

CHAPTER XXI.

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' Securities existing at the date of the Agreement and now arranges for all borrowings for and on behalf of the Commonwealth or any State and for all conversions, renewals, redemptions and consolidations of such securities. In view of this, it is convenient to deal with the Commonwealth and State Government Securities on Issue in a separate division of this chapter (D, page 864).

The subject of income taxes is also dealt with in a separate division (E, page 883).

For further detailed information on the subjects covered by this chapter, *see* the annual bulletins *Finance, Part I.—Public and Private Finance* and *Part II.—Commonwealth Taxation*, published by this Bureau. Current information in summarized form is contained in the *Quarterly Summary of Australian Statistics*, the *Monthly Review of Business Statistics*, and the *Digest of Current Economic Statistics*.

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* pp. 17–20 of this Year Book). Two other sections which have a most important bearing on questions of Commonwealth finance are Sections 69 and 51.

Section 69 provides for the transfer from the States to the Commonwealth of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments. Sections 87 and 96 deal with the financial relations between the Commonwealth and the States. These matters have been treated in previous issues of the Official Year Book and on pages 841–7 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 the Commonwealth Government.**—The Commonwealth Government bases its accounts upon three funds, the Consolidated Revenue Fund, the Trust Fund and the Loan Fund.

§ 2. Commonwealth Consolidated Revenue Fund.

A. 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* p. 17 of this Year Book).

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. After allowing for special appropriations, amounting to one or two million pounds each year

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., the receipts and expenditure of the Fund were balanced. In the later twenties and early thirties, when receipts and expenditure were each about £70 million or £80 million a year, there were annual deficits, which had accumulated to more than £17 million by the end of 1930-31.

In the years 1931-32 to 1938-39, receipts and expenditure each ranged from £70 million to £95 million and were in balance after allowing for special appropriations of up to £3.5 million a year for reduction of the accumulated deficit, non-recurring grants to the States, post office works and the provision of defence equipment. The amount applied towards reduction of the accumulated deficit was approximately £1.5 million and the balance of the deficit (approximately £15.7 million) was funded in 1937-38.

For most of the 1939-45 War years and thereafter, the Consolidated Revenue Fund was balanced, all available revenue after meeting expenditure on ordinary services being used for defence, war and repatriation purposes.

During the years 1956-57 to 1960-61, the Fund was balanced after special payments of £194.8 million, £104.4 million, £27.9 million, £41.4 million and £142.6 million to the Loan Consolidation and Investment Reserve Trust Account. The amounts so transferred were subsequently invested wholly or partly in special loans for State works requirements.

B. REVENUE.

1. General.—The following table shows details of the revenue from each source and the amount per head of population under each of the main headings during the years 1956-57 to 1960-61. Taxation constitutes the main sources of Commonwealth revenue, accounting for 87.0 per cent. in 1960-61.

COMMONWEALTH CONSOLIDATED REVENUE FUND: SOURCES OF REVENUE.

(£'000.)

Source.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Taxation</i>	1,098,736	1,161,533	1,133,298	1,249,790	1,425,141
Per head of Population	£115 5 4	£119 4 6	£113 18 4	£122 19 3	£137 3 1
<i>Business Undertakings</i>	99,803	108,228	116,896	137,238	153,867
Per head of population	£10 9 4	£11 2 2	£11 15 1	£13 10 1	£14 16 2
<i>Territories(a)</i>	2,513	2,845	3,189	4,198	5,455
Per head of population	£0 5 3	£0 5 10	£0 6 5	£0 8 3	£0 10 6
<i>Other Revenue—</i>					
Interest, etc.	13,475	10,920	11,572	13,539	14,817
Coinage	693	223	149	415	321
Defence	3,763	5,776	6,185	5,832	5,827
Civil Aviation	1,262	1,472	1,497	1,872	2,621
Health	90	105	92	106	119
Patents, Trade Marks, etc. ..	306	318	351	399	476
Bankruptcy	72	98	98	113	143
Shipping and Transport	914	1,128	621	2,645	1,761
Net Profit on Australian Note Issue	10,054	12,592	10,935	10,516	12,930
Surplus Balances of Trust Accounts	69,782	3,991	5,722	5,674	2,053
Australian Aluminium Production Commission .. .. .	..	..	..	..	2,500
Reserve Bank Reserve Fund ..	..	..	..	..	2,691
Commonwealth Banking Corporation	..	..	..	..	756
Joint Coal Board—Repayment of Advances	750	1,100	143	..	..
Other	9,622	(b) 13,442	(b) 5,302	(b) 5,949	(b) 6,801
<i>Total</i>	110,783	51,165	42,667	47,060	53,816
Per head of population	£11 12 5	£5 5 1	£4 5 9	£4 12 7	£5 3 7
Grand Total	1,311,835	1,323,771	1,296,050	1,438,286	1,638,279
Per head of population	£137 12 4	£135 17 7	£130 5 7	£141 10 2	£157 13 4

(a) Excludes Railways. (b) Includes collections of Diesel Fuel Taxation subsequently refunded; 1957-58, £1,314,000; 1958-59, £989,000; 1959-60, £278,000; 1960-61, £115,000.

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on page 845.

2. Taxation.—(i) *Total Collections.* (a) *Amount.* Collections under each heading for the years 1956–57 to 1960–61 are shown below.

COMMONWEALTH TAXATION: TOTAL NET COLLECTIONS.

(£'000.)

Heading.	1956–57.	1957–58.	1958–59.	1959–60.	1960–61.
Customs	68,597	71,717	71,671	84,381	101,823
Excise	217,440	231,334	236,254	252,111	257,297
Sales Tax	125,752	137,777	143,617	164,185	173,016
Land Tax	1	11	..	..	..
Pay-roll Tax	48,675	48,552	49,619	55,162	61,260
Income Taxes(a)	620,298	650,419	608,660	671,294	807,266
Estate Duty	12,712	13,774	13,309	13,753	14,807
Gift Duty	1,940	2,205	2,000	2,435	2,783
Special Industry Taxes(b)	3,321	5,744	8,168	6,469	6,889
Total Taxation	1,098,736	1,161,533	1,133,298	1,249,790	1,425,141

(a) Includes Social Services Contribution, War-time (Company) Tax, Super Tax, Undistributed Profits Tax and Wool Deduction. (b) Used for purposes of industries concerned. The taxes are as follows:—Flour Tax, Wheat Tax, Wool Levy, Wool Contributory Charge, Wheat Export Charge, Miscellaneous Export Charges, Stevedoring Industry Charge, Tobacco Industry Charge, Gold Tax, Dairy Produce Levy, Canning Fruit Charge and Cattle Slaughter Levy.

(b) *Proportion of each Class to Total Collections.* The following table shows the proportion of the total collections represented by returns from each class of taxation for the years 1956–57 to 1960–61.

COMMONWEALTH TAXATION: PROPORTION OF EACH CLASS TO TOTAL NET COLLECTIONS.

(Per Cent.)

Heading.	1956–57.	1957–58.	1958–59.	1959–60.	1960–61.
Customs	6.2	6.2	6.3	6.8	7.2
Excise	19.8	20.0	20.9	20.2	18.1
Sales Tax	11.4	11.8	12.7	13.1	12.1
Land Tax .. .. .	..	..	..	..	..
Pay-roll Tax	4.4	4.2	4.4	4.4	4.3
Income Taxes(a)	56.5	56.0	53.7	53.7	56.6
Estate Duty	1.2	1.2	1.2	1.1	1.0
Gift Duty	0.2	0.2	0.2	0.2	0.2
Special Industry Taxes(b)	0.3	0.4	0.6	0.5	0.5
Total Taxation	100.0	100.0	100.0	100.0	100.0

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

(b) See note (b) to previous table.

(ii) *Customs Revenue.* The following table gives details of net customs receipts for the years 1956-57 to 1960-61.

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

Classes.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Foodstuffs of animal origin	281	347	336	473	677
Foodstuffs of vegetable origin	1,392	1,546	1,512	1,784	2,100
Spirituos and alcoholic liquors	2,697	3,047	3,274	4,762	5,202
Tobacco, cigars and cigarettes	12,526	12,375	12,190	13,034	13,352
Animal substances (not foodstuffs)	7	5	5	7	8
Vegetable substances and fibres	196	222	182	259	168
Yarns, textiles and apparel	8,303	10,284	9,800	12,176	15,573
Oils, fats and waxes	11,543	10,039	11,123	10,970	12,430
Pigments, paints and varnishes	152	160	179	219	317
Rocks and minerals	24	35	24	56	46
Metals, metal manufactures and machinery	16,169	18,389	18,348	23,036	28,655
Rubber and leather and manufactures thereof	990	1,291	620	606	939
Wood and wicker, raw and manufactured	1,413	1,510	1,398	1,802	2,353
Earthenware, cement, china, glass and stone-ware	1,588	1,822	1,866	2,233	3,002
Pulp, paper and board, paper manufactures and stationery	748	848	940	1,426	2,361
Sporting materials, toys, fancy goods, jewellery and timepieces	1,779	2,165	2,297	2,825	3,526
Optical, surgical and scientific instruments, photographic goods	1,065	1,118	1,169	1,404	1,683
Chemicals, pharmaceutical products, essential oils and fertilizers	1,051	1,302	1,317	1,690	1,806
Miscellaneous goods	1,802	2,174	2,269	3,047	5,045
Primage	4,318	2,483	2,078	1,939	2,298
Other receipts	553	555	744	633	282
Total	68,597	71,717	71,671	84,381	101,823

(iii) *Excise Revenue.* Net excise receipts for the years 1956-57 to 1960-61 were as follows.

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

Particulars.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Beer	103,516	105,997	105,286	109,724	111,740
Spirits	8,138	8,047	8,692	8,683	8,586
Tobacco	17,270	16,633	15,207	14,366	13,389
Cigars and cigarettes	47,916	51,366	55,824	61,459	64,969
Cigarette papers	910	862	811	770	716
Petrol	37,183	41,711	44,253	49,255	51,952
Diesel Fuel .. .. .	.. .. .	2,770	1,475	2,179	2,184
Matches	1,074	1,084	1,092	1,125	1,105
Playing cards	48	47	48	52	50
Coal	599	590	578	418	389
Miscellaneous	786	2,227	2,988	4,080	2,217
Total	217,440	231,334	236,254	252,111	257,297

(iv) *Other Taxation. (a) General.* Taxes other than customs and excise and the various export charges are, in general, assessed and collected by the Commissioner of Taxation. The organization comprises a Head Office in Canberra, an office in each State assessing the returns of taxpayers whose interests are restricted to that State, and a Central Office situated in Melbourne assessing taxpayers whose interests are in more than one State.

For detailed statistics relating to Commonwealth income taxes, estate duty, gift duty and sales tax, see the annual bulletin *Finance, Part II.—Commonwealth Taxation*, issued by this Bureau.

(b) *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 those for use in primary production. The most recent exemptions were those granted from 15th August, 1961.

A general rate of tax is levied on all goods other than those specified in the schedules to the Sales Tax (Exemptions and Classifications) Act 1935-1961. 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 7th August, 1952, were:—

Period.	General Rate.	Special Rates.
7th August, 1952, to 9th September, 1953 ..	12½ per cent. ..	20, 33½ and 50 per cent.
10th September, 1953, to 18th August, 1954 ..	12½ per cent. ..	16½ per cent.
19th August, 1954, to 14th March, 1956 ..	12½ per cent. ..	10 and 16½ per cent.
15th March, 1956, to 3rd September, 1957 ..	12½ per cent. ..	10, 16½, 25 and 30 per cent.
4th September, 1957, to 15th November, 1960 ..	12½ per cent. ..	8½, 16½, 25 and 30 per cent.
16th November, 1960, to 21st February, 1961 ..	12½ per cent. ..	8½, 16½, 25 and 40 per cent.
22nd February, 1961, to 14th August, 1961 ..	12½ per cent. ..	8½, 16½, 25 and 30 per cent.
15th August, 1961, to 6th February, 1962 ..	12½ per cent. ..	2½, 16½, 25 and 30 per cent.
From 7th February, 1962 ..	12½ per cent. ..	2½, 22½ and 25 per cent.

Particulars of the net amount of sales tax payable, and the sales of taxable and exempt goods in each State for 1960-61, are given in the following table. The figures relate to sales during the period 1st July to 30th June. The figures for sales tax payable differ from those for net collections shown on page 823, because the latter include some adjustments in respect of earlier tax years and include only tax payable on returns lodged during the year, which in general cover sales for the period June to May.

SALES TAX AND AMOUNT OF SALES, 1960-61.

(£'000.)

Particulars.	N.S.W. (a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	Australia.
Net Sales on which Sales Tax was payable at—								
8½ per cent. ..	80,816	61,765	21,131	17,333	10,507	4,147	42	195,741
12½ per cent. ..	196,386	133,837	54,959	40,197	25,499	10,171	374	461,423
16½ per cent. ..	41,744	37,791	16,820	11,811	9,206	1,321	58	118,751
25 per cent. ..	43,244	26,900	9,940	7,360	5,305	1,836	21	94,606
30 per cent. ..	52,395	46,450	15,794	13,289	8,808	1,874	..	138,610
40 per cent. ..	11,515	11,080	3,484	2,886	2,157	299	..	31,421
<i>Total</i> ..	<i>426,100</i>	<i>317,823</i>	<i>122,128</i>	<i>92,876</i>	<i>61,482</i>	<i>19,648</i>	<i>495</i>	<i>1,040,552</i>
Sales of Exempt Goods by Registered Persons ..	955,030	718,367	343,923	207,737	152,836	66,095	3,138	2,447,126
Total Sales of Taxable and Exempt Goods ..	1,381,130	1,036,190	466,051	300,613	214,318	85,743	3,633	3,487,678
Sales Tax Payable ..	69,376	53,267	20,051	15,418	10,429	2,978	65	171,584

(a) Includes the Australian Capital Territory.

Sales of taxable and exempt goods and sales tax payable for Australia as a whole are shown in the following table for the years 1956–57 to 1960–61.

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.
1956–57	781,250	2,016,828	2,798,078	127,649
1957–58	849,347	2,105,688	2,955,035	138,259
1958–59	890,293	2,152,026	3,042,319	143,296
1959–60	1,020,033	2,354,204	3,374,237	167,839
1960–61	1,040,552	2,447,126	3,487,678	171,584

In the foregoing tables, sales include goods transferred to stock for sale by retail, goods imported by persons other than registered taxpayers, and goods used in the business of the taxpayer. Exempt sales relate to goods exempted from sales tax under the Sales Tax (Exemptions and Classifications) Act 1935–1961. The figures shown do not represent the total sales of all commodities, as vendors trading only in exempt goods are not required to be registered and consequently the volume of their sales is not included in the statistics above. In addition, non-taxable sales (i.e., goods sold by one registered taxpayer to another registered taxpayer) are excluded.

(c) *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.

(d) *Pay-roll Tax.* The Pay-roll Tax Act 1941 and the Pay-roll Tax Assessment Act 1941–1942 imposed a pay-roll tax of 2½ per cent. on all wages and salaries in excess of £20 a week paid by an employer after 30th June, 1941. Employers who are liable for tax are required to register and to furnish a monthly return of all wages paid. 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. However, the collections now form part of the general revenues of the Commonwealth. For particulars of the present method of financing the National Welfare Fund, out of which Child Endowment is paid, see para. 6, page 837. The exemption was increased to £80 a week (£4,160 per annum) from 1st October, 1953, to £120 a week (£6,240 per annum) from 1st September, 1954, and to £200 a week (£10,400 per annum) from 1st September, 1957. Employers whose export sales have increased above the annual average of export sales effected during a base period of two years ended 30th June, 1960, are entitled under the Commonwealth Government's export incentive scheme to a rebate of pay-roll tax of twelve and one half times the percentage increase in export sales.

Receipts from pay-roll tax for the years 1956–57 to 1960–61 were—1956–57, £48,675,000; 1957–58, £48,552,000; 1958–59, £49,619,000; 1959–60, £55,162,000; and 1960–61, £61,260,000.

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

(f) *Wool Sales Deduction.* The Wool Sales Deduction scheme operated from 2nd December, 1950, until 17th November, 1951. For particulars, see Official Year Book No. 46, page 819.

(g) *Estate Duty.* The Commonwealth Estate Duty was first levied in 1914. Particulars of exemptions allowed and the rates imposed prior to November, 1957, are given in earlier issues of the Year Book (see No. 43, p. 758).

Under the Estate Duty Assessment Act 1914–1957, Estate Duty is assessed on the net value of the estate less a statutory exemption determined in accordance with the following formula:—(a) where the whole of the estate passes to the widow, children (including adopted children, step-children and ex-nuptial children), or grand-children of the deceased, the sum of £5,000 decreasing by £1 for every £3 by which the value exceeds £5,000 and ceasing to apply at £20,000; (b) where no part of the estate passes to the widow, children or grand-children, the sum of £2,500 decreasing by £1 for every £3 by which the value exceeds £2,500 and ceasing to apply at £10,000; and (c) where only part of the estate passes to the widow, children or grand-children, the statutory exemption is to be calculated proportionately under (a) and (b).

An amendment to this Act, assented to on 20th November, 1957, provided for rebates of duty on estates which become liable for duty on two or more occasions within a period of five years.

The rates of duty levied under the Estate Duty Act 1914–1941 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.

Total collections for the years 1956–57 to 1960–61 were as follows:—1956–57, £12,712,000; 1957–58, £13,774,000; 1958–59, £13,309,000; 1959–60, £13,753,000; and 1960–61, £14,807,000.

Particulars of the number and value of estates and duty assessed, for each of the assessment years 1955–56 to 1959–60, are given in the following table.

ESTATE DUTY ASSESSMENTS.

Particulars.	1955–56.	1956–57.	1957–58.	1958–59.	1959–60.
Number of Estates	11,069	12,784	13,599	11,794	13,978
Gross Value Assessed £'000	178,361	213,253	227,310	202,899	233,560
Deductions £'000	31,281	37,376	39,707	35,589	40,453
Statutory Exemption £'000	23,802	28,661	30,492	26,555	31,597
Dutiable Value £'000	123,278	147,216	157,111	140,755	161,510
Duty Payable £'000	10,882	13,580	13,967	13,013	14,116
Average dutiable value £	11,137	11,516	11,553	11,934	11,555
Average duty per estate £	983	1,062	1,027	1,103	1,010

(h) *Gift Duty.* The Gift Duty Act 1941–1947 and the Gift Duty Assessment Act 1941–1957 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 by the donor within a period of 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, provides that gift duty shall not exceed one-half of the amount by which the value of the gift exceeds £2,000.

Total receipts from gift duty for the years 1956–57 to 1960–61 were as follows:—1956–57, £1,940,000; 1957–58, £2,205,000; 1958–59, £2,000,000; 1959–60, £2,435,000; and 1960–61, £2,783,000.

(i) *Entertainments Tax.* The Commonwealth levied an Entertainments Tax from 1st October, 1942, to 30th September, 1953. Details of rates are given in earlier issues of the Official Year Book (see No. 40, pp. 672 and 673).

(j) *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.

With the repeal of the Wool Contributory Charge, however, a levy on wool produced in Australia was re-introduced from 1st July, 1952. The Wool Tax Acts (Nos. 1 and 2) of 1952 provided for the payment of a levy of four shillings a bale until 30th June, 1953, after which date the rate of tax could be varied within prescribed limits. There was no variation until 1st July, 1957, when the rate was increased to six shillings a bale. The purpose of the tax is to provide funds for publicity and research previously provided by the Wool Contributory Charge. Collections during 1956–57, 1957–58, 1958–59, 1959–60 and 1960–61 were £979,000, £1,328,000, £1,389,000, £1,542,000 and £1,455,000 respectively.

(k) *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. Details of the rate of the charge and collections made were given in earlier issues of the Official Year Book (see No. 40, p. 675).

The various Wool (Contributory Charge) Acts were repealed by the Wool Tax Assessment Act of 1952 and the charge superseded by the wool levy.

(l) *Wheat Export Charge and Wheat Tax.* A summary of the provisions of the Wheat Export Charge Acts 1946, 1948, 1952 and 1954 is contained in previous issues of the Official Year Book (see No. 40, p. 676, No. 41, p. 604 and No. 46, p. 820).

The Wheat Export Charge Act 1958 repealed the 1954 Wheat Export Charge Act and provided for an export charge on wheat and wheat products for the seasons 1958–59 to 1963–64 inclusive. The charge levied is the excess of the export price over the cost of production or 1s. 6d. per bushel whichever is the less. Under the Wheat Industry Stabilization Act 1958, to which the Wheat Export Charge is complementary, the Commonwealth Government guarantees a return to wheat-growers of the ascertained cost of production of up to 100 million bushels of wheat harvested each season exported from Australia. Collections from the wheat export charge are paid into the Wheat Prices Stabilization Fund, out of which payments will be made to the Australian Wheat Board, when required, for the purpose of building up the average export price for any season to the guaranteed price. If the fund is exhausted, additional payments will be made from the Consolidated Revenue Fund.

Collections of the wheat export charge amounted to £443,000 in 1957–58, £1,211,000 in 1958–59 and £1,000 in 1959–60, and were nil in 1956–57 and 1960–61.

The Wheat Tax Act of 1957 imposed a tax of $\frac{1}{4}$ d. for each bushel of wheat—

- (a) which has been delivered to the Wheat Board on or after the first day of October, 1956, and before the date of commencement of the Act; or
- (b) which is delivered to the Wheat Board on or after that date.

The Act also provided that where, before the commencement of the Act, a person delivering to the Board wheat upon which tax is imposed by the Act authorized the Board to deduct an amount from the moneys payable to him and to pay the amount so deducted to a person, authority or association for the purposes of soil fertility research or other research likely to benefit the wheat industry, and the Board did so, the tax otherwise payable upon that wheat is to be reduced by the amount so deducted.

The Wheat Research Act 1957 provided for the establishment of a Wheat Research Trust Account to receive moneys payable under the Wheat Act 1957, and for the setting up of a Wheat Industry Research Council to direct the expenditure of moneys from that Trust Account for research, etc., to benefit the Wheat Industry.

Collections of Wheat Tax amounted to £185,000 in 1957–58, £207,000 in 1958–59, £187,000 in 1959–60 and £261,000 in 1960–61, and were paid to the Wheat Research Trust Account.

(m) *Miscellaneous Export Charges.* These consist of charges levied on exports of apples and pears (Apple and Pear Export Charges Act 1938–1960), canned fruits (Canned Fruits Export Charges Act 1926–1959), dairy produce (Dairy Produce Export Charges Act 1924–1937), dried fruits (Dried Fruits Export Charges Act 1924–1929), eggs (Egg

Export Charges Act 1947) and meat (Meat Export Charges Act 1935-1954) and on grapes used in the manufacture of wine (Wine Grapes Charges Act 1929-1954). The collections are paid into special funds to be applied, for the purposes of Export Boards established under various Acts, in controlling the quantity and quality of produce exported.

Collections for the last five years were as follows:—1956-57, £375,000; 1957-58, £390,000; 1958-59, £566,000; 1959-60, £540,000; and 1960-61, £529,000.

(n) *Stevedoring Industry Charge.* The Stevedoring Industry Charge Act 1947 and the Stevedoring Industry Charge Assessment Act 1947 imposed a charge of 4½d. a 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. a man-hour; 11th December, 1951, an increase to 4d. a man-hour; 28th October, 1952, an increase to 11d. a man-hour; 4th May, 1954, a reduction to 6d. a man-hour; 30th October, 1956, an increase to 1s. 7d. a man-hour; and from 21st May, 1957, an increase to 2s. a man-hour.

A further amendment under the Stevedoring Industry Charge Act 1958 which came into operation on 1st April, 1958, provided for an increase of the charge to 3s. a man-hour until 1st July, 1959, and a reduction to 2s. 6d. a man-hour on or after 1st July, 1959.

Collections during the years 1956-57 to 1960-61 were as follows:—1956-57, £1,926,000; 1957-58, £3,337,000; 1958-59, £4,572,000; 1959-60, £3,718,000; and 1960-61, £3,844,000.

(o) *Tobacco Industry Charge.* The Tobacco Charge Acts (Nos. 1, 2 and 3) 1955 and the Tobacco Charges Assessment Act 1955, which came into operation on 1st January, 1956, provided for charges on tobacco leaf grown in Australia.

The Tobacco Charge Act (No. 1) 1955 imposed a maximum charge of ¼d. a pound on all Australian tobacco leaf sold to a manufacturer.

The Tobacco Charge Act (No. 2) 1955 imposed a charge at twice the rate to be levied under the Tobacco Charge Act (No. 1) on all Australian tobacco leaf purchased by a manufacturer.

The Tobacco Charge Act (No. 3) 1955 imposed a charge on all Australian tobacco leaf grown by a manufacturer and appropriated by him for manufacturing purposes. Where the manufacturer grew, in Australia, not less than nine-tenths of the tobacco leaf used by him in manufacturing, the charge was at the rate imposed by the Tobacco Charge Act (No. 1). In other cases, the charge was at twice that rate.

The charges collected under the Tobacco Charges Assessment Act 1955 were paid into the Tobacco Industry Trust Account which was established by the Tobacco Industry Act, 1955. Moneys in this account are used for the promotion of the tobacco industry.

Collections in 1956-57, 1957-58, 1958-59, 1959-60 and 1960-61 amounted to £41,000, £61,000, £72,000, £112,000 and £136,000 respectively.

(p) *Dairy Produce Levy.* The Dairy Produce Levy Act 1958 imposed a levy on the manufacture of butter and cheese for the purpose of financing a research and sales promotion scheme for the dairy industry. The maximum rates of the levy are fixed at three-sixteenths of a penny a pound on butter and three-thirty-seconds of a penny on cheese. In 1958-59, 1959-60 and 1960-61, collections amounted to £151,000, £334,000 and £350,000.

(q) *Canning Fruit Charge.* The Canning Fruit Charge Act 1959 imposed a levy on apricots, peaches and pears accepted by canneries as of canning quality or for use in the production of canned fruit, for the purpose of promoting the sale of Australian canned fruits both overseas and in Australia. The rate of the charge was ten shillings per ton of fruit delivered to canneries or such lesser rate as may be prescribed from time to time. In 1959-60 and 1960-61, collections amounted to £35,000 and £30,000 respectively.

(r) *Cattle Slaughter Levy.* The Cattle Slaughter Levy Act 1960 imposed a levy upon the slaughter of cattle for human consumption at rates to be prescribed from time to time but not exceeding two shillings per head of cattle slaughtered. The proceeds of this levy may be expended on purposes associated with scientific, economic or technical research related to the raising of cattle or the production or distribution of beef and other products of the slaughter of cattle. In 1960-61, collections amounted to £84,000.

3. Business Undertakings.—(i) *Postmaster-General's Department.* Particulars of net receipts for each of the financial years 1956–57 to 1960–61 are given in the following table.

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

Particulars.	1956–57.	1957–58.	1958–59.	1959–60.	1960–61.
Private boxes and bags	240	247	258	276	292
Commission on money orders and postal notes	926	932	956	1,088	1,169
Telegraphs	5,904	6,169	6,321	6,804	7,275
Telephones	51,002	55,344	59,717	71,209	81,114
Postage	29,464	31,339	33,165	39,167	42,750
Miscellaneous	2,538	2,745	3,050	3,087	3,565
Total	90,074	96,776	103,467	121,631	136,165

Further particulars of the Postmaster-General's Department's receipts to 1960–61 are given in Chapter XIV.—Transport and Communication, of this Year Book (*see p. 562*).

(ii) *Broadcasting and Television Services.* Following the amendment of the Australian Broadcasting Act 1942–1946 by Act No. 64 of 1948, the Australian Broadcasting Control Board was set up on 15th March, 1949. (*See also Chapter XIV.—Transport and Communication, pp. 572–8*).

Details of net receipts for the years 1956–57 to 1960–61 are shown in the following table.

BROADCASTING AND TELEVISION SERVICES: NET RECEIPTS.
(£'000.)

Particulars.	1956–57.	1957–58.	1958–59.	1959–60.	1960–61.
Listeners' Licence Fees ..	4,866	5,371	5,693	5,656	5,536
Broadcasting Station Licence Fees ..	66	80	85	88	104
Television Viewers' Licence Fees ..	344	1,389	2,777	4,624	5,781
Television Station Licence Fees ..	..	7	19	38	65
Miscellaneous	25	29	44	54	67
Total	5,301	6,876	8,618	10,460	11,553

(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 1956–57 to 1960–61.

COMMONWEALTH RAILWAYS REVENUE.
(£'000.)

Railway.	1956–57.	1957–58.	1958–59.	1959–60.	1960–61.
Trans-Australian	2,887	2,821	2,927	3,249	4,091
Central Australia	1,390	1,554	1,635	1,601	1,867
North Australia	130	182	203	272	149
Australian Capital Territory ..	21	19	46	25	42
Total	4,428	4,576	4,811	5,147	6,149

Further particulars to 1960-61 are given in Chapter XIV.—Transport and Communication (*see* pp. 530-1 and 537-8).

4. **Other Sources of Revenue.**—Revenue derived by the Consolidated Revenue Fund from the Territories of the Commonwealth during 1960-61 amounted to £5,455,000 (Australian Capital Territory £3,712,000; Northern Territory £1,740,000; Cocos (Keeling) Islands £3,000). Of other sources of revenue, amounting to £53,816,000, the following are noteworthy:—Interest, £14,817,000; Defence £5,827,000; Net Profit on Australian Note Issue £12,930,000.

For details of the revenue of the Territories *see* Chapter V. of this Year Book.

C. EXPENDITURE.

1. **Details of Expenditure from Consolidated Revenue.**—The following table shows details of expenditure from the Consolidated Revenue Fund during the years 1956-57 to 1960-61. In this table, particulars of interest, debt redemption, superannuation and pension charges are not shown separately, but are included with departmental, etc. expenditure. Separate figures for debt charges are shown in the table on page 832.

COMMONWEALTH CONSOLIDATED REVENUE FUND: EXPENDITURE.

(£'000.)

Department, etc.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Defence Services(a)	151,273	151,534	118,083	146,745	162,376
War (1914-18 and 1939-45) and Repatriation Services(b)	112,296	127,924	128,162	137,480	149,357
Subsidies and Bounties	15,014	15,660	17,294	17,345	17,562
Cost of Departments(c)	102,264	111,486	134,154	143,403	143,157
National Welfare Fund	223,923	247,485	278,227	299,363	330,604
Loan Consolidation and Investment Reserve Trust Account	194,793	104,378	27,947	41,382	142,561
Business Undertakings—					
Postmaster-General	87,418	93,116	96,681	107,777	110,136
Broadcasting and Television Services	6,701	7,334	8,371	9,983	11,372
Railways	3,620	3,673	3,725	4,088	4,616
Territories	16,142	18,914	20,240	23,559	26,839
Capital Works and Services—					
Defence	38,416	34,761	34,983	36,090	38,283
Repatriation	30,167	35,206	35,308	35,242	35,386
Postmaster-General	30,721	34,811	36,353	39,937	42,145
Broadcasting Services	2,697	1,583	1,408	3,551	1,429
Railways	3,422	2,545	1,281	1,091	1,248
Territories	8,027	11,749	14,906	16,901	18,229
Other(d)	32,488	36,868	41,785	42,732	39,112
Payments to or for States(e)	244,589	271,336	287,974	324,963	357,296
Other Expenditure	7,864	13,408	9,168	6,654	6,571
Grand Total	1,311,835	1,323,771	1,296,050	1,438,286	1,638,279
Per Head of Population	£ s. d. 137 12 4	£ s. d. 135 17 7	£ s. d. 130 5 7	£ s. d. 141 10 2	£ s. d. 157 13 4

(a) Excludes debt charges, audit charges, pension and superannuation payments and Defence Division of the Department of the Treasury. (b) Excludes audit charges and Government contributions under Superannuation Act.

(c) Includes audit charges relating to Defence and War and Repatriation Services; and excludes payments to the States for Cattle Tick Control, Dairy Industry Extension and Agricultural Advisory Services included under Payments to or for the States.

(d) Excludes expenditure from Capital Works votes on Grants for Railway Standardization included as payments to the States. (e) Includes payments to States from Departmental votes. *See* footnotes (c) and (d).

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 845. In this diagram, debt charges (interest and debt redemption, 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 debt charges for 1956-57 to 1960-61 are shown in the following table.

DEBT CHARGES(a): COMMONWEALTH EXPENDITURE.

(£'000.)

Item.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>War (1914-18 and 1939-45)(b)—</i>					
Interest and Exchange	42,695	39,545	36,208	33,474	29,781
Redemption	15,829	12,337	12,550	17,152	21,091
Other(c)	279	163	594	242	512
<i>Total</i>	<i>58,803</i>	<i>52,045</i>	<i>49,352</i>	<i>50,868</i>	<i>51,384</i>
<i>Works and other Purposes(d)—</i>					
Interest and Exchange	10,703	12,378	11,497	13,147	13,712
Redemption	2,091	1,935	1,654	2,038	2,013
Other(c)	553	190	112	159	490
<i>Total</i>	<i>13,347</i>	<i>14,503</i>	<i>13,263</i>	<i>15,344</i>	<i>16,215</i>
<i>Total—</i>					
Interest and Exchange	53,398	51,923	47,705	46,621	43,493
Redemption	17,920	14,272	14,204	19,190	23,104
Other(c)	832	353	706	401	1,002
<i>Grand Total</i>	<i>72,150</i>	<i>66,548</i>	<i>62,615</i>	<i>66,212</i>	<i>67,599</i>

(a) Excludes payments to or for the States under the Financial Agreement. See pages 841-2.
 (b) Includes repatriation. (c) Redemption, conversion and loan management, etc., expenses.
 (d) Includes amounts previously shown under Business Undertakings and Territories.

2. **Defence Services.**—Details of the expenditure on defence services, including capital works and services, but excluding debt charges, etc., by the Departments of Defence, Navy, Army, Air and Supply are shown in the following table. This table covers expenditure by the service and associated departments only, and includes the cost of maintaining forces in oversea posts.

The figures represent the combined expenditures from Consolidated Revenue and Loan Funds for the years 1956-57 to 1960-61. In previous issues of this Year Book, this table covered expenditure from Trust Funds also, but there has been no expenditure from this source on defence services in recent years.

DEFENCE SERVICES(a): COMMONWEALTH EXPENDITURE FROM REVENUE AND LOAN FUNDS.

(£'000.)

Item.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Department of Defence</i>	857	931	1,008	1,231	1,303
<i>Department of the Navy—</i>					
Naval Forces—Pay, maintenance, etc.	30,615	30,447	30,782	32,175	31,737
Naval construction and additions to the fleet	3,392	5,825	5,220	5,557	7,898
Ships, Aircraft and Aircraft Engines	2,086	4,090	2,576	1,937	2,151
Buildings, works, etc.	1,448	1,603	1,548	1,165	1,745
Advances to States under Commonwealth-State Housing Agreement	351	290	254	274	311
Administrative and miscellaneous expenditure	1,127	1,159	1,296	1,420	1,693
<i>Total</i>	39,019	43,414	41,676	42,528	45,535
<i>Department of the Army—</i>					
Military Forces—Pay, maintenance, etc.	41,858	38,496	41,184	44,210	42,162
Arms, armament, ammunition	14,092	13,891	18,939	15,924	17,333
Buildings, works, etc.	2,963	3,343	3,498	3,142	3,350
Advances to States under Commonwealth-State Housing Agreement	493	498	456	394	568
Administrative and miscellaneous expenditure	2,280	2,443	2,645	2,676	3,296
<i>Total</i>	61,686	58,671	66,722	66,346	66,709
<i>Department of Air—</i>					
Air Force—Pay, maintenance, etc.	25,200	27,736	27,038	29,711	31,662
Aircraft, equipment and stores	23,130	22,629	25,874	26,011	25,064
Buildings, works, etc.	2,662	2,869	4,147	3,650	3,833
Advances to States under Commonwealth-State Housing Agreement	345	387	485	393	551
Administrative and miscellaneous expenditure	1,906	2,096	2,296	2,472	3,137
<i>Total</i>	53,243	55,717	59,840	62,237	64,247
<i>Department of Supply—</i>					
Defence research and development	10,362	10,509	10,242	10,158	10,051
Buildings, works, etc.	15,171	6,653	1,157	1,083	1,240
Administrative and miscellaneous expenditure	8,651	9,377	8,595	9,542	9,682
<i>Total</i>	34,184	26,539	19,994	20,783	20,973
<i>Economic assistance to support defence programme of S.E.A.T.O. member countries</i>	26	165	298	684	776
<i>Administration of National Service Act</i>	206	186	159	93	..
<i>Civil Defence</i>	130	95	102	105	112
<i>Recruiting Campaign</i>	224	327	311	302	474
<i>Other</i>	115	250	262	496	520
<i>Total Defence Services—</i>					
Consolidated Revenue Fund	189,690	186,295	153,066	182,835	200,658
Loan Fund .. .. .	..	..	37,306	11,970	-9
Grand Total	189,690	186,295	190,372	194,805	200,649

(a) Excludes expenditure on debt charges, audit charges, pension and superannuation payments and Defence Division of the Department of the Treasury.

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 1956-57 to 1960-61. Expenditure on the maintenance of forces in oversea posts and the cost of arms and equipment is included in Defence Services.

WAR AND REPATRIATION SERVICES AND POST-WAR CHARGES: COMMONWEALTH EXPENDITURE FROM CONSOLIDATED REVENUE AND LOAN FUNDS.

(£'000.)

Item.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Debt Charges—</i>					
Interest and Exchange	42,695	39,545	36,208	33,474	29,781
Debt Redemption	15,829	12,337	12,550	17,152	21,091
Other	279	163	594	242	512
<i>Total Debt Charges(a)</i>	<i>58,803</i>	<i>52,045</i>	<i>49,352</i>	<i>50,868</i>	<i>51,384</i>
War Gratuities .. .. .	..	16	8	9	10
War and Service Pensions	(b) 36,763	55,982	57,107	61,470	68,476
Commonwealth Reconstruction Training Scheme	256	340	365	297	212
War Service Land Settlement	9,550	10,302	7,520	8,458	3,670
Re-establishment loans for agricultural purposes	83	65	63	58	37
<i>Repatriation Department—</i>					
Repatriation Benefits	13,069	14,182	15,988	18,119	20,686
Other benefits	555	730	738	788	887
Administration and general expenses	3,806	3,933	3,953	4,461	4,563
Expenditure recovered(c)	-1,128	-1,022	-942	-880	-717
<i>Total Repatriation Department</i>	<i>16,302</i>	<i>17,823</i>	<i>19,737</i>	<i>22,488</i>	<i>25,419</i>
War Service Homes—Salaries and general expenses	911	938	978	1,127	1,105
Other Departments—Miscellaneous expenditure	383	409	368	392	432
International Payments(d)	136	47	39	33	26
Other Administrations—Recoverable expenditure(e)	-2,872	-1,340	-1,675	-782	613
<i>Capital Works and Services—</i>					
Repatriation Department	167	206	308	242	386
War Service Homes Act 1918-1949	30,000	35,000	35,000	35,000	35,000
<i>Total Capital Works and Services</i>	<i>30,167</i>	<i>35,206</i>	<i>35,308</i>	<i>35,242</i>	<i>35,386</i>
<i>Total War and Repatriation Services and Post-war Charges—</i>					
Consolidated Revenue Fund	142,463	163,130	163,470	172,722	184,743
Loan Fund	8,019	8,703	5,700	6,938	2,027
Grand Total	150,482	171,833	169,170	179,660	186,770

(a) Excludes interest and redemption of War (1914-18) Debt due to the United Kingdom Government, payment of which was suspended in 1931. (b) In addition, £13,400,000 was spent from balance of War Pensions Trust Fund. (c) From Service Departments and Australian Soldiers' Repatriation Trust Account. (d) Excludes International Monetary Fund charges. (e) Munitions stores, etc., supplied to the Government of the United Kingdom and other administrations. Includes repayments and waiver of war-time indebtedness of other administrations.

NOTE.—Minus sign (—) indicates excess of credits or repayments over expenditure.

4. **Subsidies and Bounties.**—The following table shows details of Commonwealth expenditure from revenue on subsidies, bounties and assistance to primary producers for the years 1956-57 to 1960-61. Expenditure on special relief such as drought, frost, flood and bush fire, etc., is not included here (included under items in table, para. 5), nor is expenditure from the proceeds of certain taxes on primary products and profits from marketing schemes, which have been paid to trust funds for the purpose of price or other stabilization schemes or for distribution to producers (see paragraph 12, p. 847). Payments to the States for Cattle Tick Control, Dairy Industry Extension and Agricultural Advisory Services are also not included under this heading, but under the heading Payments to or for the States (see para. 11, p. 841).

Further information relating to assistance to primary producers is given in Chapter XXII.—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.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Subsidies—</i>					
<i>Assistance to Primary Production—</i>					
<i>Dairy Industry(a)</i>	13,500	13,500	13,500	13,500	13,500
<i>Assistance to Gold-mining Industry</i>	495	660	898	838	699
<i>Total Subsidies</i>	13,995	14,160	14,398	14,338	14,199
<i>Bounties—</i>					
<i>Tractor</i>	158	467	415	621	941
<i>Sulphuric Acid</i>	421	709	1,301	1,481	1,353
<i>Cellulose Acetate Flake</i>	179	110	110	128	127
<i>Copper .. .. .</i>	..	..	768	408	405
<i>Other</i>	261	214	302	369	537
<i>Total Bounties</i>	1,019	1,500	2,896	3,007	3,363
Grand Total	15,014	15,660	17,294	17,345	17,562

(a) Dairy products.

5. **Total Cost of Departments.**—Expenditure shown in this table covers expenditure on administrative services and other activities (i.e. what might be termed "running expenses") and includes miscellaneous expenditure (previously shown in a separate table) by departments other than the Defence and Repatriation Departments and business undertakings. Interest and debt redemption are included under expenditure by the Department of the Treasury.

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 function of departments and the Acts administered by the Ministers of departments was published in Official Year Book No. 37, pages 76-86, and particulars of subsequent changes in departmental structure were given in later issues (see No. 43, p. 81) and page 86 of this issue.

COMMONWEALTH CONSOLIDATED REVENUE FUND: COST OF DEPARTMENTS.

(£'000.)

Department.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Governor-General</i>	150	158	147	164	148
<i>Parliament—</i>					
<i>Cost of Parliament</i>	1,673	1,768	1,910	2,236	2,277
<i>Electoral</i>	526	612	911	702	694
<i>Total</i>	2,199	2,380	2,821	2,937	2,971
<i>Prime Minister—</i>					
<i>Audit Office</i>	603	622	623	709	725
<i>Public Service Board</i>	589	619	667	755	829
<i>National Library</i>	168	180	201	280	353
<i>High Commissioner's Office—United Kingdom</i>	725	762	832	928	966
<i>Australian National University</i>	965	1,196	1,404	1,684	2,389
<i>Australian Universities Commission .. .. .</i>	..	..	..	23	28
<i>Commonwealth Grants Commission</i>	18	22	21	24	26
<i>Office of Education</i>	302	310	408	385	412
<i>Security Services</i>	425	483	498	578	669
<i>Commonwealth Scholarship Scheme</i>	1,122	1,243	1,587	2,100	2,551
<i>Bush fire and flood relief, etc.</i>	554	253	96	163	323
<i>Departmental, n.e.i.</i>	1,229	743	757	1,080	854
<i>Total</i>	6,700	6,433	7,094	8,709	10,125

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

Department.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>External Affairs—</i>					
Oversea Representation	1,483	1,569	1,655	1,983	2,320
United Nations and Allied Organizations	769	828	927	993	1,264
Advance to United Nations—Cost of Clearance Suez Canal	449	..	..	..	..
Australian National Antarctic Research Expeditions	342	389	527	738	764
International development and relief	5,669	5,667	4,097	5,222	5,605
Departmental, n.e.i.	757	828	954	1,003	1,197
<i>Total</i>	<i>9,469</i>	<i>9,281</i>	<i>8,160</i>	<i>9,939</i>	<i>11,150</i>
<i>Treasury—</i>					
Taxation Branch	7,810	8,117	8,362	9,585	9,862
Bureau of Census and Statistics	861	1,217	1,493	1,841	2,188
Commonwealth Superannuation Board	87	93	88	108	127
Interest	10,700	10,924	10,091	11,786	13,681
Debt Redemption	2,090	620	503	1,021	2,013
Departmental, n.e.i.	8,659	12,193	29,475	24,731	12,164
<i>Total</i>	<i>30,207</i>	<i>33,164</i>	<i>50,012</i>	<i>49,072</i>	<i>40,035</i>
<i>Attorney-General—</i>					
Crown Solicitor	327	336	343	413	420
High Court	115	111	131	148	158
Bankruptcy	161	170	180	197	214
Conciliation and Arbitration Commission, Industrial Court and Registrar	211	219	245	281	318
Patents, Trade Marks and Designs	396	407	414	475	476
Other Branches	375	365	396	516	533
Departmental, n.e.i.	363	372	386	405	476
<i>Total</i>	<i>1,948</i>	<i>1,980</i>	<i>2,095</i>	<i>2,435</i>	<i>2,595</i>
<i>Interior—</i>					
Meteorological Branch	1,022	1,090	1,372	1,655	1,727
Ionospheric Prediction	74	41	44	52	57
Forestry Branch	125	154	144	190	195
News and Information	394	410	417	453	479
Surveys .. .. .	..	..	..	97	92
Departmental, n.e.i.	1,652	1,772	1,763	1,610	1,872
<i>Total</i>	<i>3,267</i>	<i>3,467</i>	<i>3,740</i>	<i>4,057</i>	<i>4,422</i>
<i>Works</i>	<i>2,249</i>	<i>2,296</i>	<i>2,244</i>	<i>2,970</i>	<i>2,938</i>
<i>Civil Aviation—</i>					
Maintenance and Development of Civil Aviation	5,048	5,661	7,566	8,094	8,028
Meteorological Maintenance Services and Other	583	565	653	776	828
Departmental, n.e.i.	3,227	3,298	3,087	3,484	3,651
<i>Total</i>	<i>8,858</i>	<i>9,524</i>	<i>11,306</i>	<i>12,354</i>	<i>12,507</i>
<i>Customs and Excise—</i>					
Refunds of Diesel Fuel Taxation .. .. .	..	1,315	989	278	115
Departmental	4,010	4,246	4,427	5,208	5,873
<i>Total</i>	<i>4,010</i>	<i>5,561</i>	<i>5,416</i>	<i>5,486</i>	<i>5,988</i>
<i>Health</i>	<i>2,117</i>	<i>2,293</i>	<i>2,389</i>	<i>2,801</i>	<i>3,136</i>
<i>Trade—</i>					
Tariff Board	73	89	134	166	175
Commercial Intelligence Services Abroad	512	562	619	694	871
Departmental, n.e.i.	1,845	1,617	2,376	2,037	2,199
<i>Total</i>	<i>2,430</i>	<i>2,268</i>	<i>3,129</i>	<i>2,897</i>	<i>3,245</i>

COMMONWEALTH CONSOLIDATED REVENUE FUND: COST OF DEPARTMENTS—*continued.*

(£'000.)

Department.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Primary Industry—</i>					
Inspection of goods for export	996	1,043	1,144	1,320	1,360
Division of Agricultural Economics	127	142	133	157	172
Wool Use Promotion	490	885	926	1,028	1,168
Departmental, n.e.i.	794	807	826	781	787
<i>Total</i>	2,407	2,877	3,029	3,286	3,487
<i>Social Services—</i>					
Compassionate Allowances	867	952	1,889	1,996	2,294
Departmental	2,839	3,181	3,338	3,831	3,950
<i>Total</i>	3,706	4,133	5,227	5,827	6,244
<i>Shipping and Transport—</i>					
Marine Branch	1,136	1,159	1,224	1,367	1,402
Ship Construction	1,449	1,874	1,816	1,858	3,016
Departmental, n.e.i.	576	564	538	737	553
<i>Total</i>	3,161	3,597	3,578	3,962	4,971
<i>Territories</i>	215	266	274	343	379
<i>Immigration—</i>					
Assisted migration	5,725	6,835	7,188	7,567	7,348
Other migration activities	1,936	1,870	1,862	1,811	1,994
Departmental, n.e.i.	2,094	2,129	2,175	2,363	2,429
<i>Total</i>	9,755	10,834	11,225	11,741	11,771
<i>Labour and National Service</i>	2,128	2,205	2,281	2,581	2,630
<i>National Development—</i>					
Bureau of Mineral Resources	586	1,050	1,247	1,387	2,745
Division of National Mapping	230	307	312	415	417
Joint Coal Board	387	195	170	175	187
Australian Atomic Energy Commission	699	1,331	1,525	2,233	2,379
Departmental, n.e.i.	272	289	446	352	875
<i>Total</i>	2,174	3,172	3,700	4,562	6,603
<i>Commonwealth Scientific and Industrial Research Organization</i>	5,114	5,597	6,287	7,280	7,812
<i>Total, All Departments</i>	102,264	111,486	134,154	143,403	143,157

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 year 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 plus £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 increased 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.

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 1956–57 to 1960–61. For a detailed account of the establishment of the National Welfare Fund, the services provided and the numbers and amounts of benefits paid, see Chapter XVIII.—Welfare Services.

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.		
1956–57	223,923	1,938	225,861	223,923	195,062
1957–58	247,485	1,958	249,443	247,485	197,020
1958–59	278,227	1,977	280,204	278,227	198,997
1959–60	299,363	2,002	301,365	299,363	200,999
1960–61	330,604	2,017	332,621	330,604	203,016

7. **Loan Consolidation and Investment Reserve Trust Account.**—The Loan Consolidation and Investment Reserve Act 1955 established the Loan Consolidation and Investment Reserve Trust Account for the purpose of repurchase or redemption of securities representing portion of the public debt of the Commonwealth.

Payments from the Consolidated Revenue Fund were made as follows:—1956–57, £194,793,000; 1957–58, £104,378,000; 1958–59, £27,947,000; 1959–60, £41,382,000; and 1960–61, £142,561,000. Expenditure from the Trust Account on repurchase of securities was £43,443,000 in 1956–57; £132,767,000 in 1957–58; £100,046,000 in 1958–59; £79,885,000 in 1959–60; and £30,899,000 in 1960–61. The major portion of the balance of the Trust Account at 30th June, 1961, was invested in Commonwealth securities in special loans to finance Commonwealth and State works programmes.

8. **Business Undertakings.**—(i) *Postmaster-General's Department.* Details of the expenditure of this Department for the years 1956–57 to 1960–61 are given in the following table.

POSTMASTER-GENERAL'S DEPARTMENT: EXPENDITURE.

(£'000.)

Item.	1956–57.	1957–58.	1958–59.	1959–60.	1960–61.
Salaries, stores and materials, mail, engineering services, etc.	86,301	91,777	95,306	106,404	108,593
Rents, repairs, etc.	1,117	1,339	1,375	1,373	1,543
<i>Total Working, etc., Expenses</i>	<i>87,418</i>	<i>93,116</i>	<i>96,681</i>	<i>107,777</i>	<i>110,136</i>
Capital Works and Services	30,721	34,811	36,353	39,937	42,145
Grand Total	118,139	127,927	133,034	147,714	152,281

Further details of the Postmaster-General's Department expenditure for 1960-61 appear in Chapter XIV.—Transport and Communication, of this Year Book (*see* p. 563).

(ii) *Broadcasting and Television Services.* Details of expenditure for the years 1956-57 to 1960-61 are shown in the following table. Further details of broadcasting and television services appear in Chapter XIV.—Transport and Communication of this Year Book (*see* p. 571).

**COMMONWEALTH BROADCASTING AND TELEVISION SERVICES:
EXPENDITURE.**

(£'000.)

Item.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Australian Broadcasting Control Board ..	153	153	192	258	301
Australian Broadcasting Commission— Salaries, general and programme expenses	4,633	5,100	5,936	7,238	8,460
Technical and other Services—Postmaster- General—Sound Broadcasting ..	1,844	1,995	2,060	2,181	2,195
Television	53	58	159	275	386
Repairs, maintenance, etc.	18	28	24	31	30
<i>Total Working, etc., expenses</i>	<i>6,701</i>	<i>7,334</i>	<i>8,371</i>	<i>9,983</i>	<i>11,372</i>
Capital Works and Services	2,697	1,583	1,408	3,551	1,429
Grand Total	9,398	8,917	9,779	13,534	12,801

(iii) *Railways.* The expenditure on railways for the years 1956-57 to 1960-61 is shown below.

COMMONWEALTH RAILWAYS : EXPENDITURE.

(£'000.)

Item.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Working expenses—					
Trans-Australian	2,057	2,277	2,301	2,610	3,047
North Australia	239	221	169	202	170
Central Australia	1,238	1,090	1,168	1,185	1,288
Aust. Capital Territory	50	50	50	52	59
Miscellaneous	36	35	37	39	52
<i>Total Working, etc., ex- penses</i>	<i>3,620</i>	<i>3,673</i>	<i>3,725</i>	<i>4,088</i>	<i>4,616</i>
Capital Works and Services	3,422	2,545	1,281	1,091	1,248
Grand Total	7,042	6,218	5,006	5,179	5,864

Additional details of the financial operations of the Commonwealth Railways to 1960-61 are given in Chapter XIV.—Transport and Communication (*see* pp. 531-533).

9. *Territories.*—The following table shows the expenditure on account of Commonwealth Territories for the years 1956-57 to 1960-61. The Australian Capital Territory is administered by the Department of the Interior, and the Department of Territories controls the Northern Territory and the external territories. The expenditure has been grouped in one table for convenience. Information in greater detail will be found in Chapter V.—The Territories of Australia, of this Year Book.

COMMONWEALTH TERRITORIES : EXPENDITURE.
(£'000.)

Territory.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Administration and Maintenance of Services—</i>					
Aust. Capital Territory(a) ..	2,783	3,075	3,685	4,301	4,805
Northern Territory(a) ..	3,729	4,406	4,877	6,245	6,853
Papua and New Guinea ..	9,573	11,374	11,611	12,951	15,094
Norfolk Island ..	37	33	31	32	32
Cocos (Keeling) Islands ..	20	26	36	30	55
<i>Total</i> ..	<i>16,142</i>	<i>18,914</i>	<i>20,240</i>	<i>23,559</i>	<i>26,839</i>
<i>Capital Works and Services—</i>					
Aust. Capital Territory(a) ..	4,957	8,394	11,098	12,433	13,157
Northern Territory(a) ..	2,798	3,300	3,678	3,874	4,531
Papua and New Guinea ..	215	8	87	591	532
Cocos (Keeling) Islands ..	57	47	43	3	9
<i>Total</i> ..	<i>8,027</i>	<i>11,749</i>	<i>14,906</i>	<i>16,901</i>	<i>18,229</i>

(a) Excludes Railways, see para 8 (iii) page 839.

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 1956-57 to 1960-61. The table covers all expenditure on capital works and services made from the Consolidated Revenue Fund and the Loan Fund. In previous issues of this Year Book, this table covered expenditure from Trust Funds also, but there has been no expenditure on capital works and services from this source in recent years.

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

(£'000.)

Particulars.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Defence and War—</i>					
Navy	5,602	9,814	7,504	6,996	9,979
Army	10,138	10,732	15,831	13,163	15,270
Air Force	3,007	3,256	4,632	4,043	4,384
Munitions and other	19,669	10,958	7,014	11,871	8,640
<i>Repatriation Services—</i>					
War Service Homes	30,000	35,000	35,000	35,000	35,000
Other	167	206	308	242	386
Postmaster-General's Department	30,715	34,807	36,354	39,935	42,143
Broadcasting and Television Services	2,697	1,583	1,407	3,551	1,429
<i>Railways—</i>					
Commonwealth	3,422	2,542	1,239	1,071	1,229
<i>Territories—</i>					
Australian Capital Territory	4,954	8,390	11,095	12,433	13,150
Northern Territory	2,798	3,300	3,678	3,874	4,531
Papua-New Guinea	215	8	87	591	532
Cocos (Keeling) Islands	57	47	43	3	9
<i>Other—</i>					
Ships, yards and docks	1,343	..	..	..	..
Civil Aviation	3,657	4,098	5,688	4,801	5,999
Snowy Mountains Scheme	18,000	18,350	24,000	28,250	18,500
Immigration	253	297	270	350	391
Health	384	549	678	811	789
Subscriptions to Capital	1,500	1,750	4,750	1,300	2,680
Advances	432	1,297	230	166	500
All other works, buildings, etc.	6,919	10,528	6,149	7,050	10,239
<i>Total</i>	<i>145,929</i>	<i>157,512</i>	<i>165,957</i>	<i>175,501</i>	<i>175,780</i>
<i>Source of Funds—</i>					
Consolidated Revenue Fund	145,938	157,522	166,024	175,544	175,832
Loan Fund	-9	-10	-67	-43	-52
<i>Total</i>	<i>145,929</i>	<i>157,512</i>	<i>165,957</i>	<i>175,501</i>	<i>175,780</i>

NOTE.—Minus sign (-) indicates excess of credits or repayments over expenditure.

11. **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, pp. 633 to 638). In the following paragraphs, reference is made to the arrangements at present in operation.

(ii) *Amounts Paid.* (a) *Year 1960-61.* The table below shows particulars of the amounts paid to each of the States as grants for the several purposes referred to in subsequent paragraphs.

COMMONWEALTH PAYMENTS TO OR FOR THE STATES, 1960-61.(a)
(£'000.)

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	Total.
Financial Agreement—							
Interest on States' Debts ..	2,918	2,127	1,096	704	473	267	7,585
Sinking Fund on States' Debts(b)	2,182	1,446	786	837	609	414	6,274
Special Grants ..					4,309	4,309	8,618
Financial Assistance Grants ..	91,988	67,371	39,951	30,727	27,977	11,980	269,994
Commonwealth Aid Roads(c)	12,870	9,184	8,428	5,128	8,090	2,300	46,000
Tuberculosis Act 1948—Reimbursement of Capital Expenditure ..	126	48	175	30	21	10	410
Mental Institutions—Contribution to Capital Expenditure ..	433	84	97	46	15	52	727
Western Australian Waterworks Grant ..					517		517
Coal Mining Industry—Long Service Leave(c)	308		50		16	6	380
Encouragement of Meat Production Grants to Universities ..	4,140	3,023	1,537	1,090	904	533	11,227
Cattle Tick Control ..	541						541
Dairy Industry Extension Grant ..	65	72	65	18	13	10	243
Expansion of Agricultural Advisory Services ..	75	60	57	26	27	19	264
Development of North Western Australia ..					1,208		1,208
Grants for Railway Standardization(d)		3,301					3,301
Total	115,646	86,716	52,247	38,606	44,181	19,900	357,296

(a) Excludes relief to primary producers, subsidies and bounties, and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Paid to Trust Fund. (d) Grants only—excludes repayable advances.

(b) 1956-57 to 1960-61. 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.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Financial Agreement—					
Interest on States' Debts ..	7,585	7,585	7,585	7,585	7,585
Sinking Fund on States' Debts(b)	4,640	5,065	5,386	5,942	6,274
Special Grants ..	18,500	19,500	20,750	8,326	8,618
Financial Assistance Grants ..	154,622	165,820	174,547	244,500	269,994
Special Financial Assistance ..	19,405	24,145	30,437		
Additional Financial Assistance ..		5,000			
Grants for Road Construction, etc.(c)	31,269	31,664	33,249	43,923	46,000
Commonwealth Aid Roads—Special Assistance ..		2,950	2,950		
Tuberculosis Act 1948—Reimbursement of Capital Expenditure ..	2,381	2,142	1,412	781	410
Mental Institutions—Contribution to Capital Expenditure ..	1,248	1,256	1,120	1,147	727
Western Australian Waterworks Grants ..	462	677	524	609	517
Coal Mining Industry—Long Service Leave(c)	597	590	525	484	380
Imported Houses—Grants ..	2				
Contribution to South Australia—Port Augusta to Port Pirie Railway ..	20				
Encouragement of Meat Production Grants to Universities ..	134	98	16	6	7
Cattle Tick Control ..	2,262	3,074	6,919	7,628	11,227
Dairy Industry Extension Grant ..	675	536	578	477	541
Expansion of Agricultural Advisory Services ..	237	219	261	247	243
Development of North Western Australia ..	270	265	236	218	264
Grants for Railway Standardization(d)			171	484	1,208
Total	244,589	271,335	287,974	324,963	357,296

(a) Excludes relief to primary producers, subsidies and bounties, and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Paid to Trust Fund. (d) Grants only—excludes repayable advances.

Particulars of special Commonwealth grants for the relief of primary producers are not included in the foregoing tables. See para. 4, Subsidies and Bounties, page 834 and para. 12, Other Expenditure, page 847.

(iii) *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 Loan Securities for a period of 58 years from 1st July, 1927. This amount is distributed among 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, under the Financial Agreement, the Commonwealth agreed to make certain contributions to the National Debt Sinking Fund for redemption of State Loan Securities. Details of these are given in Division D of this Chapter, § 2, page 882.

(iv) *Special Grants.* The Constitution provides in Section 96 for the granting of special financial assistance to the States. Prior to 1933, financial assistance of varying amounts was granted by the Commonwealth to South Australia, Western Australia and Tasmania. Details of this may be found in earlier issues of the Official Year Book (see No. 40, p. 695).

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 each year from 1933 onwards and the recommendations of the Commission in respect of the years 1957–58 to 1961–62 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 1961–62 include an estimate of the indispensable need of the claimant State for 1961–62 and an adjustment to the estimated grant for 1959–60. South Australia agreed with the Commonwealth not to apply for special grants in other than exceptional circumstances after 1st July, 1959, when the new financial arrangements under the State Grants Act 1959 came into operation (see sub-para. (v) below).

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

Particulars.	1957–58.	1958–59.	1959–60.	1960–61.	1961–62.
<i>South Australia—</i>					
Estimated grant	4,858	5,201	..	..	..
Adjustment(a)	842	49	(b) 1,426	..	..
<i>Net grant recommended</i> ..	<i>5,700</i>	<i>5,250</i>	<i>1,426</i>	<i>..</i>	<i>..</i>
<i>Western Australia—</i>					
Estimated grant	9,828	9,758	3,149	3,700	5,200
Adjustment(a)	322	1,342	351	609	956
<i>Net grant recommended</i> ..	<i>10,150</i>	<i>11,100</i>	<i>3,500</i>	<i>4,309</i>	<i>6,156</i>
<i>Tasmania—</i>					
Estimated grant	4,466	4,414	2,597	3,400	4,100
Adjustment(a)	–816	–14	803	909	975
<i>Net grant recommended</i> ..	<i>3,650</i>	<i>4,400</i>	<i>3,400</i>	<i>4,309</i>	<i>5,075</i>
Grand Total	19,500	20,750	8,326	8,618	11,231

(a) Adjustment to estimated grant paid two years previously.
payment of £1,027,000 in 1959–60.

(b) Includes the final adjusting

(v) *Financial Assistance Grants.* The States Grants Act 1959 repealed the States Grants (Tax Reimbursement) Acts of 1946, 1947 and 1948 and provided for payment to the States of financial assistance in 1959–60 amounting to £244,500,000 to be distributed amongst the States as follows:—New South Wales, £83,450,000; Victoria, £60,625,000; Queensland, £36,375,000; South Australia, £27,675,000; Western Australia, £25,462,000; Tasmania, £10,913,000. In subsequent years, the financial assistance grant payable to each State has been determined by increasing its grant for 1959–60 in accordance with a formula

which takes into account movements in population in each State and the increases (if any) in the level of average wages per person employed as shown in returns submitted under the Pay-roll Tax Assessment Act 1941-1961. In 1960-61, the grants determined according to this formula were as follows:—New South Wales, £91,988,000; Victoria, £67,371,000; Queensland, £39,951,000; South Australia, £30,727,000; Western Australia, £27,977,000; Tasmania, £11,980,000.

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, pp. 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 which expired after 1958-59. *See* Official Year Book No. 46, pages 837-8.

(vi) *Special Financial Assistance Grants.* During the years 1954-55 to 1958-59, there were heavy additions to the financial needs of the States, and special assistance grants amounting to £19,902,000, £15,348,000, £19,405,000, £24,145,000 and £30,437,000 respectively were made. For details of amounts paid to each State *see* earlier issues of the Official Year Book or the annual bulletin *Finance, Part I.—Public and Private Finance.*

(vii) *Additional Financial Assistance.* The States Grants (Additional Assistance) Act 1958 provided for the payment of £5,000,000 from the Consolidated Revenue Fund for financial assistance to the States.

(viii) *Grants for Road Construction.* (a) *Main Roads Development Act 1923-25, Federal Aid Roads Acts 1926, 1931 and 1936, Federal Aid Roads and Works Act 1937, Commonwealth Aid Roads and Works Act 1947-1949, Commonwealth Aid Roads Act 1950, Commonwealth Aid Roads Act 1954, and Commonwealth Aid Roads (Special Assistance) Act 1957.* Details of these Acts are given in earlier issues of the Official Year Book (*see* No. 38, pp. 787-8, No. 41, p. 62 and No. 46, p. 838) and in the annual bulletin *Finance, Part I.—Public and Private Finance.*

(b) *Commonwealth Aid Roads Act 1959.* A new scheme of Commonwealth assistance to the States for roads was established by the Commonwealth Aid Roads Act 1959. Under this Act, which is to operate for a period of five years from 1st July, 1959, the Commonwealth has undertaken to make available up to £250,000,000 to the States for the construction, reconstruction, maintenance and repair of roads.

Of this amount, a total of £220,000,000 will be paid to the States as basic grants for roads over five years. The basic grants are fixed annual amounts which rise progressively by £2,000,000 a year from £40,000,000 in 1959-60 to £48,000,000 in 1963-64. In each year, the grants will be distributed between the States on the basis of 5 per cent. of the total to Tasmania and the balance shared between the other five States, one-third in proportion to their respective populations at the date of the last preceding Census, one-third in proportion to their respective areas and one-third in proportion to the respective number of motor vehicles registered in these States at 31st December preceding the year of payment.

The balance of up to £30,000,000 over the five years will be made available to the States as matching assistance for roads. The total amounts of matching assistance will increase by £2,000,000 a year from £2,000,000 in 1959-60 to £10,000,000 in 1963-64. Up to the limit of its share of the total matching assistance available in any year, each State qualifies for £1 of matching assistance from the Commonwealth for each £1 by which the amount it allocates in that year from its own resources for expenditure on roads exceeds the amount so allocated in 1958-59. The share of each State in the total matching assistance available in any year is determined by the same formula as is used to determine its share of the basic grant in that year.

The full amount of the matching assistance available to each State in any year is being paid during that year on the understanding that the road grants to the State in the following year will be adjusted if it is subsequently found that the State did not qualify in full for the matching assistance paid to it in that year.

The legislation relating to the years 1947-48 to 1958-59 provided for annual allocations to the Commonwealth for expenditure on strategic roads and the promotion of road safety practices. No such provisions are contained in the present legislation, the Commonwealth making separate provision for these purposes.

(ix) *Tuberculosis Act 1948.* The Tuberculosis Act 1948 provided for the reimbursement by the Commonwealth of capital expenditure incurred by the States in the provision of facilities for the diagnosis, treatment and control of tuberculosis, as from 1st July, 1948.

(x) *States Grants (Mental Institutions) Act 1955.* This Act provides for financial assistance to the States for capital expenditure on mental institutions to a maximum amount of £10,000,000. Each State is entitled to one-third of expenditure made on or after 1st July, 1955, on buildings or equipment of a mental institution.

(xi) *Other Payments.* (a) *Western Australian Waterworks.* The Western Australia Grant (Water Supply) Act 1948–1957 provides for grants to Western Australia not exceeding an aggregate of £5,000,000 for the development of the Agricultural Areas, Great Southern Towns and Goldfields Water Supply schemes. The amount provided by the Commonwealth is not to exceed half the total expenditure on the scheme.

(b) *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. a ton on coal produced from 1st November, 1949. The rate of duty was raised to 7d. a ton from 26th August, 1951, and to 8d. a 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.

(c) *Imported Houses.* Under the States Grants (Imported Houses) Act 1950 the Commonwealth Government undertook to pay to the States a subsidy not exceeding £300 per house for houses imported by a State or a housing authority of a State after 12th October, 1949. Imports of houses under this scheme have now ceased.

(d) *Contribution to South Australia—Port Augusta to Port Pirie Railway.* The Port Augusta to Port Pirie Railway Act 1935–1950 approved an agreement between the Commonwealth and South Australia to provide for the extension of the Trans-Australian Railway by the construction of a railway in South Australia from Port Augusta to Port Pirie. As a contribution towards reimbursing South Australia for the cost of the section to be constructed by the State, and for any additional expense incurred by the State in carrying out the Agreement, the Act provided for a payment by the Commonwealth to the State of South Australia of £20,000 per annum for twenty years, the first payment being made in 1937–38 after the opening of the railway and the final payment in 1956–57.

(e) *Encouragement of Meat Production.* To develop meat production in Queensland and Western Australia, grants are made to these States for the provision and improvement of 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 £150,000 in Queensland and £50,000 in Western Australia.

(f) *Grants to Universities.* Payments to the States for universities were first introduced in 1951–52 under the States Grants (Universities) Act 1951, and were continued under similar legislation passed in 1953, 1955, 1956 and 1957. Following on the Government's acceptance of the main recommendations of the Committee on Australian Universities, the provisions of the 1957 Act relating to financial assistance for 1958 were superseded by the States Grants (Universities) Act 1958, which operated from 1st January, 1958.

This legislation authorized the Commonwealth to make payments to the States for universities of up to £21,400,000 over the three calendar years 1958 to 1960, inclusive, where certain conditions have been satisfied. These payments include increased contributions towards the running expenses of universities, new grants for capital works and equipment and new emergency grants.

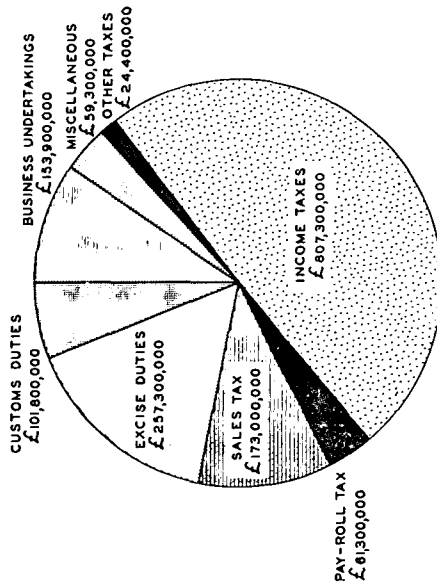
Under the States Grants (Universities) Act 1960, which carried on the principle of grants for capital works and equipment introduced in the 1958 legislation, payments of up to £42,000,000 over the three calendar years 1961, 1962 and 1963 are to be made to the States. (See also Chapter XV.—Education and Research, page 602.)

(g) *Cattle Tick Control.* Since 1926–27, the Commonwealth has subsidized the cost of eradication and control of cattle tick in New South Wales. From 1950–51, the subsidy was increased on a £1 for £1 basis up to an agreed maximum. The payments are charged to the departmental expenditure of the Department of Health.

(h) *Western Australia Northern Development.* The Commonwealth provides financial assistance of up to £5,000,000 to the State of Western Australia under the Western Australia Grant (Northern Development) Act 1958–59 in respect of developmental expenditure by the State in the area of Western Australia north of the twentieth parallel of latitude during the period of five years commencing on 1st July, 1958. Under the scheme, Commonwealth

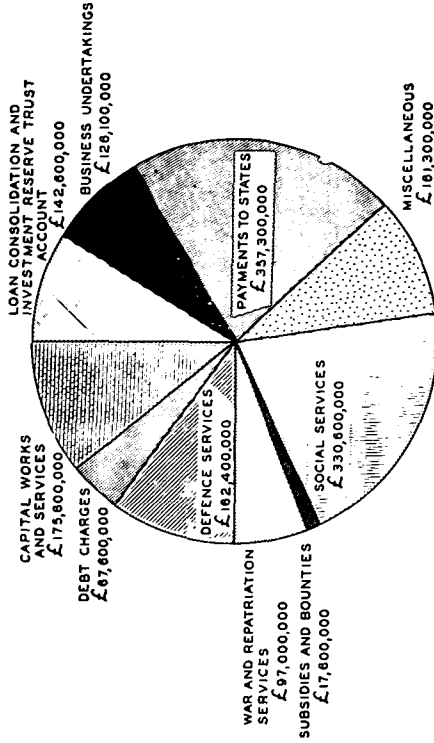
COMMONWEALTH CONSOLIDATED REVENUE FUND, YEAR ENDED 30TH JUNE, 1961

REVENUE



TOTAL REVENUE
£1,638,300,000

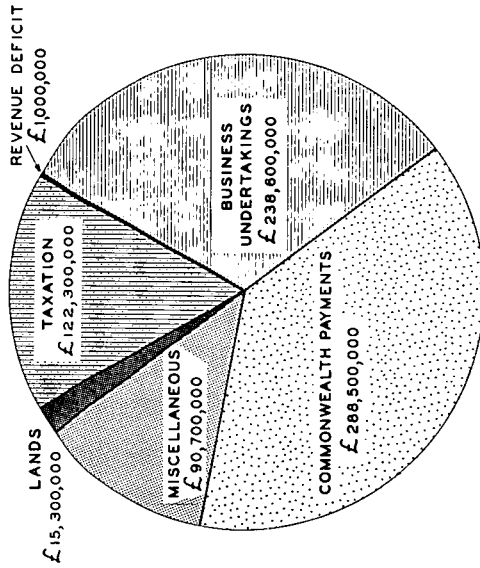
EXPENDITURE



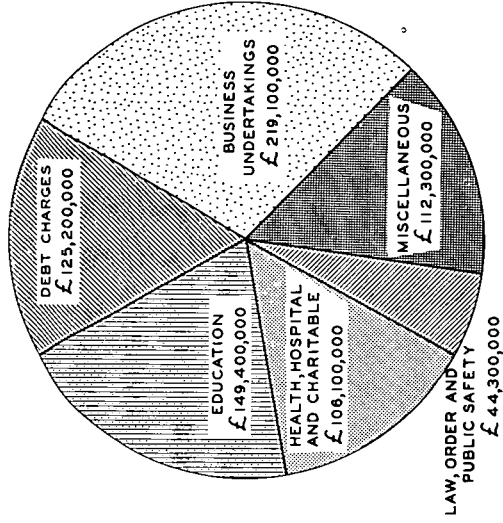
TOTAL EXPENDITURE
£1,638,300,000

STATE CONSOLIDATED REVENUE FUNDS, YEAR ENDED 30TH. JUNE, 1961

REVENUE



EXPENDITURE



TOTAL REVENUE
£756,400,000

TOTAL EXPENDITURE
£756,400,000

assistance is provided in respect of projects, nominated by the State, which the Commonwealth is satisfied will contribute to the development of the area and which could not reasonably be expected to be carried out during the period of five years without the grant of Commonwealth assistance.

Payments to the State during 1960-61 amounted to £1,208,000, bringing total payments by the Commonwealth in respect of the scheme to £1,863,000.

(i) *Dairy Industry Extension Grant.* The Commonwealth provides financial assistance, with a maximum annual limit of £250,000, to promote improved farm practices in the dairy industry. The grants are charged to the departmental expenditure of the Department of Primary Industry.

(j) *Expansion of Agricultural Advisory Services.* These payments were introduced in 1952-53 to encourage expansion of agricultural advisory services by the State Departments of Agriculture and to promote increased farm efficiency. The payments are charged to the departmental expenditure of the Department of Primary Industry.

(k) *Grants for Railway Standardization.—South Australia.* Under the Railway Standardization (South Australia) Agreement Act 1949, the Commonwealth is providing funds for the conversion of lines in the south-eastern division of the State as an initial step towards eventual standardization of 4' 8½" gauge. The State is to repay three-tenths of the cost of this work over a period of 50 years and is to bear the full cost of subsequent conversion from broad to standard gauge.

Albury to Melbourne. Under the Railway Standardization (New South Wales and Victoria) Agreement Act 1958 the Commonwealth provided funds for the construction of the standard gauge rail link between Albury and Melbourne on the basis that the States of Victoria and New South Wales will each bear 15 per cent. of the cost by instalments over a period of 50 years.

The total expenditure on Railway Standardization (the 30 per cent. advances to the States and the 70 per cent. grants to the States) is charged to the Capital Works and Services vote of the Department of Shipping and Transport.

12. **Other Expenditure.**—Expenditure under this item includes the proceeds of special industry taxes and profits from marketing schemes which are paid to trust funds or other authorities for the purposes of the industries concerned. Information relating to the taxes levied is given in sub-section B. Revenue, of this section (*see pp. 828-9*). Details of expenditure from the trust funds are included in § 3, Commonwealth Trust Funds. Details of expenditure from the Consolidated Revenue Fund during the last five years are given in the following table.

**OTHER EXPENDITURE FROM COMMONWEALTH CONSOLIDATED
REVENUE FUND.**
(£'000.)

Receipts from—	Expenditure on—	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Taxes—</i>						
Export Charges ..	Export Control Boards (a)	375	390	566	540	508
Stevedoring Industry Charge ..	Stevedoring Industry Board ..	1,926	3,337	4,572	3,718	3,542
Tobacco Charge ..	Tobacco Industry (b) ..	41	61	72	112	125
Wheat Export Charge	Wheat Industry Price Stabilization (c) ..	..	443	1,211	1	..
Wheat Tax	Wheat Research (d) ..	..	185	207	187	261
Wool Tax	Wool Use Promotion and Research ..	979	1,328	1,389	1,542	1,455
Dairy Produce Levy ..	Dairy Produce Research and Sales Promotion ..	..	..	151	369	421
Canning Fruit Charge	Canned Fruit Sales Promotion ..	..	..	..	35	27
Cattle Slaughter Levy ..	Cattle and Beef Research ..	..	..	..	..	82
<i>Total</i> .. ..	.. ..	<u>3,321</u>	<u>5,744</u>	<u>8,168</u>	<u>6,504</u>	<u>6,421</u>
<i>Other—</i>						
Meat Export Deficiency Payments—United Kingdom Government	Australian Meat Board ..	3,254	5,927	..	..	..
Strategic Roads and Road Safety Practices	.. ..	950	1,000	1,000	150	150
Other .. ..	.. ..	339	737	..	..	..
<i>Total</i> .. ..	.. ..	<u>4,543</u>	<u>7,664</u>	<u>1,000</u>	<u>150</u>	<u>150</u>
Grand Total .. ..	.. ..	<u>7,864</u>	<u>13,408</u>	<u>9,168</u>	<u>6,654</u>	<u>6,571</u>

(a) Paid to Apple and Pear Export Fund, Canned Fruits Export Fund, Dairy Produce Export Fund, Dried Fruits Export Fund, Egg Export Fund and Wine Export Fund. (b) Paid to Tobacco Industry Trust Fund. (c) Paid to Wheat Prices Stabilization Fund. (d) Paid to Wheat Research Fund.

§ 3. Commonwealth Trust Funds.

1. Receipts, Expenditure and Balances, 1960-61.—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, 1961.

COMMONWEALTH TRUST FUNDS : RECEIPTS, EXPENDITURE AND BALANCES, 1960-61.

(£'000.)

Fund.	Balance at 30th June, 1960.	Year ended 30th June, 1961.		Balance at 30th June, 1961.
		Receipts.	Expenditure.	
Canadian Loan	7,068	302	225	7,145
Coal Mining Industry Long Service Leave Coinage	2,109	495	458	2,146
Commonwealth Aid Roads (Supplementary)	.. .. .	2,408	2,408	.. .. .
Defence Forces Retirement Benefits	169	.. .. .	96	73
Insurance Deposits	13,544	6,451	3,746	16,249
Interest Suspense	6,016	907	399	6,524
International Development and Relief	508	119,140	119,129	519
Korean Operations Pool	156	360	446	70
Lend Lease Settlement	11,464	12	12	11,464
Loan Consolidation and Investment Reserve	817	38	155	700
National Debt Sinking Fund	208,310	151,480	30,932	328,858
National Welfare	183,604	73,853	96,271	161,180
Parliamentary Retiring Allowances	200,999	332,622	330,604	203,017
Pensions Suspense	382	106	57	431
Post Office Stores and Services	6,936	128,176	127,634	7,478
Superannuation	545	53,992	54,328	209
Swiss Loan	71,278	18,686	9,013	80,951
Taxation Funds Suspense	14,584	558	.. .. .	15,142
Temple Society	796	63,157	63,180	773
Tobacco Industry	561	412	487	486
War Service Homes	91	193	190	94
War Service Homes—Insurance .. .. .	.. .. .	36,125	36,125	.. .. .
Wheat Industry Stabilization	747	254	207	794
Wheat Prices Stabilization	266	.. .. .	.. .. .	266
Wheat Research	11,030	462	6,532	4,960
Wine Research	600	454	314	740
Wool Disposals Profit	425	19	18	426
Wool Research	79	—79	.. .. .	.. .. .
Other	9,218	2,065	2,060	9,223
	15,528	66,973	68,308	14,193
Total	767,830	1,059,621	953,334	874,117

2. Summary, 1956-57 to 1960-61.—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.)

Particulars.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Balances brought forward	818,390	904,447	888,033	810,099	767,830
Receipts	907,151	910,244	880,171	915,830	1,059,621
Expenditure	821,094	926,658	958,105	958,099	953,334
Balance carried forward	904,447	888,033	810,099	767,830	874,117

§ 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, p. 640). In the following table, details are given of the net expenditure from the Commonwealth Loan Fund for the years 1956–57 to 1960–61 and of the aggregate expenditure to 30th June, 1961. The figures shown represent “net” loan expenditure, i.e., after adjustments have been made for refunds of amounts expended in earlier years.

COMMONWEALTH NET EXPENDITURE FROM LOAN FUND.
(£'000.)

Particulars.	1956–57.	1957–58.	1958–59.	1959–60.	1960–61.	Total to 30th June, 1961.
War Loans—						
Defence and War (1914–18, 1939–45)						
Services	(a)8,019	(a)8,703	(a)5,700	(a)6,937	(a)2,027	2,044,726
Defence Services—						
General Services, Works, Armaments, etc.	..	..	37,308	11,987	..	49,295
Other Loans—						
Capital Works and Services—						
Defence(b) .. .. .	..	..	— 2	— 17	— 9	8,654
Repatriation Services(b)—						
War Service Homes(b)	..	..	..	..	..	7,329
Other .. .. .	..	..	..	..	..	47
Postmaster-General's Department	..	..	..	..	..	40,412
Broadcasting Services	..	..	..	..	..	104
Railways .. .. .	..	..	..	..	..	13,660
Territories(c) .. .. .	..	..	..	..	..	8,699
Other—						
Ships, Yards and Docks .. .. .	..	..	..	..	..	7,694
Civil Aviation .. .. .	..	..	..	..	..	213
Immigration .. .. .	..	..	..	..	..	1,681
Emergency Wheat Storage .. .. .	..	..	..	..	..	3,071
All other works, buildings, etc.	..	..	..	..	..	4,203
Other Purposes—						
Assistance to States—						
Farmers' Debt Adjustment .. .. .	..	..	..	..	..	7,967
Housing .. .. .	..	..	..	..	..	414,959
Other .. .. .	..	..	..	..	..	5,976
Wheat Bounty .. .. .	..	..	..	..	..	3,430
Loan (Qantas Empire Airways) .. .. .	..	..	..	..	..	19,462
Loan (Australian National Airlines Commission) .. .. .	..	..	..	..	..	2,229
Total Capital Works and Services and Other Purposes	35,980	36,431	43,113	40,683	39,613	549,790
International Bank Dollar Loan(d)	5,367	14,565	7,492	..	..	137,645
Swiss Loan(e) .. .. .	..	..	..	..	..	11,722
Canadian Loan(f) .. .. .	..	..	..	..	..	6,459
Grand Total	49,366	59,699	93,613	59,607	41,640	2,799,637

(a) Financial assistance to the States in connexion with War Service Land Settlement. (b) Excludes amounts charged to War Loan Fund. (c) Includes administration and other public buildings, Australian Capital Territory. (d) Payment to National Debt Sinking Fund. (e) Payment to Swiss Loan Trust Account. (f) Payment to Canadian Loan Trust Account.

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

Information relating to the Commonwealth Government Securities on Issue is given in Division D. Commonwealth and State Government Securities on Issue, 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 delegated 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 is needed therefore in making comparisons, and the particulars contained in this chapter should be read with those contained in Chapter XIX.—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 with 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 a State is paid into its Consolidated Revenue Fund, from which payments are made under authority of an annual Appropriation Act passed by the Legislature, or by a permanent appropriation under a special act.

Figures in § 2 below 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 eliminate duplications caused by inter-fund payments. Particulars for all other States relate to the transactions of the Consolidated Revenue Fund.

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

The Loan Fund is debited with all loan moneys raised 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 379–380. 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* pp. 864–6).

§ 2. State Consolidated Revenue Funds.

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

Of these sources, that yielding the largest revenue to the Consolidated Revenue Funds for the States as a whole in the year 1960–61 was Commonwealth payments under financial assistance and other grants (38.2 per cent. of the total revenue). Next in magnitude was the group of business undertakings (31.6 per cent.), the principal contributors being the government railways and tramways, followed by taxation receipts (16.2 per cent.). More than one-quarter of the total State taxation collections are not paid into Consolidated Revenue Funds, however, but into special funds (*see* para. 3 (ii) (b) following). Of the remaining sources of revenue, interest (n.e.i.) constituted 3.7 per cent., land revenue 2.0 per cent., and National Welfare Fund payments 1.5 per cent.

2. **Revenue Received.**—The following table shows particulars of the total amounts, and the amounts per head of population, of consolidated revenue received by the several States during the years 1956–57 to 1960–61.

STATE CONSOLIDATED REVENUE.

Year.	N.S.W.(a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL REVENUE. (£'000.)							
1956-57 ..	223,829	133,254	85,158	61,561	54,331	18,801	576,934
1957-58 ..	231,510	142,336	87,955	66,342	57,045	19,961	605,183
1958-59 ..	239,769	151,248	99,007	68,030	60,061	21,837	639,959
1959-60 ..	262,533	168,310	103,103	76,077	64,388	26,099	699,510
1960-61 ..	282,364	185,101	108,817	81,979	69,333	27,795	755,389

PER HEAD OF POPULATION.
£ s. d.

1956-57 ..	62 7 3	50 15 0	61 1 8	71 9 4	79 15 9	57 18 2	60 17 8
1957-58 ..	63 4 10	52 19 4	61 16 9	74 17 7	82 5 3	60 3 10	62 10 2
1958-59 ..	64 5 11	54 19 11	68 5 1	74 18 0	85 2 0	64 9 9	64 15 2
1959-60 ..	69 3 0	59 14 0	69 15 1	81 9 9	89 15 3	72 18 9	69 6 8
1960-61 ..	72 17 0	63 19 6	72 7 4	85 13 0	95 0 2	79 8 0	73 5 4

(a) See § 1, para. 2, p. 850.

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 1960-61 were as follows.

STATE CONSOLIDATED REVENUE : SOURCES, 1960-61.

Source of Revenue.	N.S.W. (a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas. (b)	Total.
TOTAL REVENUE. (£'000.)							
Taxation(c)	44,100	41,940	14,255	11,713	6,120	4,165	122,293
Business Undertakings ..	107,126	51,995	35,398	22,939	21,075	48	238,581
Lands	5,246	3,263	4,064	662	1,399	635	15,269
Interest, n.e.i.	2,222	6,662	4,614	6,822	3,026	4,624	27,970
Commonwealth Grants(d)—							
Financial Assistance ..	91,988	67,371	39,951	30,727	27,977	11,980	269,994
Other(e)	3,439	2,127	1,784	1,796	4,799	4,576	18,521
Commonwealth National Welfare Fund Payments(f)	6,113	1,143	2,617	877	537	284	11,571
Miscellaneous	22,130	10,600	6,134	6,443	4,400	1,483	51,190
Total	282,364	185,101	108,817	81,979	69,333	27,795	755,389

PER HEAD OF POPULATION.
(£ s. d.)

Taxation(c)	11 7 7	14 9 11	9 9 7	12 4 9	8 7 9	11 18 0	11 17 2
Business Undertakings ..	27 12 9	17 19 5	23 10 10	23 19 4	28 17 7	0 2 9	23 2 10
Lands	1 7 1	1 2 7	2 14 1	0 13 10	1 18 4	1 16 4	1 9 7
Interest, n.e.i.	0 11 6	2 6 1	3 1 4	7 2 7	4 2 11	13 4 2	2 14 3
Commonwealth Grants(d)—							
Financial Assistance ..	23 14 8	23 5 8	26 11 4	32 2 1	38 6 9	34 4 5	26 3 9
Other(e)	0 17 9	0 14 8	1 3 9	1 17 6	6 11 6	13 1 5	1 15 11
Commonwealth National Welfare Fund Payments(f)	1 11 6	0 7 11	1 14 10	0 18 4	0 14 9	0 16 3	1 2 6
Miscellaneous	5 14 2	3 13 3	4 1 7	6 14 7	6 0 7	4 4 8	4 19 4
Total	72 17 0	63 19 6	72 7 4	85 13 0	95 0 2	79 8 0	73 5 4

(a) See § 1, para. 2, p. 850. (b) Tasmanian Transport Services are under separate control of the Transport Commission. (c) In all States, certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (d) Excludes Commonwealth payments paid to Trust Funds. (e) Includes payments under Financial Agreement, Special Grants, Financial Assistance, Grants to Universities, etc. (f) Consolidated Revenue Fund receipts only. Excludes payments to Trust Funds.

(ii) *Revenue from Taxation.* (a) *General.* In the tables on taxation collections in these paragraphs, the collections have been grouped according to the nature of the tax rather than the method of collection. For example, stamp duties on betting tickets and bookmakers' licences have been included under "Racing Tax" instead of under "Stamp Duties" and "Licences" respectively.

Prior to federation, customs and excise duties were 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. From 1942-43 to 1958-59, the States were reimbursed by the Commonwealth for the revenue lost by the discontinuance of these taxes. Commencing with 1959-60, however, a new scheme for the payment of financial assistance to the States was instituted (for details see C., para. 11 (v), p. 842). Information relating to the State income taxes which were levied prior to 1942-43 may be found in earlier issues of the Official Year Book.

(b) *Net Collections, 1960-61.* The following tables show, for the year 1960-61, details of the collections in each State from the various types of tax in operation, irrespective of whether such moneys have been paid into the Consolidated Revenue Funds or not. For this reason, the particulars hereunder differ from those shown in the tables relating to the Consolidated Revenue Funds and represent a comprehensive statement of all taxation collections by the Government in each State.

STATE REVENUE FROM TAXATION : TOTAL NET COLLECTIONS(a), 1960-61.
(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<i>Motor—</i>							
Registration Fees and Taxes	11,376	9,798	5,569	3,970	2,690	1,171	34,574
Drivers', etc., Licences ..	1,414	514	314	387	303	112	3,044
Other	5,013	4,172	1,809	86	72	156	11,308
<i>Total Motor</i>	<i>17,803</i>	<i>14,484</i>	<i>7,692</i>	<i>4,443</i>	<i>3,065</i>	<i>1,439</i>	<i>48,926</i>
<i>Probate and Succession Duties</i>	13,730	11,531	4,004	2,402	1,421	790	33,878
Stamp Duties, n.e.i. .. .	15,135	12,557	4,989	2,308	1,958	940	37,887
Land	8,449	6,706	1,745	1,400	1,094	520	19,914
Liquor	3,750	3,218	1,088	211	503	282	9,052
Lotteries .. .. .	..	3,237	322	..	..	73	3,652
Racing	2,861	2,841	427	1,141	847	409	8,526
Entertainments .. .. .	..	1,037	..	..	207	157	1,421
Poker Machines Licence Fees	1,677	..	..	..	..	..	1,677
Licences, n.e.i.	171	292	208	85	71	13	840
Other	4	3	2,226	112	352	..	2,697
<i>Grand Total</i>	<i>63,580</i>	<i>55,946</i>	<i>22,701</i>	<i>12,102</i>	<i>9,518</i>	<i>4,623</i>	<i>168,470</i>

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

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

STATE REVENUE FROM TAXATION : PAYMENTS INTO SPECIAL FUNDS, 1960-61.
(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<i>Motor</i>	17,803	13,602	6,404	..	3,046	276	41,131
Stamp Duties, n.e.i. .. .	..	209	..	..	..	..	209
Liquor .. .. .	..	182	..	..	..	..	182
Racing .. .. .	..	..	..	389	..	182	571
Poker Machines Licence Fees	1,677	..	..	..	..	..	1,677
Other .. .. .	..	13	2,042	..	352	..	2,407
<i>Total</i>	<i>19,480</i>	<i>14,006</i>	<i>8,446</i>	<i>389</i>	<i>3,398</i>	<i>458</i>	<i>46,177</i>

The table hereunder shows, for the year 1960-61, the proportions of collections under individual classes of tax to the total taxation revenue.

STATE REVENUE FROM TAXATION: PROPORTIONS OF INDIVIDUAL TAXES TO TOTAL, 1960-61.

(Per cent.)

Tax.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor	28.00	25.89	33.88	36.71	32.20	31.12	29.04
Probate and Succession Duties	21.59	20.61	17.64	19.85	14.92	17.10	20.11
Stamp Duties, n.e.i.	23.80	22.45	21.98	19.07	20.57	20.33	22.48
Land	13.29	11.99	7.69	11.57	11.51	11.26	11.82
Liquor	5.90	5.75	4.79	1.74	5.28	6.09	5.37
Lotteries .. .. .	.. .. .	5.82	1.42	.. .. .	.. .. .	1.57	2.17
Racing	4.50	5.08	1.88	9.43	8.90	8.86	5.06
Entertainments .. .. .	.. .. .	1.89	.. .. .	.. .. .	2.18	3.40	0.84
Poker Machines Licence Fees	2.64	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	1.00
Licences, n.e.i.	0.27	0.52	0.92	0.71	0.75	0.27	0.50
Other	0.01	.. .. .	9.80	0.92	3.69	.. .. .	1.61
Grand Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(c) *Net Collections, 1956-57 to 1960-61.* 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, during the years 1956-57 to 1960-61 are shown in the following table.

STATE REVENUE FROM TAXATION: TOTAL NET COLLECTIONS.(a)

Year.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL NET COLLECTIONS.							
(£'000.)							
1956-57	43,195	35,023	15,666	9,734	6,493	4,487	114,598
1957-58	48,552	40,177	17,371	10,173	7,761	4,086	128,120
1958-59	54,006	42,845	18,509	10,576	7,655	4,307	137,898
1959-60	61,451	51,713	22,913	11,522	9,014	4,428	161,041
1960-61	63,580	55,946	22,701	12,102	9,518	4,623	168,470

PER HEAD OF POPULATION.

(£ s. d.)

1956-57	12 0 8	13 6 9	11 4 9	11 6 0	9 10 9	13 16 5	12 1 11
1957-58	13 5 3	14 18 7	12 4 3	11 9 8	11 3 10	12 6 1	13 4 8
1958-59	14 9 8	15 11 7	12 15 2	11 12 10	10 16 11	12 14 5	13 19 1
1959-60	16 3 9	18 6 10	15 10 0	12 6 10	12 11 4	12 17 4	15 19 3
1960-61	16 8 1	19 6 9	15 1 11	12 12 10	13 0 10	13 4 2	16 6 10

(a) Excludes Commonwealth Tax Reimbursements up to 1958-59. See text on p. 852.

The following table shows for the years 1956-57 to 1960-61 the aggregate amounts collected by the several State Governments under the various forms of State taxation, and includes amounts paid to funds other than Consolidated Revenue.

STATE REVENUE FROM TAXATION: TOTAL NET COLLECTIONS.(a)
(£'000.)

Tax.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Motor	33,602	37,586	41,973	46,527	48,926
Probate and Succession Duties	24,377	25,680	27,177	33,991	33,878
Stamp duties, n.e.i.	21,336	24,527	28,317	36,901	37,887
Land	11,826	15,396	15,424	17,220	19,914
Liquor	7,220	8,095	8,483	8,623	9,052
Lotteries	4,333	3,602	3,434	3,444	3,652
Racing	7,495	7,870	7,540	8,262	8,526
Entertainments	1,838	1,982	1,846	1,609	1,421
Poker Machines Licence Fees	764	835	906	1,265	1,677
Licences and all other	1,807	2,547	2,798	3,199	3,537
Total	114,598	128,120	137,898	161,041	168,470

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue or to other funds. Excludes Commonwealth Tax Reimbursements up to 1958-59. See text on p. 852.

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

STATE REVENUE FROM TAXATION: PAYMENTS INTO SPECIAL FUNDS.
(£'000.)

Tax.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Motor	27,866	31,659	35,814	39,604	41,131
Stamp Duties, n.e.i.	190	188	220	225	209
Land	100	100	..	..	..
Liquor	193	219	168	193	182
Lotteries	82	60	31	10	..
Racing	596	573	521	544	571
Poker Machines Licence Fees	764	835	906	1,265	1,677
Other	846	1,510	1,741	2,093	2,407
Total	30,637	35,144	39,401	43,934	46,177

(iii) *Business Undertakings.* (a) 1960-61. A very large proportion of State gross revenue is made up of receipts from business undertakings under the control of the Governments. The most important of these are railways and tramways, harbour works, water supply and sewerage, and electricity supply, and, in addition, State batteries for the treatment of auriferous ores in Western Australia and various minor revenue-producing services rendered by the Governments of all States are included. For the year 1960-61, the revenue from these sources was £238,581,000 or 31.6 per cent. of the revenue from all sources. Details of revenue are as follows.

STATE REVENUE FROM BUSINESS UNDERTAKINGS, 1960-61.
(£'000.)

Source.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.(a)	Total.
Railways(b)	89,751	42,624	35,398	13,386	16,279	..	197,438
Tramways and Omnibuses	12,685	..	..	..	..	..	12,685
Harbours, Rivers, Lights	4,690	(c) 708	..	2,700	605	..	8,703
Water Supply, Sewerage, Irrigation and Drainage.. .. .	..	4,453	..	6,667	3,875	..	14,995
Electricity Supply .. .. .	..	3,411	..	..	..	..	3,411
Other .. .. .	..	799	..	186	316	48	1,349
Total	107,126	51,995	35,398	22,939	21,075	48	238,581

(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, £1,000,000; South Australia, £4,300,000. (c) Includes Harbour Trust Fund contribution, £521,000.

(b) 1956-57 to 1960-61. 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.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas. (a)	Total.
TOTAL REVENUE. (£'000.)							
1956-57 ..	95,836	44,393	35,583	19,484	19,057	..	214,353
1957-58 ..	91,153	43,775	34,135	20,778	17,751	..	207,592
1958-59 ..	92,186	46,258	35,129	20,303	18,620	..	212,496
1959-60 ..	99,850	47,518	34,846	20,690	19,891	58	222,853
1960-61 ..	107,126	51,995	35,398	22,939	21,075	48	238,581
PER HEAD OF POPULATION. (£ s. d.)							
1956-57 ..	26 14 2	16 18 2	25 10 6	22 12 5	27 19 9	..	22 12 5
1957-58 ..	24 18 0	16 5 10	24 0 0	23 9 0	25 11 10	..	21 8 10
1958-59 ..	24 14 5	16 16 5	24 4 4	22 7 0	26 7 7	..	21 10 1
1959-60 ..	26 6 0	16 17 1	23 11 6	22 3 3	27 14 7	0 3 4	22 1 9
1960-61 ..	27 12 9	17 19 5	23 10 10	23 19 4	28 17 7	0 2 9	23 2 10

(a) Tasmanian transport services are 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 1956-57 to 1960-61.

STATE REVENUE FROM BUSINESS UNDERTAKINGS.
(£'000.)

Source.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Railways, Tramways and Omnibuses	194,753	185,817	189,773	198,709	210,123
Harbour Services	5,832	5,961	6,158	6,736	8,703
Water Supply, Sewerage, Irrigation and Drainage	9,903	11,835	12,315	12,922	14,995
Other	3,865	3,979	4,250	4,486	4,760
Total	214,353	207,592	212,496	222,853	238,581

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

(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 1960-61.

STATE LAND REVENUE, 1960-61.
(£'000.)

Source.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Sales ..	471	174	..	95	56	45	841
Conditional Purchases ..	206	..	..	5	121	..	332
Rentals(a) ..	3,141	595	3,563	229	288	42	7,858
Forestry ..	1,335	2,309	258	..	934	538	5,374
Other ..	93	185	243	333	..	10	864
Total ..	5,246	3,263	4,064	662	1,399	635	15,269

(a) Includes mining royalties, rents, etc.

The total land revenue for all States for the years 1956–57 to 1960–61 respectively was:—£15,455,000, £15,050,000, £12,890,000, £14,324,000 and £15,269,000.

(v) *Commonwealth Grants.* Commonwealth grants to the States represent a considerable proportion of the States' Revenue. In 1960–61, the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was £288,515,000 (38.2 per cent.). Details were as follows:—Contribution towards interest on States' debts under the Financial Agreement, £7,585,000; special grants to the States of Western Australia and Tasmania, £8,618,000; financial assistance, £269,994,000; grants to universities, £1,778,000; and other grants, £540,000.

In addition to these, the States receive a number of other grants which are paid to trust funds. The main items in this class are the contribution to the sinking fund on States' debts (£6,274,000 in 1960–61) paid to the National Debt Sinking Fund, grants for Commonwealth Aid Roads (£46,000,000 in 1960–61), and grants for Universities (£9,449,000 in 1960–61) paid to State trust funds.

More detailed information concerning Commonwealth grants to the States is given on pages 840–7.

(vi) *Commonwealth National Welfare Fund Payments.* The States also receive payments from the Commonwealth in respect of hospital and pharmaceutical benefits, nutrition of children and reimbursement of maintenance expenditure on tuberculosis sanatoria. These receipts are paid into Consolidated Revenue Funds or Trust Funds according to the varying accounting procedures in the States. In 1960–61, the total amount paid to State Consolidated Revenue Funds was £11,571,000 (1.5 per cent.). This amount was made up of hospital benefits, £4,174,000; pharmaceutical benefits, £1,810,000; nutrition of children, £1,279,000; tuberculosis—reimbursement of maintenance expenditure, £4,266,000; other, £42,000.

(vii) *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. Interest, mainly from loans to local governing bodies, on public account balances, and for soldier land settlement amounted to £27,970,000 in 1960–61, while "Miscellaneous" revenue, which includes fines of the courts and fees for services, amounted to £51,190,000 in 1960–61.

B. EXPENDITURE.

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

- (a) Interest, exchange and debt redemption charges in connexion with debt;
- (b) working expenses of business undertakings; (c) education; (d) health and charitable expenditure; (e) justice; (f) police; (g) penal establishments; and
- (h) all other expenditure, under which heading are included public works, lands and surveys, agriculture and forestry, legislative and general administration, pensions, and miscellaneous.

The working expenses of railways and tramways are the largest item of State Government expenditure. In 1960–61, the working expenses of the railways, tramways and omnibuses were 26.3 per cent. of the total expenditure from the State Consolidated Revenue Funds; next in magnitude were education, 19.7 per cent.; debt charges, 16.6 per cent.; charitable, public health and hospitals, 14.0 per cent.; and law, order and public safety, 5.9 per cent.

As stated at the beginning of this division, figures relating to New South Wales represent the transactions of the Consolidated Revenue Fund and the business undertakings included in the annual budget papers. These 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 eliminate duplications caused by inter-fund payments. Particulars for all other States relate to the transactions of the Consolidated Revenue Fund.

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 1956-57 to 1960-61 are shown in the following table.

STATE EXPENDITURE : CONSOLIDATED REVENUE FUNDS.

Year.	N.S.W.(a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL EXPENDITURE. (£'000.)							
1956-57 ..	223,700	137,565	85,142	61,610	56,243	19,615	583,875
1957-58 ..	231,464	145,549	89,470	66,742	58,177	20,798	612,200
1958-59 ..	239,727	153,796	100,198	69,057	61,753	22,745	647,276
1959-60 ..	262,463	167,997	103,267	76,389	65,794	26,131	702,041
1960-61 ..	282,701	184,932	109,435	80,791	70,537	27,993	756,389

PER HEAD OF POPULATION.

(£ s. d.)

1956-57 ..	62 6 7	52 7 10	61 1 6	71 10 6	82 11 11	60 8 4	61 12 4
1957-58 ..	63 4 7	54 3 4	62 18 0	75 6 7	83 17 8	62 12 9	63 4 7
1958-59 ..	64 5 9	55 18 5	69 1 6	76 0 6	87 9 8	67 3 4	65 10 0
1959-60 ..	69 2 8	59 11 7	69 17 3	81 16 4	91 14 5	75 18 9	69 11 8
1960-61 ..	72 18 9	63 18 3	72 15 6	84 8 2	96 13 2	79 19 3	73 7 3

(a) See para. 1, page 856, for transactions included.

3. Details of Expenditure.—(i) 1960-61. The following tables show the total expenditure and expenditure per head of population for each of the principal items.

STATE EXPENDITURE: DETAILS, 1960-61.

Particulars.	N.S.W.(a)	Vic.	Q'land.	S.Aust.	W.Aust.	Tas.(b)	Total.
TOTAL EXPENDITURE. (£'000.)							
Debt (interest, ex- change, debt redemption, etc.)	35,761	31,993	16,891	19,305	12,881	8,386	125,217
Railways	74,924	39,899	37,400	14,005	16,978	1,013	184,219
Tramways and Omnibuses ..	13,726	..	..	..	535	299	14,560
Harbours and Rivers, etc. ..	3,484	647	..	1,475	692	15	6,313
Water Supply, Sewerage, Irrigation and Drainage ..	..	3,837	..	3,905	3,235	234	11,211
Other Business and Indus- trial Undertakings .. .. .	..	836	142	196	1,500	90	2,764
Education	58,690	40,411	17,779	14,926	11,644	5,898	149,348
Health and Charitable	37,897	27,009	17,689	9,571	9,978	3,850	105,994
Justice	4,205	2,361	1,411	543	641	288	9,449
Police	10,194	7,844	4,684	2,389	2,014	1,014	28,139
Penal establishments	2,424	1,143	469	599	440	236	5,311
Public Safety	665	14	414	110	161	54	1,418
All other expenditure	40,731	28,938	12,556	13,767	9,838	6,616	112,446
Total	282,701	184,932	109,435	80,791	70,537	27,993	756,389

(a) See para. 1, page 856, for transactions included. (b) Tasmanian transport services are under the separate control of the Transport Commission. Figures shown for relevant items represent payments to the Commission.

STATE EXPENDITURE: DETAILS, 1960-61—*continued.*

Particulars.	N.S.W. (a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.(b)	Total.
PER HEAD OF POPULATION. (£ s. d.)							
Debt (interest, exchange, debt redemption, etc.)	9 4 6	11 1 2	11 4 8	20 3 4	17 13 0	23 19 1	12 2 11
Railways	19 6 7	13 15 9	24 17 5	14 12 8	23 5 4	2 17 10	17 17 4
Tramways and Omnibuses	3 10 10	..	..	..	0 14 8	0 17 1	1 8 3
Harbours and Rivers, etc.	0 18 0	0 4 6	..	1 10 10	0 19 0	0 0 10	0 12 3
Water Supply, Sewerage, Irrigation and Drainage	..	1 6 6	..	4 1 7	4 8 8	0 13 4	1 1 9
Other Business and Industrial Undertakings	..	0 5 9	0 1 11	0 4 1	2 1 1	0 5 2	0 5 4
Education	15 2 10	13 19 4	11 16 6	15 11 11	15 19 1	16 17 0	14 9 8
Health and Charitable	9 15 7	9 6 8	11 15 3	10 0 0	13 13 6	10 19 11	10 5 8
Justice	1 1 8	0 16 4	0 18 9	0 11 4	0 17 7	0 16 6	0 18 4
Police	2 12 7	2 14 3	3 2 3	2 9 11	2 15 2	2 17 11	2 14 7
Penal establishments	0 12 6	0 7 11	0 6 3	0 12 6	0 12 1	0 13 6	0 10 4
Public safety	0 3 6	0 0 1	0 5 6	0 2 4	0 4 5	0 3 1	0 2 9
All other expenditure	10 10 2	10 0 0	8 7 0	14 7 8	13 9 7	18 18 0	10 18 1
Total	72 18 9	63 18 3	72 15 6	84 8 2	96 13 2	79 19 3	73 7 3

(a) See para. 1, page 856, for transactions included. (b) Tasmanian transport services are under the separate control of the Transport Commission. Figures shown for relevant items represent payments to the Commission.

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

(ii) 1956-57 to 1960-61. Combined expenditure by the several States for these years on each of the principal items is shown in the following table.

STATE EXPENDITURE.

(£'000.)

Particulars.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Debt (interest, exchange, debt redemption, etc.)	86,693	97,123	105,051	116,850	125,217
Railways, Tramways and Omnibuses (working expenses) ..	191,921	185,083	182,958	193,282	198,779
Harbours and Rivers etc. ..	4,359	4,537	4,354	4,786	6,313
Water Supply, Sewerage, Irrigation and Drainage	8,393	9,498	9,500	10,976	11,211
Other Business and Industrial Undertakings	4,150	4,701	3,977	2,688	2,764
Education	95,687	104,702	116,546	130,641	149,348
Health and Charitable	78,633	84,449	92,057	99,406	105,994
Justice	6,599	7,099	7,602	8,435	9,449
Police	20,721	22,276	23,888	25,904	28,139
Penal Establishments	3,779	4,084	4,340	4,676	5,311
Public Safety	1,702	1,118	1,371	1,262	1,418
All other expenditure	81,238	87,530	95,632	103,135	112,446
Total	583,875	612,200	647,276	702,041	756,389

C. SURPLUS REVENUE.

The following table shows for each of the years 1956-57 to 1960-61 the total amount and amount per head of population of the surplus or deficit of each State.

STATE SURPLUS REVENUE.

Year.	N.S.W.(a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL AMOUNT. (£'000.)							
1956-57 ..	129	-4,311	16	- 49	- 1,912	- 814	- 6,941
1957-58 ..	46	-3,213	-1,515	- 400	- 1,123	- 812	- 7,017
1958-59 ..	42	-2,548	-1,191	-1,027	- 1,685	- 908	- 7,317
1959-60 ..	70	313	- 164	- 312	- 1,406	-1,032	- 2,531
1960-61 ..	- 337	169	- 618	1,188	- 1,204	- 198	- 1,000

PER HEAD OF POPULATION.

(£ s. d.)

1956-57 ..	0 0 8	-1 12 11	0 0 2	-0 1 2	-2 16 2	-2 10 2	-0 14 8
1957-58 ..	0 0 3	-1 4 0	-1 1 3	-0 9 0	-1 12 5	-2 8 11	-0 14 5
1958-59 ..	0 0 2	-0 18 6	-0 16 5	-1 2 6	-2 7 8	-2 13 7	-0 14 10
1959-60 ..	0 0 4	-0 2 5	0 2 2	-0 6 7	-1 19 2	-3 0 0	-0 5 0
1960-61 ..	-0 1 9	-0 1 3	0 8 2	1 4 10	-1 13 0	-0 11 3	-0 1 11

(a) See para. 1, page 856.

NOTE.—Minus sign (-) indicates deficit.

§ 3. State Trust Funds.

In addition to the moneys received as revenue and paid to the credit of the Consolidated Revenue Funds, considerable sums are held in trust for various purposes by the State Governments. The balances of trust funds held at 30th June for each of the years 1957 to 1961 were as follows.

STATE TRUST FUND BALANCES.

(£'000.)

At 30th June—	N.S.W.(a)	Vic.	Q'land.	S. Aust.	W.Aust.	Tas.	Total.
1957	45,392	32,138	48,034	4,718	14,537	1,151	145,970
1958	51,776	34,415	53,921	5,650	14,565	1,560	161,887
1959	55,093	38,635	53,828	5,057	16,569	2,148	171,330
1960	62,686	44,183	56,022	5,742	18,102	1,930	188,665
1961	65,186	50,285	59,569	6,701	20,706	1,265	203,712

(a) Special Deposits Account and Special Accounts.

§ 4. State Loan Funds.

1. **General.**—State public borrowing is due mainly to the fact that the State Governments, in addition to ordinary administrative duties, undertake functions such as the construction and operation of the railway systems, which in other countries are usually entrusted to local authorities or left to private enterprise. 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 debt thus consists chiefly of moneys raised and expended with the object of assisting the development of the resources of the country, and is to a very large extent represented by tangible assets.

Statements relating to "gross" loan expenditure are shown below. The gross expenditure represents the amounts disbursed during each year. Details of "net" loan expenditure, i.e., gross expenditure less any credits to the Loan Fund during the year on account of repayments of advances to local governing bodies, settlers, etc., the sale of assets, and transfers from other funds, may be found in *Finance, Part I.—Public and Private Finance*, Bulletin No. 52, 1960–61. Such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made.

2. **Gross Loan Expenditure.**—(i) 1960–61. Particulars of gross loan expenditure on works, services, etc., are shown in the following table.

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1960–61.
(£'000.)

Particulars.	N.S.W.	Vic.(a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<i>Public Works and Services—</i>							
Railways ..	9,200	7,564	5,193	2,624	2,717	566	27,864
Tramways and Omnibuses ..	1,115	..	..	..	367	237	1,719
Roads ..	723	{ 375	{ 27	{ 90	{ ..	{ ..	{ ..
Bridges ..	..	{ 1,067	{ ..	{ ..	{ ..	{ ..	{ ..
Harbours and Rivers ..	3,974	{ 471	{ 1	{ 1,442	{ 1,280	{ 2,567	{ 12,017
Lights and Lighthouses ..	..	..	..	..	..	..	..
Water Supply ..	7,661	{ 8,095	{ 250	{ 6,844	{ 3,190	{ 322	{ 29,983
Sewerage ..	..	{ 523	{ ..	{ 2,273	{ 825	{ ..	{ ..
Electricity Supply ..	8,700	{ 6,750	{ ..	{ 2,300	{ 200	{ 6,320	{ 24,270
Gas Supply ..	..	{ 80	{ ..	{ ..	{ ..	{ ..	{ 80
Public Buildings ..	23,414	20,935	8,298	7,604	5,290	3,856	69,397
Loans and Grants to Local Bodies ..	311	510	9,471	..	466	152	10,910
Housing(b) ..	268	536	2,042	3,640	1,146	110	7,742
Other Public Works, etc.	91	312	..	68	836	311	1,618
<i>Primary Production—</i>							
Soldier Settlement ..	1,569	703	-1,211	..	..	36	1,097
Land for Settlement ..	..	1,136	-624	27	..	89	628
Advances to Settlers ..	..	50	..	311	..	256	617
Water Conservation ..	..	..	..	115	62	..	..
Irrigation and Drainage..	6,576	..	1,748	{ 675	{ 1,111	{ ..	{ 10,287
Vermiin-proof Fencing ..	..	3	15	(c)	..	..	18
Agriculture ..	600	..	109	..	269	..	978
Agricultural Bank ..	..	..	2,205	..	457	..	2,662
Forestry ..	400	764	1,962	1,300	100	361	4,887
Mines and Mineral Resources ..	278	105	150	812	201	..	1,546
Other ..	302	771	..	26	1	188	1,288
<i>Other Purposes</i> ..	..	(d) 955	50	1,234	835	1,396	4,470
Total Public Works, Services, etc. ..	65,182	51,705	29,686	31,385	19,353	16,767	214,078
Per Head of Population..	£16 16 4	£17 17 5	£19 14 10	£32 15 10	£26 10 5	£47 17 11	£20 15 3

(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 Rural Finance Corporation, for advances to rural industries, £550,000.

NOTE.—The negative amounts shown for Queensland represent transfers of liability on account of expenditure incurred in earlier years. The amounts involved have been debited against the item Loans and Grants to Local Bodies, and included in the expenditure shown for 1960–61.

(ii) 1956-57 to 1960-61. Particulars of gross loan expenditure on works, etc., for these years are shown in the following table.

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.

Year.	N.S.W.	Vic.(a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
GROSS LOAN EXPENDITURE. (£'000.)							
1956-57 ..	54,296	40,950	22,976	26,385	17,936	11,233	173,776
1957-58 ..	57,597	41,338	23,190	24,772	15,914	10,882	173,693
1958-59 ..	60,052	44,421	26,531	27,262	17,689	12,859	188,814
1959-60 ..	63,651	49,491	29,362	28,245	18,016	14,470	203,235
1960-61 ..	65,182	51,705	29,686	31,385	19,353	16,767	214,078

PER HEAD OF POPULATION.
(£ s. d.)

1956-57 ..	15 2 7	15 11 11	16 9 6	30 12 8	26 6 10	34 12 0	18 6 9
1957-58 ..	15 14 8	15 7 8	16 6 1	27 19 2	22 18 11	32 15 5	17 18 10
1958-59 ..	16 2 1	16 3 1	18 5 10	30 0 3	25 1 2	37 19 6	19 2 1
1959-60 ..	16 15 4	17 11 0	19 17 4	30 5 1	25 2 4	42 1 0	20 2 10
1960-61 ..	16 16 4	17 17 5	19 14 10	32 15 10	26 10 5	47 17 11	20 15 3

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

The tables above do not include particulars of expenditure on loan discounts and flotations, the funding of deficits, the retirement of treasury bills, and similar items of a nature other than works, services, etc. Summaries of the gross and net expenditure and repayments in respect of all loan purposes for the years 1958-59 to 1960-61 are shown in the next paragraph.

3. Total Loan Expenditure.—The following table shows particulars, in summary form, of the total loan expenditure in each State during each of the years, 1958-59 to 1960-61.

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

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1958-59.							
<i>Works and Services—</i>							
Gross Expenditure ..	60,052	44,421	26,531	27,262	17,689	12,859	188,814
Net Expenditure ..	54,496	41,491	21,025	24,159	16,171	11,673	169,015
Repayments ..	5,556	2,930	5,506	3,103	1,518	1,186	19,799
<i>Other than Works, etc.(a)—</i>							
Gross Expenditure ..	-1,691	3,000	..	705	- 22	946	2,938
Net Expenditure ..	-1,691	3,000	400	628	-111	883	3,109
Repayments ..	..	..	-400	77	(b) 89	63	-171
Total Loan Expenditure—							
Gross ..	58,361	47,421	26,531	27,967	17,667	13,805	191,752
Net ..	52,805	44,491	21,425	24,787	16,060	12,556	172,124
Repayments ..	5,556	2,930	5,106	3,180	1,607	1,249	19,628

For footnotes see next page.

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

Particulars.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1959-60.							
<i>Works and Services—</i>							
Gross Expenditure ..	63,651	49,491	29,362	28,245	18,016	14,470	203,235
Net Expenditure ..	57,966	43,674	22,223	25,149	16,252	13,208	178,472
Repayments ..	5,685	5,817	7,139	3,096	1,764	1,262	24,763
<i>Other than Works, etc.(a)—</i>							
Gross Expenditure ..	-1,166	1,670	..	40	1,082	95	1,721
Net Expenditure ..	-1,166	1,670	580	..	1,017	14	2,115
Repayments ..	..	..	-580	40	(b) 65	81	-394
Total Loan Expenditure—							
Gross ..	62,485	51,161	29,362	28,285	19,098	14,565	204,956
Net ..	56,800	45,344	22,803	25,149	17,269	13,222	180,587
Repayments ..	5,685	5,817	6,559	3,136	1,829	1,343	24,369
1960-61.							
<i>Works and Services—</i>							
Gross Expenditure ..	65,182	51,705	29,686	31,385	19,353	16,767	214,078
Net Expenditure ..	60,076	48,588	23,853	26,543	17,709	15,185	191,954
Repayments ..	5,106	3,117	5,833	4,842	1,644	1,582	22,124
<i>Other than Works, etc.(a)—</i>							
Gross Expenditure ..	-2,739	-2,331	..	71	-107	166	-4,940
Net Expenditure ..	-2,739	-2,331	650	..	-174	120	-4,474
Repayments ..	..	..	-650	71	(b) 67	46	466
Total Loan Expenditure—							
Gross ..	62,443	49,374	29,686	31,456	19,246	16,933	209,138
Net ..	57,337	46,257	24,503	26,543	17,535	15,305	187,480
Repayments ..	5,106	3,117	5,183	4,913	1,711	1,628	21,658

(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 fund.

Information relating to the State Government Securities on Issue is given in division D. Commonwealth and State Government Securities on Issue (see p. 864)

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 1956-57 to 1960-61. 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 divisions of this chapter. The items excluded from the total figures are:—payments made by the Commonwealth to the States and included in the State Consolidated Revenue Funds on account of tax reimbursements up to 1958-59, and financial assistance grants in 1959-60 and 1960-61, interest under the Financial Agreement, special grants, special financial assistance, coal strike emergency grants, price control reimbursements, grants to universities, cattle tick control, tuberculosis capital expenditure, National Welfare Fund payments, and estimated payments of pay-roll tax by the States to the Commonwealth. There are other relatively minor payments for which adjustments have not been made, and the adjusted figures are therefore still slightly overstated.

COMMONWEALTH AND STATES : REVENUE AND EXPENDITURE.

Year ended 30th June—	Revenue.			Expenditure.		
	Commonwealth.	States.	Total.	Commonwealth.	States.	Total.
	£'000.	£'000.	£m.	£'000.	£'000.	£m.
1957.. ..	1,311,835	576,934	1,672.4	1,311,835	583,875	1,679.4
1958.. ..	1,323,771	605,183	1,690.7	1,323,771	612,200	1,697.7
1959.. ..	1,296,050	639,959	1,682.9	1,296,050	647,276	1,690.3
1960.. ..	1,438,286	699,510	1,857.3	1,438,286	702,041	1,859.8
1961.. ..	1,638,279	755,389	2,085.3	1,638,279	756,389	2,086.3

(ii) *Loan Expenditure.* The aggregate gross loan expenditures of the Commonwealth and States on works and services for the years 1956-57 to 1960-61 are shown in the following table.

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

Gross Loan Expenditure.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Commonwealth(b)	44,068	45,174	86,190	59,650	41,692
State	173,776	173,693	188,814	203,235	214,078
Total	217,844	218,867	275,004	262,885	255,770

(a) Excludes expenditure on loan flotations, funding deficits, etc. (b) Includes expenditure on Defence, War (1939-45) and Repatriation Services. Excludes payments to the National Debt Sinking Fund from proceeds of the loan from the International Bank for Reconstruction and Development, payments to the Swiss Loan Trust account from proceeds of the Swiss Loan, and payments to the Canadian Loan Trust account from proceeds of the Canadian Loan.

2. *Taxation.*—The following table shows the combined Commonwealth and State taxation collections, and the amount per head of population, for the years 1956-57 to 1960-61. Taxation collections by the State Governments which are not paid into the Consolidated Revenue Funds are included.

COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS.(a)

Particulars.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
NET COLLECTIONS. (£'000.)					
Customs and Excise Duties	286,037	303,051	307,925	336,492	359,120
Sales Tax	125,752	137,777	143,617	164,185	173,016
Land Tax	11,827	15,407	15,424	17,220	19,914
Pay-roll Tax	48,675	48,552	49,619	55,162	61,260
Income Taxes	620,321	650,452	608,675	671,302	807,273
Probate and Succession Duties	37,089	39,477	40,486	47,744	48,685
Stamp Duties, n.e.i.	21,336	24,527	28,317	36,901	37,887
Motor Taxes	33,602	37,586	41,973	46,527	48,926
Liquor Taxes	7,220	8,095	8,483	8,623	9,052
Racing	7,495	7,870	7,540	8,262	8,526
Entertainments Tax	1,838	1,982	1,846	1,609	1,421
Licences, n.e.i., and other Taxes	12,142	14,877	17,291	16,804	18,531
Commonwealth	1,098,736	1,161,533	1,133,298	1,249,790	1,425,141
States	114,598	128,120	137,898	161,041	168,470
Total	1,213,334	1,289,653	1,271,196	1,410,831	1,593,611

PER HEAD OF POPULATION.
(£ s. d.)

Customs and Excise Duties	30 0 1	31 2 2	30 19 1	33 2 2	34 11 3
Sales Tax	13 3 10	14 2 11	14 8 9	16 3 1	16 13 0
Land Tax	1 4 10	1 11 8	1 11 0	1 13 11	1 18 4
Pay-roll Tax	5 2 1	4 19 8	4 19 9	5 8 7	5 17 11
Income Taxes	65 1 6	66 15 3	61 3 8	66 0 11	77 13 10
Probate and Succession Duties	3 17 10	4 1 0	4 1 5	4 13 11	4 13 9
Stamp Duties, n.e.i.	2 4 9	2 10 4	2 16 11	3 12 7	3 12 11
Motor Taxes	3 10 6	3 17 2	4 4 5	4 11 6	4 14 2
Liquor Taxes	0 15 2	0 16 7	0 17 0	0 17 0	0 17 5
Racing	0 15 9	0 16 2	0 15 2	0 16 3	0 16 5
Entertainments Tax	0 3 10	0 4 1	0 3 8	0 3 2	0 2 8
Licences, n.e.i., and other Taxes	1 5 6	1 10 6	1 14 9	1 13 1	1 15 8
Commonwealth	115 5 3	119 4 6	113 18 4	122 19 3	137 3 1
States	12 1 11	13 4 8	13 19 1	15 19 1	16 6 10
Total	127 5 8	132 7 6	127 15 7	138 16 2	153 7 4

(a) For separate details of Commonwealth and State taxation collections, see pages 823 and 852.

D. GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES.

NOTE.—The term “public debt” formerly used to describe the subject matter of this division has been replaced by the term “government securities on issue” for the following reasons.

Government securities on issue, as set out in the tables in this division, may not be aggregated without adjustment to indicate what is sometimes described as the “public debt” or “net public debt” of the Commonwealth and State Governments.

There are forms of debt not evidenced by the issue of securities. Again, some of the securities included in the tables are held by the Governments themselves. For example, a State Government may hold temporarily, or even for long periods, securities issued by the Commonwealth Government. The Commonwealth Government itself, through such institutions as the National Debt Commission, or through the Trust Funds, holds large investments in securities issued, either directly by itself or on behalf of the States. In addition, some of the securities issued on behalf of the States and held by the Commonwealth Government represent the proceeds of overseas loans, securities for which were issued directly by the Commonwealth Government. From the point of view of the aggregate net debt of the Commonwealth and the States, it would thus involve duplication if the sum of the securities on issue were to be regarded as representing the “net public debt”.

No change has occurred in the content of the subject matter dealt with in this division, and the figures in the following sections are entirely comparable with those shown in previous issues of this Year Book.

§ 1. General.

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

In the statistical tables relating to Government securities, the units of currency for securities on issue and interest payable, except in § 3, para. 5, are:—Maturing in Australia—£ Australian; maturing in London—£ Sterling; maturing in New York—£ (converted from dollars at the rate of \$4.8665 to £1); maturing in Canada—£ (converted from dollars at the rate of \$4.8665 to £1); Maturing in Switzerland—£ (converted from Swiss francs at the rate of 1,000 Swiss francs = £A.102 1s. 10d.).

The totals shown represent the total “face” or “book” value of the securities without adjustment on account of the differences in currency mentioned above.

In § 3, para. 5 only, details of the securities on issue on account of 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, pp. 685–690). 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 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 State Premiers, 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 securities issued on behalf of the Commonwealth and of the States.

If the Loan Council unanimously decides, however, a State may borrow outside Australia in its own name, 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 Government Securities.**—The Commonwealth took over on 1st July, 1929—

- (a) securities issued by each State existing on 30th June, 1927; and
- (b) all other securities 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 securities 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 redemption on so much of the securities 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 securities. The balance of the interest payable on the State securities is paid to the Commonwealth by the States.

7. **Sinking Fund.**—(i) *State Securities existing at 30th June, 1927.* A sinking fund at the rate of 7s. 6d. per annum for each £100 of the securities 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 £100 on the securities of the States existing at 30th June, 1927, and each State contributes annually 5s. per £100 on the securities 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 £100 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 by a State after 30th June, 1927, 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.* Special contributions are payable 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 which accrued after 30th June, 1927, and before 1st July, 1935. 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 securities 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 for the balance of the period during which the original contribution is payable in respect of that debt.

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

8. Borrowing by Semi-Governmental Authorities.—It was realized from the inception of the Loan Council that, in the interests of co-ordinated borrowing, the Council should be advised of the 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 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. Government Securities on Issue: Commonwealth and States.

1. Government Securities on Issue, Annual Interest Payable and Average Rate of Interest at 30th June, 1961.—In the following table, details are given of the Commonwealth and State Government Securities on Issue, annual interest payable and average rate of interest at 30th June, 1961.

GOVERNMENT SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1961: COMMONWEALTH AND STATES.

Particulars	Maturing in—					Total.
	Australia.	London.	New York.	Canada.	Switzer-land.	
SECURITIES ON ISSUE.						
	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)	£'000.(a)
<i>Commonwealth—</i>						
<i>War (1914–18)(b)—</i>						
Stock and Bonds	52,737	7,534	..	..	..	60,271
Other(c)	67	..	..	..	..	67
<i>Total War (1914–18)</i>	<i>52,804</i>	<i>7,534</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>60,338</i>
<i>War (1939–45)—</i>						
Stock and Bonds	487,411	5,655	..	..	..	493,066
Treasury Bills, Internal ..	240,290	..	..	..	..	240,290
Treasury Bills, Public ..	152,690	..	..	..	..	152,690
Other(d)	6,914	..	..	..	..	6,914
<i>Total War (1939–45)</i>	<i>887,305</i>	<i>5,655</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>892,960</i>
<i>Works and Other Purposes—</i>						
Stock and Bonds	342,225	62,150	16,576	3,273	19,367	443,591
Treasury Bills, Internal ..	10,810	..	..	..	..	10,810
Treasury Bills, Public ..	33,310	..	..	..	..	33,310
International Bank Dollar Loans .. .. .	..	..	51,825	..	..	51,825
Serial Notes .. .. .	..	..	5,751	..	..	5,751
<i>Total Works and Other Purposes ..</i>	<i>386,345</i>	<i>62,150</i>	<i>74,152</i>	<i>3,273</i>	<i>19,367</i>	<i>545,287</i>
<i>Total Commonwealth</i>	<i>1,326,454</i>	<i>75,339</i>	<i>74,152</i>	<i>3,273</i>	<i>19,367</i>	<i>1,498,585</i>
<i>States—</i>						
Stock and Bonds	2,357,489	262,450	36,629	3,445	5,135	2,665,148
Debentures	32,375	..	..	..	..	32,375
Balance of Securities of States taken over by Common- wealth and still represented by State Securities .. .. .	..	4,241	..	..	..	4,241
<i>Total States ..</i>	<i>2,389,864</i>	<i>266,691</i>	<i>36,629</i>	<i>3,445</i>	<i>5,135</i>	<i>2,701,764</i>
<i>Grand Total Com- monwealth and States</i>	<i>3,716,318</i>	<i>342,030</i>	<i>110,781</i>	<i>6,718</i>	<i>24,502</i>	<i>4,200,349</i>

(a) See § 1, p. 864. (b) Excludes War (1914–18) Debt due to United Kingdom Government (£79,724,000). Repayment of this debt and interest thereon (£3,919,774) was suspended in 1931. (c) War and Peace Savings Certificates and Stamps and War Gratuity Bonds. (d) Advance Loan Subscriptions, National Savings Bonds, War Savings and Savings Certificates, War Savings and National Savings Stamps.

GOVERNMENT SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE AT
30th JUNE, 1961: COMMONWEALTH AND STATES—continued.

Particulars.	Maturing in—					Total.
	Australia.	London.	New York.	Canada.	Switzer-land.	

SECURITIES ON ISSUE PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
<i>Commonwealth—</i>						
War (1914–18)(b)	5 0 6	0 14 4	..	..	..	5 14 10
War (1939–45)	84 8 10	0 10 9	..	..	..	84 19 7
Works and Other Purposes ..	36 15 4	5 18 3	7 1 2	0 6 3	1 16 10	51 17 10
<i>Total Commonwealth</i>	<i>126 4 8</i>	<i>7 3 4</i>	<i>7 1 2</i>	<i>0 6 3</i>	<i>1 16 10</i>	<i>142 12 3</i>
<i>Total States</i>	<i>229 6 1</i>	<i>25 11 9</i>	<i>3 10 3</i>	<i>0 6 8</i>	<i>0 9 10</i>	<i>259 4 7</i>
<i>Grand Total Commonwealth and States</i>	<i>353 13 2</i>	<i>32 11 0</i>	<i>10 10 10</i>	<i>0 12 9</i>	<i>2 6 8</i>	<i>399 14 5</i>

ANNUAL INTEREST PAYABLE.

	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)	£'000.(a)
<i>Commonwealth—</i>						
War (1914–18)(b)	2,077	227	..	..	..	2,304
War (1939–45)	25,426	226	..	..	..	25,652
Works and Other Purposes ..	15,774	2,941	3,409	143	795	23,062
<i>Total Commonwealth</i>	<i>43,277</i>	<i>3,394</i>	<i>3,409</i>	<i>143</i>	<i>795</i>	<i>51,018</i>
<i>Total States</i>	<i>104,072</i>	<i>10,355</i>	<i>1,623</i>	<i>198</i>	<i>231</i>	<i>116,479</i>
<i>Grand Total Commonwealth and States</i>	<i>147,349</i>	<i>13,749</i>	<i>5,032</i>	<i>341</i>	<i>1,026</i>	<i>167,497</i>

ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
<i>Commonwealth—</i>						
War (1914–18)(b)	0 3 11	0 0 5	..	..	..	0 4 4
War (1939–45)	2 8 5	0 0 5	..	..	..	2 8 10
Works and Other Purposes ..	1 10 1	0 5 7	0 6 6	0 0 3	0 1 6	2 3 11
<i>Total Commonwealth</i>	<i>4 2 5</i>	<i>0 6 5</i>	<i>0 6 6</i>	<i>0 0 3</i>	<i>0 1 6</i>	<i>4 17 1</i>
<i>Total States</i>	<i>9 19 8</i>	<i>0 19 10</i>	<i>0 3 1</i>	<i>0 0 5</i>	<i>0 0 6</i>	<i>11 3 6</i>
<i>Grand Total Commonwealth and States</i>	<i>14 0 6</i>	<i>1 6 2</i>	<i>0 9 7</i>	<i>0 0 8</i>	<i>0 1 11</i>	<i>15 18 10</i>

AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
<i>Commonwealth—</i>						
War (1914–18)(b)	3 18 10	3 0 5	..	..	..	3 16 6
War (1939–45)	2 17 4	4 0 0	..	..	..	2 17 6
Works and Other Purposes ..	4 1 9	4 14 8	4 11 11	4 7 1	4 2 1	4 4 8
<i>Total Commonwealth</i>	<i>3 5 4</i>	<i>4 10 1</i>	<i>4 11 11</i>	<i>4 7 1</i>	<i>4 2 1</i>	<i>3 8 2</i>
<i>Total States</i>	<i>4 7 1</i>	<i>3 17 8</i>	<i>4 8 8</i>	<i>5 15 0</i>	<i>4 10 0</i>	<i>4 6 3</i>
<i>Grand Total Commonwealth and States</i>	<i>3 19 4</i>	<i>4 0 5</i>	<i>4 10 10</i>	<i>5 1 5</i>	<i>4 3 9</i>	<i>3 19 9</i>

(a) See § 1, p. 864. (b) Excludes War (1914–18) Debt due to United Kingdom Government (£79,724,000). Repayment of this debt and interest thereon (£3,919,774) was suspended in 1931.

2. Government Securities on Issue and Annual Interest Payable, 1957 to 1961.—In the following table, details are given of the Government securities on issue and annual interest payable, including the average rate of interest, at 30th June, 1957 to 1961. A dissection of securities on issue for these years into securities maturing in Australia, London, New York, Canada and Switzerland may be found in the annual bulletin *Finance, Part I.—Public and Private Finance*.

GOVERNMENT SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE AT 30th JUNE: COMMONWEALTH AND STATES.

Particulars.	1957.	1958.	1959.	1960.	1961.
SECURITIES ON ISSUE.					
(£'000.) (a)					
<i>Commonwealth—</i>					
War (1914–18)	120,140	104,674	97,333	77,883	60,338
War (1939–45)	1,339,818	1,196,213	1,049,252	949,845	892,960
Works and Other Purposes	425,473	433,989	502,695	525,604	545,287
<i>Total Commonwealth</i>	<i>1,885,431</i>	<i>1,734,876</i>	<i>1,649,280</i>	<i>1,553,332</i>	<i>1,498,585</i>
<i>States</i>	<i>2,106,477</i>	<i>2,247,932</i>	<i>2,391,621</i>	<i>2,544,904</i>	<i>2,701,764</i>
Grand Total Commonwealth and States	3,991,908	3,982,808	4,040,901	4,098,236	4,200,349

ANNUAL INTEREST PAYABLE.

(£'000.) (a)

<i>Commonwealth—</i>					
War (1914–18)	4,158	3,792	3,556	2,912	2,304
War (1939–45)	36,132	31,529	28,786	26,554	25,652
Works and Other Purposes	16,598	17,674	19,595	21,490	23,062
<i>Total Commonwealth</i>	<i>56,888</i>	<i>52,995</i>	<i>51,937</i>	<i>50,956</i>	<i>51,018</i>
<i>States</i>	<i>79,739</i>	<i>88,074</i>	<i>95,864</i>	<i>104,521</i>	<i>116,479</i>
Grand Total Commonwealth and States	136,627	141,069	147,801	155,477	167,497

AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).

(£ s. d.) (a)

<i>Commonwealth—</i>					
War (1914–18)	3 9 3	3 12 6	3 13 1	3 14 10	3 16 6
War (1939–45)	2 14 0	2 12 9	2 14 11	2 16 0	2 17 6
Works and Other Purposes	3 18 0	4 1 7	3 18 1	4 1 10	4 4 8
<i>Total Commonwealth</i>	<i>3 0 4</i>	<i>3 1 2</i>	<i>3 3 1</i>	<i>3 5 8</i>	<i>3 8 2</i>
<i>States</i>	<i>3 15 9</i>	<i>3 18 4</i>	<i>4 0 2</i>	<i>4 2 2</i>	<i>4 6 3</i>
Grand Total Commonwealth and States	3 8 6	3 10 10	3 13 2	3 15 11	3 19 9

(a) See § 1, p. 864.

3. Government Securities on Issue on Account of States and Annual Interest Payable at 30th June, 1961.—In paragraphs 1 and 2, government securities on issue on account of the States are shown in total only. In the following tables, the total for each State and the amounts on issue per head of population at 30th June, 1961, the annual interest payable, the average rate of interest payable, are shown according to the place of flotation.

**GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES
AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1961.**

State.	Maturing in Australia.	Maturing Overseas.					Grand Total.(a)
		London.	New York.	Canada.	Switzerland.	Total Overseas.	

SECURITIES ON ISSUE.

	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)	£'000.(a)	£'000.(a)
New South Wales ..	799,929	111,434	15,258	1,085	1,616	129,393	929,322
Victoria ..	583,055	41,170	7,407	872	1,300	50,749	633,804
Queensland ..	290,783	44,539	6,038	438	652	51,667	342,450
South Australia ..	320,107	31,785	3,791	464	692	36,732	356,839
Western Australia ..	227,969	30,432	2,607	333	497	33,869	261,839
Tasmania ..	168,021	7,331	1,528	253	378	9,490	177,511
Total ..	2,389,864	266,691	36,629	3,445	5,135	311,900	2,701,764

SECURITIES ON ISSUE PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
New South Wales ..	204 4 5	28 9 0	3 17 11	0 5 6	0 8 3	33 0 8	237 5 1
Victoria ..	198 19 9	14 1 0	2 10 8	0 5 11	0 8 10	17 6 5	216 6 2
Queensland ..	191 9 1	29 6 6	3 19 6	0 5 8	0 8 7	34 0 3	225 9 4
South Australia ..	330 4 8	32 15 10	3 18 2	0 9 7	0 14 3	37 17 10	368 2 6
Western Australia ..	309 9 6	41 6 3	3 10 10	0 9 0	0 13 6	45 19 7	355 9 1
Tasmania ..	479 11 10	20 18 6	4 7 3	0 14 6	1 1 6	27 1 9	506 13 7
Total ..	229 6 1	25 11 9	3 10 3	0 6 8	0 9 10	29 18 6	259 4 7

ANNUAL INTEREST PAYABLE.

	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)	£'000.(a)	£'000.(a)
New South Wales ..	34,652	4,685	650	62	73	5,470	40,122
Victoria ..	25,775	1,704	342	50	59	2,155	27,930
Queensland ..	12,371	1,614	255	25	29	1,923	14,294
South Australia ..	14,068	1,076	179	27	31	1,313	15,381
Western Australia ..	9,894	1,005	122	19	22	1,168	11,062
Tasmania ..	7,312	271	75	15	17	378	7,690
Total ..	104,072	10,355	1,623	198	231	12,407	116,479

(a) See § 1, p. 864.

GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1961—*continued.*

State.	Maturing in Australia.	Maturing Overseas.					Grand Total.(a)
		London.	New York.	Canada.	Switzerland.	Total Overseas.	

AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
New South Wales ..	4 6 8	4 4 1	4 5 3	5 15 0	4 10 0	4 4 7	4 6 4
Victoria ..	4 8 5	4 2 10	4 12 4	5 15 0	4 10 0	4 4 11	4 8 2
Queensland ..	4 5 1	3 12 5	4 4 4	5 15 0	4 10 0	3 14 5	4 3 6
South Australia ..	4 7 11	3 7 9	4 14 5	5 15 0	4 10 0	3 11 6	4 6 3
Western Australia ..	4 6 10	3 6 0	4 13 9	5 15 0	4 10 0	3 9 0	4 4 6
Tasmania ..	4 7 0	3 14 0	4 18 7	5 15 0	4 10 0	3 19 8	4 6 8
Total ..	4 7 1	3 17 8	4 8 8	5 15 0	4 10 0	3 19 7	4 6 3

(a) See § 1, p. 864

4. Government Securities on Issue on Account of the States, 1957 to 1961.—In the following table, the Government securities on issue on account of each State and the amounts on issue per head of population at 30th June, 1957 to 1961, are shown.

GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES.

30th June—	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
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SECURITIES ON ISSUE.

(£'000.) (a)

1957	742,696	481,819	269,320	274,913	205,145	132,584	2,106,477
1958	787,462	518,213	285,947	294,821	218,428	143,061	2,247,932
1959	832,367	555,012	303,470	314,828	232,119	153,825	2,391,621
1960	880,200	594,122	322,424	335,848	246,787	165,523	2,544,904
1961	929,322	633,804	342,450	356,839	261,838	177,511	2,701,764

SECURITIES ON ISSUE PER HEAD OF POPULATION.

(£ s. d.) (a)

1957	204 17 8	181 7 10	190 11 10	314 16 11	288 6 11	406 10 9	219 17 1
1958	213 5 10	190 12 6	198 13 8	328 15 0	312 4 8	429 10 7	229 17 5
1959	221 7 8	199 4 5	206 13 10	341 17 5	325 19 6	453 5 1	239 9 9
1960	229 13 5	207 18 6	215 10 8	355 5 6	341 15 5	481 6 0	249 11 5
1961	237 5 1	216 6 2	225 9 4	368 2 6	355 9 1	506 13 7	259 4 7

(a) See § 1, p. 864.

In some States, certain public utilities such as tramways, water supply and sewerage, harbour services, etc., are controlled by boards or trusts, which, in addition to receiving advances from the central Government, raise loans by borrowing on their own behalf, while in other States these services are controlled by the central Government. Comparison of the Government securities on issue on account of the States is therefore difficult, but on page 876 figures showing the aggregate securities on issue of the States, including those of local and semi-governmental authorities, are shown for the years 1955–56 to 1959–60.

5. **Government Securities on Issue and Interest Payable in Australian Currency.**—In the foregoing tables relating to Commonwealth and State securities on issue, the securities maturing in London are expressed in sterling, those maturing in New York and Canada are expressed in pounds converted from dollars at the rate of \$4.8665 to £1, and those maturing in Switzerland are expressed in pounds converted from Swiss francs at the rate of 1,000 Swiss francs = £A.102 1s. 10d. This method of showing the securities on issue does not indicate the amount that the Australian Government would have to find to redeem the securities at current rates of exchange. In the following tables, the securities and the interest payable are shown in terms of Australian currency throughout. Securities maturing in London, New York, Canada and Switzerland have been converted to Australian currency at the selling rate of exchange on 30th June, 1961.

**COMMONWEALTH AND STATE GOVERNMENT SECURITIES ON ISSUE
AND INTEREST PAYABLE AT 30th JUNE, 1961: AUSTRALIAN CURRENCY.**

(£A.'000.)

Particulars.	Maturing in—					Total.
	Australia.	London. (a)	New York. (b)	Canada. (c)	Switzer- land. (d)	
SECURITIES ON ISSUE.						
<i>Commonwealth—</i>						
War (1914–18)	52,804	9,455	..	..	..	62,259
War (1939–45)	887,305	7,097	..	..	..	894,402
Works and Other Purposes	386,345	77,998	162,594	6,936	19,863	653,736
<i>Total Commonwealth</i>	<i>1,326,454</i>	<i>94,550</i>	<i>162,594</i>	<i>6,936</i>	<i>19,863</i>	<i>1,610,397</i>
<i>States—</i>						
New South Wales	799,929	139,850	33,456	2,299	1,658	977,192
Victoria	583,055	51,668	16,241	1,848	1,333	654,145
Queensland	290,783	55,896	13,240	928	669	361,516
South Australia	320,107	39,891	8,312	983	709	370,002
Western Australia	227,969	38,192	5,718	706	509	273,094
Tasmania	168,021	9,200	3,350	537	388	181,496
<i>Total States</i>	<i>2,389,864</i>	<i>334,697</i>	<i>80,317</i>	<i>7,301</i>	<i>5,266</i>	<i>2,817,445</i>
<i>Commonwealth and States—</i>						
Short-term	437,100	..	..	..	..	437,100
Other	3,279,219	429,247	242,911	14,237	25,128	3,990,742
<i>Grand Total Common- wealth and States</i>	<i>3,716,319</i>	<i>429,247</i>	<i>242,911</i>	<i>14,237</i>	<i>25,128</i>	<i>4,427,842</i>

For footnotes see next page.

GOVERNMENT SECURITIES ON ISSUE AND INTEREST PAYABLE AT 30th JUNE, 1961: COMMONWEALTH AND STATES—AUSTRALIAN CURRENCY—continued. (£A.'000.)

Particulars.	Maturing in—					Total.
	Australia.	London. (a)	New York. (b)	Canada. (c)	Switzerland. (d)	
ANNUAL INTEREST PAYABLE.						
<i>Commonwealth—</i>						
War (1914-18)(e)	2,077	286	..	..	..	2,363
War (1939-45)	25,426	284	..	..	..	25,710
Works and Other Purposes	15,774	3,690	7,475	302	815	28,056
<i>Total Commonwealth</i>	<i>43,277</i>	<i>4,260</i>	<i>7,475</i>	<i>302</i>	<i>815</i>	<i>56,129</i>
<i>States—</i>						
New South Wales	34,652	5,880	1,426	132	75	42,165
Victoria	25,775	2,139	750	106	60	28,830
Queensland	12,371	2,025	558	53	30	15,037
South Australia	14,068	1,351	392	57	32	15,900
Western Australia	9,894	1,261	268	41	23	11,487
Tasmania	7,312	340	165	31	17	7,865
<i>Total States</i>	<i>104,072</i>	<i>12,996</i>	<i>3,559</i>	<i>420</i>	<i>237</i>	<i>121,284</i>
Grand Total Commonwealth and States	147,349	17,256	11,034	722	1,052	177,413

(a) Converted at rate of £Stg.100 = £A.125 10s. (b) Converted at rate of \$2.2194 = £A.1.
 (c) Converted at rate of \$2.2963 = £A.1. (d) Converted at rate of 9.551 francs = £A.1. (e) See footnote (b), page 868.

6. Government Securities on Issue at each Rate of Interest.—The following table shows particulars of the securities on issue for Commonwealth and State purposes at 30th June, 1961, at each rate of interest.

GOVERNMENT SECURITIES ON ISSUE AT 30th JUNE, 1961: COMMONWEALTH AND STATES—AMOUNTS AT EACH RATE OF INTEREST.

Rate of Interest.	Maturing in—								Total.	
	Australia.		London.		New York.		Other Overseas.		Commonwealth.	States.
	Commonwealth.	States.	Commonwealth. (a)	States.	Commonwealth.	States.	Commonwealth.	States.		
Per cent.	£A.'000.	£A.'000.	£Stg.'000	£Stg.'000	£'000.(b)	£'000.(b)	£'000.(b)	£'000.(b)	£'000.(b)	£'000.(b)
6.0.. .. .	..	..	15,652	34,273	..	..	..	..	15,652	34,273
5.75 .. .. .	..	..	..	..	1,092	..	(c)665	(c)3,445	1,757	3,445
5.5.. .. .	..	..	21,481	32,360	5,137	..	..	..	26,618	32,360
5.375	9,891	80,137	..	..	..	..	..	..	9,891	80,137
5.25	24,658	207,244	..	..	1,674	8,601	..	..	26,332	215,845
5.0.. .. .	332,282	550,319	..	1	1,895	6,569	..	..	334,177	556,889
4.75	87,976	151,214	..	..	31,576	4,067	..	..	119,552	155,281
4.625 .. .. .	..	..	..	..	9,478	..	..	..	9,478	..
4.5.. .. .	131,595	616,138	..	11,790	230	4,292	(d)7,116	(d)5,135	138,941	637,355
4.25	9,946	36,109	..	..	16,238	..	..	..	26,184	36,109
4.0.. .. .	32,706	128,483	5,655	21,835	..	195	(e)8,734	..	47,095	150,513
3.875	37	703	..	..	..	..	..	..	37	703
3.75	7,771	69,886	..	..	2,772	1,397	(d)6,125	..	16,668	71,283
3.625 .. .. .	..	107	..	..	..	..	..	..	107	..
3.5.. .. .	..	5,073	5,652	25,134	1,033	6,663	..	..	6,685	36,870
3.4875 .. .. .	..	2	..	..	..	..	..	..	2	..
3.375 .. .. .	..	..	..	..	3,027	4,845	..	..	3,027	4,845
3.25	95,623	40,163	17,129	51,276	..	..	..	..	112,752	91,439
3.2391	3,847	..	..	..	..	..	..	..	3,847	..
3.125	115,874	373,248	..	..	..	..	..	..	115,874	373,248
3.1.. .. .	..	3,441	..	..	..	..	..	..	..	3,441
3.0.. .. .	..	27,839	9,770	55,784	..	..	..	..	9,770	83,623
2.8347	2,143	..	..	..	..	..	..	..	2,143	..
2.75 .. .. .	..	..	..	15,795	..	..	..	..	..	15,795
2.7125 .. .. .	..	319	..	..	..	..	..	..	..	319
2.5.. .. .	..	2	..	18,441	..	..	..	..	..	18,443
2.325 .. .. .	..	1,425	..	..	..	..	..	..	..	1,425
1.5.. .. .	..	3,102	..	..	..	..	..	..	..	3,102
1.0.. .. .	437,100	32,375	..	..	..	..	..	..	437,100	32,375
Special Bonds	33,276	62,535	..	..	..	..	..	..	33,276	62,535
Miscellaneous(f)	1,729	..	..	2	..	..	..	..	1,729	2
Total	1,326,454	2,389,864	75,339	266,691	74,152	36,629	22,640	8,580	1,498,585	2,701,764

(a) Excludes War (1914-18) Debt due to United Kingdom, £79,724,000 (rate of interest, 4.91667 per cent.).
 (b) See § 1, p. 864. (c) Securities maturing in Canada. (d) Securities maturing in Switzerland.
 (e) Securities maturing in Switzerland, £6,126,000; securities maturing in Canada, £2,608,000. (f) Consists of overdue debt, War (1914-18) and (1939-45) Savings Stamps and National Savings Stamps, etc.

7. Dates of Maturity.—(i) *Commonwealth.* In the following table, the Government securities on issue on account of the Commonwealth at 30th June, 1961, are classified according to the earliest and the latest years of maturity.

GOVERNMENT SECURITIES ON ISSUE AT 30th JUNE, 1961(a): COMMONWEALTH—CLASSIFIED ACCORDING TO EARLIEST AND LATEST YEARS OF MATURITY.

Year of Maturity.	Earliest Year.					Latest Year.				
	Maturing in—				Total.	Maturing in—				Total.
	Aus- tralia.	Lon- don.	New York.	Other Overseas.		Aus- tralia.	Lon- don.	New York.	Other Overseas.	
£A.'000.	£Stg. '000.	£'000b	£'000.(b)	£'000.(b)	£A.'000.	£Stg. '000.	£'000b	£'000.(b)	£'000.(b)	
Before 30th June,										
1961 ..	95,622	5,655	4,060	..	105,337	..	..	..	..	105,337
1961-62(c) ..	532,600	5,652	..	..	538,252	574,397	..	3,027	..	577,424
1962-63 ..	115,868	..	..	..	115,868	74,580	..	..	..	74,580
1963-64 ..	7,783	..	..	..	7,783	53,825	5,655	..	..	59,480
1964-65 ..	19,532	122	..	(d) 6,125	25,779	60,820	..	..	..	60,820
1965-66 ..	8,836	17,007	..	(d) 6,125	31,968	16,619	..	..	..	16,619
1966-67 ..	54,493	..	..	..	54,493	54,493	5,652	1,033	..	61,178
1967-68 ..	56,040	..	..	..	56,040	56,040	..	..	..	56,040
1968-69 ..	68,112	..	..	..	68,112	68,112	..	(d) 6,125	..	74,237
1969-70 ..	23,208	..	2,772	(d) 6,126	32,106	23,208	17,007	2,772	(d) 6,125	49,112
1970-71 ..	13,945	6,951	229	(de) 3,599	24,724	13,945	..	229	(e) 2,608	16,782
1971-72 ..	..	..	1,098	..	1,098	..	..	1,098	..	1,098
1972-73 ..	26,767	..	809	..	27,576	26,767	6,951	809	..	34,527
1973-74 and later ..	262,557	39,952	7,608	(e) 665	310,782	262,557	40,074	7,608	(de) 7,782	318,021
Special Bonds(f)	33,276	..	..	..	33,276	33,276	..	..	..	33,276
Miscellaneous(g)	7,815	..	h 57,576	..	65,391	7,815	..	h 57,576	..	65,391
Total ..	1,326,454	75,339	74,152	22,640	1,498,585	1,326,454	75,339	74,152	22,640	1,498,585

(a) See note (a) to previous table. (b) See § 1, p. 864. (c) Includes short-term debt.
 (d) Securities maturing in Switzerland. (e) Securities maturing in Canada. (f) See § 4 following.
 (g) Consists of advance loan subscriptions, overdue securities, securities redeemable in half-yearly instalments, War Savings and Savings Certificates, War Savings Stamps, National Savings Stamps and Peace Savings Certificates. (h) International Bank Dollar Loans £51,825,000 being repaid in half-yearly instalments from 1st September, 1955, to 1st September, 1975, 1st June, 1957, to 1st December, 1972, 1st March, 1957, to 1st March, 1969, 15th March, 1958, to 15th March, 1970, 15th July, 1959, to 15th January, 1972, and from 1st June, 1964, to 1st December, 1966; and Serial and Other Notes, £5,751,000 to be repaid in half-yearly instalments from 31st December, 1960, to 30th September, 1968.

(ii) *States.* Particulars of Government securities on issue on account of the States at 30th June, 1961, have been classified in the following table according to the earliest and the latest years of maturity.

GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES AT 30th JUNE, 1961: 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.	Other Overseas.		Aus- tralia.	London.	New York.	Other Overseas.	
£A.'000.	£Stg. '000.	£'000.(a)	£'000.(a)	£'000.(a)	£A.'000.	£Stg. '000.	£'000.(a)	£'000.(a)	£'000.(a)	
Before 30th June, 1961	130,316	24,601	11,508	..	166,425	..	..	..	..
1961-62	302,417	23,294	..	..	325,711	155,201	..	4,845	160,046
1962-63	516,631	12,655	..	..	529,286	414,003	11,790	..	425,793
1963-64	4,076	9,590	..	..	13,666	106,497	..	..	106,497
1964-65	82,536	12,616	..	..	95,152	257,646	12,656	..	270,302
1965-66	62,972	64,044	..	..	127,016	165,601	9,590	..	175,191
1966-67	129,379	..	..	..	129,379	129,379	23,294	6,663	159,336
1967-68	168,271	15,795	..	..	184,066	168,271	25,384	..	193,655
1968-69	205,786	..	..	..	205,786	205,786	..	..	205,786
1969-70	71,289	18,441	1,397	..	91,127	71,289	40,500	1,397	113,186	
1970-71	84,320	..	4,292	5,135	93,747	84,320	10,971	4,292	99,583	
1971-72	2,177	12,175	2,694	..	17,046	2,177	15,794	2,694	20,665	
1972-73	75,761	10,000	4,067	..	89,828	75,761	10,000	4,067	89,828	
1973-74	5,521	..	..	..	5,521	5,521	12,175	..	17,696
1974-75	53,683	16,000	..	..	69,683	53,683	31,057	..	84,740
1975-76	90,424	28,810	..	..	119,234	90,424	2,174	5,135	97,733
1976-77	6,001	..	..	..	6,001	6,001	16,000	..	22,001
1977-78	7,088	13,925	..	..	21,013	7,088	..	..	7,088
1978-79	8,359	..	3,875	..	12,234	8,359	26,636	3,875	38,870	
1979-80	106,736	..	4,295	..	111,031	106,736	..	4,295	111,031	
1980-81	86,287	..	4,306	3,445	94,038	86,287	13,925	4,306	107,963	
1981-82	58,272	2,174	..	..	60,446	58,272	..	..	58,272
1982-83 and later	45,107	..	..	..	45,107	45,107	2,174	..	47,281
Special Bonds(b)	62,535	..	..	..	62,535	62,535	..	..	62,535
Miscellaneous(c)	23,920	2,571	195	..	26,686	23,920	2,571	195	26,686	
Total	2,389,864	266,691	36,629	8,580	2,701,764	2,389,864	266,691	36,629	8,580	2,701,764

(a) See § 1, p. 864. (b) See § 4 following. (c) Consists of overdue, indefinite and interminable securities, securities due at Treasurer's option, and half-yearly drawings.

8. Short-term Securities on Issue.—(i) Amount. Particulars of the short-term securities (Treasury Bills and Debentures) of the Commonwealth and States in London and in Australia at intervals from 30th June, 1957, to 30th June, 1961, are shown in the following table. These securities are included in the Government securities on issue as shown elsewhere.

COMMONWEALTH AND STATE SHORT-TERM SECURITIES ON ISSUE.(a)

Date.	Maturing in Australia. (£A.'000.)			
	Commonwealth.		States.	Total.
	Treasury Bills.	Seasonal Securities.		
30th June, 1957	150,000	..	..	150,000
" " 1958	140,000	..	..	140,000
" " 1959	171,000	..	..	171,000
30th September, 1959	239,000	..	..	239,000
31st December, 1959	299,000	23,498	3,000	325,498
31st March, 1960	255,000	43,595	2,000	300,595
30th June, 1960	201,000	..	..	201,000
30th September, 1960	254,000	..	..	254,000
31st December, 1960	320,000	30,227	..	350,227
31st March, 1961	282,000	47,513	..	329,513
30th June, 1961	186,000	..	..	186,000

(a) Excludes Overdrafts and Internal Treasury Bills.

(ii) *Australia.* The Treasury Bill rates in Australia were as follows:— $1\frac{1}{2}$ per cent. from 1st January, 1935; $1\frac{1}{2}$ per cent. from 1st May, 1940; $1\frac{1}{4}$ per cent. from 1st May, 1943; 1 per cent. from 1st March, 1945; $\frac{3}{4}$ per cent. from 1st May, 1949; 1 per cent. from 1st August, 1952.

(iii) *Seasonal Securities.* In November, 1959, the Commonwealth Government issued a new form of short-term Commonwealth security called Seasonal Treasury Notes and Seasonal Inscribed Stock. The 1960-61 issues of seasonal securities, which were readily cashable, transferable and interchangeable at any time, were redeemable at par on maturity at the end of three months, and all such securities were redeemed and cancelled before 30th June, 1961. Seasonal securities were issued in multiples of £1,000 over the minimum subscription of £5,000 at a price of £99 5s. 0d. per cent., and yielded a return of approximately 3 per cent. if held for three months. Such increases in value were taxable, but carried the right of rebate of two shillings in the pound as with Commonwealth loan interest.

9. *Government Securities on Issue on Account of the States, Municipal and Semi-governmental Authority Securities on Issue.*—For the reasons indicated on page 872, direct comparisons of the securities on issue on account of the several States should be made with caution. The table following shows, for 1955-56 to 1959-60, particulars of the securities on issue on account of the States and the securities on issue by municipal and semi-governmental authorities in each State.

**GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES;
MUNICIPAL AND SEMI-GOVERNMENTAL AUTHORITY SECURITIES ON ISSUE.**

State.	State.	Municipal. (a)	Semi-Gov- ernmental. (a)	Total.	
SECURITIES ON ISSUE. (£'000.)(b) 1959-60.					
New South Wales	880,200	73,679	270,017	1,223,896	
Victoria	594,122	41,434	429,770	1,065,326	
Queensland	322,424	89,382	76,785	488,591	
South Australia	335,848	5,365	32,424	373,637	
Western Australia	246,787	11,199	18,483	276,469	
Tasmania	165,523	12,933	15,201	193,657	
Total	1959-60	2,544,904	233,992	842,680	3,621,576
	1958-59	2,391,621	212,226	769,021	3,372,868
	1957-58	2,247,932	195,638	701,474	3,145,044
	1956-57	2,106,477	183,471	630,146	2,920,094
	1955-56	1,962,027	170,839	570,068	2,702,934

SECURITIES ON ISSUE PER HEAD OF POPULATION.

(£.) (b) 1959-60.					
New South Wales	229.7	19.2	70.5	319.4	
Victoria	207.9	14.5	150.4	372.8	
Queensland	215.5	59.8	51.3	326.6	
South Australia	355.2	5.7	34.3	395.2	
Western Australia	341.8	15.5	25.6	382.9	
Tasmania	481.3	37.6	44.2	563.1	
Total	1959-60	249.6	22.9	82.6	355.2
	1958-59	239.5	21.3	76.9	337.7
	1957-58	229.9	20.0	71.7	321.6
	1956-57	219.9	19.1	65.8	304.8
	1955-56	209.4	18.2	60.8	288.4

(a) Excludes amounts due to the Central Government. Includes bank overdrafts. (b) See § 1, p. 864.

§ 4. Commonwealth Loan Raisings.

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

2. New Loans Raised, 1958-59 to 1960-61.—(i) *Australia*. The following table shows details of new loans raised in Australia by the Commonwealth during the three years 1958-59 to 1960-61.

COMMONWEALTH NEW LOANS(a) RAISED IN AUSTRALIA.

Month of Raising.	Amount Invited.	Amount Subscribed.	Rate of Interest per annum.	Year of Maturity.	Price of Issue per £100.	Allocation of Proceeds.		
						Commonwealth.		States.
						War (1939-45) etc.	Other Purposes.	
	£'000.	£'000.	%		£	£'000.	£'000.	£'000.
1958-59—								
October (Loan No. 112) ..	30,000	{ 13,078 4,748 18,971	{ 4 4½ 5	{ 1960 1967 1974	{ 99½ 99½ 100	..	1	36,796
February (Loan No. 114) ..	25,000	{ 35,945 3,996 20,252	{ 4 4½ 5	{ 1961 1967 1974	{ 99½ 99½ 100	..	1	60,192
May (Loan No. 115) ..	35,000	{ 14,139 3,309 33,103	{ 4 4½ 5	{ 1962 1968 1979	{ 99½ 99½ 100	..	21,499	29,052
June (Loan No. 117)(b) ..	10,000	{ 10,000 5	{ 5 5	{ 1979 1979	{ 100 100	6,547	3,453	..
October-June (Special Bonds)(c) ..	..	27,142	4-5	1966	100	..	5,904	21,238
1959-60—								
September (Loan No. 118) ..	50,000	{ 12,993 6,698 38,878	{ 4 4½ 5	{ 1962 1968 1979	{ 100 99½ 100	..	12	58,557
February (Loan No. 120) ..	45,000	{ 5,989 16,799 17,528	{ 4 4½ 5	{ 1963 1969 1981	{ 99½ 99½ 100	..	25	40,291
May (Loan No. 121) ..	25,000	{ 1,794 10,563 9,258	{ 4 4½ 5	{ 1963 1969 1981	{ 99½ 99½ 100	..	9	21,606
June (Loan No. 123) (b) ..	55,000	{ 6,000 9,000 40,000	{ 4 4½ 5	{ 1963 1969 1981	{ 99½ 99½ 100	4,418	20,331	30,251
July-June (Special Bonds) (c) ..	..	26,177	4-5	{ 1966 1967	100	1,408	4,077	20,692
1960-61—								
September (Loan No. 124) ..	30,000	{ 12,568 6,847 13,542	{ 4½ 4½ 5	{ 1962 1969 1982	{ 100 98½ 100	..	24	32,933
February (Loan No. 126) ..	35,000	{ 23,638 3,692 7,584	{ 5½ 5½ 5½	{ 1963 1970 1981	{ 99½ 98½ 100	..	4	34,910
May (Loan No. 127) ..	25,000	{ 24,747 1,338 8,425	{ 5½ 5½ 5½	{ 1963 1970 1981	{ 99½ 98½ 100	..	9	34,501
June (Loan No. 129)(b) ..	90,000	{ 55,000 10,000 25,000	{ 5½ 5½ 5½	{ 1963 1970 1981	{ 99½ 98½ 100	1,304	31,614	57,082
July-June (Special Bonds) (c) ..	..	11,501	4-5	{ 1967 1968	100	2,216	1,502	7,783

(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 p. 878). (b) Special issue. For details see following paragraph. (c) Special Bonds open for continuous subscription, redeemable at prices commencing at par and increasing to a premium of £3 per cent. if held until maturity in 1966-68. Interest increases from 4 per cent. to 5 per cent. over period of currency.

The loans of £10,000,000, £55,000,000 and £90,000,000 raised in June, 1959, 1960 and 1961, respectively, were for the purpose of fulfilling an undertaking given by the Commonwealth that the States would have access to loan funds for their works programmes up to the approved Loan Council borrowing programmes. These programmes totalled £210,000,000 in 1958-59, £220,000,000 in 1959-60 and £230,000,000 in 1960-61. Subscriptions to these special loans for the three years covered came from the Loan Consolidation and Investment Reserve Trust Account.

Finance for the approved Loan Council programmes from 1958-59 to 1960-61 was provided from the following sources.

LOAN COUNCIL PROGRAMME(a): SOURCE OF FINANCE.

£.

Source.	1958-59.	1959-60.	1960-61.
Public loans, domestic raisings, etc.	177,300,000	148,300,000	117,900,000
Oversea loans and special Commonwealth assistance	32,700,000	71,700,000	112,100,000
Total	210,000,000	220,000,000	230,000,000

(a) Excludes amounts provided for emergency wheat storage, 1958-59, £6,547,000; 1959-60, £6,937,000 and for rehabilitation of the Mount Isa-Townsville-Collinsville railway line, £20,000,000.

In addition to the new loans raised as shown in the foregoing tables and the redemption and conversion loans shown in the following paragraph there were other miscellaneous loan operations during 1959-60, namely:—Savings Certificates and War Savings Certificates (Five and Seven Years' Series), a decrease of £2,216,000 and "Over the Counter Sales" (small amounts borrowed by the States by virtue of certain statutory rights), £4,452,000. Advance loan subscriptions in hand decreased from £1,558,000 at the end of 1959-60 to £781,000 at the end of 1960-61.

(ii) *London.* The following table gives details of cash loans raised in London in October, 1958, and in February, 1960.

COMMONWEALTH NEW LOANS RAISED IN LONDON.

Month of Raising.	Amount of Loan.	Rate of Interest per annum.	Price of Issue per £100 Stg.	Year of Maturity.	Allocation of Proceeds.	
					Commonwealth.	States.
	£Stg.'000.	%	£Stg.		£Stg.'000.	£Stg.'000.
1958-59— October	15,000	5½	98	1978	2,560	12,440
1959-60— February	12,000	5½	99	1980	12,000	..

(iii) *New York.* A cash loan was raised in New York in June, 1956. This was the first since May, 1928, except for loans raised from the International Bank for Reconstruction and Development (see para. 4. below). The following table gives details of the loans raised during the period 1957-58 to 1960-61.

COMMONWEALTH NEW LOANS RAISED IN NEW YORK.

Month of Raising.	Amount of Loan.	Rate of Interest per annum.	Price of Issue per \$100.	Year of Maturity.	Allocation of Proceeds.	
					Commonwealth.	States.
	\$'000.	%	\$		\$'000.	\$'000.
1958-59—						
November ..	25,000	5	97½	1978	4,263	20,737
July-June ..	11,960	4½	100	a 1960-65	(b) 11,960	..
July-June ..	1,560	4½	100	a 1960-65	(b) 1,560	..
July-June ..	3,000	4½	100	a 1960-64	(c) 3,000	..
1959-60—						
September ..	25,000	5½	97	1979	25,000	..
April ..	25,000	5½	97½	1980	4,100	20,900
July-June ..	4,160	4½	100	a 1960-65	(b) 4,160	..
July-June ..	6,240	4½	100	a 1960-65	(b) 6,240	..
1960-61—						
September ..	25,000	5½	98	1980	4,044	20,956
July-June ..	3,517	5½	100	a 1962-68	(c) 3,517	..
July-June ..	2,000	5½	100	b 1961-65	(d) 2,000	..

(a) Repayable in half-yearly instalments. (b) Repayable in quarterly instalments. (c) Proceeds used for Qantas Empire Airways Loan. (d) Proceeds used for Australian National Airlines Loan.

3. Conversion and Redemption Loans, 1958-59 to 1960-61.—(i) *Australia*. Particulars of conversion loans raised in Australia during the three years 1958-59 to 1960-61 are given in the following table.

COMMONWEALTH CONVERSION AND REDEMPTION LOANS RAISED IN AUSTRALIA.

Month of Raising.	Old Loan.		New Loan.				Increase 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.
1958-59—							
October ..	218,192	3½	54,894	4	99½	1960	506
			24,543	4½	99½	1967	
			75,647	5	100	1974	
			a 11,332	4-5	100	1966	
			51,070	4	99½	1962	
May ..	108,189	4	21,563	4½	99½	1968	-288
			16,395	5	100	1979	
			(a) 3,805	4-5	100	1966	
			35,487	4	100	1962	
			35,531	4½	99½	1968	
1959-60—							
September ..	194,750	3½	69,072	5	100	1979	691
			(a) 8,605	4-5	100	1966	
			36,418	4	99½	1963	
			15,030	4½	99½	1969	
			24,105	5	100	1981	
May ..	100,848	4	(a) 2,270	4-5	100	1967	-567
			19,286	4½	100	1962	
			31,724	4½	98½	1969	
			52,954	5	100	1982	
			(a) 7,172	4½-5	100	1968	
1960-61—							
September ..	39,561	3½	5,000	5½	99½	1963	195
			118,431	3½	82,274	5½		99½	1963
May ..	5,000	4	26,214	5½	98½	1970	63
			48,178	5½	100	1981	
			(a) 7,172	4½-5	100	1968	
			179,210	4	82,274	5½		99½	1963
May ..	179,210	4	26,214	5½	98½	1970	-678
			48,178	5½	100	1981	
			(a) 7,172	4½-5	100	1968	
			(a) 989	4½-5½	100	1968	

(a) Special Bonds.
NOTE.—Minus sign (-) indicates reduction in liability for interest.

(ii) *London*. The following table shows particulars of loans raised in London during the years 1957-58 and 1958-59, for the purpose of redeeming and converting London loans.

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

Month of Raising.	Old Loan.			New Loan.			Increase 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.	
1957-58— February ..	16,000	3	..	16,000	6	99½	1976	602
1958-59— March ..	20,675	3½	..	20,000	5½	99	{ 1973 1979 }	502
1960-61— July ..	13,925	3	..	13,925	6	98	{ 1977-80 1975 }	524
January ..	20,579	3½	..	20,000	6	97½	{ 1981-83 }	666

(a) No account has been taken of the 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. No further loans were raised in New York for this purpose until December, 1954. The most recent loan raised in New York for this purpose was in March, 1957, and amounted to \$17,114,000, at 5 per cent. interest, issued at par, maturing in 1972. No loans were raised for this purpose between 1957-58 and 1960-61.

4. *International Bank for Reconstruction and Development Loans.*—To provide dollar funds for the purchase of certain types of capital equipment and plant which were indispensable to the furtherance of development in Australia and which could be obtained only in the United States of America or Canada, the Commonwealth Government arranged six loans from the International Bank for Reconstruction and Development between August, 1950, and December, 1956, amounting to \$317,730,000, repayable over periods of from 10 to 25 years, at rates of interest of from 4½ to 4¾ per cent. The proceeds of the latest of these loans were finally drawn in March, 1959.

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

5. *Swiss Loan.*—To foster industrial development in Australia and to stimulate trade relations between the two countries, the Commonwealth Government arranged for the issue in Switzerland in November, 1953, February, 1955, March, 1960, and March, 1961, of four public loans each of 60,000,000 Swiss francs. The loans were underwritten by a Swiss banking group headed by the Swiss Bank Corporation, the Credit Suisse and the Union Bank of Switzerland. Certain Swiss taxes connected with the issue and servicing of the loan were paid on an agreed basis by the Australian Government.

The first loan was for a period of 15 years with an option on the part of the Australian Government to repay the loan in full or in part after 12 years. The rate of interest was 4 per cent. and the issue price £99. Bondholders have the option of requiring payment either in Australian pounds or in the foreign currency equivalent of Australian pounds.

The second loan was for a period of 15 years with an option to redeem after 10 years. The rate of interest was 3¾ per cent. and the issue price £99 10s. Bonds and interest are payable only in Swiss francs. The third loan was for a period of fifteen years with an option to redeem after 10 years. The rate of interest was 4½ per cent. and the issue price £99. The fourth loan was issued at par in March, 1961, at the rate of 4½ per cent. maturing in April, 1976. Payments of interest and repayments of principal are to be made only in Swiss francs.

The loans were fully subscribed, and Swiss franc proceeds, after deducting borrowing expenses, were sold by the Commonwealth Government to the Commonwealth Bank in return for an equivalent amount of Australian currency.

6. *Canadian Loan.*—In October, 1955, the Commonwealth Government arranged for the issue in Canada of a public loan of 15,000,000 Canadian dollars raised to assist Australia's development programme. The loan was underwritten by Wood, Gundy & Company Limited of Toronto, Canada. The loan was for a period of 15 years with an option on the part of the Australian Government to repay the loan in full or in part at any time prior to 1st November, 1970. The rate of interest was 4 per cent. payable half-yearly and the issue price \$98.50. A second loan, of 2,000,000 Canadian dollars, was raised in April, 1961, on the security of Commonwealth of Australia, 5½ per cent. twenty year bonds being issued at the rate of 98½ per cent. Bonds and interest are payable in Canadian dollars in each case.

The loans were fully subscribed, and the net Canadian dollar proceeds were sold to the Commonwealth Bank for Australian currency.

7. Summary of Loan Transactions, 1956-57 to 1960-61.—The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the five years 1956-57 to 1960-61.

COMMONWEALTH LOAN TRANSACTIONS: SUMMARY.

Details.	Year ended 30th June—				
	1957.	1958.	1959.	1960.	1961.
New Loans—					
New Loans (a) raised in—					
Australia £A.'000.	196,854	195,238	184,683	201,678	203,881
London £Stg.'000.	..	..	15,000	12,000	..
New York(b) \$'000.	23,536	65,091	58,351	60,400	30,517
Switzerland Francs '000.	..	..	..	60,000	60,000
Canada \$'000.	..	..	..	..	20,000
Miscellaneous Debt in Australia (c) £A.'000.	-3,214	1,229	3,230	5,224	3,676
Net Increase in Short Term Debt—					
Australia—Public £A.'000.	-15,000	-10,000	31,000	30,000	-15,000
Internal £A.'000.	20,200	12,500	5,300	-36,100	17,600
London £Stg.'000.	-26,068	..	..	..	..
Loans raised for Conversion or Redemption of existing Securities maturing in—					
Australia £A.'000.	228,260	344,417	259,249	226,518	273,791
London—					
Raised in Australia £A.'000.	32,708	..	..	..	..
London £Stg.'000.	6,951	16,000	20,000	..	33,925
New York \$'000.	17,114	..	..	..	..

(a) Includes loans raised for redemption of Treasury Bills. (b) Includes amounts drawn of \$100,000,000, \$50,000,000, \$54,000,000, \$54,500,000, \$9,230,000 and \$50,000,000, loans from International Bank for Reconstruction and Development. (c) "Over the Counter Sales", Instalment Stock, National Savings Bonds, War Savings and Savings Certificates and net increase in debt on account of advance loan subscriptions and, until the discontinuance of sales, War Savings and Savings Stamps and National Savings Stamps.

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

8. Commonwealth and State Government Securities Maturing in Australia, Classified by Holder.—The following table shows details of Commonwealth and State Securities maturing in Australia classified according to holder as at the 30th June, 1960 and 1961.

COMMONWEALTH AND STATE SECURITIES ON ISSUE MATURING IN AUSTRALIA, CLASSIFIED BY HOLDER.(a)

(Source: Reserve Bank Statistical Bulletin.)

Holder.	At 30th June—			
	1960.		1961.	
	Amount £ million.	Proportion of Total.	Amount £ million.	Proportion of Total.
Reserve Bank	470	13.0	487	13.0
Trading Banks	275	7.6	288	7.7
Savings Banks	799	22.1	794	21.4
Life Insurance Offices (b)	226	6.2	227	6.1
Fire, Marine and General Insurance Offices	80	2.2	78	2.1
Pension and Provident Funds	87	2.4	91	2.4
Stabilization Funds	11	0.3	3	0.1
Other Government Financial Institutions	14	0.4	8	0.2
Commonwealth and State Governments	687	19.0	782	21.0
Local and Semi-Government Bodies	65	1.8	72	1.9
Trustee Offices	97	2.6	95	2.6
Money Market Dealers	80	2.2	102	2.8
All Other	732	20.2	689	18.7
Total	3,623	100.0	3,716	100.0

(a) Total Stock inscribed, bonds in circulation, amounts paid up on outstanding applications, in transit claims and advance applications, Commonwealth Treasury Bills, debentures, and Savings Certificates. (b) Holdings by State Government insurance offices are excluded from "Life Insurance" and included in "Fire, Marine, etc."

§ 5. National Debt Sinking Fund.

1. Securities on Issue on behalf of the Commonwealth.—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 1956-57 to 1960-61 were as follows.

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

Item.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
Receipts—					
From Consolidated Revenue	15,292	14,301	14,376	19,533	23,092
Loans and Advances Repaid	2,986	2,881	3,213	3,398	3,751
War Service Homes Money Repaid .. .	5,660	6,566	7,560	9,589	9,808
Half Net Profit Commonwealth Bank ..	3,918	4,961	5,749	2,808	(c)
Reparation Moneys	200	63	20	43	16
Interest on Investments	(a) 9,169	(a) 9,413	(a) 9,015	(a) 8,303	(a) 7,830
Loan (International Bank for Reconstruction and Development) Act	5,367	14,564	7,492	..	..
Other Contributions	2	1	..	..	..
Total Receipts	42,594	52,750	47,425	43,674	44,497
Expenditure—					
Securities Repurchased and Redeemed in—					
Australia	32,891	60,001	64,799	59,357	58,539
London	88	318	189	218	594
New York	(b) 3,031	(b) 5,172	(b) 6,029	(b) 7,969	(b) 8,062
Total Expenditure	36,010	65,491	71,017	67,544	67,195
Balance at 30th June	243,085	230,344	206,752	182,882	160,184
Face Value of Securities Repurchased and Redeemed in—					
Australia	34,718	61,017	65,421	59,556	59,354
London	85	305	185	220	481
New York	(b) 1,397	(b) 2,387	(b) 2,783	(b) 3,681	(b) 3,720
Total Face Value	36,200	63,709	68,389	63,457	63,555

(a) Includes interest received under National Debt Sinking Fund (Special Payment) Act 1951, £4,205,000 in 1956-57, £3,936,000 in 1957-58, £3,382,000 in 1958-59, £3,082,000 in 1959-60 and £2,799,000 in 1960-61.

(b) Includes instalment repayments of loans from International Bank for Reconstruction and Development: 1956-57, net cost, £2,668,000; face value, £1,221,000; 1957-58, net cost, £4,733,000; face value, £2,173,000; 1958-59, net cost, £5,688,000; face value, £2,618,000; 1959-60, net cost, £7,235,000; face value, £3,326,000; 1960-61, net cost, £7,563,000; face value, £3,481,000. (c) In 1960-61, an amount of £3,352,000 was transferred to the Commonwealth Consolidated Revenue Fund from the profits of the central banking business of the Reserve Bank.

2. Securities on Issue on behalf of States.—(i) States, 1960-61. A sinking fund for the redemption of the Securities on Issue on behalf of States was established under the Financial Agreement. Details of contributions to be made to this fund are given on page 865. Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1960-61 are shown below.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1960-61.
(£'000.)

Item.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Receipts—							
Contributions under Financial Agreement—							
Commonwealth	2,182	1,447	785	837	609	414	6,274
States	7,468	5,696	2,806	3,376	2,254	1,208	22,808
Interest from States on cancelled Securities	5	7	1	2	1	1	17
Special Contributions by States	86	53	9	88	1	1	238
Interest on Investments, etc. .. .. .	..	6	..	5	6	2	19
Total Receipts	9,741	7,209	3,601	4,308	2,871	1,626	29,356
Expenditure—							
Securities Repurchased and Redeemed in—							
Australia	8,583	6,801	3,269	3,420	2,667	1,551	26,291
London	388	77	91	254	123	11	944
New York	602	303	195	557	120	63	1,840
Total Expenditure	9,573	7,181	3,555	4,231	2,910	1,625	29,075
Balance at 30th June, 1960	359	213	151	150	47	82	1,002
Face Values of Securities Repurchased and Redeemed in—							
Australia	8,632	6,911	3,269	3,390	2,667	1,551	26,420
London	40	53	44	208	59	10	414
New York	288	144	94	258	57	30	871
Total Face Value	8,960	7,108	3,407	3,856	2,783	1,591	27,705

(ii) *All States, 1956-57 to 1960-61.* The following table is a summary of the transactions of the National Debt Sinking Fund (States' Account) for the years 1956-57 to 1960-61.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT.

(£'000.)

Item.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.
<i>Receipts—</i>					
Contributions under Financial Agreement—					
Commonwealth	4,640	5,065	5,386	5,942	6,274
States	16,317	17,758	19,161	21,280	22,808
Interest from States on cancelled Securities	9	11	8	14	17
Special Contributions by States	90	193	239	227	238
Interest on Investments, etc.	23	36	47	..	19
<i>Total Receipts</i>	<i>21,079</i>	<i>23,063</i>	<i>24,841</i>	<i>27,463</i>	<i>29,356</i>
<i>Expenditure—</i>					
Securities Repurchased and Redeemed in—					
Australia	20,312	16,567	21,359	24,570	26,291
London	857	6,043	1,799	797	944
New York	879	1,011	1,024	2,342	1,840
<i>Total Expenditure</i>	<i>22,048</i>	<i>23,621</i>	<i>24,182</i>	<i>27,709</i>	<i>29,075</i>
<i>Balance at 30th June</i>	<i>866</i>	<i>308</i>	<i>967</i>	<i>721</i>	<i>1,002</i>
<i>Face Value of Securities Repurchased and Redeemed in—</i>					
Australia	20,431	16,102	21,435	24,617	26,420
London	809	4,866	1,330	761	414
New York	415	476	481	1,103	871
<i>Total Face Value</i>	<i>21,655</i>	<i>21,444</i>	<i>23,246</i>	<i>26,481</i>	<i>27,705</i>

E. TAXES ON INCOME.

1. *General.*—A description of the development of income taxes in Australia appeared in Official Year Book No. 35, page 926. Since July, 1942, the Commonwealth, under the uniform tax arrangement, has been the only authority imposing taxes on income. Taxes on income are assessed and imposed under the Income Tax and Social Services Contribution Assessment Act 1936-1960 and the Income Tax and Social Services Contribution Act 1960. 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 1961-62 is levied on the income of individuals in 1961-62 and on the income of companies in 1960-61.

2. *Present Taxes.*—For individuals, a single tax known as the Income Tax and Social Services Contribution is levied. All companies are liable for primary income tax and, in addition, private companies are subject to tax on undistributed income.

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 Act 1947–1962 and the Tuberculosis Act 1948, (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) income received from a scholarship, bursary or other education allowance.

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.

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, £270 plus an amount equal to one half of the total deductions allowable to the taxpayer for the maintenance of dependants; and Zone B, £45 plus an amount equal to one twelfth of the deductions allowable to the taxpayer for the maintenance of dependants. A deduction equal to the deduction allowed to residents of Zone A is also allowed to members of the defence forces serving for more than one half of the year of income at declared localities outside Australia. The boundaries of Zones A and B are as defined in the Second Schedule, Income Tax and Social Services Assessment Act 1936–1961.

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 the following paragraph.

4. **Concessional Deductions.**—Concessional allowances for dependants, medical expenses, life assurance and superannuation contributions, etc., are made by way of a deduction from income. The maximum deduction allowed for each dependant, for a parent or parent-in-law, or for a housekeeper employed by the taxpayer, for the financial year 1961–62, is shown in the following table.

CONCESSIONAL DEDUCTIONS FOR DEPENDANTS, ETC.(a)

(£.)

Dependant, etc. (Resident).	Maximum Deduction.
Spouse	143
Daughter-housekeeper (b)	143
Housekeeper (b) having care of taxpayer's children under 16 years of age	143
Parent or Parent-in-law	143
One child under 16 years of age	91
Other children under 16 years of age	65
Invalid relative(c)	91
Child 16 to 21 years receiving full-time education (d)	91

(a) These deductions are allowed only if the dependant, parent or parent-in-law is a resident of Australia. If the dependant 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. The amount of the deduction is reduced by any invalid pension received. (d) The amount of the deduction is reduced by the value of any assistance provided by the Commonwealth or a State.

When the dependant or person maintained derives separate income, the amount of the concessional deduction allowable is reduced as follows:—

In the case of a spouse or daughter-housekeeper, by £2 for every £1 by which the separate net income exceeds £65; for each parent or parent-in-law maintained, by £1 for each £1 of separate income; and for each dependent child or invalid relative, by £2 for every £1 by which the separate net income exceeds £52.

For the 1961–62 financial year, medical expenses paid by a taxpayer who is a resident, in respect of himself or dependants, including children under 21 years of age, up to £150 for each person, are allowed as a concessional deduction. Medical expenses include payments made to a legally qualified medical practitioner, nurse or chemist, or to a hospital, in respect of an illness or operation, payments for dental services not exceeding £30 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.

Other concessional deductions allowed to resident taxpayers include, (i) payments of life, etc., insurance premiums and contributions to superannuation funds and friendly societies, not exceeding an aggregate of £400, (ii) payments to medical or hospital benefits funds, (iii) funeral expenses of a dependant not exceeding £30 and (iv) expenditure incurred for the full-time education of children or dependants who are less than 21 years of age (maximum £100 per child or 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. Resident taxpayers only are allowed a deduction from income of the full amount paid as calls and as application and allotment moneys to certain companies engaged in the search for oil in Australia and New Guinea.

5. **Effective Exemption from Tax.**—For the financial years 1950–51 to 1961–62, 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.

RESIDENT TAXPAYERS: EFFECTIVE EXEMPTIONS FROM TAX.

(£.)

Taxpayer with—	Income Tax and Social Services Contribution— Financial Years 1950–51 to 1952–53.	Income Tax and Social Services Contribution— Financial Years 1953–54 to 1956–57.	Income Tax and Social Services Contribution— Financial Years 1957–58 to 1961–62.
No dependants	104	104	104
Wife	208	234	247
Wife and one child	286	312	338
„ „ two children	338	364	403
„ „ three children	390	416	468
„ „ four children	442	468	533

For the 1961–62 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 £455. A married couple both of whom qualify by age for the concession, are exempt from tax if their combined net incomes do not exceed £1,293.

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 years 1953–54 to 1961–62.

**INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—INDIVIDUALS: RATES
OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—1953-54 TO 1961-62.**

Total Taxable Income.		1953-54.		1954-55 to 1961-62.(a)	
Column 1.	Column 2.	Tax and Contribution on Amount in Column 1.		Tax and Contribution on Amount in Column 1.	
Exceeding—	Not Exceeding—				
£	£	£	s. d.	£	s. d.
Nil	100	Nil		Nil	
100	150	0	8 4	0	8 4
150	200	1	5 0	1	0 10
200	250	3	2 6	2	10 0
250	300	5	16 8	4	15 10
300	400	9	7 6	7	18 4
400	500	18	10 10	16	5 0
500	600	30	4 2	27	1 8
600	700	43	19 2	39	11 8
700	800	59	15 10	53	15 0
800	900	77	5 10	69	11 8
900	1,000	96	9 2	87	1 8
1,000	1,200	117	5 10	106	5 0
1,200	1,400	163	19 2	149	11 8
1,400	1,600	217	5 10	198	15 0
1,600	1,800	276	9 2	252	18 4
1,800	2,000	341	9 2	312	1 8
2,000	2,400	412	5 10	376	5 0
2,400	2,800	567	5 10	517	18 4
2,800	3,200	733	19 2	671	5 0
3,200	3,600	912	5 10	836	5 0
3,600	4,000	1,102	5 10	1,011	5 0
4,000	4,400	1,303	19 2	1,196	5 0
4,400	5,000	1,517	5 10	1,391	5 0
5,000	6,000	1,857	5 10	1,701	5 0
6,000	8,000	2,457	5 10	2,251	5 0
8,000	10,000	3,715	12 6	3,409	11 8
10,000	16,000	5,032	5 10	4,617	18 4
16,000	upwards	9,157	5 10	8,417	18 4

(a) For the 1959-60 and 1961-62 financial years provision was made for a rebate to reduce by 5 per cent. the income tax and social services contribution otherwise payable.

For primary producers, the rate of Income Tax and Social Services Contribution for the current year is determined by the average of the taxable incomes for the five years up to and including the current year. A taxpayer may elect not to have these averaging provisions applied to his assessment, but the election, once made, is irrevocable. The application of the averaging provisions is limited to that part of the taxable income which does not exceed £4,000, and when the taxable income exceeds £4,000, the balance is taxed at the ordinary rates applicable to that part. When the taxable income is less than £4,000, the rate of tax for averaging purposes is limited to the rate on a taxable income of £4,000.

Commencing with 1953-54, the taxable income, including any abnormal receipts, of actors, artists, composers and inventors, is taxed at the rate appropriate to the normal taxable income plus one-third of the abnormal receipts.

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 are subject to a rebate of 2s. for each £1 included in the taxable income.

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. **The Income Tax (International Agreements) Act 1953.**—This Act provided for relief from double taxation of incomes flowing between Australia and the United States of America. It also provided similar relief in respect of the United Kingdom, which had been covered by the Income Tax Assessment Act since 1947.

8. **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 1954–55 to 1961–62.

COMMONWEALTH TAXES ON INCOME.
(£.)

Income.	Income Tax and Social Services Contribution.				
	1954–55 to 1956–57 Financial Years.	1957–58 and 1958–59 Financial Years.	1959–60 Financial Year.(a)	1960–61 Financial Year.	1961–62 Financial Year.(a)

INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH NO DEPENDANTS.

150	..	..	..	1.05	1.05	1.00	1.05	1.00
200	..	..	..	2.50	2.50	2.40	2.50	2.40
250	..	..	..	4.80	4.80	4.55	4.80	4.55
300	..	..	..	7.90	7.90	7.50	7.90	7.50
350	..	..	..	12.10	12.10	11.50	12.10	11.50
400	..	..	..	16.25	16.25	15.45	16.25	15.45
500	..	..	..	27.10	27.10	25.75	27.10	25.75
600	..	..	..	39.60	39.60	37.60	39.60	37.60
800	..	..	..	69.60	69.60	66.10	69.60	66.10
1,000	..	..	..	106.25	106.25	100.95	106.25	100.95
1,500	..	..	..	225.85	225.85	214.55	225.85	214.55
2,000	..	..	..	376.25	376.25	357.45	376.25	357.45
3,000	..	..	..	753.75	753.75	716.05	753.75	716.05
5,000	..	..	..	1,701.25	1,701.25	1,616.20	1,701.25	1,616.20

INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE.

150	..	..	..	..	..	..	..	..
200	..	..	..	..	..	..	..	..
250	..	..	..	0.65	0.50	0.50	0.50	0.50
300	..	..	..	1.60	1.25	1.20	1.25	1.20
350	..	..	..	3.60	2.80	2.65	2.80	2.65
400	..	..	..	6.05	5.25	5.00	5.25	5.00
500	..	..	..	13.75	12.65	12.00	12.65	12.00
600	..	..	..	23.85	22.40	21.30	22.40	21.30
800	..	..	..	49.50	47.65	45.25	47.65	45.25
1,000	..	..	..	81.85	79.55	75.55	79.55	75.55
1,500	..	..	..	191.35	188.20	178.80	188.20	178.80
2,000	..	..	..	334.55	330.35	313.85	330.35	313.85
3,000	..	..	..	700.10	694.75	660.00	694.75	660.00
5,000	..	..	..	1,634.10	1,627.35	1,546.00	1,627.35	1,546.00

(a) Provision was made for a rebate to reduce by 5 per cent. the amount of income tax and social services contribution otherwise payable.

COMMONWEALTH TAXES ON INCOME—*continued.*

(£.)

Income.	Income Tax and Social Services Contribution.				
	1954-55 to 1956-57 Financial Years.	1957-58 and 1958-59 Financial Years.	1959-60 Financial Year.(a)	1960-61 Financial Year.	1961-62 Financial Year.(a)
INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD.					
150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	..	..	..	..	..
300 .. .. .	..	..	..	..	..
350	0.95	0.60	0.55	0.60	0.55
400	2.25	1.50	1.45	1.50	1.45
500	7.40	5.80	5.50	5.80	5.50
600	15.60	13.40	12.75	13.40	12.75
800	38.60	35.35	33.60	35.35	33.60
1,000	68.30	64.20	61.00	64.20	61.00
1,500	172.20	165.80	157.50	165.80	157.50
2,000	309.70	302.00	286.90	302.00	286.90
3,000	668.20	658.20	625.30	658.20	625.30
5,000	1,593.80	1,580.35	1,501.35	1,580.35	1,501.35
INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN.					
150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	..	..	..	..	..
300 .. .. .	..	..	..	..	..
350 .. .. .	..	..	..	..	..
400	0.90	..	..	..	..
500	4.35	2.55	2.40	2.55	2.40
600	11.25	8.00	7.60	8.00	7.60
800	32.10	27.20	25.85	27.20	25.85
1,000	60.10	53.90	51.20	53.90	51.20
1,500	159.40	149.85	142.35	149.85	142.35
2,000	294.35	282.80	268.65	282.80	268.65
3,000	648.25	633.30	601.65	633.30	601.65
5,000	1,566.90	1,546.75	1,469.40	1,546.75	1,469.40
INCOME FROM PROPERTY.—TAXPAYER WITH NO DEPENDANTS.					
150	1.05	1.05	1.00	1.05	1.00
200	2.50	2.50	2.40	2.50	2.40
250	4.80	4.80	4.55	4.80	4.55
300	7.90	7.90	7.50	7.90	7.50
350	12.10	12.10	11.50	12.10	11.50
400	16.25	16.25	15.45	16.25	15.45
500	27.10	27.10	25.75	27.10	25.75
600	39.60	39.60	37.60	39.60	37.60
800	69.60	69.60	66.10	69.60	66.10
1,000	106.25	106.25	100.95	106.25	100.95
1,500	225.85	225.85	214.55	225.85	214.55
2,000	376.25	376.25	357.45	376.25	357.45
3,000	753.75	753.75	716.05	753.75	716.05
5,000	1,701.25	1,701.25	1,616.20	1,701.25	1,616.20

(a) Provision was made for a rebate to reduce by 5 per cent. the amount of income tax and social services contribution otherwise payable.

9. *Pay-as-you-earn.*—(i) *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 or 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.

(ii) *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 are made at the same time as collection and assessment for the previous year are adjusted. The notice of assessment shows an amount of provisional tax 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. On receipt of his assessment, the taxpayer may elect to substitute his own estimate of income for the current year and pay tax on the basis of this estimate. To protect the revenue, a penalty is imposed if the taxpayer elects to pay provisional tax on an estimate of income more than 20 per cent. lower than the income of the previous year and he underestimates his income by more than 20 per cent.

An employee with income of £100 or more from sources other than salaries or wages is required to pay provisional tax in respect of that income.

10. *Lodgment of Returns and Assessment of Tax.*—All persons with assessable income in excess of £104 are required to lodge returns by 31st July each year (31st August for business incomes). The Income Tax and Social Services Contribution payable is assessed, and assessment notices showing the amounts 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 paid and any difference either collected or refunded.

11. *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 on 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) *Rates of Tax.* The rates of Primary Tax, in the case of public companies, and Primary and Additional Tax for private companies, for the financial years 1956-57 to 1961-62 are shown in the table below.

Super Tax and Undistributed Income Tax ceased to be levied on public companies in the 1951-52 financial year and Additional Income Tax and Social Services Contribution ceased in the 1953-54 financial year. For details, see Official Year Book No. 39, page 846 and No. 40, page 743.

RATES OF TAX: COMPANIES, 1956-57 TO 1961-62 FINANCIAL YEARS.

(Pence per £.)

Type of Company.	Rate of Income Tax and Social Services Contribution—						Rate of Additional Tax on Undistributed Income.
	1956-57.		1957-58 to 1959-60.		1960-61 and 1961-62.		1953-54 to 1961-62.
	Up to £5,000.	On Remainder of Taxable Income.	Up to £5,000.	On Remainder of Taxable Income.	Up to £5,000.	On Remainder of Taxable Income.	Undistributed Amount—Additional Tax.
Private	60	84	54	78	60	84	120
Co-operative	72	96	66	90	72	96	..
Non-Profit(a)—							
Friendly Society Dispensaries	72	96	66	66	72	72	..
Other(b)	72	96	66	90	72	96	..
Life Assurance—							
Mutual	60	84	54	78	60	84	..
Other—							
(1) Mutual Income	60	84	54	78	60	84	..
(2) Other Income(c)	(d) 84	96	(d) 78	90	84	96	..
Other	(d) 84	96	(d) 78	90	84	96	..
Interest paid to a Non-Resident(e)	96	96	90	90	96	96	..

(a) Incomes not exceeding £104 are exempt from tax. (b) Where the taxable income does not exceed £228 (1956-57) or £231 (1957-58 to 1959-60) or £260 (1960-61 and 1961-62) the tax may not exceed eleven-twentieths (1956-57) or one-half (1957-58 to 1961-62) of the amount by which the taxable income exceeds £104. (c) The rate of 84d. (1956-57, 1960-61 and 1961-62) or 78d. (1957-58 to 1959-60) is levied on the amount of £5,000 less the mutual income. (d) For non-resident companies dividends included in this part of taxable income are taxed at 72d. (1956-57, 1960-61 and 1961-62) and 66d. per £1 (1957-58 to 1959-60). (A resident company is allowed a rebate of tax in respect of dividends received.) (e) If the non-resident is not a company, tax is paid only on income in excess of £104.

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

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

For the financial years 1953-54 to 1958-59, the retention allowance was the following proportion of the reduced distributable income:—

- On the first £1,000 or part, 50 per cent.
- On the next £1,000 or part, 40 per cent.
- On the next £1,000 or part, 35 per cent.
- On the next £1,000 or part, 30 per cent.
- On the balance, 25 per cent., and
- Ten per cent. of distributable income from property, except dividends from other private companies.

For 1959-60 to 1961-62, the minimum retention allowance in relation to business profits has been increased to 35 per cent. The new rates are as follows:—

- On the first £1,000 or part, 50 per cent.
- On the next £1,000 or part, 40 per cent.
- On the balance, 35 per cent.

The retention allowance in respect of distributable income from property, except dividends from other private companies, is unchanged at 10 per cent.

For the financial years 1953-54 to 1961-62, the reduced distributable income is calculated by deducting from the taxable income the primary tax payable and the amount of all property income included in taxable income. The additional tax on undistributed income was imposed at a flat rate of 10s. in the £1 on the undistributed amount.

12. Yield of Income Taxes.—(i) *Collections from Income Taxes.* The following table shows the collections of taxes imposed on income for the years 1956-57 to 1960-61.

INCOME TAX COLLECTIONS.
(£'000.)

Year.	Total.		
	Commonwealth.(a)	State.(b)	Total.
1956-57	620,298	23	620,321
1957-58	650,419	33	650,452
1958-59	608,660	15	608,675
1959-60	671,294	8	671,302
1960-61	807,266	7	807,273

(a) Includes Social Services Contribution, War Time (Company) Tax, Super Tax, Undistributed Profits Tax and Wool Deduction. (b) Amounts shown are arrears of State income taxes existing prior to the introduction of the uniform tax arrangement.

(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.	1955-56.	1956-57.	1957-58.	1958-59.	1959-60.
Individuals—					
Income Tax and Social Services Contribution	(a)324,448	346,355	390,596	355,064	378,219
Companies—					
Income Tax	174,997	210,664	212,707	214,683	231,610
Additional Tax on Undistributed Income of Private Companies	3,654	2,951	2,512	1,835	1,274
Total	503,099	559,970	605,815	571,582	611,103

(a) Includes assessments issued to 30th June, 1959.

(iii) *Commonwealth Income Tax and Social Services Contribution, 1959-60 Assessment Year.* The following tables show, for the 1959-60 assessment year, details of the number of taxpayers, income, and net income tax and social services contribution assessed for individuals and resident and non-resident companies. For further information of this nature, see the annual bulletin *Finance, Part II.—Commonwealth Taxation* (No. 51) issued by this Bureau.

**COMMONWEALTH INCOME TAX AND SOCIAL SERVICES CONTRIBUTION:
1959-60 ASSESSMENT(a)—NUMBER OF TAXPAYERS, ACTUAL INCOME(b),
TAXABLE INCOME(c) AND NET INCOME TAX AND SOCIAL SERVICES
CONTRIBUTION ASSESSED—INDIVIDUALS.**

(Incomes derived in the year 1958-59.)

Grade of Actual Income(b) and State or Territory of Assessment.	Number of Taxpayers.			Actual Income. (b)	Taxable Income. (c)			Net Income Tax and Social Services Contri- bution Assessed.
	Males.	Females.	Total.	Total.	Salary and Wages.	Other Income.	Total.	
£	No.	No.	No.	£'000.	£'000.	£'000.	£'000.	£'000.
105- 199 ..	54,784	103,002	157,786	24,391	19,287	3,968	23,255	194
200- 299 ..	64,782	120,287	185,069	46,443	34,744	8,154	42,898	786
300- 399 ..	88,296	137,196	225,492	79,081	59,133	12,328	71,461	2,209
400- 499 ..	100,029	150,616	250,645	112,683	81,410	18,564	99,974	4,245
500- 599 ..	110,929	185,260	296,189	163,266	119,797	23,724	143,521	7,774
600- 699 ..	127,191	170,179	297,370	192,863	138,340	27,439	165,779	10,500
700- 799 ..	194,071	109,667	303,738	228,321	154,780	30,985	185,765	13,066
800- 899 ..	309,472	67,495	376,967	320,733	215,286	33,646	248,932	18,902
900- 999 ..	356,294	39,072	395,366	375,236	248,629	34,649	283,278	23,259
1,000-1,099 ..	321,740	24,993	346,733	363,182	231,540	35,363	266,903	23,456
1,100-1,199 ..	249,073	17,153	266,226	305,331	191,940	33,295	225,235	21,424
1,200-1,299 ..	186,432	12,190	198,622	247,648	150,309	31,848	182,157	18,526
1,300-1,399 ..	140,387	9,593	149,980	201,849	118,906	29,761	148,667	16,100
1,400-1,499 ..	103,238	7,239	110,477	159,892	91,177	27,507	118,684	13,701
1,500-1,999 ..	243,251	21,762	265,013	449,384	230,370	111,324	341,694	45,733
2,000-2,999 ..	113,251	14,734	127,985	127,985	109,334	134,037	243,371	43,667
3,000-3,999 ..	33,214	5,153	38,367	131,329	33,856	76,727	110,583	26,194
4,000-4,999 ..	15,063	2,234	17,297	76,736	17,054	49,078	66,132	18,706
5,000-9,999 ..	17,118	2,551	19,669	128,173	25,442	88,544	113,986	41,973
10,000-14,999 ..	2,131	356	2,487	29,638	5,677	21,246	26,923	12,721
15,000 and over	965	172	1,137	27,153	4,071	20,518	24,589	13,740
Total Residents	2,831,711	1,200,904	4,032,615	3,967,218	2,281,082	852,705	3,133,787	376,876
Central Office ..	8,128	5,613	13,741	37,695	7,270	25,161	32,431	10,410
New South Wales	1,057,074	458,110	1,515,184	1,514,897	912,625	287,142	1,199,767	143,456
Victoria ..	801,699	371,665	1,173,364	1,155,605	679,385	246,713	926,098	113,232
Queensland ..	395,051	143,441	538,492	510,810	262,758	128,135	390,893	44,853
South Australia	263,729	108,063	371,792	350,838	195,219	81,917	277,136	30,908
Western Australia	193,511	72,202	265,713	248,036	135,013	57,905	192,918	21,207
Tasmania ..	91,707	34,165	125,872	116,434	68,072	21,634	89,706	9,601
Nor. Territory ..	5,918	1,593	7,511	9,258	4,885	1,090	5,975	697
Aust. Cap. Ter.	14,894	6,052	20,946	23,645	15,855	3,008	18,863	2,512
Total Residents	2,831,711	1,200,904	4,032,615	3,967,218	2,281,082	852,705	3,133,787	376,876
Total Non-re- sidents ..	2,707	2,540	5,247	6,671	829	5,387	6,216	1,343
Grand Total	2,834,418	1,203,444	4,037,862	3,973,889	2,281,911	858,092	3,140,003	378,219

(a) Assessments in respect of 1958-59 incomes issued to 30th September, 1960. Assessments issued after that date are not included. (b) Actual income is defined briefly as "Gross income including exempt income less expenses incurred in gaining that income". (c) Taxable income is the income remaining after deducting from assessable income all allowable deductions.

COMMONWEALTH INCOME TAX AND SOCIAL SERVICES CONTRIBUTION,
1959-60 ASSESSMENT(a)—NUMBER OF TAXPAYERS, ACTUAL INCOME(b),
TAXABLE INCOME(c) AND NET TAX ASSESSED—RESIDENT AND NON-
RESIDENT COMPANIES.

(Income derived in the year 1958-59.)

Grade of Taxable Income(c) and State or Territory of Assessment.		Number of Taxpayers.	Actual Income.(b)	Taxable Income.(c)	Net Tax Assessed.(d)
£	£	No.	£'000.	£'000.	£'000.
1-	999	13,833	12,442	4,785	1,074
1,000-	4,999	15,829	46,095	42,165	9,178
5,000-	9,999	6,299	45,820	43,543	10,552
10,000-	19,999	3,559	53,914	49,713	13,341
20,000-	49,999	2,543	81,421	79,093	22,906
50,000-	99,999	943	67,612	65,976	19,399
100,000-	199,999	584	84,031	81,891	24,651
200,000-	499,999	337	101,564	99,447	29,891
500,000-	999,999	103	73,786	70,895	21,373
1,000,000 and over		84	318,145	248,881	79,245
<i>Total</i>		<i>44,114</i>	<i>884,830</i>	<i>786,389</i>	<i>231,610</i>
Central Office		3,216	472,596	393,182	123,509
New South Wales		18,240	171,624	166,954	46,421
Victoria		12,493	127,160	123,545	32,415
Queensland		3,276	37,623	35,944	11,020
South Australia		3,917	35,390	34,704	9,228
Western Australia		1,564	25,220	17,120	5,216
Tasmania		838	10,250	10,118	2,947
Northern Territory		95	521	513	123
Australian Capital Territory		475	4,446	4,309	731
<i>Total</i>		<i>44,114</i>	<i>884,830</i>	<i>786,389</i>	<i>231,610</i>

(a) Assessments in respect of 1958-59 incomes issued to 31st December, 1960. Assessments issued after that date are not included. (b) Actual income is defined briefly as "Gross income including exempt income less expenses incurred in gaining that income". (c) Taxable income is the income remaining after deducting from assessable income all allowable deductions. (d) Excludes additional tax levied on the undistributed income of Private Companies, £1,274,000.

(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 not included.

COMMONWEALTH INCOME TAXES AND SOCIAL SERVICE CONTRIBUTIONS
ON RESIDENT INDIVIDUALS IN GRADES OF ACTUAL INCOME.(a)

Grade of Actual Income.		1956-57.		1957-58.		1958-59.		1959-60.	
		No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.
£	£	£'000.		£'000.		£'000.		£'000.	
105-199 ..		162,809	208	153,674	192	158,213	202	157,786	194
200-299 ..		206,419	911	191,438	828	188,743	827	185,069	786
300-399 ..		244,801	2,477	232,726	2,323	228,533	2,285	225,492	2,209
400-499 ..		273,853	4,822	262,023	4,540	256,931	4,427	250,645	4,245
500-599 ..		318,290	8,436	311,057	8,233	306,044	8,090	296,189	7,774
600-699 ..		303,339	10,570	295,767	10,376	295,996	10,366	297,370	10,500
700-799 ..		357,134	15,109	332,640	14,207	318,592	13,413	303,738	13,066
800-899 ..		395,107	20,164	396,438	20,317	388,292	18,856	376,967	18,902
900-999 ..		363,075	22,513	383,557	23,162	391,561	22,865	395,366	23,259
1,000-1,099 ..		290,610	21,376	313,847	22,607	327,691	22,593	346,733	23,456
1,100-1,199 ..		209,609	18,273	230,074	19,673	244,267	19,903	266,226	21,424
1,200-1,299 ..		151,068	15,327	167,944	16,777	177,799	16,857	198,622	18,526
1,300-1,399 ..		108,192	12,807	124,992	14,401	133,529	14,750	149,980	16,100
1,400-1,499 ..		76,105	10,365	89,650	11,874	94,540	12,148	110,477	13,701
1,500-1,999 ..		181,225	34,332	211,992	38,724	224,489	39,708	265,013	45,733
2,000-2,999 ..		95,565	35,939	113,643	40,897	109,571	38,476	127,985	43,667
3,000-3,999 ..		31,869	23,466	38,205	26,869	34,297	23,975	38,367	26,194
4,000-4,999 ..		14,879	17,166	18,037	20,084	15,512	17,199	17,297	18,706
5,000-9,999 ..		18,238	41,359	22,772	50,833	18,403	40,127	19,669	41,973
10,000-14,999 ..		2,586	13,491	3,643	19,101	2,553	13,114	2,487	12,721
15,000-29,999 ..		1,156	10,972	1,668	16,008	988	9,319	971	9,337
30,000-49,999 ..		145	2,765	215	4,227	130	2,522	123	2,384
50,000 and over		56	2,379	72	2,862	44	1,947	43	2,019
Total ..		3,806,130	345,227	3,896,074	389,115	3,916,718	353,969	4,032,615	376,876

(a) Actual income is defined briefly as "Gross Income including exempt income less expenses incurred in gaining that income".