b>							
Discounts and Flotation Expenses .. .. .	26,589	9,955	10,791	3,277	5,960	2,050	58,622
Revenue and General Cash Deficits .. .. .	38,948	13,055	5,826	8,730	12,115	2,378	81,052
Treasury Bills Retired .. .. .	..	..	2,857	..	..	..	2,857
Other .. .. .	..	..	(m) 2,200	..	..	..	2,200
<b>Grand Total .. .. .</b>	<b>582,970</b>	<b>388,770</b>	<b>210,311</b>	<b>196,160</b>	<b>163,435</b>	<b>78,013</b>	<b>1,619,659</b>

(a) Aggregate Gross Loan Expenditure. (b) Loans to Municipal Tramways Trust. (c) Revised. Amounts previously included in Other Public Works reclassified to Water Supply and Sewerage and Other Purposes. (d) Not available separately. Distributed under various particular headings. (e) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (f) Under Prickly Pear Land Act. (g) Included with Advances to Settlers. (h) Includes grain elevators, New South Wales and Victoria. (i) Includes Government Agency Department of Rural and Industries Bank, £2,680,000. (j) Includes Gas and Fuel Corporation, £4,944,000 and Rural Finance Corporation, £2,419,000. (k) Includes State Bank, £2,105,000. (l) Includes Rural and Industries Bank, £5,633,000. (m) Contributions to Sinking Fund.

The figures in the foregoing table show the amounts actually expended from loan fund, and differ from those shown later in the statements relating to the public debt, which represent the amount of loans still outstanding. The statement above includes all expenditure, whether the loans have been repaid or are still in existence. As in the earlier tables on net loan expenditure, allowance has been made, however, for credits on account of repayments of advances to local government bodies, settlers, etc., the sale of assets, and transfers from other funds. In the public debt statement, on the other hand, loans repaid are not included, and in the case of loans still outstanding,

each is shown according to the amount repayable at maturity, and not according to the amount originally available for expenditure.

5. **Total Loan Expenditure, 1949-50 to 1951-52.**—The following table shows particulars, in summary form, of the total loan expenditure in each State during each of these years.

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

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1949-50.							
Works and Services—							
Gross Expenditure ..	27,219	20,325	9,035	12,122	8,351	5,783	82,835
Net Expenditure ..	24,850	17,869	7,910	9,968	8,105	4,880	73,582
Repayments ..	2,369	2,456	1,125	2,154	246	903	9,253
Other than Works, etc.(a)—							
Gross Expenditure ..	1,184	2,819	288	71	491	88	4,941
Net Expenditure ..	1,184	2,819	288	54	485	62	4,892
Repayments ..	..	..	..	17	(b) 6	26	49
<b>Total Loan Expenditure—</b>							
Gross ..	28,403	23,144	9,323	12,193	8,842	5,871	87,776
Net ..	26,034	20,688	8,198	10,022	8,590	4,942	78,474
Repayments ..	2,369	2,456	1,125	2,171	252	929	9,302
1950-51.							
Works and Services—							
Gross Expenditure ..	41,168	35,309	17,698	20,601	11,404	15,200	141,380
Net Expenditure ..	38,149	32,024	16,031	18,285	10,327	13,531	128,347
Repayments ..	3,019	3,285	1,667	2,316	1,077	1,669	13,033
Other than Works, etc.(a)—							
Gross Expenditure ..	2,745	47	150	22	29	201	3,194
Net Expenditure ..	2,745	47	150	22	20	201	3,185
Repayments ..	..	..	..	..	(b) 9	..	9
<b>Total Loan Expenditure—</b>							
Gross ..	43,913	35,356	17,848	20,623	11,433	15,401	144,574
Net ..	40,894	32,071	16,181	18,307	10,347	13,732	131,532
Repayments ..	3,019	3,285	1,667	2,316	1,086	1,669	13,042
1951-52.							
Works and Services—							
Gross Expenditure ..	65,354	55,084	23,662	31,198	18,758	16,882	210,938
Net Expenditure ..	63,433	51,573	22,070	27,795	17,758	15,008	197,637
Repayments ..	1,921	3,511	1,592	3,403	1,000	1,874	13,301
Other than Works, etc.(a)—							
Gross Expenditure—							
Discounts and Flotation Expenses ..	188	183	..	7	20	..	398
Revenue and General Cash Deficits ..	..	2,000	..	..	..	142	2,142
Contribution to Sinking Fund ..	..	..	150	..	..	..	150
Total ..	188	2,183	150	7	20	142	2,690
Net Expenditure—							
Discounts and Flotation Expenses ..	188	183	..	7	13	-1	390
Revenue and General Cash Deficits ..	..	2,000	..	..	..	142	2,142
Contribution to Sinking Fund ..	..	..	150	..	..	..	150
Total ..	188	2,183	150	7	13	141	2,682
Repayments ..	..	..	..	..	(b) 7	1	8
<b>Total Loan Expenditure—</b>							
Gross ..	65,542	57,267	23,812	31,205	18,778	17,024	213,628
Net ..	63,621	53,756	22,220	27,802	17,771	15,149	200,319
Repayments ..	1,921	3,511	1,592	3,403	1,007	1,875	13,309

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

NOTE.—Minus sign (—) indicates excess of repayments to loan funds.

Information relating to the States Public Debt is given in part D. Commonwealth and State Public Debt (page 719).

## C. COMMONWEALTH AND STATE FINANCE.

1. Revenue and Expenditure.—(i) *Consolidated Revenue Funds.* The following tables show the aggregate revenue and expenditure of the Consolidated Revenue Funds of the Commonwealth and States for each of the years 1938–39 and 1947–48 to 1951–52. In these tables the combined Commonwealth and State totals have been adjusted to exclude major duplications, but the separate Commonwealth and State figures are as shown in other sections of this Chapter. The items excluded from the adjusted figures include the following:—payments made by the Commonwealth to the States on account of tax reimbursements, interest under the Financial Agreement, special grants, special financial assistance, coal strike emergency grants, price control reimbursements and estimated payments of pay-roll tax by the States to the Commonwealth.

## COMMONWEALTH AND STATE CONSOLIDATED REVENUE FUNDS: REVENUE.

Year ended 30th June—	Commonwealth.	State.	Total.	
			Unadjusted.	Adjusted.
	£'000.	£'000.	£'000.	£m.
1939 .. .. .	95,064	124,283	219,347	209.6
1948 .. .. .	465,905	196,000	661,905	601.3
1949 .. .. .	554,377	224,049	778,426	706.6
1950 .. .. .	580,652	258,635	839,287	746.6
1951 .. .. .	841,792	304,432	1,146,224	1,032.0
1952 .. .. .	1,016,828	386,521	1,403,349	1,260.1

## COMMONWEALTH AND STATE CONSOLIDATED REVENUE FUNDS: EXPENDITURE.

Year ended 30th June—	Commonwealth.	State.	Total.	
			Unadjusted.	Adjusted.
	£'000.	£'000.	£'000.	£m.
1939 .. .. .	94,437	128,159	222,596	212.8
1948 .. .. .	464,485	197,720	662,205	601.6
1949 .. .. .	554,377	226,425	780,802	709.0
1950 .. .. .	580,652	260,475	841,127	748.4
1951 .. .. .	841,792	304,501	1,146,293	1,032.0
1952 .. .. .	1,016,828	389,689	1,406,517	1,263.3

(ii) *Loan Expenditure.* The aggregate gross and net loan expenditures of the Commonwealth and States on works and services for the years 1938–39 and 1947–48 to 1951–52 are shown in the following table:—

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

Year ended 30th June—	Gross Loan Expenditure.			Net Loan Expenditure.		
	Commonwealth.(b)	State.	Total.	Commonwealth.(b)	State.	Total.
1939 .. .. .	3,913	21,399	25,312	3,594	13,178	16,772
1948 .. .. .	13,305	45,177	58,482	13,126	37,609	50,735
1949 .. .. .	14,492	58,166	72,658	-4,253	50,761	46,508
1950 .. .. .	42,698	82,835	125,533	42,682	73,582	116,264
1951 .. .. .	50,413	141,380	191,793	50,383	128,347	178,730
1952 .. .. .	31,667	210,938	242,605	31,662	197,637	229,299

(a) Excludes expenditure on loan flotations, funding deficits, etc. (b) Includes expenditure on Defence, War (1939–45) and Repatriation Services. Excludes payments to National Debt Sinking Fund from proceeds of loan from International Bank of Reconstruction and Development (see page 735).

NOTE.—Minus sign (–) indicates an excess of repayments to loan funds.

2. **Taxation.**—The following table shows the combined Commonwealth and State taxation, and the amount per head of population, for the years 1938–39 and 1947–48 to 1951–52. Taxation collections by the State Governments which are not paid into the Consolidated Revenue Funds have been included.

**COMMONWEALTH AND STATE TAXATION : TOTAL NET COLLECTIONS.**

Particulars.	1938–39.	1947–48.	1948–49.	1949–50.	1950–51.	1951–52.
<b>NET COLLECTIONS.</b> (£'000.)						
<b>Commonwealth(a)—</b>						
Income Tax .. ..	11,883	232,900	272,347	279,654	341,957	545,179
Customs and Excise .. ..	47,633	115,605	126,200	143,883	165,004	213,917
Sales Tax .. ..	9,308	34,729	39,029	42,425	57,173	95,459
Pay-roll Tax .. ..	..	16,595	19,803	22,728	28,721	37,170
Wheat Tax and Export Charge .. ..	..	5,730	18,086	12,633	13,353	12,202
Wool Contributory Charge .. ..	..	1,424	1,029	1,439	44,844	2,230
Wool Deduction .. ..	..	..	..	..	109,531	5,963
Other .. ..	5,287	15,430	14,319	16,197	16,604	21,891
<b>Total .. ..</b>	<b>74,111</b>	<b>422,413</b>	<b>490,813</b>	<b>518,959</b>	<b>777,187</b>	<b>934,011</b>
<b>State(b)—</b>						
Income Tax .. ..	29,791	(c) 416	(c) 257	(c) 267	(c) 291	(c) 155
Other .. ..	20,716	31,747	36,167	41,511	51,386	62,734
<b>Total .. ..</b>	<b>50,507</b>	<b>(d)32,163</b>	<b>(d)36,424</b>	<b>(d)41,778</b>	<b>(d)51,677</b>	<b>(d)62,889</b>
<b>Grand Total .. ..</b>	<b>124,618</b>	<b>454,576</b>	<b>527,237</b>	<b>560,737</b>	<b>828,864</b>	<b>996,900</b>

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

<b>Commonwealth—</b>																			
Income Tax .. ..	1	14	3	30	9	8	34	18	4	34	14	10	41	2	10	63	16	10	
Customs and Excise .. ..	6	17	5	15	2	7	16	3	8	17	17	5	19	17	0	25	1	0	
Sales Tax .. ..	1	6	10	4	10	11	5	0	1	5	5	5	6	17	7	11	3	7	
Pay-roll Tax .. ..	..	..	..	2	3	6	2	10	9	2	16	6	3	9	1	4	7	1	
Wheat Tax and Export Charge .. ..	..	..	..	0	15	0	2	6	5	1	11	5	1	12	2	1	8	7	
Wool Contributory Charge .. ..	..	..	..	0	3	9	0	2	8	0	3	7	5	7	11	0	5	3	
Wool Deduction .. ..	..	..	..	..	..	..	..	..	..	..	..	..	13	3	7	0	14	0	
Other .. ..	0	15	3	2	0	4	1	16	9	2	0	3	2	0	0	2	11	2	
<b>Total .. ..</b>	<b>10</b>	<b>13</b>	<b>9</b>	<b>55</b>	<b>5</b>	<b>9</b>	<b>62</b>	<b>18</b>	<b>8</b>	<b>64</b>	<b>9</b>	<b>5</b>	<b>93</b>	<b>10</b>	<b>2</b>	<b>109</b>	<b>7</b>	<b>6</b>	
<b>State—</b>																			
Income Tax .. ..	4	6	2	0	1	1	0	0	8	0	0	8	0	0	8	0	0	4	
Other .. ..	2	19	11	4	3	5	4	13	1	5	3	7	6	4	3	7	7	8	
<b>Total .. ..</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>13</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>4</b>	<b>11</b>	<b>7</b>	<b>8</b>	<b>0</b>	
<b>Grand Total .. ..</b>	<b>17</b>	<b>19</b>	<b>5</b>	<b>59</b>	<b>10</b>	<b>0</b>	<b>57</b>	<b>12</b>	<b>1</b>	<b>59</b>	<b>13</b>	<b>3</b>	<b>99</b>	<b>14</b>	<b>7</b>	<b>116</b>	<b>14</b>	<b>10</b>	

(a) For details see page 667. (b) For details see pages 704. (c) Arrears of State income tax. (d) Excludes tax reimbursements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

1. **Public Debt, Annual Interest Payable and Average Rate of Interest at 30th June, 1952.**—In the following table details are given of the Commonwealth and State Public Debt, annual interest payable and average rate of interest at 30th June, 1952.

#### COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1952.

Particulars.	Maturing in—			Total.
	Australia.	London.	New York.	
<b>DEBT.</b>				
<b>Commonwealth Debt—</b>	£A.'000.	£ Stg.'000.	£'000.	£'000.
War (1914-18) Debt (a)—				
Stock and Bonds .. .. .	148,428	7,534	..	155,962
War and Peace Savings Certificates and Stamps and War Gratuity Bonds .. .. .	133	..	..	133
<b>Total War (1914-18) Debt .. .. .</b>	<b>148,561</b>	<b>7,534</b>	<b>..</b>	<b>156,095</b>
War (1939-45) Debt—				
Stock and Bonds .. .. .	1,039,691	5,775	..	1,045,466
Advance Loan Subscriptions .. .. .	1,417	..	..	1,417
National Savings Bonds .. .. .	1,792	..	..	1,792
War Savings and Savings Certificates .. .. .	41,809	..	..	41,809
War Savings Stamps .. .. .	133	..	..	133
National Savings Stamps .. .. .	18	..	..	18
Treasury Bills, Internal .. .. .	241,000	..	..	241,000
Treasury Bills, Public .. .. .	153,280	..	..	153,280
<b>Total War (1939-45) Debt .. .. .</b>	<b>1,479,140</b>	<b>5,775</b>	<b>..</b>	<b>1,484,915</b>
Works and Other Purposes—				
Stock and Bonds .. .. .	138,426	49,464	15,309	203,199
Treasury Bills and Debentures .. .. .	..	970	..	970
Treasury Bills, Internal .. .. .	10,810	..	..	10,810
International Bank Dollar Loan .. .. .	..	..	12,830	12,830
<b>Total Works and Other Purposes .. .. .</b>	<b>149,236</b>	<b>50,434</b>	<b>28,139</b>	<b>227,809</b>
<b>Total Commonwealth Debt .. .. .</b>	<b>1,776,937</b>	<b>63,743</b>	<b>28,139</b>	<b>1,868,819</b>
<b>State Debt—</b>				
Stock and Bonds .. .. .	1,042,606	259,731	23,992	1,326,329
Debentures .. .. .	38,983	..	..	38,983
Treasury Bills and Debentures—Short-term .. .. .	..	22,868	..	22,868
Balance of Debts of States taken over by Commonwealth and still represented by State Securities .. .. .	..	7,496	..	7,496
<b>Total State Debt .. .. .</b>	<b>1,081,589</b>	<b>290,095</b>	<b>23,992</b>	<b>1,395,676</b>
<b>Grand Total Commonwealth and State Debt .. .. .</b>	<b>2,858,526</b>	<b>353,838</b>	<b>52,131</b>	<b>3,264,495</b>

(a) See footnote on following page.

COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST  
PAYABLE AT 30TH JUNE, 1952—*continued.*

Particulars.	Maturing in—			Total.
	Australia.	London.	New York.	

## DEBT PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.
Commonwealth Debt—				
War (1914-18) Debt (a) .. ..	17 3 7	0 17 4	..	18 0 11
War (1939-45) Debt .. ..	171 0 6	0 13 5	..	171 13 11
Works and Other Purposes .. ..	17 5 1	5 16 8	3 5 1	26 6 10
Total Commonwealth Debt .. ..	205 9 2	7 7 5	3 5 1	216 1 8
Total State Debt .. ..	125 13 9	33 14 3	2 15 9	162 3 9
Grand Total Commonwealth and State Debt .. ..	330 10 5	40 18 3	6 0 7	377 9 3

## ANNUAL INTEREST PAYABLE.

	£A.'000.	£ Stg.'000.	£'000.	£'000.
Commonwealth Debt—				
War (1914-18) Debt (a) .. ..	4,794	228	..	5,022
War (1939-45) Debt .. ..	37,278	231	..	37,509
Works and Other Purposes .. ..	4,265	1,675	1,219	7,159
Total Commonwealth Debt .. ..	46,337	2,134	1,219	49,690
Total State Debt .. ..	31,609	9,133	889	41,631
Grand Total Commonwealth and State Debt .. ..	77,946	11,267	2,108	91,321

## ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.
Commonwealth Debt—				
War (1914-18) Debt (a) .. ..	0 11 1	0 0 6	..	0 11 7
War (1939-45) Debt .. ..	4 6 2	0 0 6	..	4 6 8
Works and Other Purposes .. ..	0 9 11	0 3 11	0 2 10	0 16 8
Total Commonwealth Debt .. ..	5 7 2	0 4 11	0 2 10	5 14 11
Total State Debt .. ..	3 13 6	1 1 3	0 2 0	4 16 9
Grand Total Commonwealth and State Debt .. ..	9 0 3	1 6 1	0 4 10	10 11 2

## AVERAGE RATE OF INTEREST PAYABLE.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.
Commonwealth Debt—				
War (1914-18) Debt (a) .. ..	3 4 8	3 0 5	..	3 4 5
War (1939-45) Debt .. ..	2 10 5	4 0 0	..	2 10 7
Works and Other Purposes .. ..	2 17 2	3 6 5	4 6 8	3 2 11
Total Commonwealth Debt .. ..	2 12 2	3 7 0	4 6 8	2 13 3
Total State Debt .. ..	2 18 5	3 3 0	3 14 1	2 19 8
Grand Total Commonwealth and State Debt .. ..	2 14 6	3 3 8	4 0 10	2 16 0

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

2. Public Debt and Annual Interest Payable, 1939 and 1948 to 1952.—In the following table details are given of the Public Debt and annual interest payable, including the average rate of interest, at 30th June, 1939 and 1948 to 1952 :—

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

Particulars.	1939.	1948.	1949.	1950.	1951.	1952.
<b>DEBT.</b>						
<b>Commonwealth Debt—</b>						
<b>War (1914-18) Debt—</b>						
Australia .. £ A.'000.	175,194	154,046	153,000	156,730	149,027	148,561
London (a) .. £ Stg.'000.	11,020	10,645	10,645	8,333	8,333	7,534
<b>Total War (1914-18) Debt</b> £'000.	<b>186,214</b>	<b>164,691</b>	<b>164,545</b>	<b>165,063</b>	<b>157,360</b>	<b>156,095</b>
<b>War (1939-45) Debt—</b>						
Australia .. £ A.'000.	..	1,508,195	1,485,877	1,491,476	1,499,401	1,479,140
London .. £ Stg.'000.	..	5,775	5,775	5,775	5,775	5,775
<b>Total War (1939-45) Debt</b> £'000.	<b>..</b>	<b>1,513,970</b>	<b>1,491,652</b>	<b>1,497,251</b>	<b>1,505,176</b>	<b>1,484,915</b>
<b>Works and Other Purposes—</b>						
Australia .. £ A.'000.	43,302	77,906	92,433	101,204	122,261	149,236
London .. £ Stg.'000.	72,097	52,991	52,741	51,378	49,969	50,434
New York .. £'000.	15,914	15,855	15,798	15,731	17,383	28,139
<b>Total Debt for Works, etc.</b> £'000.	<b>131,313</b>	<b>146,752</b>	<b>160,972</b>	<b>168,313</b>	<b>189,613</b>	<b>227,809</b>
<b>Total Commonwealth Debt—</b>						
Australia .. £ A.'000.	218,496	1,740,147	1,732,210	1,749,410	1,770,689	1,776,937
London (a) .. £ Stg.'000.	83,117	69,411	69,161	65,486	64,077	63,743
New York .. £'000.	15,914	15,855	15,798	15,731	17,383	28,139
<b>Total Commonwealth Debt</b> £'000.	<b>317,527</b>	<b>1,825,413</b>	<b>1,817,169</b>	<b>1,830,627</b>	<b>1,852,149</b>	<b>1,868,819</b>
<b>State Debt—</b>						
Australia .. £ A.'000.	485,179	611,763	666,873	750,108	893,611	1,081,589
London .. £ Stg.'000.	384,328	328,190	317,348	304,261	290,516	290,095
New York .. £'000.	28,265	24,849	24,663	24,440	24,211	23,992
<b>Total State Debt</b> £'000.	<b>897,772</b>	<b>964,802</b>	<b>1,008,884</b>	<b>1,078,809</b>	<b>1,208,338</b>	<b>1,395,676</b>
<b>Grand Total Commonwealth and State Debt</b> £'000.	<b>1,215,299</b>	<b>2,790,215</b>	<b>2,826,053</b>	<b>2,909,436</b>	<b>3,060,487</b>	<b>3,264,495</b>
<b>ANNUAL INTEREST PAYABLE.</b>						
<b>Commonwealth Debt—</b>						
<b>War (1914-18) Debt—</b>						
Australia .. £ A.'000.	6,950	5,657	5,657	5,750	4,792	4,794
London (a) .. £ Stg.'000.	426	396	338	251	251	228
<b>Total War (1914-18) Debt</b> £'000.	<b>7,376</b>	<b>6,053</b>	<b>5,995</b>	<b>6,001</b>	<b>5,043</b>	<b>5,022</b>
Average Rate .. %	£3 19s. 3d.	£3 13s. 7d.	£3 12s. 11d.	£3 12s. 9d.	£3 4s. 5d.	£3 4s. 5d.
<b>War (1939-45) Debt—</b>						
Australia .. £ A.'000.	..	39,942	39,667	39,773	38,053	37,278
London .. £ Stg.'000.	..	231	231	231	231	231
<b>Total War (1939-45) Debt</b> £'000.	<b>..</b>	<b>40,173</b>	<b>39,898</b>	<b>40,004</b>	<b>38,284</b>	<b>37,509</b>
Average Rate .. %	..	£2 13s. 1d.	£2 13s. 8d.	£2 13s. 6d.	£2 10s. 11d.	£2 10s. 7d.

(a) See footnote (a) page 722.

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

Particulars.	1939.	1948.	1949.	1950.	1951.	1952.
<b>ANNUAL INTEREST PAYABLE—<i>continued.</i></b>						
<b>Commonwealth Debt—<i>continued.</i></b>						
<b>Works and Other Purposes—</b>						
Australia .. £ A.'000.	1,394	2,293	2,726	3,003	3,600	4,265
London .. £ Stg.'000.	2,978	1,769	1,741	1,695	1,655	1,675
New York .. £'000.	778	696	695	693	762	1,219
Total Debt for Works, etc. £'000.	5,150	4,758	5,162	5,391	6,017	7,159
Average Rate.. %	£3 18s. 5d.	£3 4s. 10d.	£3 4s. 2d.	£3 4s. 1d.	£3 3s. 0d.	£3 2s. 11d.
<b>Total Commonwealth Debt—</b>						
Australia .. £ A.'000.	8,344	47,892	48,050	48,526	46,445	46,337
London (a) £ Stg.'000.	3,494	2,396	2,310	2,177	2,137	2,134
New York .. £'000.	778	696	695	693	762	1,219
Total Commonwealth Debt £'000.	12,526	50,984	51,055	51,396	49,344	49,690
Average Rate.. %	£3 18s. 11d.	£2 15s. 11d.	£2 16s. 4d.	£2 16s. 2d.	£2 13s. 4d.	£2 13s. 3d.
<b>State Debt—</b>						
Australia .. £ A.'000.	17,240	19,686	21,396	23,771	27,172	31,609
London .. £ Stg.'000.	14,963	10,737	9,984	9,506	9,032	9,133
New York .. £'000.	1,441	918	911	904	896	889
Total State Debt £'000.	33,644	31,341	32,291	34,181	37,100	41,631
Average Rate.. %	£3 14s. 11d.	£3 5s. 0d.	£3 4s. 0d.	£3 3s. 4d.	£3 1s. 5d.	£2 19s. 8d.
<b>Grand Total Commonwealth and State Debt £'000.</b>						
Average Rate.. %	£3 16s. 0d.	£2 19s. 0d.	£2 19s. 1d.	£2 18s. 10d.	£2 16s. 6d.	£2 16s. 0d.

(a) See footnote (a) page 722.

3. **State Public Debt and Annual Interest Payable at 30th June, 1952.**—In paragraphs 1 and 2 totals only of the States' Public Debt are given. In the following table the total debt of each State and the amounts outstanding per head of population at 30th June, 1952 are shown according to the place of flotation:—

**STATE PUBLIC DEBT AT 30th JUNE, 1952: PLACE OF FLOTATION OF LOANS.**

State.	Maturing in Australia.	Maturing Overseas.			Grand Total.
		London.	New York.	Total Overseas.	
<b>DEBT.</b>					
	£A.'000.	£ Stg.'000.	£'000.	£'000.	£'000.
New South Wales ..	388,786	122,885	10,820	133,705	522,491
Victoria .. ..	252,818	45,225	4,456	49,681	302,499
Queensland.. ..	138,312	44,258	4,740	48,998	187,310
South Australia ..	136,992	34,711	1,733	36,444	173,436
Western Australia ..	100,286	35,987	2,015	38,002	138,288
Tasmania .. ..	64,395	7,029	228	7,257	71,652
Total .. ..	1,081,589	290,095	23,992	314,087	1,395,676

STATE PUBLIC DEBT AT 30th JUNE, 1952: PLACE OF FLOTATION OF LOANS  
—continued.

State.	Maturing in Australia.	Maturing Overseas.			Grand Total.
		London.	New York.	Total Overseas.	

## DEBT PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.	£ s. d.
New South Wales ..	114 14 10	36 5 4	3 3 10	39 9 2	154 4 0
Victoria ..	108 5 1	19 7 3	1 18 2	21 5 5	129 10 6
Queensland ..	111 13 8	35 14 9	3 16 7	39 11 4	151 5 0
South Australia ..	185 4 8	46 18 8	2 6 11	49 5 7	234 10 3
Western Australia ..	166 15 10	59 17 1	3 7 0	63 4 1	229 19 11
Tasmania ..	213 3 0	23 5 4	0 15 1	24 0 5	237 3 5
Total ..	125 13 9	33 14 3	2 15 9	36 10 0	162 3 9

The following table shows, as at 30th June, 1952, the annual interest payable, together with the average rate of interest payable, with separate information for London, New York and Australian maturities.

STATE PUBLIC DEBT AT 30th JUNE, 1952: ANNUAL INTEREST PAYABLE—  
LOCATION.

State.	Australia.	Overseas.			Grand Total.
		London.	New York.	Total.	

## ANNUAL INTEREST PAYABLE.

	£A.'000.	£ Stg.'000.	£'000.	£'000.	£'000.
New South Wales ..	11,207	3,794	364	4,158	15,365
Victoria ..	7,457	1,463	181	1,644	9,101
Queensland ..	4,149	1,469	173	1,642	5,791
South Australia ..	3,978	1,078	71	1,149	5,127
Western Australia ..	2,936	1,106	92	1,198	4,134
Tasmania ..	1,882	223	8	231	2,113
Total ..	31,609	9,133	889	10,022	41,631

STATE PUBLIC DEBT AT 30TH JUNE, 1952: ANNUAL INTEREST PAYABLE—  
LOCATION—*continued.*

State.	Australia.	Overseas.			Grand Total.
		London.	New York.	Total.	
AVERAGE RATE OF INTEREST PAYABLE.					
	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.	£ s. d.
New South Wales ..	2 17 8	3 1 9	3 7 4	3 2 2	2 18 10
Victoria ..	2 19 0	3 4 9	4 1 1	3 6 2	3 0 2
Queensland ..	3 0 0	3 6 5	3 13 2	3 7 1	3 1 10
South Australia ..	2 18 1	3 2 2	4 1 3	3 3 0	2 19 2
Western Australia ..	2 18 7	3 1 5	4 11 8	3 3 0	2 19 9
Tasmania ..	2 18 5	3 3 5	3 7 6	3 3 6	2 19 0
Total ..	2 18 5	3 3 0	3 14 1	3 3 10	2 19 8

4. State Public Debt, 1939 and 1948 to 1952.—In the following table the debt of each State and the amounts outstanding per head of population at 30th June, 1939 and 1948 to 1952 are shown.

## STATE PUBLIC DEBT.

30th June—	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
DEBT. (£'000.)							
1939 .. ..	359,844	179,698	127,503	108,887	95,473	26,367	897,772
1948 .. ..	384,078	188,946	138,694	118,852	100,275	33,957	964,802
1949 .. ..	396,493	202,883	144,125	124,720	102,916	37,747	1,008,884
1950 .. ..	425,289	217,413	150,662	133,174	109,550	42,721	1,078,809
1951 .. ..	462,241	250,933	166,157	148,388	123,186	57,433	1,208,338
1952 .. ..	522,491	302,499	187,310	173,436	138,288	71,652	1,395,676

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

1939 .. ..	130 18 7	95 13 3	125 4 11	182 10 6	203 2 4	111 1 2	129 3 11
1948 .. ..	126 19 1	90 7 6	123 0 7	180 12 5	194 11 11	129 8 6	125 12 10
1949 .. ..	127 6 10	94 16 11	125 4 10	185 6 0	193 4 2	140 2 5	128 1 1
1950 .. ..	131 17 3	98 13 11	127 5 5	190 3 7	196 7 1	152 18 3	132 7 7
1951 .. ..	139 6 11	110 11 7	137 3 7	206 1 8	211 17 0	197 9 6	144 0 5
1952 .. ..	154 4 0	129 10 6	151 5 0	234 10 3	229 19 11	237 3 5	162 3 9

In some States certain public utilities such as tramways, water supply and sewerage, harbour services, etc., are controlled by boards or trusts, which, in addition to receiving advances from the central Government, raise loans by public borrowing on their own behalf, while in other States these services are controlled by the central Government. Comparison of the debts of the States is therefore difficult, but on page 731 figures showing the aggregate debts of the States, including these local and semi-governmental authorities, are shown for the years 1938-39 and 1947-48 to 1950-51.

5. Public Debt and Interest Payable in Australian Currency.—In the foregoing tables relating to Commonwealth and State public debt the debt outstanding in London is expressed in sterling, and debt outstanding in New York is expressed in pounds converted from dollars at the rate of \$4.8665 to £1. This method of showing the debt gives no

indication of the amount that the Australian Governments would have to find to repay the debt. In the following tables the public debt and the interest payable are shown in terms of Australian currency throughout. Debt in London and in New York has been converted to Australian currency at the selling rate of exchange on 30th June, 1952.

**COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE**  
**AT 30th JUNE, 1952 : AUSTRALIAN CURRENCY.**  
 (£A.'000.)

Particulars.	Maturing in—			Total.
	Australia.	London.(a)	New York. (b)	
<b>DEBT.</b>				
<b>Commonwealth Debt—</b>				
War (1914-18) Debt .. ..	148,561	9,455	..	158,016
War (1939-45) Debt .. ..	1,479,140	7,247	..	1,486,387
Works and Other Purposes .. ..	149,236	63,295	61,835	274,366
<b>Total Commonwealth Debt .. ..</b>	<b>1,776,937</b>	<b>79,997</b>	<b>61,835</b>	<b>1,918,769</b>
<b>State Debt—</b>				
New South Wales .. ..	388,786	154,221	23,777	566,784
Victoria .. ..	252,818	56,757	9,792	319,367
Queensland .. ..	138,312	55,544	10,415	204,271
South Australia .. ..	136,992	43,563	3,808	184,363
Western Australia .. ..	100,286	45,163	4,429	149,878
Tasmania .. ..	64,395	8,822	500	73,717
<b>Total State Debt .. ..</b>	<b>1,081,589</b>	<b>364,070</b>	<b>52,721</b>	<b>1,498,380</b>
<b>Commonwealth and State Debt—</b>				
Short-term Debt .. ..	405,090	29,917	..	435,007
Other Debt .. ..	2,453,436	414,150	114,556	2,982,142
<b>Grand Total Commonwealth and State Debt .. ..</b>	<b>2,858,526</b>	<b>444,067</b>	<b>114,556</b>	<b>3,417,149</b>

**ANNUAL INTEREST PAYABLE.**

<b>Commonwealth Debt—</b>				
War (1914-18) Debt .. ..	4,794	286	..	5,080
War (1939-45) Debt .. ..	37,278	290	..	37,568
Works and Other Purposes .. ..	4,265	2,102	2,679	9,046
<b>Total Commonwealth Debt .. ..</b>	<b>46,337</b>	<b>2,678</b>	<b>2,679</b>	<b>51,694</b>
<b>State Debt—</b>				
New South Wales .. ..	11,207	4,761	801	16,769
Victoria .. ..	7,457	1,836	397	9,690
Queensland .. ..	4,149	1,844	381	6,374
South Australia .. ..	3,978	1,353	155	5,486
Western Australia .. ..	2,936	1,388	203	4,527
Tasmania .. ..	1,882	280	16	2,178
<b>Total State Debt .. ..</b>	<b>31,609</b>	<b>11,462</b>	<b>1,953</b>	<b>45,024</b>
<b>Grand Total Commonwealth and State Debt .. ..</b>	<b>77,946</b>	<b>14,140</b>	<b>4,632</b>	<b>96,718</b>

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

(b) Converted at rate of \$2.2146 = £A. 1.

6. Public Debt at each Rate of Interest.—The following table shows particulars of the amounts of debt for Commonwealth and State purposes at 30th June, 1952, at each rate of interest:—

COMMONWEALTH AND STATE PUBLIC DEBT AT 30TH JUNE, 1952: AMOUNTS AT EACH RATE OF INTEREST.

Rate of Interest.	Maturing in—						Total.	
	Australia.		London.		New York.		Commonwealth.	State.
	Commonwealth.	State.	Commonwealth. (a)	State.	Commonwealth.	State.		
Per cent.	£A.'000.	£A.'000.	£stg'000.	£stg'000.	£'000.	£'000.	£'000.	£'000.
5.0 .. .. .	..	..	..	1	9,658	4,793	9,658	4,794
4.25 .. .. .	..	..	..	..	(b)12,830	..	12,830	..
4.0 .. .. .	..	584	5,775	11,546	..	..	5,775	12,130
3.875 .. .. .	..	37,491	57,209	..	..	..	37,491	57,209
3.75 .. .. .	..	(c)21,340	72,852	6,951	..	..	28,291	72,852
3.625 .. .. .	..	..	107	..	..	..	..	107
3.5 .. .. .	..	..	886	5,974	72,727	1,149	7,406	81,019
3.4875 .. .. .	..	..	975	..	..	..	..	975
3.375 .. .. .	..	147	..	..	3,357	5,373	3,504	5,373
3.25 .. .. .	..	875,202	155,922	34,278	57,671	6,420	910,625	220,013
3.2391 .. .. .	..	(d)27,211	..	..	..	..	27,211	..
3.125 .. .. .	..	288,194	493,703	..	..	..	288,194	493,703
3.1 .. .. .	..	..	4,011	..	..	..	..	4,011
3.0 .. .. .	..	14,162	43,857	9,795	90,890	..	23,957	134,747
2.8347 .. .. .	..	(e)14,599	..	..	..	..	14,599	..
2.75 .. .. .	..	..	(f) 470	37,326	..	..	470	37,326
2.7125 .. .. .	..	..	418	..	..	..	..	418
2.5 .. .. .	..	..	2(f) 500	19,932	..	..	500	19,934
2.325 .. .. .	..	..	1,730	..	..	..	..	1,730
2.0 .. .. .	..	92,171	207,063	..	..	..	92,171	207,063
1.5 .. .. .	..	..	3,287	..	..	..	..	3,287
1.0 .. .. .	..	..	38,983	..	..	..	..	38,983
0.75 .. .. .	..	g 405,090	..	..	..	..	405,090	..
Overdue War (1914-18) Savings Stamps	(h) 1,164	..	..	2	..	..	1,164	2
War (1939-45) Savings Stamps	14	..	..	..	..	..	14	..
National Savings Stamps	134	..	..	..	..	..	134	..
	18	..	..	..	..	..	18	..
Total Debt	1,776,937	1,081,589	63,743	290,095	28,139	23,992	1,868,819	1,395,676

(a) Excludes War (1914-18) Debt due to United Kingdom Government, £79,724,000 (rate of interest 4.91667 per cent.). (b) International Bank Dollar Loan. (c) Includes Advance Loan Subscriptions, £1,417,000. (d) War Savings and Savings Certificates—7 years series. (e) Savings Certificates—5 years series. (f) Short-term Treasury Bills and Debentures. (g) Internal Treasury Bills, £251,810,000 and Public Treasury Bills, £153,280,000. (h) Includes War (1914-18) Gratuity Bonds, £12,000 and War (1914-18) Savings Certificates, £4,000.

The variations in the rates of interest payable on the public debts of the States from 1901 to 1952 appear in the following table which shows the percentages of the total debts in various interest groups during the years specified, and the average rate of interest in each year



## STATE PUBLIC DEBT : PERCENTAGES, ETC., IN VARIOUS INTEREST GROUPS.

Interest Rates.	Percentage of Total Debt at 30th June—							
	1901.	1911.	1921.	1931.	1939.	1941.	1951.	1952.
Not exceeding 3 per cent.	18.0	17.9	10.2	5.3	19.1	18.5	23.7	31.8
Exceeding 3 per cent. but not exceeding 4 per cent.	78.5	81.9	45.4	17.2	62.4	63.6	75.9	67.9
Exceeding 4 per cent. but not exceeding 5 per cent.	3.1	0.1	15.6	36.8	16.0	15.5	0.4	0.3
Exceeding 5 per cent. but not exceeding 6 per cent.	0.4	0.1	23.5	38.4	2.3	2.2	.	..
Exceeding 6 per cent.	..	..	5.3	2.3	0.2	0.2	..	..
Total .. .. .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average Rate of Interest Payable .. .. .	3.7	3.6	4.4	4.9	3.7	3.7	3.1	3.0

7. Dates of Maturity.—(i) *Commonwealth.* In the following table the Commonwealth Public Debt at 30th June, 1952 is classified according to the earliest and the latest years of maturity.

## COMMONWEALTH PUBLIC DEBT AT 30th JUNE, 1952(a) : CLASSIFIED ACCORDING TO EARLIEST AND LATEST YEARS OF MATURITY.

Year of Maturity.	Earliest Year.				Latest Year.			
	Maturing in—			Total.	Maturing in—			Total.
	Australia.	London.	New York.		Australia.	London.	New York.	
	£A.'000.	£ Stg.'000.	£'000.	£'000.	£A.'000.	£ Stg.'000.	£'000.	£'000.
Before 30th June, 1952	749,009	..	..	749,009	..	..	..	..
1952-53(b)	475,927	7,921	9,658	493,506	435,355	970	..	436,325
1953-54	14,238	..	..	14,238	12,520	..	..	12,520
1954-55	51,178	..	..	51,178	91,750	..	..	91,750
1955-56	132,988	16,234	..	149,222	8,513	..	9,658	18,171
1956-57	83,280	..	1,145	84,425	43,200	6,951	1,145	51,296
1957-58	11,300	..	..	11,300	43,969	..	..	43,969
1958-59	..	..	..	..	241,140	..	..	241,140
1959-60	..	..	..	..	244,903	..	..	244,903
1960-61	81,804	5,775	..	87,579	236,511	16,234	..	252,745
1961-62	83,280	5,974	3,357	92,611	83,085	160,059	..	163,416
1962-63	(c)60,069	..	..	60,069	43,571	..	..	43,571
1963-64	..	..	..	..	81,804	5,775	..	87,579
1964-65	..	295	..	295	73,754	..	..	73,754
1965-66	..	17,749	..	17,749	(c)16,498	..	..	16,498
1966-67	..	..	1,149	1,149	..	5,974	1,149	7,123
1969-70	..	..	..	..	..	17,749	..	17,749
1974-75	..	..	..	..	..	295	..	295
1975-76	..	9,795	..	9,795	..	..	..	..
1977-78	..	..	..	..	..	9,795	..	9,795
War (1939-45) Savings and Savings Certificates—								
Seven years series ..	27,211	..	..	27,211	27,211	..	..	27,211
Five years series ..	14,599	..	..	14,599	14,599	..	..	14,599
War (1939-45) Savings Stamps .. .. .	134	..	..	134	134	..	..	134
National Savings Stamps	18	..	..	18	18	..	..	18
War (1914-18) Savings Stamps .. .. .	14	..	..	14	14	..	..	14
Peace Savings Certificates	103	..	..	103	103	..	..	103
Overdue .. .. .	1,164	..	..	1,164	1,164	..	..	1,164
Half-yearly .. .. .	147	..	(d)12,830	12,977	147	..	(d)12,830	12,977
Total .. .. .	1,776,937	63,743	28,139	1,868,819	1,776,937	63,743	28,139	1,868,819

(a) See notes to table on page 728. (b) Includes Short-term Debt. (c) Includes Advance Loan Subscriptions, £1,417,000 (d) International Bank Dollar Loan, to be repaid in half-yearly instalments from 1st September, 1955 to 1st September, 1975.

(ii) *States.* Particulars of State Public Debt at 30th June, 1952 have been classified in the following table according to the earliest and the latest years of maturity.

**STATE PUBLIC DEBT AT 30th JUNE, 1952 : CLASSIFIED ACCORDING TO EARLIEST AND LATEST YEARS OF MATURITY.**

Year of Maturity.	Earliest Year.				Latest Year.			
	Maturing in—			Total.	Maturing in—			Total.
	Aus- tralia.	London.	New York.		Aus- tralia.	London.	New York.	
£A.'000.	£ Stg. '000.	£'000.	£'000.	£A.'000.	£ Stg. '000.	£'000.	£'000.	
Before 30th June, 1952	143,248	27,681	..	170,929	..	..	..	..
1952-53 .. ..	60,725	(a)22,868	4,793	88,386	19,866	(a)34,658	..	54,524
1953-54 .. ..	55,793	21,084	..	76,877	34,104	10,796	..	44,900
1954-55 .. ..	157,160	20,141	..	177,301	198,018	3,205	..	201,223
1955-56 .. ..	12,650	16,066	..	28,716	22,693	..	4,793	27,486
1956-57 .. ..	65,412	..	6,420	71,832	19,006	..	6,420	25,426
1957-58 .. ..	39,508	..	..	39,508	37,674	20,141	..	57,815
1958-59 .. ..	1,668	14,055	..	15,723	37,662	21,084	..	58,846
1959-60 .. ..	2,732	..	..	2,732	78,390	..	..	78,390
1960-61 .. ..	111,500	..	..	111,500	66,309	18,575	..	84,884
1961-62 .. ..	133,864	23,962	5,373	213,199	31,150	..	5,373	36,523
1962-63 .. ..	169,773	12,870	..	182,643	60,209	..	..	60,209
1963-64 .. ..	3,604	10,000	..	13,604	110,825	..	..	110,825
1964-65 .. ..	1,564	12,974	..	14,538	183,630	12,870	..	196,500
1965-66 .. ..	1,084	55,028	..	56,112	110,649	10,000	..	120,649
1966-67 .. ..	2,450	..	7,406	9,856	2,450	23,962	7,406	33,818
1967-68 .. ..	2,202	15,949	..	18,151	2,202	14,850	..	17,052
1968-69 .. ..	2,455	..	..	2,455	2,455	..	..	2,455
1969-70 .. ..	3,242	18,441	..	21,683	3,242	42,068	..	45,310
1970-71 .. ..	2,369	..	..	2,369	2,369	11,546	..	13,915
1971-72 .. ..	2,177	12,225	..	14,402	2,177	15,949	..	18,126
1972-73 .. ..	2,711	..	..	2,711	2,711	..	..	2,711
1973-74 .. ..	3,336	..	..	3,336	3,336	12,225	..	15,561
1974-75 .. ..	4,378	..	..	4,378	4,378	31,415	..	35,793
1975-76 .. ..	7,338	4,351	..	11,689	7,338	..	..	7,338
1976-77 .. ..	6,001	..	..	6,001	6,001	..	..	6,001
1977-78 .. ..	1,839	..	..	1,839	1,839	4,351	..	6,190
1978-79 .. ..	1,921	..	..	1,921	1,921	..	..	1,921
1979-80 .. ..	2,008	..	..	2,008	2,008	..	..	2,008
1980-81 .. ..	2,098	..	..	2,098	2,098	..	..	2,098
1981-82 .. ..	2,193	..	..	2,193	2,193	..	..	2,193
1982-83 .. ..	1,661	..	..	1,661	1,661	..	..	1,661
Overdue .. ..	..	2	..	2	..	2	..	2
Interminable .. ..	..	1	..	1	..	1	..	1
Treasurer's option .. ..	..	2,397	..	2,397	..	2,397	..	2,397
Half-yearly drawings .. ..	10,560	..	..	10,560	10,560	..	..	10,560
Indefinite .. ..	10,365	..	..	10,365	10,365	..	..	10,365
Total .. ..	1,081,580	290,095	23,992	1,395,676	1,081,589	290,095	23,992	1,395,676

(a) Includes short-term debt, £22,868,000.

Under the Financial Agreement Act 1944, Treasury Bills issued to meet State revenue deficits accruing between 1st July, 1928 and 30th June, 1935 were retired on 31st December, 1944. In place of those not redeemed, one per cent. debentures amounting to £43,018,000 were issued. One of these debentures will mature in each year up to 1983. Particulars of these debentures are included under their respective years of maturity in the tables above.

**8. Short-term Debt.**—(i) *Amount.* Particulars of the short-term debt (Treasury Bills and Debentures) of the Commonwealth and States in London and in Australia at 30th June, 1939 and at intervals from 30th June, 1948 to 30th June, 1952 are shown in the following table. This debt is included in the public debt as shown elsewhere.

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

Date.	Maturing in Australia. (£ A.'000.)			Maturing in London. (£Stg.'000.)		
	Commonwealth.	States.	Total.	Commonwealth.	States.	Total.
30th June, 1939 ..	..	50,228	50,228	4,220	23,155	27,375
„ „ 1948 ..	208,280	..	208,280	1,970	22,868	24,838
„ „ 1949 ..	123,280	..	123,280	1,720	22,868	24,588
„ „ 1950 ..	108,280	..	108,280	1,470	22,868	24,338
„ „ 1951 ..	108,280	2,400	110,680	1,220	22,868	24,088
30th September, 1951	103,280	2,500	105,780	1,220	22,868	24,088
31st December, 1951	233,280	6,000	239,280	970	22,868	23,838
31st March, 1952 ..	258,280	6,000	264,280	970	22,868	23,838
30th June, 1952 ..	153,280	..	153,280	970	22,868	23,838

(a) Excludes Overdrafts and Internal Treasury Bills.

(ii) *Interest Rates.* (a) *London.* The rates of interest payable on Treasury Bills and Debentures in London during the following periods were: 1938-39—minimum rate, 2 per cent., maximum rate, 2½ per cent.; 1947-48 to 1950-51—minimum rate, 2 per cent., maximum rate, 2½ per cent. On 8th November, 1951 the rates were increased to—minimum rate, 2½ per cent., maximum rate, 2¾ per cent.

(b) *Australia.* The Treasury Bill rates in Australia were as follows:—1¼ per cent. from 1st January, 1935; 1½ per cent. from 1st May, 1940; 1¼ per cent. from 1st May, 1943; 1 per cent. from 1st March, 1945; ¾ per cent. from 1st May, 1949; 1 per cent. from 1st August, 1952.

9. *State and Municipal and Semi-Governmental Authority Public Debt.*—For the reasons indicated on page 726 direct comparisons of the debts of the several States should be made with caution. The table following shows, for 1938-39 and 1947-48 to 1950-51, particulars of the debts of the States and the debts due to the public by municipal and semi-governmental authorities in each State.

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

State.	State.	Municipal. (a)	Semi-Governmental. (a)	Total.	
DEBT. (£'000.) 1950-51.					
New South Wales ..	462,241	39,122	108,280	609,643	
Victoria ..	250,933	15,058	123,125	389,116	
Queensland ..	166,157	36,593	13,535	216,285	
South Australia ..	148,388	699	11,253	160,340	
Western Australia ..	123,186	2,538	392	126,116	
Tasmania ..	57,433	4,191	1,302	62,926	
Total	1950-51 ..	1,208,338	98,201	257,887	1,564,426
	1949-50 ..	1,078,809	84,445	206,622	1,369,876
	1948-49 ..	1,008,884	74,201	176,561	1,259,646
	1947-48 ..	964,802	67,071	161,390	1,193,263
	1938-39 ..	897,772	78,126	120,512	1,096,410

## DEBT PER HEAD OF POPULATION.

(£.) 1950-51.					
New South Wales ..	139.3	11.8	32.7	183.8	
Victoria ..	110.6	6.6	54.3	171.5	
Queensland ..	137.2	30.2	11.2	178.6	
South Australia ..	206.1	1.0	15.6	222.7	
Western Australia ..	211.9	4.3	0.7	216.9	
Tasmania ..	197.5	14.4	4.5	216.4	
Total	1950-51 ..	144.0	11.7	30.8	186.5
	1949-50 ..	132.4	10.4	25.3	168.1
	1948-49 ..	128.1	9.4	22.4	159.9
	1947-48 ..	125.6	8.7	21.0	155.3
	1938-39 ..	129.2	11.2	17.4	157.8

(a) Due to the public and excludes amounts due to Central Government. Includes bank overdrafts.

## § 4. Commonwealth Loan Raisings.

1. New Loans Raised, 1947-48 to 1951-52.—Under the Financial Agreement between the Commonwealth and the States, the Commonwealth is responsible for raising all loan moneys required by both the Commonwealth and the State Governments. Details of loan transactions given in this section relate, therefore, to all loans raised for the Commonwealth and the States. The following table shows details of new loans raised in Australia by the Commonwealth during the five years 1947-48 to 1951-52. No new loans were raised in London during this period, and the only new loan raised in New York was that from the International Bank for Reconstruction and Development, amounting to \$100,000,000, raised in May, 1951 and repayable in half-yearly instalments from 1st September, 1955 to 1st September, 1975. The rate of interest is 4½ per cent. Of this loan \$62,439,164 had been drawn at 30th June, 1952.

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

Month of Raising.	Amount Invited.	Number of Subscribers.	Amount Subscribed.	Rate of Interest per annum.	Year of Maturity.	Price of Issue per £100.	Allocation of Proceeds.		
							Commonwealth.		States.
							War (1939-45) and Repatriation Services.	Other Purposes.	
	£'000.		£'000.	%		£	£'000.	£'000.	£'000.
1947-48—									
October (Fourth Security Loan) ..	48,030	95,327	61,223	3½	1956-59	100	21,611	13,012	26,600
April (Fifth Security Loan) ..	35,000	87,234	43,294	3½	1957-60	100	6,621	7,645	29,028
1948-49—									
September (Sixth Security Loan) ..	15,000	84,472	15,052	3½	1962	100	52	..	15,000
March (Seventh Security Loan) ..	43,239	54,860	{ 11,982 49,842	{ 2 3½	{ 1952 1960-63	{ 100	{ 5,539	{ 32,140	{ 24,145
1949-50—									
September (Eighth Security Loan) ..	25,912	63,504	{ 8,035 37,132	{ 2 3½	{ 1953 1960-63	{ 100	{ ..	{ ..	{ 45,167
March (Ninth Security Loan) ..	40,875	46,066	{ 8,433 52,245	{ 2 3½	{ 1953 1961-64	{ 100	{ 11,887	{ 17,215	{ 31,576
1950-51—									
August (Tenth Security Loan) ..	12,911	46,302	{ 6,531 41,770	{ 2 3½	{ 1953 1961-64	{ 100	{ 1,301	{ ..	{ 47,000
November (Eleventh Security Loan) ..	21,253	32,160	{ 1,976 28,024	{ 2 3½	{ 1953 1961-64	{ 100	{ ..	{ ..	{ 30,000
May (Twelfth Security Loan) ..	40,000	46,192	{ 3,275 45,991	{ 2 3½	{ 1954 1962-65	{ 100 99	{ 328	{ ..	{ 48,938
1951-52—									
August (Thirteenth Security Loan) ..	40,000	22,628	{ 8,911 23,589	{ 2 3½	{ 1954 1962-65	{ 100	{ ..	{ 3,840	{ 28,660
November (Fourteenth Security Loan) ..	13,233	12,909	{ 2,794 10,752	{ 2 3½	{ 1954 1962-65	{ 100	{ ..	{ 1,470	{ 12,076
March (Fifteenth Security Loan) ..	30,533	19,449	{ 5,277 12,486	{ 2 3½	{ 1955 1962-65	{ 100	{ ..	{ 1,901	{ 15,862
June .. ..	160,000	(b)	160,000	2	1955	100	7,135	16,367	136,498

(a) Includes loans raised for redemption of Treasury Bills, but excludes conversion loans, loans for redemption of debt maturing in London, short-term debt and certain miscellaneous debt (see below).  
(b) Special Issue (taken up by National Debt Sinking Fund, £125.5 million, and other Commonwealth Trust Funds).

The loan of £160,000,000 issued in June, 1952 was for the purpose of fulfilling an undertaking given by the Commonwealth that the States would have access to loan funds

for their works programmes during 1951-52 up to the approved Loan Council borrowing programme of £225,287,000. Subscriptions to this special loan came from the following sources :—

National Debt Commission—	£
Investment of surplus received from Commonwealth Revenue	98,500,000
Investment of Australian currency proceeds of International Bank Loan .. .. .	27,000,000
Commonwealth Trust Moneys—Investment .. .. .	34,500,000
	160,000,000

Finance of the approved Loan Council programme in 1951-52 was therefore provided from the following sources—

	£
Public Loans, domestic raisings, etc. .. .. .	72,422,000
Special Commonwealth Loan .. .. .	152,865,000
	225,287,000

In addition to the new loans raised shown in the foregoing table, and the redemption and conversion loans shown in the following table, there were other miscellaneous debt operations during 1951-52, viz. :—Savings Certificates and War Saving Certificates (Five and Seven Years' Series), decrease of £6,306,000 ; War Savings and Savings Stamps, decrease of £3,000 ; " Over the Counter Sales " (small amounts borrowed by the States by virtue of certain statutory rights), £1,844,000. Advance loan subscriptions in hand increased from £1,026,000 at the end of 1950-51 to £1,417,000 at the end of 1951-52.

2. Conversion and Redemption Loans, 1947-48 to 1951-52.—(i) *Australia*. Particulars of conversion loans raised in Australia during the five years 1947-48 to 1951-52 are given in the following table :—

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

Month of Raising.	Old Loan.		New Loan.				Reduction in Annual Liability for Interest.
	Amount.	Rate of Interest per annum.	Amount.	Rate of Interest per annum.	Price of Issue per £100.	Year of Maturity.	
	£A.'000.	%	£A.'000.	%	£		£A.'000.
1947-48—							
August ..	6,422	3 $\frac{1}{2}$	28,111	3 $\frac{1}{2}$	100	1956-59	238
October ..	21,689	4					
December ..	19,015	2 $\frac{1}{2}$					
	6,000	2 $\frac{1}{2}$	6,000	3 $\frac{1}{2}$	100	1956-59	- 38
1948-49—							
September ..	55,231	2 $\frac{1}{2}$	85,038	3 $\frac{1}{2}$	100	1962	-293
	14,168	3					
	7,581	3 $\frac{1}{2}$					
	8,058	3 $\frac{1}{2}$					
March ..	17,291	2	33,577	2	100	1952	-188
	59,470	2 $\frac{1}{2}$	43,184	3 $\frac{1}{2}$	100	1960-63	
1949-50—							
September ..	15,262	2	29,609	2	100	1953	- 51
	50,268	2 $\frac{1}{2}$					
	12,104	3 $\frac{1}{2}$					
	11,455	3 $\frac{1}{2}$	59,480	3 $\frac{1}{2}$	100	1960-63	
March ..	4,125	2	2,235	2	100	1953	- 21
			1,890	3 $\frac{1}{2}$	100	1961-64	
1950-51—							
August ..	9,285	3 $\frac{1}{2}$	9,715	2	100	1953	400
	27,817	4					
	116,828	4					
November ..			14,698	2	100	1953	1,187
			102,130	3 $\frac{1}{2}$	100	1961-64	
1951-52—							
November ..	26,767	3 $\frac{1}{2}$	5,077	2	100	1954	89
			21,690	3 $\frac{1}{2}$	100	1962-65	
March ..	44,467	2	33,654	2	100	1955	-189
			10,813	3 $\frac{1}{2}$	100	1962-65	

NOTE.—Minus sign (-) indicates an increase in the annual liability for interest.

(ii) *London*. The following table shows particulars of loans raised in Australia and London during the years 1947-48 to 1950-51 for the purpose of redeeming and converting London loans. There were no loans raised for this purpose in 1951-52.

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

Month of Raising.	Old Loan.		New Loan.				Reduction in Annual Liability for Interest and Exchange. (a)	
	Amount.	Rate of Interest per annum.	Amount raised in—		Rate of Interest per annum.	Price of Issue per £100.		Year of Maturity.
			Australia.	London.				
	£ Stg. '000.	%	£A. '000.	£ Stg. '000.	%	£	£A. '000.	
1947-48— January ..	15,870	5½	{ .. 3,761	12,870 ..	3 3½	98½ 100	1963-65 1960	} 443
1948-49— August ..	13,988	4	{ .. 5,000	10,000 ..	3 3½	100 100	1964-66 1957-60	
January ..	{ 5,170 14,775	{ 3 3½	{ .. 6,200	{ 15,000 ..	{ 3 3½	{ 100 100	{ 1965-67 1962	} 131
January ..	{ 1,959 16,027	{ 3½ 4	{ .. 6,269	{ 12,986 ..	{ 3 3½	{ 100 100	{ 1972-74 1960-63	
March ..	19,500	3½	{ .. 5,642	{ 15,000 ..	{ 3 3½	{ 100 100	{ 1975-77 1960-63	} 176
1949-50— October ..	5,583	3½	7,000	..	3½	100	1960-63	
1950-51— July ..	9,400	3½	11,785	..	3½	100	1964	44

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

(iii) *New York.* During 1946-47 four loans totalling \$128,000,000 were raised in New York to redeem loans which became due for redemption or which the Commonwealth had the option of redeeming. Details of these loans are given in the last issue of the Year Book (page 836). No further loans were raised in New York for this purpose during the five years 1947-48 to 1951-52.

3. *International Bank for Reconstruction and Development Loan.*—To provide dollar funds for the purchase of certain types of capital equipment and plant which were indispensable to the furtherance of development in Australia and which could only be obtained in the United States of America and Canada, the Commonwealth Government, in August, 1950, arranged a loan of \$100,000,000 from the International Bank for Reconstruction and Development. The loan is for a term of 25 years with interest at 4½ per cent. per annum on the amount of the loan withdrawn and outstanding from time to time. In addition there is a commitment charge of ¾ per cent. per annum on the amount of the loan not withdrawn from time to time. Repayment of the loan is to be made in half-yearly instalments commencing on 1st September, 1955. The last instalment is payable on 1st September, 1975. Up to 30th June, 1952, \$62,439,164 had been drawn on the loan.

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

The capital equipment and plant purchased from the proceeds of these loans are made available to Commonwealth and State Government departments and agencies and private firms and individuals for use in the development of Australian resources. Subject to a special import licence being obtained, the goods are imported and distributed through normal channels and payment made through the Australian banking system. Periodically, schedules of dollar payments for goods imported against loan licences are submitted to the International Bank for Reconstruction and Development. These schedules form the basis for periodical drawings by the Commonwealth against the loan. The amounts drawn are paid to the Commonwealth Bank to replace the dollar funds used in making the purchases. In return, the Commonwealth Government receives Australian currency from the Commonwealth Bank. This is paid to the Commonwealth National Debt Sinking Fund, out of which the loans will subsequently be redeemed.

4. Summary of Loan Transactions, 1942-43 to 1951-52.—The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the last ten years.

COMMONWEALTH LOAN TRANSACTIONS : SUMMARY.

Year ended 30th June.	New Loans.				Net Increase in Short-term Debt in—			Loans Raised for Conversion or Redemption of Existing Debt Maturing in—			
	Public Loans (a) Raised in—		Net Increase of Miscellaneous Debt in— (b)		Australia.		London.	Australia.	London.		New York.
	Australia.	New York.	Australia.	London.	Public.	Internal.			Raised in—		
	£A.'000.	\$'000.	£A.'000.	£ Stg.'000.	£A.'000.	£A.'000.	£ Stg.'000.	£A.'000.	£A.'000.	£ Stg.'000.	\$'000.
1943	184,692	..	31,304	254	172,886	8,500	1,399	21,783	..	16,451	..
1944	276,949	..	6,952	12,007	77,905	42,718	1,112	12,252	5,631	..	..
1945	264,245	..	14,218	..	32,745	32,104	250	40,666	12,650	..	..
1946	172,817	..	2,390	347	330	..	250	21,157	43,017	74,055	..
1947	105,164	..	8,086	..	65,000	25,000	250	31,227	5,334	34,591	128,000
1948	104,518	..	1,719	..	70,000	20,100	250	53,126	3,761	12,870	..
1949	76,876	..	9,202	..	85,000	41,400	250	161,799	23,111	52,986	..
1950	105,845	..	4,788	..	15,000	19,000	250	93,213	7,000	..	..
1951	127,580	9,059	30,183	..	2,400	87,000	250	153,928	11,785	..	..
1952	223,809	53,380	4,975	..	42,600	37,000	250	71,234	..	..	..

(a) Includes loans raised for redemption of Treasury Bills. No new loans were raised in London during this period. (b) "Over the Counter Sales" and net increase in debt on account of Citizens' National Emergency Loans, War Savings and Savings Certificates and Stamps, National Savings Bonds and Stamps, and Advance Loan Subscriptions. Debt in London includes Citizens' National Emergency Loans and debt to United Kingdom Government. (c) Amount drawn of \$100,000,000 loan from International Bank for Reconstruction and Development. (d) Includes special loan of £160,000,000 raised from Commonwealth Trust Funds.

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

§ 5. National Debt Sinking Fund.

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

The old sinking funds were merged in the National Debt Sinking Fund on 11th August, 1923. Particulars of receipts and expenditure of the Commonwealth Account for the years 1938-39 and 1947-48 to 1951-52 were as follows:—

NATIONAL DEBT SINKING FUND : COMMONWEALTH ACCOUNT.  
(£'000.)

Items.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
<b>Receipts—</b>						
From Consolidated Revenue	3,918	15,456	16,083	16,146	17,225	(a) 116,928
Loans and Advances Repaid	17	454	766	580	4,381	2,094
War Service Homes Money Repaid	629	1,115	1,357	2,156	3,147	4,046
Half Net Profit Commonwealth Bank	321	965	1,082	1,116	1,140	1,336
Reparation Moneys	..	..	..	500	..	..
Interest on Investments	32	31	42	104	70	76
Loan (International Bank for Reconstruction and Development) Act	..	..	..	..	4,044	23,831
Other Contributions	14	12	12	12	12	12
<b>Total Receipts</b>	<b>4,931</b>	<b>18,033</b>	<b>19,342</b>	<b>20,614</b>	<b>30,019</b>	<b>148,323</b>
<b>Expenditure—</b>						
Securities Repurchased and Redeemed in—						
Australia	4,230	23,281	3,917	26,916	28,762	25,382
London	608	371	314	610	1,688	411
New York	214	90	78	118	449	448
<b>Total Expenditure</b>	<b>5,052</b>	<b>23,742</b>	<b>4,309</b>	<b>27,644</b>	<b>30,899</b>	<b>26,241</b>
Balance at 30th June	1,131	2,874	17,907	10,877	9,997	132,079
Face Value of Securities Repurchased and Redeemed in—						
Australia	4,199	23,201	3,900	26,872	28,828	26,882
London	498	294	250	496	1,409	335
New York	167	66	57	68	210	211
<b>Total Face Value</b>	<b>4,864</b>	<b>23,561</b>	<b>4,207</b>	<b>27,436</b>	<b>30,447</b>	<b>27,428</b>

(a) Includes £98,500,000 Consolidated Revenue Fund surplus.

2. *State Public Debt.*—(i) *States, 1951-52.* Prior to the passing of the Financial Agreement Act 1928, the practice by the States of providing sinking funds had been consistently followed in Western Australia only. This Act contains provisions for the establishment of a sinking fund on States' debts (*see p. 720*). Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1951-52 are shown below.

**NATIONAL DEBT SINKING FUND : STATE ACCOUNT, 1951-52.**  
(£'000.)

Items.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>Receipts—</b>							
<b>Contributions under Financial Agreement—</b>							
Commonwealth .. .. .	980	528	334	316	273	126	2,557
States .. .. .	3,926	2,231	1,461	1,281	1,022	404	10,325
Interest from States on cancelled Securities .. .. .	14	10	4	6	5	2	41
Special Contributions by States .. .. .	109	34	..	1	1	6	151
Interest on Investments, etc. .. .. .	1	1	1	1	..	..	4
<b>Total Receipts .. .. .</b>	<b>5,030</b>	<b>2,804</b>	<b>1,800</b>	<b>1,605</b>	<b>1,301</b>	<b>538</b>	<b>13,078</b>
<b>Expenditure—</b>							
<b>Securities Repurchased and Redeemed in—</b>							
Australia .. .. .	3,410	2,164	1,192	1,231	838	445	9,280
London .. .. .	64	79	76	96	142	17	474
New York .. .. .	243	59	89	22	12	5	430
<b>Total Expenditure .. .. .</b>	<b>3,717</b>	<b>2,302</b>	<b>1,357</b>	<b>1,349</b>	<b>992</b>	<b>467</b>	<b>10,184</b>
Balance at 30th June, 1952 .. .. .	1,381	574	494	312	318	100	3,179
<b>Face Value of Securities Repurchased and Redeemed in—</b>							
Australia .. .. .	3,568	2,266	1,235	1,268	861	463	9,661
London .. .. .	57	71	66	86	125	15	420
New York .. .. .	124	30	46	11	6	3	220
<b>Total Face Value .. .. .</b>	<b>3,749</b>	<b>2,367</b>	<b>1,347</b>	<b>1,365</b>	<b>992</b>	<b>481</b>	<b>10,301</b>

(ii) *All States, 1938-39 and 1947-48 to 1951-52.* The following table is a summary of the transactions of the National Debt Sinking Fund (State Account) for the years 1938-39 and 1947-48 to 1951-52 :—

**NATIONAL DEBT SINKING FUND : STATE ACCOUNT.**  
(£'000.)

Items.	1938-39.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
<b>Receipts—</b>						
<b>Contributions under Financial Agreement—</b>						
Commonwealth .. .. .	1,478	1,732	1,851	2,006	2,241	2,557
States .. .. .	4,327	7,653	8,109	8,747	9,418	10,325
Interest from States on cancelled Securities .. .. .	15	16	29	27	25	41
Commonwealth Contributions under Federal Aids Roads and Works Act .. .. .	69	68	20	..	..	..
Special Contributions by States .. .. .	61	137	174	142	147	151
Interest on Investments, etc. .. .. .	56	19	11	6	8	4
<b>Total Receipts .. .. .</b>	<b>6,006</b>	<b>9,625</b>	<b>10,194</b>	<b>10,928</b>	<b>11,839</b>	<b>13,078</b>
<b>Expenditure—</b>						
<b>Securities Repurchased and Redeemed in—</b>						
Australia .. .. .	4,008	8,950	8,337	6,509	8,877	9,280
London .. .. .	1,722	2,902	2,393	1,449	5,307	474
New York .. .. .	347	444	256	393	462	430
<b>Total Expenditure .. .. .</b>	<b>6,077</b>	<b>12,296</b>	<b>10,986</b>	<b>8,351</b>	<b>14,646</b>	<b>10,184</b>
Balance at 30th June .. .. .	1,885	1,307	515	3,092	285	3,179
<b>Face Value of Securities Repurchased and Redeemed in—</b>						
Australia .. .. .	3,996	8,930	8,292	6,480	8,859	9,661
London .. .. .	1,561	2,309	1,909	1,182	4,345	420
New York .. .. .	285	314	185	223	229	220
<b>Total Face Value .. .. .</b>	<b>5,842</b>	<b>11,553</b>	<b>10,386</b>	<b>7,885</b>	<b>13,433</b>	<b>10,301</b>

Particulars of the Financial Agreement between the Commonwealth and the States and of the provisions regarding Sinking Fund contributions are shown on page 719 of this issue and in the *Finance Bulletins* issued by this Bureau.



## E. TAXES ON INCOME.

NOTE—The following section was written prior to the introduction of the 1953-54 Commonwealth Budget, when certain changes in income taxes were made. For a description of the taxes inclusive of these changes see Appendix to this volume.

1. **General.**—A description of the development of income taxes in Australia appeared in Official Year Book No. 35, p. 926. Since July, 1942, the Commonwealth, under the uniform tax arrangement, has been the only authority imposing taxes on income. Taxes on income are assessed and imposed under the Income Tax and Social Services Contribution Assessment Act 1936-1953 and the Income Tax and Social Services Contribution Act 1952. The latter act is an annual measure and its primary purpose is to declare the rates of tax and contribution payable for the financial year. The rates for the financial year are levied, in the case of individuals, on the income of that year and, in the case of companies, on the income of the preceding year. Thus tax for the financial year 1952-53 is levied on the income of individuals in 1952-53 and on the income of companies in 1951-52.

2. **Present Taxes.**—Commencing with the 1950-51 financial year the two taxes on incomes of individuals (Income Tax and Social Services Contribution) were combined into a single tax known as Income Tax and Social Services Contribution. For the financial year 1950-51 companies were liable to pay primary tax and tax on undistributed income. Public companies were also liable to a super tax. For the financial year 1951-52 the super tax and tax on the undistributed income of public companies were discontinued. However, in the latter year provision was made for an additional tax on the income of certain public companies and an advance payment of tax for 1952-53.

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

Certain types of Australian income are exempt from tax in Australia, the more important being (i) pensions, child endowment and other payments under the Social Services Consolidation Act 1947-1950, (ii) income from gold-mining and uranium mining, (iii) twenty per cent. of certain mining profits, (iv) dividends paid out of exempt mining profits, and (v) pay and allowances earned by a member of the Defence Forces while serving in Korea after 26th June, 1950 and Malaya after 28th June, 1950. Commencing with the year 1951-52, income received from a scholarship, bursary or other educational allowance is also exempt.

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

Assessable income is divided into two main groups—personal exertion and property. Personal exertion income includes all wage, salary, business and professional incomes, while property income includes all rents, dividends and interest. A further tax on property income is imposed on individuals in cases where the total taxable income exceeds £400 and the amount of property income exceeds £100 (see page 739). No distinction between personal exertion and property income is made for companies.

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

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

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

4. **Concessional Deductions.**—Prior to the financial year 1950-51, concessional allowances for dependants, medical expenses, life assurance and superannuation contributions, etc., were made by way of rebates of Income Tax or by way of concessional rates for Social Services Contribution. Since 1950-51 these allowances have been made by way of a deduction from income. The maximum deduction allowed for each dependant, parent or a housekeeper employed by the taxpayer for the financial years 1950-51 to 1952-53 is shown in the following table.

## CONCESSIONAL DEDUCTIONS FOR DEPENDANTS, ETC.

(£.)

Dependant, etc. (Resident).	Maximum Deduction. (a)
Spouse .. .. .	104
Daughter-housekeeper (b) .. .. .	104
Housekeeper (b) having care of taxpayer's children under 16 years of age .. .. .	104
Parent .. .. .	104
One child under 16 years of age .. .. .	78
Other children under 16 years of age .. .. .	52
Invalid relative(c) .. .. .	78
Child 16 to 21 years receiving full-time education .. .. .	78

(a) These deductions are allowed only if the dependant or parent is a resident of Australia. If the dependant derives income or is maintained for part only of the year a partial deduction is allowed.

(b) Of a widower or widow. (c) Child, step-child, brother or sister over 16 years of age.

Medical expenses paid by a taxpayer who is a resident, in respect of himself, a dependant, or other child under 21 years of age, up to £100 for each person, are allowed as a concessional deduction. Medical expenses include payments made to a legally qualified medical practitioner, nurse or chemist, or a hospital, in respect of an illness or operation, payments for dental services not exceeding £20 for any one person, payment for therapeutic treatment and eye tests, expenditure on medical or surgical appliances, artificial limbs or eyes, hearing aids and spectacles, and the remuneration of an attendant of a person who is blind or confined to bed or invalid chair.

Payments of life, etc., insurance premiums and contributions to superannuation, medical, hospital and similar funds and friendly societies, not exceeding an aggregate of £200, and funeral expenses of a dependant not exceeding £30 are allowed as concessional deductions if the taxpayer is a resident. In 1952-53 concessional deductions were extended to cover payments made by a resident taxpayer to a school, college, university or tutor on behalf of dependent student children who are less than 21 years of age (maximum £50 per dependant).

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

5. **Effective Exemptions from Tax.**—For the financial years 1950-51 to 1952-53 resident taxpayers without dependants were exempt from Income Tax and Social Services Contribution if their income did not exceed £104. The effect of the deductions for dependants was to exempt taxpayers up to the incomes shown hereunder in the years 1950-51 to 1952-53. For comparison, the effect of concessions for dependants for the years 1948-49 and 1949-50 are also shown.

## RESIDENT TAXPAYERS: EFFECTIVE EXEMPTIONS FROM TAX.

(£.)

Taxpayer with—	Social Services Contribution— Financial Years 1948-49 and 1949-50.	Income Tax and Social Services Contribution— Financial Years 1950-51 to 1952-53.
No dependants .. .. .	104	104
Wife .. .. .	200	208
„ and one child .. .. .	283	286
„ „ two children .. .. .	317	338
„ „ three children .. .. .	350	390
„ „ four children .. .. .	400	442

Commencing with the 1951-52 financial year, an aged person (i.e. a man who has attained the age of 65 years or a woman who has attained the age of 60 years) is exempt from Income Tax and Social Services Contribution if his net income (i.e. gross income less expenses of earning that income) does not exceed £234. A married couple both of whom qualify by age for the concession, are exempt from tax if their combined net incomes do not exceed £468. For the 1952-53 financial year, these exemptions were raised to £254 and £507 respectively.

6. Rates of Income Tax and Social Services Contribution on Individuals.—The following table shows the rates of income tax and social services contribution for the financial year 1950-51. The same rates operated for the 1951-52 financial year, but additional tax and contribution of 10 per cent. of the tax payable, prior to the allowance of any rebate or credit, was imposed. No change was made in tax rates for 1952-53 but the additional tax of 10 per cent. was abolished, leaving the effective rates the same as for the 1950-51 financial year.

**INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—INDIVIDUALS: RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—1950-51 TO 1952-53.**

Total Taxable Income.		Column 3.		Column 4.	
Column 1.	Column 2.	Tax and Contribution on amount set out in Column 1.		Tax and Contribution on Remainder of Taxable Income.	
Not less than—	Not more than—				
£	£	£	s. d.	£	
Nil	100	Nil	plus	1d. in each £1	
100	150	0	8 4	6d. in each £1 in excess of	100
150	200	1	13 4	11d. " " "	150
200	250	3	19 2	16d. " " "	200
250	300	7	5 10	21d. " " "	250
300	400	11	13 4	26d. " " "	300
400	500	22	10 0	32d. " " "	400
500	600	35	16 8	38d. " " "	500
600	700	51	13 4	44d. " " "	600
700	800	70	0 0	48d. " " "	700
800	900	90	0 0	52d. " " "	800
900	1,000	111	13 4	56d. " " "	900
1,000	1,200	135	0 0	64d. " " "	1,000
1,200	1,400	188	6 8	72d. " " "	1,200
1,400	1,600	248	6 8	80d. " " "	1,400
1,600	1,800	315	0 0	88d. " " "	1,600
1,800	2,000	388	6 8	96d. " " "	1,800
2,000	2,400	468	6 8	104d. " " "	2,000
2,400	2,800	641	13 4	112d. " " "	2,400
2,800	3,200	828	6 8	120d. " " "	2,800
3,200	3,600	1,028	6 8	128d. " " "	3,200
3,600	4,000	1,241	13 4	136d. " " "	3,600
4,000	4,400	1,468	6 8	144d. " " "	4,000
4,400	5,000	1,708	6 8	152d. " " "	4,400
5,000	6,000	2,088	6 8	160d. " " "	5,000
6,000	8,000	2,755	0 0	168d. " " "	6,000
8,000	10,000	4,155	0 0	176d. " " "	8,000
10,000	upwards	5,621	13 4	180d. " " "	10,000

(a) In 1951-52 an additional tax of 10 per cent. was levied.

If the taxable income exceeds £400 and includes income from property, the amount of the income from property is subject to the further tax shown in the following table.

**FURTHER TAX AND CONTRIBUTION ON PROPERTY INCOME 1950-51 TO 1952-53 (a).**

Taxable Income from Property.		Column 3.		Column 4.	
Column 1.	Column 2.	Further Tax and Contribution on Taxable Income shown in Column 1.		Further Tax and Contribution on Remainder of Taxable Income from Property.	
Not less than—	Not more than—				
£	£	£	s. d.	£	
Nil	100	Nil		Nil	
100	1,000	Nil	plus	8d. on each £1 in excess of	100
1,000	4,000	30	0 0	16d. " " "	1,000
4,000	6,000	230	0 0	8d. " " "	4,000
6,000	10,000	296	13 4	4d. " " "	6,000
10,000	upwards	363	6 8	(No rate on excess over £10,000)	

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

If the total taxable income does not exceed £1,000, the further tax on property income cannot exceed twelve pence for every £1 by which the total taxable income exceeds £400. No further tax and contribution is imposed where the taxable income from property does not exceed £100.

Prior to the 1951-52 financial year the rate of Income Tax and Social Services Contribution for primary producers was determined by the average taxable income of the five years up to the current year and this rate was applied to the taxable income of the current year. For the 1951-52 and subsequent financial years the application of the averaging provisions was limited to that part of the taxable income which did not exceed £4,000 and, where the taxable income exceeded £4,000, the balance was taxed at ordinary rates. Where the taxable income was less than £4,000, the rate of tax for average purposes was limited to the rate on a taxable income of £4,000. Provision was also made for a taxpayer to elect not to have the averaging provisions applied to his assessment for any income year and subsequent years. Such an election once made is irrevocable.

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

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

7. Taxes on Specified Incomes.—The following table shows the Income Tax and Social Services Contribution payable by taxpayers, with various incomes and numbers of dependants, on income derived in each year from 1949-50 to 1952-53:—

## COMMONWEALTH TAXES ON INCOME.

(£.)

Income.	1949-50 Financial Year.			1950-51 Financial Year.	1951-52 Financial Year.	1952-53 Financial Year.
	Income Tax.	Social Services Contribution.	Total.	Income Tax and Social Services Contribution.	Income Tax and Social Services Contribution.	Income Tax and Social Services Contribution.
<b>INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH NO DEPENDANTS.</b>						
150 .. .. .	..	3.05	3.05	1.65	1.80	1.65
200 .. .. .	..	5.60	5.60	3.95	4.35	3.95
250 .. .. .	..	9.00	9.00	7.30	8.05	7.30
300 .. .. .	..	13.10	13.10	11.65	12.80	11.65
350 .. .. .	..	18.05	18.05	17.10	18.80	17.10
400 .. .. .	..	23.75	23.75	22.50	24.75	22.50
500 .. .. .	..	37.50	37.50	35.85	39.45	35.85
600 .. .. .	8.50	45.00	53.50	51.65	56.80	51.65
800 .. .. .	31.50	60.00	91.50	90.00	99.00	90.00
1,000 .. .. .	62.50	75.00	137.50	135.00	148.50	135.00
1,500 .. .. .	170.85	112.50	283.35	281.65	309.80	281.65
2,000 .. .. .	320.85	150.00	470.85	468.35	515.20	468.35
3,000 .. .. .	704.15	225.00	929.15	928.35	1,021.20	928.35
5,000 .. .. .	1,720.85	375.00	2,095.85	2,088.35	2,297.20	2,088.35
<b>INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE.</b>						
150 .. .. .	..	..	..	..	..	..
200 .. .. .	..	..	..	..	..	..
250 .. .. .	..	1.55	1.55	1.55	1.70	1.55
300 .. .. .	..	4.90	4.90	3.75	4.10	3.75
350 .. .. .	..	9.85	9.85	7.00	7.70	7.00
400 .. .. .	..	14.35	14.35	11.30	12.45	11.30
500 .. .. .	..	25.80	25.80	22.05	24.25	22.05
600 .. .. .	..	40.30	40.30	35.30	38.85	35.30
800 .. .. .	14.35	60.00	74.35	69.25	76.15	69.25
1,000 .. .. .	41.90	75.00	116.90	110.80	121.90	110.80
1,500 .. .. .	142.50	112.50	255.00	247.15	271.85	247.15
2,000 .. .. .	285.55	150.00	435.55	426.75	469.40	426.75
3,000 .. .. .	659.15	225.00	884.15	876.35	964.00	876.35
5,000 .. .. .	1,675.85	375.00	2,050.85	2,022.45	2,224.70	2,022.45

COMMONWEALTH TAXES ON INCOME—*continued.*

(£.)

Income.	1949-50 Financial Year.			1950-51 Financial Year.	1951-52 Financial Year.	1952-53 Financial Year.
	Income Tax.	Social Services Contribution.	Total.	Income Tax and Social Services Contribution.	Income Tax and Social Services Contribution.	Income Tax and Social Services Contribution.
<b>INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD.</b>						
150	..	..	..	..	..	..
200	..	..	..	..	..	..
250	..	..	..	..	..	..
300	..	..	0.95	0.85	0.95	0.85
350	..	..	4.35	2.50	2.75	2.50
400	..	..	8.10	5.15	5.65	5.15
500	..	..	17.95	13.60	14.95	13.60
600	..	..	30.95	24.90	27.40	24.90
800	..	2.90	60.00	54.95	60.45	54.95
1,000	..	28.15	75.00	103.15	103.30	93.90
1,500	..	123.65	112.50	236.15	246.10	223.75
2,000	..	262.00	150.00	395.55	435.10	395.55
3,000	..	628.20	225.00	837.35	921.10	837.35
5,000	..	1,633.95	375.00	2,008.95	2,170.35	1,973.05
<b>INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN.</b>						
150	..	..	..	..	..	..
200	..	..	..	..	..	..
250	..	..	..	..	..	..
300	..	..	..	..	..	..
350	..	..	2.20	0.80	0.90	0.80
400	..	..	5.00	2.40	2.65	2.40
500	..	..	14.05	8.70	9.55	8.70
600	..	..	26.25	18.80	20.70	18.80
800	..	..	60.00	46.30	50.90	46.30
1,000	..	21.25	75.00	83.20	91.50	83.20
1,500	..	114.20	112.50	208.15	228.90	208.15
2,000	..	250.25	150.00	375.85	413.45	375.85
3,000	..	613.20	225.00	812.45	893.70	812.45
5,000	..	1,618.95	375.00	1,940.15	2,134.15	1,940.15
<b>INCOME FROM PROPERTY.—TAXPAYER WITH NO DEPENDANTS.</b>						
150	..	..	3.05	1.65	1.80	1.65
200	..	..	5.60	3.95	4.35	3.95
250	..	..	9.00	7.30	8.05	7.30
300	..	..	13.10	11.65	12.80	11.65
350	..	..	18.05	17.10	18.80	17.10
400	..	1.65	23.75	22.50	24.75	22.50
500	..	5.30	37.50	40.85	44.95	40.85
600	..	18.25	45.00	61.65	67.80	61.65
800	..	51.55	60.00	110.00	121.00	110.00
1,000	..	94.90	75.00	169.90	181.50	165.00
1,500	..	238.65	112.50	351.15	379.50	345.00
2,000	..	428.25	150.00	578.25	621.50	565.00
3,000	..	886.55	225.00	1,111.55	1,200.85	1,091.70
5,000	..	2,003.25	375.00	2,378.25	2,586.85	2,351.70

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

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

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

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

(b) *Taxpayers with Income other than Salary and Wages.* These taxpayers pay provisional tax in respect of income other than salary and wages. Collection of tax and contribution for the current year is made at the same time as collection and assessment for the previous year is adjusted. The notice of assessment shows an amount of provisional tax and contribution for the current year. This provisional amount is an approximation to the tax and contribution which will be payable after the return of income for the current year has been lodged. It is ascertained by assuming that the income of the current year will be the same as that for the previous year (for which a return has already been lodged) but the rates for the current year are applied to the income and not the rates for the year in which it was derived. The assessment notice shows the provisional tax and contribution paid in the previous year as a credit against the tax and contribution assessed on the basis of the return for that year.

By amendments to the Income Tax and Social Services Contribution Assessment Act in 1952 and 1953 provision was made for a taxpayer to reassess the provisional tax payable. As previously, provisional tax will be assessed by the Commissioner of Taxation on the basis of the income of the previous year. On receipt of his assessment the taxpayer may elect to substitute his estimate of income for the current year and pay tax on the basis of this estimate. In the 1952 amendment it was compulsory for the taxpayer to reassess his provisional tax if he considered his income for the current year would be more than 20 per cent. greater than his income in the previous year. This compulsory provision was removed by the 1953 amendment. To protect the revenue, a penalty is imposed if the taxpayer elects to pay provisional tax on an estimate of income 20 per cent. lower than the income of the previous year and he underestimates his income by more than 20 per cent.

In 1950–51 high wool prices caused a large increase in the incomes of woolgrowers. This was followed, in 1951–52, by a reduction in incomes as a result of the subsequent fall in wool prices. To avoid large overpayments that would result under the normal procedure of assessing provisional tax, provision was made for a woolgrower to defer payment of up to 40 per cent. of the provisional tax payable in 1951–52 if he considered his income was likely to be less than it was in 1950–51.

Employees with more than £100 income from sources other than wages and salaries are required to pay provisional tax in respect of that income. This limit was raised from £50 in 1952–53.

9. **Lodgment of Returns and Assessment of Tax.**—All persons with assessable income in excess of £104 are required to lodge returns by the 31st July each year (31st August for business incomes). Income Tax and Social Service Contribution payable is assessed, and assessment notices showing the amount payable are issued during the year following the year of income (in most cases from September to June following the lodgment of the return). The approximate amount payable, however, has already been collected during

the income year—from employees by deductions from wages and from non-employees by a provisional tax. The amount shown on the assessment notice is therefore adjusted against the amount already collected and any difference either collected or refunded.

10. **Company Income Taxes.**—(i) *General.* For taxation purposes, companies are divided into two main groups—public and private. A private company is defined as a company in which all the issued shares are held by not more than twenty persons or which is capable of being controlled by not more than seven persons, and which is not a company in which the public is substantially interested or a subsidiary of a public company. All other companies are regarded as public companies. Both public and private companies pay primary Income Tax and Social Services Contribution assessed on a taxable income ascertained by the same principles as for individuals.

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

(ii) *Public Companies.* (a) *Primary Income Tax and Social Services Contribution.* For companies, other than life assurance companies, the rates of Income Tax and Social Services Contribution for the last three financial years were :—1950-51—On the first £5,000 of taxable income 5s. in the £1 and on the remainder of the taxable income 6s. in the £1 : 1951-52—7s. in the £1 on all taxable income ; 1952-53—On the first £5,000 of taxable income 5s. in the £1 and on the remainder of the taxable income 7s. in the £1. For mutual life assurance companies the rates were 1s. in the £1 less in each case. For other life assurance companies the rates for mutual income were the same as those for mutual life assurance companies and for the remainder of their income the rates for other companies applied.

(b) *Additional Income Tax and Social Services Contribution.* For the 1951-52 and 1952-53 financial years an additional tax of 2s. in the £1 was imposed on taxable income. This additional tax did not apply to the income of non-resident companies from dividends, the income of mutual life assurance companies or the mutual income of other life assurance companies and the income of co-operative companies and companies not carried on for the profit of individual members.

(c) *Super Tax.* Super Tax, which was levied at the rate of 1s. in the £1 on the excess of taxable income over £5,000 in 1950-51 and earlier financial years, has not since been imposed.

(d) *Undistributed Income Tax.* This tax was imposed for the financial years 1940-41 to 1950-51. Details are given in Official Year Book No. 39, page 846.

(iii) *Private Companies.* (a) *Primary Income Tax and Social Services Contribution.* For the financial years 1950-51 and 1952-53 the rates of Primary Income Tax and Social Service Contributions were the same as those for public companies (other than life assurance companies). For 1951-52 the rates were 5s. in the £1 on the first £5,000 of taxable income and 7s. in the £1 on the remainder. The additional tax and contribution and super tax were not imposed on the taxable income of private companies.

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

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

The retention allowance is the following proportion of the reduced distributable income.

Financial Year 1950-51 and 1951-52.	Financial Year 1952-53.
On first £1,000 or part, 50 per cent.	On first £1,000 or part, 50 per cent.
On next £1,000 or part, 40 per cent.	On next £1,000 or part, 40 per cent.
On next £1,000 or part, 35 per cent.	On next £1,000 or part, 35 per cent.
On next £1,000 or part, 30 per cent.	On next £1,000 or part, 30 per cent.
On next £2,000 or part, 25 per cent.	On balance, 25 per cent.
On next £2,000 or part, 20 per cent.	
On next £2,000 or part, 15 per cent.	
On balance, 10 per cent.	

For the financial years 1950-51 and 1951-52, the reduced distributable income was calculated by deducting from the taxable income the primary tax payable and the amount of dividends received from other private companies. For the financial year 1952-53 all property income included in taxable income was deducted.

For financial years 1950-51 and 1951-52 the undistributed income tax was the additional tax that shareholders would have become liable to pay if the undistributed amount had been paid to them as dividends on the last day of the year of income. In effect it was levied at the shareholders' graduated rates.

For financial year 1952-53 the undistributed income tax was imposed at a flat rate of 10s. in the £1 on the undistributed amount.

(iv) *Advance Payment of Income Tax and Social Services Contribution.* In the financial year 1951-52 all companies were required to make an advance payment of part of the Income Tax and Social Services Contribution that would be assessed in 1952-53. The amount of this advance payment was fixed at 19 per cent. of the Income Tax and Social Services Contribution assessed for 1951-52 (other than tax on the undistributed income of private companies). An advance payment was not required in the financial year 1952-53, and a credit was allowed in assessments for that year of the advance payment levied in the previous year.

II. *Yield of Income Taxes.*—(i) *Collections from all Income Taxes.* The following table shows the collections of taxes of all types imposed on income for the years 1938-39 and 1947-48 to 1951-52 :—

**INCOME TAX COLLECTIONS.**  
(£'000.)

Year.	Total.		
	Commonwealth.	State.	Total.
1938-39 .. .. .	11,882	29,812	41,694
1947-48(a) .. .. .	232,944	368	233,312
1948-49(a) .. .. .	272,368	235	272,603
1949-50(a) .. .. .	279,663	258	279,921
1950-51(a) .. .. .	341,970	279	342,249
1951-52(a) .. .. .	545,179	155	545,334

(a) Commonwealth collections are greater than the Budget figures by the amount of refunds of State taxes. State collections are net arrears after deduction of these refunds.

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

**COMMONWEALTH INCOME TAXES ASSESSED.**  
(£'000.)

Tax.	1939-40.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.(a)
Individuals—						
Income Tax .. .. .	7,423	75,886	79,545	78,982	80,712	} 332,956
Social Services Contribution .. .. .	..	62,152	75,424	86,214	92,588	
Companies—						
Income Tax .. .. .	8,041	48,174	55,543	62,758	74,952	156,163
Super Tax .. .. .	..	4,205	4,960	5,838	7,046	..
Undistributed Income Taxes b—						
Private Companies .. .. .	688	15,772	8,385	7,838	7,566	11,218
Non-Private Companies .. .. .	..	2,893	3,205	4,300	4,855	..
Total .. .. .	16,152	200,082	227,062	245,930	267,719	500,337

(a) Income Tax and Social Services Contribution were consolidated in 1951-52.

(b) Approximate.



(iii) *Commonwealth Income Tax and Social Services Contribution, 1951-52 Assessment Year.* The following table shows, for the 1951-52 assessment year, particulars for individual taxpayers, income, and tax assessed, according to grade of actual income and State, etc., of assessment.

**COMMONWEALTH INCOME TAX AND SOCIAL SERVICES CONTRIBUTION : 1951-52 ASSESSMENT<sup>(a)</sup>—NUMBER OF TAXPAYERS, TAXABLE INCOME AND NET INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSED—INDIVIDUALS.**

(Incomes derived in year 1950-51.)

Grade of Actual Income <sup>(b)</sup> and State or Territory of Assessment.	Number of Taxpayers.			Actual Income.	Taxable Income.				Net Income Tax and Social Services Contribution Assessed.
	Males.	Fe-males.	Total.		Personal Exertion.		Property.		
				Salary and Wages.	Total.	Total.	Total.		
£      £	No.	No.	No.	£'000	£'000	£'000	£'000.	£'000	£'000
105- 150 ..	43,212	71,021	114,233	14,839	12,222	13,196	1,245	14,441	128
151- 200 ..	57,214	94,687	151,901	26,716	21,611	23,540	2,071	25,611	389
201- 250 ..	66,125	103,335	169,460	38,368	30,620	33,612	2,394	36,006	831
251- 300 ..	74,086	107,516	181,602	50,145	39,665	43,762	2,515	46,277	1,451
301- 350 ..	81,995	121,913	203,908	66,527	53,027	58,301	2,586	60,887	2,447
351- 400 ..	96,504	111,984	208,488	78,216	61,044	67,526	2,550	70,076	3,331
401- 450 ..	129,001	73,458	202,459	86,209	63,347	71,031	2,507	73,538	3,896
451- 500 ..	192,529	45,567	238,096	113,479	80,333	89,053	2,545	91,598	5,280
501- 550 ..	252,825	28,016	280,841	147,710	102,723	112,366	2,551	114,917	7,104
551- 600 ..	255,037	17,925	272,962	156,974	107,498	117,414	2,516	119,930	7,904
601- 650 ..	223,623	12,380	236,003	147,461	99,297	109,375	2,436	111,811	7,993
651- 700 ..	182,808	8,477	191,285	129,003	84,851	94,786	2,313	97,099	7,413
701- 800 ..	251,787	11,167	262,954	196,081	124,665	143,814	4,175	147,989	12,398
801- 900 ..	138,419	6,812	145,231	122,734	71,925	89,519	3,668	93,187	8,721
901- 1,000 ..	78,257	4,771	83,028	78,570	41,673	57,687	3,209	60,896	6,340
1,001- 1,250 ..	93,534	7,675	101,209	112,104	48,486	83,475	6,411	89,886	10,921
1,251- 1,500 ..	43,389	4,734	48,123	65,597	20,130	49,765	5,094	54,859	7,823
1,501- 2,000 ..	44,020	5,820	49,840	85,807	17,124	66,899	7,611	74,510	12,618
2,001- 3,000 ..	42,039	5,642	47,681	116,076	14,037	94,960	9,712	104,672	22,152
3,001- 4,000 ..	21,593	2,781	24,374	84,178	6,713	71,130	6,590	77,720	19,662
4,001- 5,000 ..	12,597	1,505	14,102	62,874	3,878	54,104	4,632	58,736	17,761
5,001-10,000 ..	20,749	2,617	23,366	157,073	7,010	138,917	10,344	149,261	66,729
10,001-15,000 ..	4,252	665	4,917	59,290	1,766	52,446	4,033	56,479	33,056
15,001 and over ..	3,331	621	3,952	101,932	2,346	89,638	7,969	97,607	65,359
<b>Total Residents ..</b>	<b>2,408,926</b>	<b>851,089</b>	<b>3,260,015</b>	<b>2,298,563</b>	<b>1,115,991</b>	<b>1,826,316</b>	<b>101,677</b>	<b>1,927,993</b>	<b>331,707</b>
Central Office ..	8,201	4,478	12,679	49,717	4,801	35,530	10,615	46,145	23,733
New South Wales ..	903,86	336,982	1,240,368	858,945	449,127	685,888	33,382	719,270	117,492
Victoria ..	679,802	264,997	944,799	649,921	332,002	518,273	30,829	549,102	82,377
Queensland ..	338,119	100,483	438,602	291,915	130,174	229,543	9,499	239,042	45,110
South Australia ..	223,574	69,434	293,008	213,309	93,801	169,984	9,334	179,318	29,896
Western Australia ..	163,487	47,989	211,476	159,993	65,915	128,663	5,498	134,161	25,038
Tasmania ..	78,814	23,104	101,918	62,148	32,084	48,277	2,325	50,602	6,470
Northern Territory ..	3,781	740	4,521	3,154	1,990	2,322	40	2,362	243
Aust. Cap. Terr. ..	9,762	2,882	12,644	9,461	6,097	7,836	155	7,991	1,348
<b>Total Residents ..</b>	<b>2,408,926</b>	<b>851,089</b>	<b>3,260,015</b>	<b>2,298,563</b>	<b>1,115,991</b>	<b>1,826,316</b>	<b>101,677</b>	<b>1,927,993</b>	<b>331,707</b>
<b>Total Non-residents</b>	<b>1,910</b>	<b>1,448</b>	<b>3,358</b>	<b>3,865</b>	<b>543</b>	<b>1,469</b>	<b>2,167</b>	<b>3,636</b>	<b>1,249</b>
<b>Grand Total ..</b>	<b>2,410,836</b>	<b>852,537</b>	<b>3,263,373</b>	<b>2,302,428</b>	<b>1,116,534</b>	<b>1,827,785</b>	<b>103,844</b>	<b>1,931,629</b>	<b>332,956</b>

(a) Assessment in respect of 1950-51 income issued to 30th September, 1952. Assessments issued after that date have been excluded. (b) Actual income is the total income (less any expenses of earning the income) and includes any exempt income and any concessional deductions or expenses of a capital nature which are allowed as a deduction for the purpose of assessing taxable income.

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

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

Grade of Actual Income.(b)	1939-40.		1948-49.(a)		1949-50.(a)		1950-51.(a)		1951-52.(a)	
	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.
£		£'000.		£'000.		£'000.		£'000.		£'000.
105- 150	..	..	194,947	583	165,454	403	152,219	315	114,233	128
151- 200	..	..	240,677	1,730	210,687	1,085	192,835	766	151,901	389
201- 250	..	..	262,569	3,302	233,996	2,040	217,195	1,392	169,460	831
251- 300	47,732	27	231,094	4,450	242,237	3,182	238,089	2,263	181,602	1,451
301- 350	55,375	53	271,721	6,098	221,428	3,821	227,007	2,883	203,908	2,447
351- 400	48,835	73	333,946	8,848	273,497	5,658	232,212	3,566	208,488	3,331
401- 500	68,168	182	513,979	17,448	608,272	16,434	613,437	12,176	440,555	9,176
501- 600	38,939	197	233,110	11,442	361,222	13,754	475,486	13,208	553,803	15,008
601- 800	(c) 29,912	294	167,891	12,973	265,412	15,950	379,077	16,705	690,242	27,804
801- 1,000	(d) 23,070	460	63,535	8,225	85,254	8,790	117,671	8,972	228,259	15,061
1,001- 1,250	10,922	372	39,697	7,714	49,846	7,924	62,573	7,511	101,209	10,921
1,251- 1,500	6,281	306	23,776	6,505	27,473	6,378	33,790	5,982	48,123	7,823
1,501- 2,000	7,987	691	26,692	10,611	31,981	10,781	38,430	10,390	49,840	12,618
2,001- 3,000	4,549	686	21,946	15,066	28,878	16,855	34,940	17,176	47,681	22,152
3,001- 4,000	2,045	615	8,191	9,489	11,785	11,671	14,277	12,393	24,374	19,662
4,001- 5,000	984	484	3,765	6,322	5,714	8,441	6,981	9,134	14,102	17,701
5,001-10,000	1,298	1,321	4,753	13,554	6,748	17,958	9,494	22,991	23,366	66,729
10,001-15,000	205	504	732	4,418	984	5,829	1,752	9,461	4,917	33,056
15,001-30,000	(e) 92	393	354	3,973	442	4,770	954	10,060	3,124	38,841
30,001-50,000	(f) 39	316	46	855	84	1,712	155	3,385	612	15,255
50,001 and over	8	141	19	658	24	1,016	39	1,773	216	11,263
<b>Total ..</b>	<b>346,441</b>	<b>7,115</b>	<b>2,643,440</b>	<b>154,264</b>	<b>2,831,418</b>	<b>164,452</b>	<b>3,048,613</b>	<b>172,592</b>	<b>3,260,015</b>	<b>331,707</b>

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