

CHAPTER 20

PUBLIC FINANCE

The subject of public finance is dealt with in this chapter under the two major divisions of Commonwealth Finance and State Finance. The close financial relations between the Commonwealth and States, however, particularly since the Financial Agreement has been in operation, demand also a combination of these two divisions under the heading of Commonwealth and State Finance. Under the Financial Agreement the Commonwealth assumed the liability to bondholders for the States' securities existing at the date of the Agreement and now arranges for all borrowings for and on behalf of the Commonwealth or any State and for all conversions, renewals, redemptions and consolidations of such securities. In view of this it is convenient to deal with the Commonwealth and State Government securities on issue in a separate division of this chapter (page 808). The subject of income taxes is also dealt with in a separate division at the end of this chapter (page 823).

For further detailed information on the subjects covered by this chapter *see* the annual bulletins *Commonwealth Finance*; *State, Territory and Local Government Authorities' Finance and Government Securities*; and *Commonwealth Taxation Assessments*. Current information in summarised form is contained in the *Quarterly Summary of Australian Statistics*, the *Monthly Review of Business Statistics* and the *Digest of Current Economic Statistics*. A mimeographed statement *Commonwealth, State and Territory Taxation Collections* is issued annually as soon as possible after the relevant information has been assembled.

COMMONWEALTH FINANCE

Financial provisions of the Constitution

The main provisions of the Constitution relating to the initiation and development of the financial system of the Commonwealth are contained in Sections 81 to 105A of the Commonwealth Constitution (*see* pages 16–19 of this Year Book). Two other sections which have a most important bearing on questions of Commonwealth finance are Sections 69 and 51.

Section 69 provides for the transfer from the States to the Commonwealth of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments. Sections 87 and 96 deal with the financial relations between the Commonwealth and the States. These matters have been treated in previous issues of the Year Book, and on pages 766–75 of this issue a summary is given of the present provisions for Commonwealth financial assistance to the States.

The *Audit Act* 1901–1966 lays down the procedure which must be followed in accounting for the receipt and disbursement of public funds. The general administration of Commonwealth finances is the responsibility of the Treasurer of the Commonwealth.

Commonwealth Public Account

Nature of account

The Commonwealth Public Account includes the Consolidated Revenue Fund, the Trust Fund and the Loan Fund. Ordinary revenues from taxation and other sources are paid into the Consolidated Revenue Fund, from which the main expenditures are for defence, war and repatriation services, social services, payments to the States, Commonwealth business undertakings (mostly postal, telephone and telegraph), and administration. The Trust Fund covers special transactions outside the ordinary operations of departmental expenditures, such as pension funds and moneys held for expenditure by the Commonwealth at some future time. The Loan Fund receives its funds from the sale of Commonwealth securities, and expenditures from the Fund are made in accordance with the purpose of issue of each loan. The main disbursements from the Loan Fund are to the States, either by way of distribution of the proceeds of loans raised by the Commonwealth on their behalf or in accordance with the provisions of the Commonwealth and State Housing Agreements, and the remaining disbursements are for Commonwealth purposes such as defence or war service land settlement.

Summary of receipts and expenditure

A summary of transactions on the Commonwealth Public Account for 1965-66 and the four preceding years is given in the table which follows. The transactions are recorded on a cash basis.

COMMONWEALTH PUBLIC ACCOUNT: SUMMARY OF TRANSACTIONS
1961-62 TO 1965-66

(\$ million)

	1961-62	1962-63	1963-64	1964-65	1965-66
Expenditure(a)(b)	3,786.0	3,987.7	4,389.1	4,784.6	5,379.7
Receipts(b)	3,441.0	3,565.3	3,993.3	4,627.9	5,128.6
<i>Excess of expenditure over receipts— borrowing requirement</i>	345.0	422.4	395.8	156.8	251.1
Borrowings—					
Overseas loan proceeds(c)	58.8	139.3	73.3	43.1	37.6
Less redemptions, etc.	58.9	38.5	47.3	80.1	77.4
Net proceeds	-0.1	100.9	26.0	-37.0	-39.8
Australian loan proceeds(d)	463.1	518.7	578.4	501.7	546.2
Less redemptions, etc.	172.0	165.1	153.4	270.2	254.5
Net proceeds	291.0	353.6	425.1	231.5	291.6
Total net loan proceeds	290.9	454.5	451.1	194.5	251.8
Residual financing—					
Borrowings from Reserve Bank	+44.0	-170.0	-68.0	+38.0	-36.0
Treasury Notes (issue +, redemption -) . . . . .	..	+139.0	+13.6	-72.1	+35.7
Cash balances (increase -, decrease +)	+10.0	-1.1	-0.9	-3.6	-0.4
	+54.0	-32.1	-55.3	-37.7	-0.7
Total	345.0	422.4	395.8	156.8	251.1

(a) Excludes payments to Loan Consolidation and Investment Reserve: 1961-62, \$44.3 million; 1962-63, \$52.8 million; 1963-64, \$29.8 million; 1964-65, \$222.7 million and 1965-66, \$210.5 million. (b) Comparisons between these figures are affected by accounting changes. (c) Overseas refinancing operations are treated as adding to both loan proceeds and redemptions where they involve receipts into and expenditures from Loan Fund. (d) Excludes State domestic raisings and loans raised on behalf of Qantas Empire Airways and Australian National Airlines Commission.

Minus sign (-) denotes decrease.

All Commonwealth funds: summary of receipts and expenditure

The following table represents a reclassification of Commonwealth Government receipts and expenditure in a national accounts form. It includes the Commonwealth Government components (with slight re-arrangement) of Tables 57 and 60 in *Australian National Accounts, National Income and Expenditure 1953-54 to 1965-66*. Advances to semi-governmental business undertakings are included in 'Other advances', but grants to other semi-governmental bodies

ALL COMMONWEALTH FUNDS: EXPENDITURE—TYPE, FUNCTION 759

(National Capital Development Commission, Australian National University, Stevedoring Industry Authority, etc.) are classified according to the final expenditure of the authority concerned.

ALL COMMONWEALTH FUNDS: RECEIPTS AND EXPENDITURE, 1961-62 TO 1965-66

(\$ million)

	1961-62	1962-63	1963-64	1964-65	1965-66
EXPENDITURE					
Current expenditure on goods and services	708	753	841	1,003	1,236
Capital expenditure on new assets and stocks	172	209	224	280	312
Purchases of existing assets	5	4	4	4	5
Subsidies	83	71	101	86	127
Interest	67	66	75	81	74
Cash benefits to persons	901	937	1,029	1,080	1,156
Grants towards private capital expenditure	10	9	9	26	47
Overseas grants and contributions	65	73	86	106	128
Grants to States	799	852	895	958	1,076
Advances to States	127	130	136	142	173
Other advances	164	161	192	209	159
Total expenditure	3,102	3,264	3,592	3,974	4,492
RECEIPTS					
Taxation	2,836	2,882	3,220	3,788	4,188
Interest, rent and dividends	82	90	92	103	116
Net revenue of business undertakings	76	111	123	147	153
Fees and charges for goods and services	38	40	52	55	63
Sales of existing assets	6	8	12	17	13
Repayments of advances to States	18	21	21	22	28
Repayments of other advances	24	32	34	37	36
Other net receipts(a)	22	80	38	-196	-106
Total receipts	3,102	3,264	3,592	3,974	4,492

(a) Includes borrowing on treasury bills and Commonwealth bonds and net decrease in cash balances.

Minus sign (—) denotes decrease.

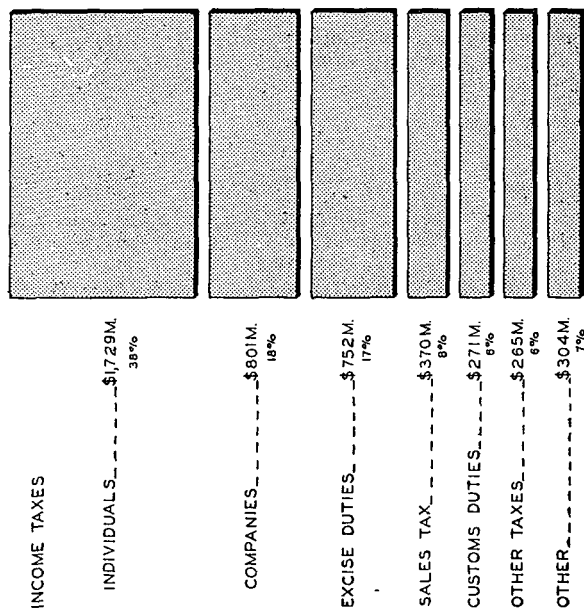
All Commonwealth funds: expenditure, economic type and function

In the following two tables particulars of expenditure for 1965-66 shown in the previous table have been reclassified to a 'net' basis by taking account of the relevant items shown as receipts in that table, e.g. fees and charges for goods and services, sales of existing assets, etc., and the resulting totals have been classified by economic type and by function.

ALL COMMONWEALTH FUNDS: RECEIPTS AND EXPENDITURE

YEAR ENDED 30 JUNE 1966

RECEIPTS



EXPENDITURE

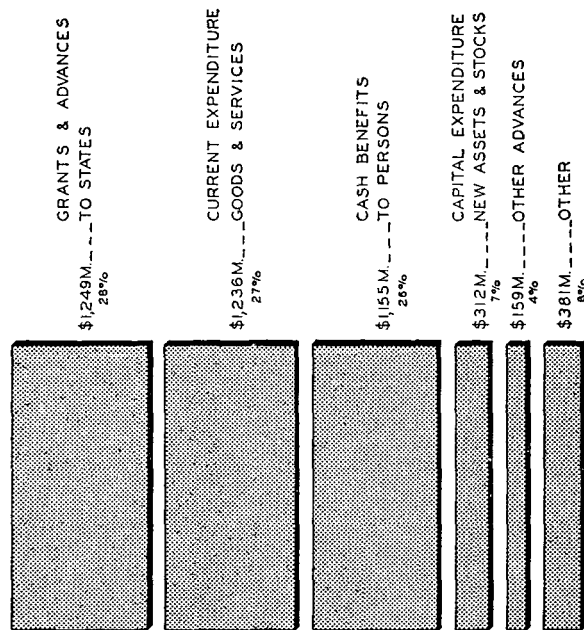


PLATE 41

ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY ECONOMIC TYPE AND FUNCTION, 1965-66

(\$ million)

NET CURRENT EXPENDITURE

	Expenditure on goods and services	Cash benefits	Subsidies	Over-seas grants and contributions	Grants to States	Interest	Grants towards private capital expenditure	Total
Law, order and public safety	7	..	..	..	..	..	..	7
Education	21	21	..	..	33	..	..	75
Cultural and recreational facilities	5	..	..	..	..	..	..	5
Public health	20	229	..	1	..	..	..	250
Welfare	14	698	..	..	..	..	9	721
War and defence	722	..	..	27	..	..	..	748
Repatriation	62	201	..	..	..	..	6	268
Development of resources and assistance to industry	106	..	98	1	11	..	..	217
Transport and communication	25	..	9	5	..	..	..	40
Legislature and general administration	114	..	..	2	..	..	..	116
External affairs	17	..	..	29	..	..	..	46
Immigration	33	4	..	1	..	..	..	38
Regulation of trade and industry	9	3	16	..	..	..	..	28
Housing	4	..	..	..	..	..	13	18
Other	3	..	4	63	..	..	19	89
Not allocated to function	10	..	..	..	832	12	..	855
Total net current expenditure	1,173	1,156	127	128	876	12	47	3,521

NET CAPITAL EXPENDITURE

	Expenditure on new assets and stocks	Net purchases of existing assets	Grants to States	Net advances to States	Other net advances	Total
Education	9	..	32	..	..	43
Cultural and recreational facilities	11	..	..	..	..	11
Public health	3	..	5	..	1	9
War and defence . . . . .	..	4	..	..	-41	-38
Development of resources and assistance to industry	12	..	4	11	2	28
Transport and communication—						
Post office	184	1	..	..	..	185
Civil aviation	22	..	..	..	20	42
Roads	14	..	145	2	..	162
Other	12	..	12	14	5	43
Power, fuel and light . . . . .	..	..	..	..	42	42
Housing	15	-13	..	114	49	165
Other	27	..	..	..	..	27
Not allocated to function	4	..	..	3	46	52
Total net capital expenditure	312	-7	199	144	123	771

The following table shows net expenditure from all Commonwealth funds for the years 1961-62 to 1965-66, classified according to function.

ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY FUNCTION
1961-62 TO 1965-66
 (\$ million)

	1961-62	1962-63	1963-64	1964-65	1965-66
NET CURRENT EXPENDITURE					
Law, order and public safety	4	4	5	6	7
Education	35	40	46	64	75
Cultural and recreational facilities	3	3	4	5	5
Public health	174	188	202	220	250
Welfare	587	603	665	696	721
War and defence	400	421	451	551	748
Repatriation	205	216	235	240	268
Development of resources and assistance to industry	132	126	162	166	217
Transport and communication	27	30	33	37	40
Legislature and general administration	73	74	88	102	116
External affairs	28	27	31	41	46
Immigration	22	24	29	36	38
Regulation of trade and industry	12	14	16	18	28
Housing	2	3	3	15	18
Other	38	46	60	69	89
Not allocated to function	692	720	760	781	855
Total net current expenditure	2,434	2,539	2,790	3,047	3,521

NET CAPITAL EXPENDITURE

Education	19	19	21	42	43
Cultural and recreational facilities	8	12	9	12	11
Public health	5	6	5	7	9
War and defence	-2	-3	45	17	-38
Development of resources and assistance to industry	14	7	12	18	28
Transport and communication—					
Post office	94	123	128	165	185
Civil aviation	26	4	3	42	42
Roads	110	122	131	147	162
Other	24	34	35	31	43
Power, fuel and light	32	45	48	45	42
Housing	157	155	146	154	165
Other	36	2	28	19	27
Not allocated to function	19	51	19	39	52
Total net capital expenditure	542	577	631	738	771

This table classifies by function the expenditure on goods and services (reclassified to a net basis) shown in the table on page 759.

**ALL COMMONWEALTH FUNDS: NET EXPENDITURE ON GOODS AND SERVICES
BY FUNCTION(a), 1961-62 TO 1965-66**
(\$ million)

	1961-62	1962-63	1963-64	1964-65	1965-66
NET CURRENT EXPENDITURE					
Law, order and public safety	4	5	5	6	7
Education	11	12	15	19	21
Cultural and recreational facilities	3	3	4	5	5
Public health	13	15	14	16	20
Welfare	12	13	14	15	14
War and defence	398	413	447	540	722
Repatriation	44	49	53	56	62
Development of resources and assistance to industry	59	65	74	95	106
Transport and communication	18	21	24	27	25
Legislature and general administration	73	73	84	100	114
External affairs	7	10	14	15	17
Immigration	19	21	26	33	33
Regulation of trade and industry	4	7	8	9	9
Housing	2	3	3	4	4
Other	2	1	1	4	3
Not allocated to function	3	3	2	5	10
Total net current expenditure	671	713	789	948	1,173
NET CAPITAL EXPENDITURE—NEW ASSETS AND STOCKS					
Education	7	6	8	9	9
Cultural and recreational facilities	8	12	9	12	10
Public health	2	2	3	3	3
Development of resources and assistance to industry	8	7	8	13	12
Transport and communication—					
Post office	93	122	128	164	184
Civil aviation	8	8	11	16	22
Roads	8	10	9	9	14
Other	6	6	9	8	12
Housing	9	11	9	11	15
Other	11	13	20	21	22
Not allocated to function	12	12	9	14	10
Total net capital expenditure	172	209	224	280	312

(a) This table includes the Commonwealth Government component of Tables 66 and 75 in *Australian National Accounts, National Income and Expenditure 1953-54 to 1965-66* together with net expenditure on stocks.

Main components of Commonwealth expenditure

The tables on pages 764-73 supply details of some of the main components of total expenditure of the Commonwealth Government.

Subsidies

The following table shows details of Commonwealth expenditure from all funds on assistance to primary producers, subsidies and bounties for the years 1961-62 to 1965-66. Expenditure on special relief such as drought, frost, flood, and bush fire, etc., is not included here (included as cash benefits to persons in tables, pages 765-6) nor is expenditure from the proceeds of certain taxes on primary products and profits from marketing schemes, which have been paid to trust funds for the purpose of price or other stabilisation schemes or for distribution to producers (see pages 786-8). Payments to the States for cattle tick control, dairy industry extension and agricultural advisory services are not included under this heading, but included under the heading Grants to the States (see pages 767-9). Further information relating to assistance to primary producers is given in the chapter Rural Industry. Details of price stabilisation subsidies and of various forms of assistance to primary producers for earlier years are given on pages 414 and 1014-15, respectively, of Year Book No. 38.

ALL COMMONWEALTH FUNDS: EXPENDITURE ON SUBSIDIES
1961-62 TO 1965-66
(\$'000)

Type of subsidy	1961-62	1962-63	1963-64	1964-65	1965-66
Development of resources and assistance to industry—					
Dairy industry	27,000	27,000	27,000	27,000	27,000
Wheat prices stabilisation	33,816	14,576	22,634	1,892	18,069
Phosphate fertilisers . . . . .	..	..	18,806	22,880	24,983
Oil search	5,086	10,000	9,434	8,838	11,382
Copper	1,374	1,398	1,390	300	1
Gold mining industry	1,318	1,582	1,496	1,860	2,462
Pyrites	794	796	1,228	924	854
Cotton	630	574	946	1,916	3,686
Processed milk products . . . . .	..	568	800	864	614
Sulphate of ammonia . . . . .	..	360	318	526	427
Vinyl resin . . . . .	..	..	228	364	1,938
Copper and brass strip . . . . .	..	36	124	154	43
Northern Territory—					
Railway freight	72	80	92	90	140
Transport of stud stock	34	30	48	40	59
Ship construction	3,106	3,600	4,436	5,538	7,465
Sulphuric acid	2,018	2,188	2,316	1,822	1,906
Tractor	1,754	1,926	2,014	2,754	1,902
Cellulose acetate flake	138	202	218	134	228
Rayon yarns	138	270	..	..	..
Flax fibre	24	36	4	..	..
Poultry industry assistance . . . . .	..	..	..	..	5,536
Transport and communication—					
Air services	1,000	1,000	1,000	1,000	1,200
Coastal shipping service—					
King Island and Bass Strait Islands . . . . .	..	..	24	66	161
Tasmania	26	..	..	..	..
Northern Territory	8	8	8	14	43
Northern Territory airmail service	66	74	116	118	118
South American shipping service	100	222	304	278	335
Regulation of trade and industry—					
Stevedoring industry	4,346	4,200	5,742	6,094	6,149
Petrol prices stabilisation . . . . .	..	..	..	..	9,920
Northern Territory petrol prices . . . . .	..	..	..	..	345
Other	230	304	300	326	400
Total	83,078	71,030	101,026	85,792	127,366

Cash benefits to persons

Particulars of cash benefits paid to persons in each State and Territory during 1965-66 are shown in the next table and the total payments during the years 1961-62 to 1965-66 are shown in the table following.

ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS
STATES AND TERRITORIES, 1965-66
 (\$'000)

Type of benefit	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	A.C.T.	Abroad	Total
Education—										
Commonwealth Scholarship Scheme—										
Post-graduate	1,400	146	60	64	29	34	..	..	..	1,733
University	3,552	3,134	1,595	921	657	204	..	..	..	10,064
Advanced education	59	83	16	6	28	6	..	..	..	198
Secondary	1,263	1,872	912	527	444	180	..	..	..	5,197
Technical	154	290	69	53	28	6	..	..	..	600
Soldiers' Children Education Scheme	(a) 891	682	443	(b) 237	163	105	(c)	(d)	13	2,534
Other	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	812
<i>Total, education</i>	<i>7,319</i>	<i>6,207</i>	<i>3,095</i>	<i>1,808</i>	<i>1,349</i>	<i>535</i>	<i>(e)</i>	<i>(e)</i>	<i>13 (f)</i>	<i>21,140</i>
Health—										
Hospital benefits	16,375	8,709	6,062	3,553	3,389	1,235	85	110	..	39,520
Nursing home benefits	8,711	4,640	3,316	1,905	1,897	756	..	..	..	21,223
Medical benefits	16,477	11,156	4,144	4,978	3,387	1,140	..	..	..	41,282
Medical benefits for pensioners	5,389	3,404	1,907	1,285	958	386	..	35	..	13,365
Milk for school children	2,910	2,382	1,256	799	619	398	56	74	..	8,493
Pharmaceutical benefits	27,611	18,951	9,013	5,670	4,205	2,098	..	166	..	67,713
Pharmaceutical benefits for pensioners	10,034	5,674	3,772	2,289	1,665	637	..	..	..	24,071
Tuberculosis campaign	6,585	3,019	2,068	662	697	338	..	..	..	13,370
<i>Total, health</i>	<i>94,092</i>	<i>57,935</i>	<i>31,538</i>	<i>21,141</i>	<i>16,817</i>	<i>6,988</i>	<i>141</i>	<i>385</i>	..	<i>229,037</i>
Welfare—										
Age and invalid pensions	174,201	111,019	70,859	39,691	30,760	13,439	1,102	794	489	442,355
Child endowment	61,050	49,235	26,626	16,988	13,624	6,318	1,057	1,478	56	176,432
Commonwealth rehabilitation service	537	427	251	203	187	54	..	..	..	1,660
Funeral benefits	410	282	165	91	66	33	..	2	..	1,050
Maternity allowances	2,475	2,040	1,075	657	536	243	55	70	8	7,159
Tuberculosis campaign—allowances	437	291	344	93	61	50	7	2	..	1,286
Unemployment benefits	2,773	1,216	2,458	709	368	275	3	11	..	7,813
Sickness benefits	2,665	1,667	961	512	457	174	20	27	..	6,483
Special benefits	368	551	174	62	47	57	..	1	..	1,261
Widows' pensions	18,753	12,692	7,987	4,802	3,602	1,791	159	165	65	50,017
Other	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	2,066
<i>Total, welfare</i>	<i>263,669</i>	<i>179,420</i>	<i>10,900</i>	<i>63,808</i>	<i>49,708</i>	<i>22,434</i>	<i>2,403</i>	<i>2,550</i>	<i>618 (f)</i>	<i>697,580</i>
Development of resources and assistance to industry—										
Wool Research Studentships and Fellowships	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	85
Repatriation—										
War and service pensions and allowances	a 68,511	56,228	30,450	b 17,692	16,208	7,883	(c)	(d)	1,690	198,662
Other	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	1,849
<i>Total, repatriation</i>	<i>68,511</i>	<i>56,228</i>	<i>30,450</i>	<i>17,692</i>	<i>16,208</i>	<i>7,883</i>	<i>(e)</i>	<i>(e)</i>	<i>1,690 (f)</i>	<i>200,511</i>
Immigration—										
Maintenance of migrant families	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)	..	4,380
Regulation of trade and industry—										
Coalmining industry—long service leave	658	2	184	..	43	6	..	..	..	893
Stevedoring industry	(e)	(e)	(e)	(e)	(e)	(e)	(e)	..	..	1,726
<i>Total, regulation of trade and industry</i>	<i>658</i>	<i>2</i>	<i>184</i>	<i>(e)</i>	<i>43</i>	<i>6</i>	<i>(e)</i>	..	..	<i>(f) 2,619</i>
Housing—										
Commonwealth-State Housing Agreement—Contribution to rental losses . . . . .	..	..	213	..	..	..	..	..	..	213
Total	434,249	299,792	176,380	104,449	84,125	37,846	2,544	2,935	2,321	f 1,155,565

(a) Includes Australian Capital Territory. (b) Includes Northern Territory. (c) Included in South Australia
 (d) Included in New South Wales. (e) Not allocable. (f) Includes items not allocable. See footnote (e).

**ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS
1961-62 TO 1965-66**

(\$'000)

Type of benefit	1961-62	1962-63	1963-64	1964-65	1965-66
Education—					
Commonwealth scholarship scheme—					
Post-graduate	452	602	834	1,236	1,733
University	5,402	6,468	6,897	7,903	10,064
Advanced education . . . . .	..	..	..	3,382	198
Secondary . . . . .	..	..	..	212	5,197
Technical . . . . .	..	..	..	573	600
Soldiers' Children Education Scheme	1,698	1,967	2,302	2,311	2,534
Other	314	387	433	..	812
<i>Total, education</i>	<i>7,866</i>	<i>9,424</i>	<i>10,464</i>	<i>15,614</i>	<i>21,140</i>
Health—					
Hospital benefits	44,404	40,681	38,336	38,995	39,520
Nursing home benefits . . . . .	..	6,645	17,880	19,796	21,223
Medical benefits	21,823	23,474	24,848	35,277	41,282
Medical benefits for pensioners	8,796	9,146	9,531	9,320	13,365
Milk for school children	7,483	7,454	7,775	8,059	8,493
Pharmaceutical benefits	52,185	57,044	58,237	60,638	67,713
Pharmaceutical benefits for pensioners	18,195	19,867	20,602	21,564	24,071
Tuberculosis campaign	8,642	9,728	10,453	10,128	13,370
<i>Total, health</i>	<i>161,528</i>	<i>174,039</i>	<i>187,065</i>	<i>203,779</i>	<i>229,037</i>
Welfare—					
Age and invalid pensions	360,489	375,507	399,880	426,597	442,355
Child endowment	132,755	135,421	168,758	172,830	176,432
Commonwealth Rehabilitation Service	1,447	1,395	1,489	1,604	1,660
Funeral benefits	752	802	812	866	1,050
Maternity allowances	7,817	7,563	7,457	7,294	7,159
Tuberculosis campaign—allowances	1,746	1,607	1,593	1,458	1,286
Unemployment benefits, sickness and special benefits	31,810	29,315	21,625	14,540	15,557
Widows' pensions	30,189	31,353	41,569	47,044	50,017
Other	958	430	470	1,025	2,066
<i>Total, welfare</i>	<i>567,962</i>	<i>583,394</i>	<i>643,654</i>	<i>673,258</i>	<i>697,580</i>
Development of resources and assistance to industry—					
Wool Research Studentships and Fellowships	46	43	62	58	85
Repatriation—					
War and service pensions and allowances	154,540	162,693	179,051	179,313	198,662
Other	1,070	1,146	1,845	1,694	1,849
<i>Total, repatriation</i>	<i>155,610</i>	<i>163,839</i>	<i>180,896</i>	<i>181,007</i>	<i>200,511</i>
Immigration—					
Maintenance of migrant families	3,323	3,159	3,472	3,752	4,380
Regulation of trade and industry—					
Coal mining industry—long service leave	1,290	954	910	1,021	893
Stevedoring industry	2,994	1,868	1,674	1,614	1,726
<i>Total, regulation of trade and industry</i>	<i>4,284</i>	<i>2,822</i>	<i>2,584</i>	<i>2,635</i>	<i>2,619</i>
Housing—					
Commonwealth-State Housing Agreement—					
Contribution to rental losses	130	37	45	130	213
<i>Total</i>	<i>900,749</i>	<i>936,806</i>	<i>1,028,842</i>	<i>1,080,233</i>	<i>1,155,565</i>

Further information concerning items in the two preceding tables is given in the appropriate chapters of this Year Book.

Payments to or for the States

An outline of the provisions of the Constitution providing for the Commonwealth to make payments to the States, and of the systems which followed, is given in earlier issues of the Year Book (see No. 37, pages 633 to 638). A distinction is made in this Year Book between (a) direct Commonwealth financial assistance to the States in the form of grants to provide revenue for general and specific purposes and (b) those forms of assistance for developmental and other specific purposes which include, in part or in total, payments made in the form of repayable advances. Some information about the more important or most recent of these forms of financial assistance is given on pages 772-5, but for greater detail on these and other forms of financial assistance see Year Book No. 51, pages 921-4, and earlier issues. Further information is available also in the chapters of this issue dealing with the respective subjects.

Grants. The following three tables show particulars of the amounts paid to the States as grants for the purposes referred to in (a) on page 766.

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES, BY FUNCTION, 1965-66

(\$'000)							
Function	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Current—							
Education—							
Research grants	500	331	105	223	142	77	1,378
Universities	13,075	8,071	3,863	3,420	2,152	970	31,551
Welfare—							
Housekeeper services . .	12	8	..	..	1	1	22
Development of resources and assistance to industry—							
Drought assistance . . .	5,532	..	4,174	..	..	..	9,706
Cattle tick control . . .	348	..	..	..	..	..	348
Agricultural extension services	328	298	294	104	104	74	1,202
Total, development, etc. .	6,208	298	4,468	104	104	74	11,256
Not allocated to function—							
Financial assistance grants .	255,001	191,922	113,356	86,467	78,474	32,131	757,351
Special grants . . . . .	..	..	..	..	24,038	17,732	41,770
Interest and exchange . . .	5,834	4,254	2,192	1,408	948	534	15,170
Sinking fund and redemption	5,991	4,225	2,272	2,335	1,726	1,212	17,761
Total, not allocated . . .	266,826	200,401	117,820	90,210	105,186	51,609	832,052
Total, current purposes . . .	286,621	209,109	126,256	93,957	107,585	52,731	876,259
Capital—							
Education—							
Colleges of advanced education	750	..	..	..	232	..	982
Secondary	3,709	2,799	1,435	859	502	331	9,635
Technical	3,492	336	1,448	350	269	334	6,230
Universities	5,267	4,424	1,837	2,597	901	201	15,227
Total, education	13,218	7,559	4,720	3,806	1,904	866	32,074
Public health—							
Mental institutions . . .	1,717	1,567	146	242	338	529	4,539
Tuberculosis hospitals—							
Capital	390	169	110	14	2	12	696
Total, public health . . .	2,107	1,736	256	256	340	541	5,235
Development of resources and assistance to industry—							
Western Australia—Northern development . . . . .	..	..	..	..	1,112	..	1,112
Flood mitigation	1,540	..	..	..	..	..	1,540
Investigation of water resources	188	80	313	52	211	16	860
Total, development, etc. .	1,728	80	313	52	1,323	16	3,512
Transport and communication—							
Commonwealth aid roads .	39,191	27,508	25,538	16,024	24,739	7,000	140,000
Railway projects . . . . .	..	..	..	4,508	7,341	..	11,849
Cattle roads . . . . .	..	..	2,000	..	1,500	..	3,500
Western Australia—Northern development . . . . .	..	..	..	..	577	..	577
Gordon River road . . . .	..	..	..	..	..	1,840	1,840
Total	39,191	27,508	27,538	20,532	34,157	8,840	157,766
Other—							
Exmouth township . . . .	..	..	..	..	750	..	750
Total, capital purposes . . .	56,244	36,883	32,827	24,646	38,474	10,263	199,338
Grand total	342,865	245,992	159,083	118,603	146,059	62,994	1075596

**ALL COMMONWEALTH FUNDS: TOTAL GRANTS TO THE STATES
BY FUNCTION, 1961-62 TO 1965-66**

(\$'000)

Function	1961-62	1962-63	1963-64	1964-65	1965-66
Current—					
Education—					
Research grants . . . . .	..	..	..	..	1,378
Universities	16,236	18,546	21,080	28,942	31,551
Welfare—housekeeper services	28	28	28	24	22
Development of resources and assistance to industry—					
Drought assistance . . . . .	..	..	..	..	9,706
Cattle tick control	660	536	518	414	348
Agricultural extension services	1,068	1,066	1,262	1,212	1,202
Tobacco industry extension services . . . . .	..	48	48	..	..
Total, development, etc.	1,728	1,650	1,828	1,626	11,256
Not allocated to function—					
Financial assistance grants	584,280	608,640	635,968	681,348	757,351
Special grants	22,462	22,502	22,900	31,720	41,770
Interest and exchange	15,170	15,170	15,170	15,170	15,170
Sinking fund and redemption	13,478	14,496	15,690	16,646	17,761
Additional assistance grants	20,000	35,000	40,000	..	..
Total, not allocated	655,390	695,808	729,728	744,882	832,052
Total, current purposes	673,382	716,032	752,664	775,474	876,259
Capital—					
Education—					
Colleges of advanced education . . . . .	..	..	..	..	982
Secondary . . . . .	..	..	..	9,906	9,635
Technical . . . . .	..	..	..	10,000	6,230
Universities	12,086	12,872	12,780	12,332	15,227
Total, education	12,086	12,872	12,780	32,238	32,074
Public health—					
Mental institutions	1,648	1,590	1,594	2,504	4,539
Tuberculosis hospitals—capital	774	984	598	696	696
Total, public health	2,422	2,574	2,192	3,200	5,235
Development of resources and assistance to industry—					
Western Australia—Northern development	3,410	2,864	1,816	2,018	1,112
Flood mitigation . . . . .	..	..	400	1,300	1,540
Cattle dip chemicals . . . . .	..	106	..	..	..
Western Australia waterworks	122	..	..	..	..
Encouragement of meat production	10	2	..	..	..
Investigation of water resources . . . . .	..	..	..	687	860
Total, development, etc.	3,542	2,972	2,216	4,007	3,512
Transport and communication—					
Commonwealth aid roads	100,012	108,000	116,000	130,000	140,000
Railway projects	5,600	5,678	5,182	7,386	11,849
Cattle roads	2,300	3,400	3,596	3,800	3,500
Western Australia—Northern development . . . . .	..	..	..	..	577
Replacement of Derby jetty . . . . .	..	300	350	150	..
Gordon River road . . . . .	..	..	270	1,094	1,840
Coal loading works . . . . .	..	..	80	120	..
Total, transport, etc.	107,912	117,378	125,478	142,550	157,766
Other—					
Exmouth township . . . . .	..	..	..	380	750
Total, capital purposes	125,962	135,796	142,666	182,376	199,338
Grand total	799,344	851,828	895,330	957,850	1,075,596

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES TO 30 JUNE 1966(a)

(\$ million)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Section 87 of Constitution, 1900-01 to 1909-10	55.5	40.0	17.8	12.4	17.5	5.2	148.4
Surplus Revenue Acts, 1910-11 to 1926-27	83.0	62.3	30.3	19.8	19.5	8.7	223.7
Financial Agreements, 1927-28 to 1965-66	314.3	218.4	116.0	85.4	61.1	33.8	829.1
Special grants(b)	..	..	..	156.2	297.9	153.4	607.5
Income tax reimbursement grants, 1942-43 to 1945-46(c)	110.8	48.7	44.4	18.1	19.0	6.8	247.8
Income tax reimbursement special grants, 1945-46 to 1946-47(c)	..	..	..	3.3	1.8	0.2	5.4
Entertainments tax reimbursement grants, 1942-43 to 1945-46(d)	1.2	2.8	..	0.7	0.7	0.3	5.7
Tax reimbursement grants, 1947-48 to 1958-59(e)	1,051.3	672.1	431.9	240.1	216.9	91.3	2,703.7
Additional tax reimbursement grants(f)	4.1	2.3	1.6	0.9	0.8	0.3	10.0
Special financial assistance(g)	160.8	110.6	62.8	34.7	31.2	13.6	413.7
Additional assistance(h)	4.0	2.1	2.3	0.7	0.6	0.3	10.0
Non-recurring grants from excess receipts, 1934-35 to 1936-37	2.4	1.7	0.9	0.5	0.4	0.2	6.0
Financial assistance grants(i)	1,457.3	1,077.4	640.5	490.2	444.1	187.1	4,296.6
Additional financial assistance(j)	26.6	21.3	20.0	11.5	7.8	7.8	95.0
Special assistance(k)	38.7	15.0	30.4	7.3	42.4	5.2	139.0
Grants for road construction, 1922-23 to 1965-66(l)	377.4	256.4	252.4	153.3	249.4	67.8	1,356.8
Payments to Commonwealth Aid Roads (Supplementary Trust Account(m))	..	..	..	..	..	..	10.0
Tuberculosis Act 1948—reimbursement of capital expenditure	11.0	4.0	11.2	1.5	4.6	0.7	33.0
Mental institutions—contribution to capital expenditure	9.8	7.8	1.8	1.9	1.7	1.4	24.4
Grants to universities	102.3	67.1	30.3	29.0	19.5	10.3	258.5
Other education	15.9	9.1	5.9	3.3	2.6	1.4	38.1
Railway projects(n)	0.2	22.1	..	18.8	16.4	..	57.6
Total	3,826.6	2,641.2	1,700.5	1,289.6	1,455.9	595.8	11,520.0

(a) Includes non-recurring grants from excess receipts, but excludes payments on account of the Morgan-Whyalla Waterworks, amounts provided for relief of wheat-growers and other primary producers, and other payments for medical research, social services, etc. (b) Under various States Grants Acts. (c) Under States Grants (Income Tax Reimbursement) Act 1942. (d) Under States Grants (Entertainments Tax Reimbursement) Act 1942. (e) Under States Grants (Tax Reimbursement) Act 1946-1948. (f) Under States Grants (Additional Tax Reimbursement) Act 1950. (g) Under States Grants (Special Financial Assistance) Acts 1951 and 1952. (h) Under States Grants (Additional Assistance) Act 1958. (i) Under States Grants Acts 1959, 1962 and 1965. (j) Under States Grants (Additional Assistance) Act 1962. (k) Includes payments for unemployment relief, metalliferous mining, forestry, local public works, grants for price control reimbursement, coal strike emergency grant, grants for imported houses, Port Augusta-Port Pirie railway, Western Australian waterworks, cattle tick control, dairy industry extension, agricultural advisory services, cattle roads, coal-loading works, eradication of house borers, brigalow lands, cattle dip chemicals, tobacco industry extension services, Exmouth township, drought assistance, flood mitigation, Gordon River road, investigation of water resources, encouragement of meat production, etc. (l) Under Main Roads Development, Federal Aid Roads, Federal Aid Roads and Works, and Commonwealth Aid Roads Acts. (m) Expenditure not allocable between States. (n) Under the Railway Standardization (South Australia) Agreement Act 1949, the Railway Standardization (New South Wales and Victoria) Agreement Act 1958, the Railway Agreement (Queensland) Act 1961, the Railway Equipment Agreement (South Australia) Act 1961, and the Railway Agreement (Western Australia) Act 1961.

Repayable advances. The next three tables show particulars of the amounts paid to the States as repayable advances for the several purposes referred to in (b) on page 766.

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

(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Development of resources and assistance to industry—							
Brigalow lands development . . . . .	..	..	1,600	..	..	..	1,600
<i>Less Repayments</i> . . . . .	..	..	1,600	..	..	..	1,600
Blowering Reservoir	5,581	..	..	..	..	..	5,581
<i>Less Repayments</i>	5,581	..	..	..	..	..	5,581
Drought assistance	8,668	..	3,326	..	..	..	11,994
<i>Less Repayments</i>	8,668	..	3,326	..	..	..	11,994
Comprehensive water supply . . . . .	..	..	..	..	1,250	..	1,250
<i>Less Repayments</i> . . . . .	..	..	..	..	1,250	..	1,250
Chowilla Reservoir	472	..	..	..	..	..	472
<i>Less Repayments</i>	472	..	..	..	..	..	472
Agricultural re-establishment loans . . . . .	..	..	..	..	..	..	..
<i>Less Repayments</i>	77	30	3	22	47	16	195
War service land settlement . . . . .	..	..	..	2,129	2,673	1,555	6,358
<i>Less Repayments</i>	110	117	4	2,519	7,554	5,907	16,210
	-110	-117	-4	-390	-4,881	-4,352	-9,852
Transport and communication—							
Railway projects . . . . .	..	..	..	1,923	10,487	..	12,410
<i>Less Repayments</i>	96	96	1,009	108	78	..	1,387
	-96	-96	-1,009	1,815	10,409	..	11,023
Cattle roads . . . . .	..	..	2,000	..	..	..	2,000
<i>Less Repayments</i> . . . . .	..	..	2,000	..	..	..	2,000
Western Australia—northern development . . . . .	..	..	..	..	577	..	577
<i>Less Repayments</i> . . . . .	..	..	..	..	577	..	577
Replacement of Derby jetty . . . . .	..	..	..	..	53	..	53
<i>Less Repayments</i> . . . . .	..	..	..	..	-53	..	-53
Coal loading works	813	..	..	..	..	..	813
<i>Less Repayments</i>	249	..	13	..	..	..	262
	564	..	-13	..	..	..	551
Harbours . . . . .	..	..	2,717	..	..	..	2,717
<i>Less Repayments</i> . . . . .	..	..	2,717	..	..	..	2,717
Housing	375	33,567	8,950	21,057	8,846	7,448	124,242
<i>Less Repayments</i>	3,599	3,355	991	1,063	935	294	10,237
	40,776	30,211	7,959	19,994	7,911	7,154	114,005
Not allocated to function—							
Other	606	887	386	344	206	171	2,600
<i>Less Repayments</i>	606	887	386	344	206	171	2,600
Total gross advances	60,515	34,454	18,979	25,453	24,039	9,174	172,615
<i>Less Repayments</i>	4,131	3,598	2,020	3,712	8,667	6,217	28,344
Total net advances	56,384	30,855	16,959	21,741	15,372	2,957	144,271

Minus sign (—) denotes excess of repayment.

ALL COMMONWEALTH FUNDS: TOTAL ADVANCES TO THE STATES
BY FUNCTION, 1961-62 TO 1965-66

(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Development of resources and assistance to industry—					
Brigalow lands development . . . . .	..	1,200	1,600	1,400	1,600
Less Repayments . . . . .	..	1,200	1,600	1,400	1,600
Blowering Reservoir . . . . .	..	..	840	3,492	5,581
Less Repayments . . . . .	..	..	840	3,492	5,581
Drought assistance . . . . .	..	..	..	..	11,994
Less Repayments . . . . .	..	..	..	..	11,994
Comprehensive water supply . . . . .	..	..	..	..	1,250
Less Repayments . . . . .	..	..	..	..	1,250
Western Australia—northern development . . . . .	..	..	350	550	..
Less Repayments . . . . .	..	..	350	550	..
Chowilla Reservoir . . . . .	..	..	100	156	472
Less Repayments . . . . .	..	..	100	156	472
Agricultural re-establishment loans	312	300	248	228	195
Less Repayments	-312	-300	-248	-228	-195
War service land settlement	12,702	10,948	8,524	7,234	6,358
Less Repayments	10,102	10,206	11,118	11,362	16,210
	2,600	742	-2,594	-4,128	-9,852
Transport and communication—					
Railway projects	9,900	16,142	17,420	10,388	12,410
Less Repayments	180	228	276	824	1,387
	9,720	15,914	17,144	9,564	11,023
Cattle roads . . . . .	..	..	1,998	2,300	2,000
Less Repayments . . . . .	..	..	1,998	2,300	2,000
Western Australia—northern development . . . . .	..	..	..	..	577
Less Repayments . . . . .	..	..	..	..	577
Replacement of Derby jetty . . . . .	..	300	350	150	..
Less Repayments . . . . .	..	..	..	54	53
	..	300	350	96	-53
Coal loading works	568	996	196	926	813
Less Repayments . . . . .	..	56	156	176	262
	568	940	40	750	551

Minus sign (—) denotes excess of repayments.

**ALL COMMONWEALTH FUNDS: TOTAL ADVANCES TO THE STATES
BY FUNCTION, 1961-62 TO 1955-66—continued**

(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Harbours . . . . .	..	..	..	..	2,717
<i>Less Repayments</i> . . . . .	..	..	..	..	2,717
Housing	103,486	100,124	104,264	115,116	124,242
<i>Less Repayments</i>	7,112	7,466	8,298	9,248	10,237
	96,374	92,658	95,966	105,868	114,005
Not allocated to function . . . . .	..	..	..	762	2,600
<i>Less Repayments</i>	116	2,594	880	..	..
	-116	-2,594	-880	762	2,600
Total gross advances	126,656	129,710	135,642	142,474	172,615
<i>Less Repayments</i>	17,822	20,850	20,976	21,892	28,344
Total net advances	108,834	108,860	114,666	120,582	144,271

Minus sign (—) denotes excess of repayments.

**ALL COMMONWEALTH FUNDS: GROSS ADVANCES TO THE STATES
TO 30 JUNE 1966**

(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Development of resources and assistance to industry—							
Brigalow lands development . . . . .	..	..	5,800	..	..	..	5,800
Blowering Reservoir	9,913	..	..	..	..	..	9,913
Drought assistance	8,668	..	3,326	..	..	..	11,994
Comprehensive water supply . . . . .	..	..	..	..	1,250	..	1,250
Western Australia—northern development . . . . .	..	..	..	..	900	..	900
Chowilla Reservoir	728	..	..	..	..	..	728
Agricultural re-establishment loans	5,320	2,080	1,220	928	2,222	600	12,370
War service land settlement	13,542	14,398	..	64,235	97,524	50,820	240,498
Transport and communication—							
Railway projects	104	9,480	34,534	7,903	23,495	..	75,516
Cattle roads . . . . .	..	..	6,298	..	..	..	6,298
Western Australia—northern development . . . . .	..	..	..	..	577	..	577
Replacement of Derby jetty . . . . .	..	..	..	..	800	..	800
Coal loading works	3,299	..	200	..	..	..	3,499
Harbours . . . . .	..	..	2,717	..	..	..	2,717
Housing	486,095	427,277	126,791	169,429	122,608	57,051	1,389,249
Not allocated to function	2,187	1,985	1,050	980	679	501	7,383
Total	529,856	455,219	181,936	243,475	250,055	108,971	1,769,492

The figures in the table above represent gross advances, and take no account of repayments made by the States.

Contributions under Financial Agreement. Details of the Financial Agreement between the Commonwealth and the States are given in Year Book No. 37, pages 685-90. Under this Agreement the Commonwealth undertook to contribute \$15,169,824 per annum towards interest payable on the State loan securities for a period of 58 years from 1 July 1927. This amount is distributed among the States as follows: New South Wales, \$5,834,822; Victoria, \$4,254,318; Queensland, \$2,192,470; South Australia, \$1,407,632; Western Australia, \$946,864; Tasmania, \$533,718. These amounts are equal to the sums paid by the Commonwealth to each State in the year 1926-27 at the rate of \$2.50 per head of population, the rate at which the Commonwealth had contributed annually to the States since 1 July 1910 as compensation for the States relinquishing, after federation, the right to levy customs and excise duties.

In addition, under the Financial Agreement the Commonwealth agreed to make certain contributions to the National Debt Sinking Fund for redemption of State loan securities. Details of these are given on pages 822-3 of this chapter.

Special grants to the States. The Constitution provides in Section 96 for the granting of special financial assistance to the States. The Commonwealth Grants Commission inquires into and reports upon claims made by any State for a grant of financial assistance and any matters relevant thereto. The recommendations of the Commission in respect of the years 1962-63 to 1966-67 are shown in their two parts in the following table. One part is the Commission's estimate of the indispensable need of the claimant State for the year in which the payment is to be made after allowing a sufficient margin for safety. The other part is an adjustment of this estimate for an earlier year after an examination of the audited accounts for that year. Thus the grants for 1966-67 include an estimate of the indispensable need of the claimant State for 1966-67 and an adjustment to the estimated grant for 1964-65.

COMMONWEALTH GRANTS COMMISSION: GRANTS RECOMMENDED
1962-63 TO 1966-67
(\$'000)

	1962-63	1963-64	1964-65	1965-66	1966-67
Western Australia—					
Advance grant	11,800	11,800	15,800	21,000	14,700
Completion grant(a)	620	344	1,320	3,038	4,706
<i>Net grant recommended</i>	<i>12,420</i>	<i>12,144</i>	<i>17,120</i>	<i>24,038</i>	<i>19,406</i>
Tasmania—					
Advance grant	9,800	10,200	13,618	16,400	19,500
Completion grant(a)	282	556	982	1,332	1,166
<i>Net grant recommended</i>	<i>10,082</i>	<i>10,756</i>	<i>14,600</i>	<i>17,732</i>	<i>20,666</i>
Grand total	22,502	22,900	31,720	41,770	40,072

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

Financial assistance grants. Under the provisions of the *States Grants Act* 1965-1966, the financial assistance grant paid to each State was determined by increasing the grant paid to that State in 1964-65 (with the addition of \$2,000,000 to the grant paid to Queensland in that year) in accordance with a formula using estimated movements in the population of that State between 31 December 1964 and 31 December 1965, the increase in average wages for Australia as a whole between 1963-64 and 1964-65, and a betterment factor of 1.2 per cent.

Drought assistance. Under the *States Grants (Drought Assistance) Acts*, New South Wales and Queensland were given Commonwealth financial assistance in respect of the total cost of such measures as each State deemed necessary to relieve the effects of drought. In addition, the Commonwealth is providing special financial assistance to those States to meet budgetary problems arising from the effects of drought on their revenues.

Grants for road construction. Details of the *Main Roads Development Act* 1923-1925, *Federal Aid Roads Acts* 1926, 1931 and 1936, *Federal Aid Roads and Works Act* 1937, *Commonwealth Aid Roads and Works Act* 1947-1949, *Commonwealth Aid Roads Act* 1950, *Commonwealth Aid Roads Act* 1954, *Commonwealth Aid Roads (Special Assistance) Act* 1957, and *Commonwealth Aid Roads Act* 1959 are given in earlier issues of the Year Book (see No. 38, pages 787-8, No. 41, page 621, No. 46, page 838, and No. 51, page 922) and in the annual bulletin *Commonwealth Finance*. A new scheme of Commonwealth assistance to the States for roads was established by the *Commonwealth Aid Roads Act* 1964. Under this Act, which is to operate for a period of five years from 1 July 1964, the Commonwealth has undertaken to make available up to \$750,000,000 to the States for the construction, reconstruction, maintenance and repair of roads. Of this amount, a total of \$660,000,000 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 \$4,000,000 a year from \$124,000,000 in 1964-65 to \$140,000,000 in 1968-69. 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 31 December preceding the year of payment. The balance of up to \$90,000,000 over the five years will be made available to the States as matching assistance for roads. The total amount of matching assistance increases by \$6,000,000 a year from \$6,000,000 in 1964-65 to \$30,000,000 in 1968-69.

Reimbursement under Tuberculosis Act 1948. The *Tuberculosis Act* 1948 provided for the reimbursement by the Commonwealth of capital and maintenance expenditure incurred by the States in the provision of facilities for the diagnosis, treatment and control of tuberculosis. Re-imbursements from the National Welfare Fund of maintenance expenditure on tuberculosis hospitals are classified as cash benefits under Health and Welfare expenditure, and they equal

the amounts by which such expenditures of the States in any financial year exceed those for the year 1947-48. As from 1 July 1948 the States have also been reimbursed from annual appropriations of the Department of Health for all their capital expenditure on buildings, furnishings, equipment, and plant.

The *States Grants (Mental Health Institutions) Act* 1964 authorised assistance to the States amounting to one-third of their total expenditure on building and equipping approved mental health institutions during the three years ending 30 June 1967.

Education. Payments to the States for universities were first introduced in 1951-52, and details of the *States Grants (Universities) Acts* under which they were continued are given in earlier issues of the Year Book (see No. 51 page 923 and No. 52 page 770). The *Universities (Financial Assistance) Act* 1966 authorised grants totalling approximately \$175 million for the Commonwealth share of the agreed programme of development of State Universities for the years 1967 to 1969. (See also the chapter Education, Cultural Activities, and Research, pages 613-17.)

Colleges of Advanced Education. Under the *States Grants (Advanced Education) Acts*, the Commonwealth is providing financial assistance to the States for recurrent and capital expenditures of Colleges of Advanced Education.

The *States Grants (Science Laboratories and Technical Training) Act* 1964 and the *States Grants (Science Laboratories) Act* 1965-1966 provide for grants during 1964-65 to 1967-68 inclusive for improving science teaching in both government and non-government secondary schools.

Grants for buildings and equipment for use in technical training in schools and colleges conducted by States only are provided for under the *State Grants (Science Laboratories and Technical Training) Act* 1964 and the *States Grants (Technical Training) Act* 1965-1966.

Under the *States Grants (Research) Act* 1965 the Commonwealth made available \$2,000,000 to support research projects, selected on the basis of relative merit, being carried out in any academic field by individuals or research teams during 1964-65 and 1965-66.

Railway projects. Under the *Railway Standardization (South Australia) Agreement Act* 1949 the Commonwealth provided funds for the conversion of lines in the south-eastern division of the State as an initial step towards eventual standardisation to 4' 8½" gauge. The State is to repay three-tenths of the cost of this work over a period of fifty years and is to bear the full cost of subsequent conversion from broad to standard gauge. Similar conditions apply to expenditures under the *Railway Equipment Agreement (South Australia) Act* 1961. 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 fifteen per cent of the cost by instalments over a period of fifty years.

The total expenditure on railway standardisation (the thirty per cent advances to the States and the seventy per cent grants to the States) is charged to the capital works and services vote of the Department of Shipping and Transport. Under the *Railway Agreement (Western Australia) Act* 1961 the Commonwealth is providing financial assistance for the construction of a standard gauge railway from Kwinana to iron ore deposits at Koolyanobbing and to Kalgoorlie.

Cattle roads grants. The *Queensland Beef Cattle Roads Agreement Act* 1966 increased the limit of financial assistance available for beef roads in Queensland from \$16.6 million to \$20.5 million. Under the *Western Australia Grant (Beef Cattle Roads) Acts* special grants were made to Western Australia for certain beef cattle road works in the north of the State.

Western Australia—northern development. The *Western Australia (Northern Development) Agreement Act* 1963 provided for financial assistance of \$7,000,000 to Western Australia for development of approved projects during the three years 1963-64 to 1965-66.

Brigalow lands. Under the *Brigalow Lands Agreement Acts* Commonwealth advances to the State of Queensland for specified works associated with the production of beef cattle and other primary products in the Fitzroy River Basin and the supply of beef for export are fixed at an overall limit of \$23,000,000. Repayments over a twenty-year period are to commence in 1968 in respect of advances made prior to 1 July 1967 and in 1971 in respect of advances made from 1 July 1967.

Flood mitigation, New South Wales. Commonwealth payments under the *New South Wales Grant (Flood Mitigation) Act* 1964-1966 are limited to \$5,500,000 in respect of flood mitigation works on the Macleay, Clarence, Richmond, Tweed, Shoalhaven, and Hunter Rivers. The Commonwealth grants will match State expenditure which, in turn, will be in a prescribed ratio to local authority expenditure on flood mitigation works.

Blowering Reservoir, New South Wales. The Blowering Reservoir is to be constructed at the expense of the State of New South Wales mainly by the Snowy Mountains Hydro-electric Authority, and the Commonwealth will finance half the cost in the form of repayable interest-bearing loans to that State.

Chowilla Reservoir, New South Wales. The Chowilla Reservoir is to be constructed as an approved work under the River Murray Waters Agreement, and the Commonwealth advances to New South Wales are to assist in the financing of that State's one-quarter contribution of the cost of construction.

Water resources investigations. Under the *States Grants (Water Resources) Act 1964* the Commonwealth is authorised to grant financial assistance to the States for the purpose of accelerating the States' programmes of measuring the discharge of rivers and investigating underground water resources. Grants to each State are related to that State's capital expenditure and the operational expenditure it incurs in carrying out its measurement and investigation programmes.

Development of Exmouth township, Western Australia. In 1965-66 the Commonwealth contributed an amount of \$750,000 to the Western Australian Government towards the cost of developing a township at Exmouth in connection with the United States Communications Base being established at North West Cape.

Weipa development, Queensland. Under the *Weipa Development Agreement Act 1965* the Commonwealth is providing financial assistance of up to \$3,270,000 to Queensland by way of interest-bearing advances to finance harbour works to be carried out at Weipa on Cape York Peninsula.

War service land settlement

The following section deals with the financial operations of the War Service Land Settlement Division of the Department of Primary Industry. This information was previously included in the chapter Land Settlement and Tenure, (*see* Year Book No. 52, page 80). Additional information concerning the operations of the Division appears in Chapter 22, Rural Industry.

WAR SERVICE LAND SETTLEMENT: COMMONWEALTH EXPENDITURE, STATES TO 30 JUNE 1966 (\$'000)

Advances to States	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
For acquisition of land . . . . .	..	..	..	6,836	7,092	5,060	18,988
For development and improvement of land . . . . .	..	..	..	29,909	39,532	34,340	103,781
Special loans	13,542	14,398	..	..	..	..	27,940
Commonwealth contributions to excess cost over valuation	1,277	12,824	232	4,466	4,406	3,358	26,563
To provide credit facilities to settlers . . . . .	..	..	..	28,977	50,821	11,877	91,675
For remission of settlers' rent and interest	870	378	72	641	1,062	438	3,461
For payment of living allowances to settlers	2,020	2,434	326	845	960	380	6,965
For operation and maintenance of irrigation projects . . . . .	..	..	..	2,473	32	9	2,514
Loss on advances	457	14	652	107	368	114	1,712
Cost of administration of credit facilities . . . . .	..	..	..	1,285	1,967	552	3,804
Concessions and rebates for King Island . . . . .	..	..	..	..	..	356	356
Total	18,166	30,048	1,282	75,539	106,240	56,484	287,759

Loans and Allowances (Agricultural Occupations) Scheme

Full details of the measures taken for the re-establishment of ex-servicemen in rural occupations were given in earlier Year Books (*see* List of Special Articles, etc., preceding General Index to this volume). These measures provide for a scheme of loans and allowances to assist ex-servicemen in establishing themselves in agricultural occupations. The loans are made to eligible ex-servicemen for the purchase of land, effecting improvements on land, the acquisition of tools of trade, livestock, plant or equipment, the establishment of a co-operative business with other persons, reduction or discharge of a mortgage, bill of sale, etc. At 30 June 1966, 14,307 loans had been approved, and advances amounting to \$20,356,000 had been made. The allowances are payable only in respect of the period during which the income derived from the occupation by the

ex-serviceman concerned is considered inadequate. At 30 June 1966, 16,114 applications for allowances had been made, and the total amount paid in allowances was \$4,553,000.

Year Book No. 48 (page 98) contains details of the applications received and approved and the amounts involved for the individual States and Territories to 30 June 1961. There has been little subsequent change.

War Service Land Settlement Branch—total expenditure

The following table shows the total expenditure on various projects by the War Service Land Settlement Branch to 30 June 1966.

**COMMONWEALTH WAR SERVICE LAND SETTLEMENT BRANCH: EXPENDITURE
STATES AND TERRITORIES TO 30 JUNE 1966**

(\$'000)

Project	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total expenditure	Receipts and re- payments	Net expenditure
War Service Land Settlement expenditure from revenue or loan funds	18,166	30,048	1,282	75,539	106,240	56,484	287,759	(a) 97,565	190,184
Agricultural loans(b)	8,568	3,594	1,748	1,654	3,947	811	(c) 20,356	(d) 19,226	1,130
Agricultural allowances	1,160	592	956	650	962	232	(e) 4,553	..	4,553
Administration expenses	1,615	344	141	196	807	97	3,201	..	3,201
Rural training	660	1,008	212	380	454	216	2,930	298	2,632
Total	30,169	35,586	4,339	78,419	112,410	57,840	f 318,799	g 117,089	201,700

(a) Excludes interest, rent and rates, \$25,694,000. (b) Includes expenditure on new loans of moneys repaid by borrowers. (c) Includes Northern Territory, \$20,000, and New Guinea, \$14,000. (d) Excludes interest, \$3,014,000. (e) Includes New Guinea, \$2,000. (f) Includes Northern Territory, \$20,000, and New Guinea, \$16,000. (g) Excludes interest, rent and rates, \$28,708,000.

All Commonwealth funds: receipts

Commonwealth taxation

Taxation constitutes the main sources of Commonwealth revenue, accounting for 93.4 per cent in 1965-66. The following tables show details of taxation receipts from each source during the years 1961-62 to 1965-66 and their proportions of the totals.

ALL COMMONWEALTH FUNDS: TAXATION RECEIPTS, 1961-62 TO 1965-66

(\$'000)

Source of receipts	1961-62	1962-63	1963-64	1964-65	1965-66
Income tax—					
Individuals	1,073,772	1,082,622	1,271,063	1,569,483	1,729,439
Companies	565,376	519,828	586,260	709,044	801,105
Dividend (withholding)	16,233	17,929	15,936	16,039	17,247
Customs	170,244	210,136	232,497	268,400	270,871
Excise	531,291	548,803	582,464	631,242	751,960
Sales tax	297,648	313,062	325,189	362,857	370,044
Pay-roll tax	121,943	126,510	136,443	150,078	161,943
Estate duty	34,058	35,699	39,871	41,531	36,124
Gift duty	5,594	6,328	6,488	7,308	6,195
Primary production and other charges	2,854	3,643	4,007	4,808	13,041
Stevedoring industry charge	6,865	8,985	10,321	10,411	9,531
Wheat tax	468	595	638	720	591
Wool tax	5,708	5,911	6,359	13,987	15,201
Broadcasting stations' licence fees	195	214	235	226	218
Television stations' licence fees	183	181	232	28	1,620
Territories—					
Australian Capital Territory	692	758	898	1,122	973
Northern Territory	214	212	440	482	537
Other	2,150	924	800	658	1,708
Total	2,835,487	2,882,342	3,220,140	3,788,423	4,188,348

COMMONWEALTH TAXATION: PROPORTION OF EACH CLASS TO
TOTAL NET COLLECTIONS, 1961-62 TO 1965-66

(Per cent)

Type of tax	1961-62	1962-63	1963-64	1964-65	1965-66
Income taxes	58.4	56.2	58.2	60.5	60.8
Customs	6.0	7.3	7.2	7.1	6.5
Excise	18.7	19.0	18.1	16.6	18.0
Sales tax	10.5	10.9	10.1	9.6	8.8
Pay-roll tax	4.3	4.4	4.2	4.0	3.9
Estate duty	1.2	1.2	1.2	1.1	0.9
Gift duty	0.2	0.2	0.2	0.2	0.1
Primary production and other charges .	0.1	0.1	0.1	0.1	0.3
Stevedoring industry charge	0.2	0.3	0.3	0.3	0.2
Wool tax	0.2	0.2	0.2	0.4	0.4
Other	0.2	0.2	0.2	0.1	0.1
Total taxation	100.0	100.0	100.0	100.0	100.0

Customs and excise receipts

COMMONWEALTH CUSTOMS REVENUE: CLASSIFICATION OF
NET RECEIPTS, 1961-62 TO 1964-65

(\$'000)

Class	1961-62	1962-63	1963-64	1964-65
Foodstuffs of animal origin	1,030	1,198	1,464	1,564
Foodstuffs of vegetable origin	4,126	4,159	4,909	3,210
Spirituous and alcoholic liquors	11,693	10,956	12,670	14,709
Tobacco, cigars and cigarettes	23,995	25,517	26,401	27,596
Animal substances (not foodstuffs)	10	10	12	13
Vegetable substances and fibres	493	641	599	630
Yarns, textiles and apparel	25,725	29,888	33,582	39,400
Oils, fats and waxes	18,298	22,733	21,696	20,718
Pigments, paints and varnishes	568	810	765	759
Rocks and minerals	124	226	236	17
Metals, metal manufactures and machinery	41,671	65,013	74,074	91,644
Rubber and leather and manufactures thereof	1,676	2,634	3,502	5,502
Wood and wicker, raw and manufactured	3,028	3,247	4,379	6,393
Earthenware, cement, china, glass, and stoneware	5,347	5,903	5,954	6,742
Pulp, paper and board, paper manufactures, and stationery	4,808	5,556	5,608	6,476
Sporting materials, toys, fancy goods, jewellery, and time-pieces	6,474	7,201	7,515	8,853
Optical, surgical and scientific instruments, photographic goods	3,184	3,354	3,836	4,769
Chemicals, pharmaceutical products, essential oils, and fertilisers	4,261	4,441	6,066	6,228
Miscellaneous goods	9,524	12,136	13,904	16,905
Primage	3,681	4,304	4,638	5,465
Other receipts	606	275	764	887
All classes	170,321	210,202	232,572	268,480
<i>Less remission of duty under special circumstances</i>	<i>77</i>	<i>66</i>	<i>75</i>	<i>80</i>
Total	170,244	210,136	232,497	268,400

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

Source of receipts	1965-66
Live animals; animal products	1,155
Vegetable products	1,755
Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes	1,923
Prepared foodstuffs; beverages, spirits and vinegar; tobacco	43,656
Mineral products	19,394
Products of the chemical industry and allied industries	10,420
Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubbers, factice, and articles thereof	11,781
Raw hides and skins, leather, fur skins, and articles thereof; saddlery and harness; travel goods, handbags and similar containers; articles of gut (other than silk-worm gut)	1,962
Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto and of other plaiting materials; basketware and wickerwork	6,627
Paper-making material; paper and paper-board, and articles thereof	6,838
Textiles and textile articles	34,952
Footwear, headgear, umbrellas, sunshades, whips, riding-crops, and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair; fans	3,193
Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware	7,272
Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin	1,187
Base metals and articles of base metal	18,606
Machinery and mechanical appliances; electrical equipment; parts therefor	47,052
Vehicles, aircraft, and parts therefor; vessels and certain associated transport equipment	25,575
Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; clocks and watches, musical instruments; sound recorders and reproducers; television image and sound recorders and reproducers, magnetic; parts therefor	8,880
Arms and ammunition; parts therefor	466
Miscellaneous manufactured articles	8,537
Works of art, collectors' pieces, and antiques	-5
Miscellaneous	4,366
Primage	5,420
Total, customs duties and primage	271,010
Less remission of duty under special circumstances	139
Total	270,871

(a) Following the adoption as from 1 July 1965 of the Brussels Tariff Nomenclature in the new Australian Customs Tariff, the source of customs duties is shown under the heads of the sections of Customs Tariff. In earlier years, collections of customs duties were shown by statistical classes—see preceding table.

COMMONWEALTH EXCISE REVENUE: CLASSIFICATION OF NET RECEIPTS
1961-62 TO 1965-66
 (\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Beer	227,008	234,525	247,169	260,214	302,104
Spirits	16,836	17,164	18,306	19,207	22,871
Tobacco	23,795	21,082	18,710	17,795	18,070
Cigars and cigarettes	134,976	140,372	146,199	171,073	199,740
Cigarette papers	1,281	1,141	1,013	901	858
Petrol	115,809	122,029	135,974	148,194	190,670
Diesel fuel	4,506	5,152	7,665	9,099	13,597
Matches	2,189	2,253	2,288	2,276	2,267
Playing cards	105	98	104	106	114
Coal	581	560	585	599	621
Cathode ray tubes	4,113	4,212	3,911	605	..
Canned fruit . . . . .	..	..	402	1,092	1,092
Miscellaneous	85	103	42	1	-68
All items	531,284	548,692	582,369	631,162	751,936
Diesel fuel taxation	265	323	319	309	265
Less rebates	258	211	224	229	241
Total	531,291	548,803	582,464	631,242	751,960

Primary production and other charges

COMMONWEALTH PRIMARY PRODUCTION AND OTHER CHARGES: RECEIPTS
1961-62 TO 1965-66
 (\$'000)

Source of revenue	1961-62	1962-63	1963-64	1964-65	1965-66
Apple and pear export charge	218	198	251	213	272
Butter fat levy . . . . .	..	..	..	..	1,812
Canned fruit export charge	131	138	183	176	223
Canning fruit charge	91	142	61	102	120
Cattle slaughter levy	420	813	879	298	..
Dairy produce export charge	205	437	527	674	5
Dairy produce levy	779	791	793	817	31
Dried fruits export charge	104	85	118	155	193
Dried vine fruits contributory charge—					
Currants . . . . .	..	..	..	..	72
Raisins . . . . .	..	..	..	..	165
Sultanas . . . . .	..	..	..	..	1,530
Egg export charge	66	35	56	82	20
Honey levy . . . . .	..	7	81	104	101
Livestock slaughter levy—					
Cattle . . . . .	..	..	..	1,157	1,441
Sheep and lambs . . . . .	..	..	..	299	399
Meat export charge	286	438	486	103	..
Poultry industry levy . . . . .	..	..	..	..	6,000
Tobacco charge	329	239	348	354	369
Wine export charge	225	320	224	274	288
Total	2,854	3,643	4,007	4,808	13,041

Other Commonwealth taxation

Taxes other than customs and excise duties, the various export charges and some taxes on particular commodities are assessed and collected by the Commissioner of Taxation. The Commissioner's organisation comprises a head office in Canberra, an office in each State assessing the returns of taxpayers whose interests are restricted to that State, and a central office situated in Melbourne assessing taxpayers whose interests are in the Australian Capital Territory or are in more than one State.

Details of the purposes and rates applicable to the main forms of Commonwealth taxation, excluding customs and excise, currently imposed and of current legislation are given in the following pages. Historical information is given in Year Book No. 51, pages 905-10, and in

earlier issues. Taxes on income are treated separately on pages 823-34, and customs and excise duties are dealt with in the chapter Overseas Transactions. For detailed statistics relating to Commonwealth income taxes, estate duty, gift duty, and sales tax see the annual bulletin *Commonwealth Taxation Assessments*.

Sales tax. The general rate of tax levied on all goods other than those specified in the schedules to the *Sales Tax (Exemptions and Classifications) Act 1935-1966* was 12½ per cent, and goods subject to special rates were taxed at the rates of 2½ and 25 per cent.

Particulars of the net amount of sales tax payable and the sales of taxable and exempt goods in each State for 1965-66 are given in the following table. The figures relate to sales during the period 1 July to 30 June. The figures for sales tax payable differ from those for net collections shown on page 776 because the latter include some adjustments in respect of earlier tax years and relate to tax payable on returns lodged during the year, which in general cover sales for the period June to May.

**COMMONWEALTH SALES TAX AND AMOUNT OF SALES
STATES AND TERRITORIES, 1965-66
(\$'000)**

	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Aust.
Net sales on which sales tax was payable at—								
2½ per cent	197,280	180,494	60,605	42,038	30,891	10,321	221	521,849
12½ per cent	598,101	407,125	173,944	113,804	94,936	25,064	2,179	1,415,154
25 per cent	277,873	214,083	89,382	65,273	47,769	12,875	503	707,759
Total net sales	1,073,254	801,702	323,931	221,115	173,597	48,259	2,904	2,644,762
Sales of exempt goods by registered persons	2,860,831	2,018,824	928,101	570,169	514,305	206,189	13,374	7,111,792
Total sales of taxable and exempt goods	3,934,086	2,820,526	1,252,032	791,284	687,902	254,448	16,278	9,756,555
Sales tax payable	149,163	108,924	45,604	31,595	24,582	6,610	404	366,880

(a) Includes Australian Capital Territory.

Sales of taxable and exempt goods and sales tax payable for Australia as a whole are shown in the following table for the years 1961-62 to 1965-66.

**COMMONWEALTH SALES TAX AND AMOUNT OF SALES
AUSTRALIA, 1961-62 TO 1965-66
(\$ million)**

Year of sale	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
1961-62	2,100	4,832	6,931	297
1962-63	2,303	5,254	7,557	314
1963-64	2,393	6,116	8,509	329
1964-65	2,589	6,819	9,408	365
1965-66	2,645	7,112	9,757	367

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 1935-1966*. The figures shown do not represent the total sales of all commodities, as vendors trading only in exempt goods are not required to be registered, and consequently the volume of their sales is not included in the statistics above. In addition, non-taxable sales (i.e. goods sold by one registered taxpayer to another registered taxpayer) are excluded.

Pay-roll tax came into operation on 2 May 1941 and the relevant laws are *Pay-roll Tax Assessment Act 1941-1966*, *Pay-roll Tax Act 1941*, and *Pay-roll Tax Regulations*. From 1 September 1957 pay-roll tax of 2½ per cent (rate unchanged since its inception) was payable by employers on all wages and salaries in excess of \$400 a week or \$20,800 per annum. Employers whose export sales have increased above the annual average of export sales effected during a base period of two years ended 30 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.

Estate duty. Under the *Estate Duty Assessment Act 1914-1966* estate duty is assessed on the net value of the estate less a statutory exemption determined in accordance with the following formula, applying from 31 October 1963: (a) where the whole of the estate passes to the widow or widower, children (including adopted children, step-children and ex-nuptial children), or grand-children of the deceased, the sum of \$20,000 decreasing by \$2 for every \$8 by which the value exceeds \$20,000 and ceasing to apply at \$100,000; (b) where no part of the estate passes to the widow or widower, children or grand-children, the sum of \$10,000 decreasing by \$2 for every \$8 by which the value exceeds \$10,000 and ceasing to apply at \$50,000; and (c) where only part of the estate passes to the widow or widower, children or grand-children, the statutory exemption is to be calculated proportionately under (a) and (b). Special exemptions are also allowed in respect of estates of defence personnel who die on active service or within three years of termination of their active service, from injuries received or diseases contracted while on active service. Rebates of duty are provided 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 for duty increases, as follows: does not exceed \$20,000, 3 per cent; \$20,001 to \$40,000, 6 per cent; \$40,001 to \$240,000, 6 per cent to 26 per cent; \$240,001 to \$1,000,000, 26 per cent to 27.9 per cent; \$1,000,001 and over, 27.9 per cent.

Particulars of the number and value of estates and duty assessed, for each of the assessment years 1961-62 to 1965-66, are given in the following table.

COMMONWEALTH ESTATE DUTY ASSESSMENTS, 1961-62 TO 1965-66

		1961-62	1962-63	1963-64	1964-65	1965-66
Estates	no.	16,449	16,634	17,658	12,423	10,948
Gross value assessed	\$'000	558,764	588,306	633,552	602,216	587,488
Deductions	\$'000	95,450	106,732	115,002	116,821	117,304
Statutory exemption	\$'000	74,360	74,510	81,836	92,641	109,468
Dutiable value	\$'000	388,954	407,064	436,714	392,754	360,715
Net duty payable	\$'000	34,328	37,988	39,840	40,935	38,410
Average dutiable value	\$	23,646	24,472	24,732	31,615	32,948
Average duty per estate	\$	2,086	2,284	2,256	3,295	3,508

Gift duty. The *Gift Duty Act 1941-1966* and the *Gift Duty Assessment Act 1941-1966* impose a gift duty on gifts made after 29 October 1941. A gift is defined as any disposition of property which is made otherwise than by will, without adequate consideration in money or money's worth. There is a liability on both the donor and the donee to furnish a return, and both are jointly and severally liable for payment of the duty. However, if a return is furnished by the donor, the donee is relieved of this obligation.

Where the value of the gift together with the total value of gifts made by the donor during the preceding eighteen months does not exceed \$3,000, no return is necessary.

The rate of gift duty applicable to any particular gift is fixed by reference to the total value of all gifts made by the same donor within the period of eighteen months before and eighteen months after the time of making that gift. The present rates of duty are: not exceeding \$4,000, nil; \$4,001 to \$20,000, 3 per cent provided that the gift duty payable shall not exceed half the amount by which the gift exceeds \$4,000, or a proportionate amount where more than one gift is involved; \$20,001 to \$40,000, 3 per cent to 6 per cent; \$40,001 to \$240,000, 6 per cent to 26 per cent; \$240,001 to \$1,000,000, 26 per cent to 27.9 per cent; \$1,000,001 and over, 27.9 per cent.

Particulars of the number of gift duty assessments, value of gifts as assessed and duty assessed for each of the assessment years 1961-62 to 1965-66 are given in the following table.

COMMONWEALTH GIFT DUTY ASSESSMENTS, 1961-62 TO 1965-66

		1961-62	1962-63	1963-64	1964-65	1965-66
Assessments	no.	7,049	7,020	7,676	8,306	7,515
Value as assessed	\$'000	103,836	107,146	118,126	124,709	111,658
Duty assessed	\$'000	5,882	6,066	6,768	6,870	5,911

Wool tax. The present rate of wool tax is 2 per cent of the sale value of the wool and this rate has operated since 1 July 1965.

Wheat export charge and wheat tax. The *Wheat Export Charge Act 1963-1966* repealed the *Wheat Export Charge Act 1958* and provided for an export charge on wheat and wheat products for the seasons 1963-64 to 1967-68 inclusive. The charge which may be levied is the excess of the export price over the cost of production or \$0.15 per bushel, whichever is the less. Under the *Wheat Industry Stabilization Act 1963-1965*, to which the *Wheat Export Charge Act* is complementary, the Commonwealth Government guarantees a return to wheat-growers of the ascertained cost of production on up to 150 million bushels of wheat harvested each season exported from Australia. Collections from the wheat export charge are paid into the Wheat Price 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. As the return from exports has been below the guaranteed price, there have been no collections of the wheat export charge since the 1956-57 (No. 20) Pool, when \$3,178,000 was collected. The *Wheat Tax Act 1957-1966* imposes a tax of three-tenths of a penny (0.25 cents) for each bushel of wheat delivered to the Wheat Board on or after 1 October 1965. (See also the chapter Rural Industry.)

Miscellaneous export charges. These consist of charges levied on exports of apples and pears (*Apple and Pear Export Charges Act 1938-1966*), canned fruits (*Canned Fruits Export Charges Act 1926-1966*), dried fruits (*Dried Fruits Export Charges Act 1924-1965*), and eggs (*Eggs Export Charges Act 1947-1965*).

Stevedoring Industry Charge. The rate of charge between 1 April 1962 and March 1967 was 33.5 cents per man-hour. The rate was increased to 48 cents per man-hour from 8 March 1967.

Tobacco charge. The rates of tobacco charge currently in force are as follows:

- (a) in respect of leaf sold to a manufacturer:
 - (i) one half cent per pound of leaf, payable by the grower or other persons who own the leaf immediately before sale, and
 - (ii) one cent per pound of leaf, payable by the manufacturer;
- (b) in respect of leaf grown and used by grower-manufacturers:
 - (i) where the manufacturer grows nine-tenths of the leaf used by him—one half cent per pound of leaf,
 - (ii) in other cases—one cent per pound of leaf.

(See also the chapter Rural Industry.)

Dairy produce and butterfat levies. The *Butter Fat Levy Act 1965-1966* which superseded the *Dairy Produce Levy Act 1958* and the *Dairy Produce Export Charge Act 1924-1962* provide for a maximum rate of \$0.60 per hundredweight of butterfat content of dairy products and for the apportionment of the proceeds between overseas marketing (40 per cent), local promotion (40 per cent), and research (20 per cent) (See also the chapter Rural Industry.)

Canning fruit charge. The present rate of canning fruit charge is \$0.75 per ton of fruit. This rate has operated since 1 December 1964.

Honey levy. The current rate of levy on honey sold for domestic consumption in Australia is four-tenths of a cent per pound.

Livestock slaughter levy. The *Livestock Slaughter Levy Act 1964-1966* imposed a levy on all cattle (over 200 lb dressed weight), sheep and lambs slaughtered within Australia for human consumption. These levies operated from 1 August 1964 and replaced the charge imposed on meat exports and also subsumed the cattle slaughter levy for beef research purposes imposed in 1960 (see page 909 of Year Book No. 51). The rates of levy are not to exceed 75 cents for cattle of which a maximum of 20 cents is for beef research, and 7.5 cents for sheep or lambs, of which a maximum of 3.75 cents is for sheep or lamb research.

Dried Vine Fruits Contributory Charge. Charges in respect of 1964 season fruits were paid into the varietal stabilisation funds during 1965-66 at the following rates: currants, \$6.13 a ton, sultanas \$17.80 a ton, and raisins \$20.00 a ton.

Poultry industry levy. The rates of levy for each hen kept for commercial purposes (the first twenty hens being exempt) was three pence and one farthing per fortnight from 1 July 1965 to 23 February 1966 and 2.8 cents per fortnight from 23 February 1966 to 13 July 1966.

Commonwealth Consolidated Revenue Fund: expenditure

Details of expenditure from Consolidated Revenue

In the following table gross expenditure from Consolidated Revenue is classified by function and economic type, the classification being consistent with that used for tables on pages 761-3. As with grants to other Commonwealth authorities, transfers to trust funds are here classified as expenditure according to the nature of the respective trust funds. Further information on the expenditure of business undertakings and the Territories, and on other particular functions is included in the chapters Transport and Communication and The Territories of Australia and in the chapters dealing with the respective activities.

COMMONWEALTH CONSOLIDATED REVENUE FUND: EXPENDITURE
BY FUNCTION AND ECONOMIC TYPE, 1961-62 TO 1965-66

(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Health and welfare—					
Advances	1,000	1,000		600	
Cash benefits to persons	729,490	757,443	831,327	877,037	926,616
Current expenditure on goods and services	22,440	26,993	29,034	32,181	35,099
Capital expenditure on goods and services	2,258	2,375	3,081	3,489	3,681
Grants to the States	2,450	2,602	2,218	3,224	5,261
Grants towards private capital expenditure	6,946	6,372	7,408	8,000	8,666
<i>Total, health and welfare</i>	<i>764,584</i>	<i>796,785</i>	<i>873,068</i>	<i>924,531</i>	<i>979,323</i>
Defence—					
Current expenditure on goods and services	408,048	427,014	474,422	568,686	753,679
Grants to overseas governments and organisations	3,154	7,584	5,414	12,210	25,678
Other	—1,776	—2,326	38,842	17,214	—37,502
Total	409,426	432,272	518,678	598,110	741,855
Less Amounts charged to loan fund	47,282	132,140	77,430		89,545
<i>Total, defence</i>	<i>362,144</i>	<i>300,132</i>	<i>441,248</i>	<i>598,110</i>	<i>652,310</i>
Repatriation—					
Cash benefits to persons	155,610	163,888	181,925	181,036	200,509
Current expenditure on goods and services	44,902	50,056	55,210	58,818	63,659
Capital expenditure on goods and services	922	996	712	1,124	1,156
Grants towards private capital expenditure	3,118	2,342	800	2,794	5,714
<i>Total, repatriation</i>	<i>204,552</i>	<i>217,282</i>	<i>238,647</i>	<i>243,772</i>	<i>271,038</i>
Housing—					
Expenses of business undertakings	1,270	1,298	1,458	1,376	1,299
Advances—					
War Service Homes	70,000	75,000	70,000	70,000	70,000
Other	5,496	6,682	7,770	16,890	12,410
Cash benefits to persons	130	38	46	130	213
Current expenditure on goods and services	2,342	2,602	3,056	3,842	4,172
Capital expenditure on goods and services	9,720	10,502	9,686	12,436	15,257
Grants towards private capital expenditure				11,350	13,346
<i>Total, housing</i>	<i>88,958</i>	<i>96,122</i>	<i>92,016</i>	<i>116,024</i>	<i>116,697</i>
Other functions—					
Expenses of business undertakings	273,976	261,947	286,279	314,254	345,379
Other current expenditure on goods and services	212,843	234,154	275,988	329,082	372,571
Capital expenditure on goods and services—					
Business undertakings(a)	104,376	137,460	151,120	177,330	201,745
Other	50,068	51,993	61,885	73,965	81,053
Subsidies	73,726	71,252	115,658	99,808	143,472
Cash benefits to persons	14,183	14,810	14,357	21,526	27,755
Grants to the States—					
Current purposes	18,110	20,396	23,106	31,258	44,478
Capital purposes	123,528	133,222	140,476	178,742	194,102
Grants to overseas governments and organisations(b)	61,524	64,995	81,210	94,260	101,754
Grants towards private capital expenditure				4,040	19,500
Advances—					
Snowy Mountains Hydro-electric Authority	32,020	18,532	23,658	26,100	26,520
States	2,968	6,720	10,754	13,788	34,231
Overseas governments and organisations	3,570		4	78	296
Other	25,728	7,974	15,430	8,272	7,549
<i>Total, other functions</i>	<i>996,620</i>	<i>1,023,455</i>	<i>1,199,925</i>	<i>1,372,503</i>	<i>1,600,405</i>
Not allocated to function—					
Current expenditure on goods and services	10,896	9,178	11,104	13,912	15,750
Capital expenditure on goods and services	11,930	12,536	11,028	13,462	12,952
Grants to the States	655,390	695,808	729,730	744,884	832,052
Advances to overseas governments and organisations	7,268	31,148	8,070	24,868	45,985
Debt charges(c)—					
Interest	86,214	81,084	81,260	81,868	77,392
Payment to National Debt Sinking Fund	50,218	54,486	57,530	61,500	64,849
Loan Consolidation and Investment Reserve	44,310	52,756	29,750	222,744	210,464
Redemption of Treasury bills			36,000		
<i>Total, not allocated</i>	<i>866,226</i>	<i>936,996</i>	<i>964,472</i>	<i>1,163,238</i>	<i>1,259,444</i>
Grand total	3,283,084	3,370,772	3,809,376	4,418,178	4,879,201

(a) Includes expenses of undertakings in Northern Territory and Australian Capital Territory.
 (b) Includes grants to Administration of Papua and New Guinea and grants under Colombo Plan, United Nations Technical Assistance Administration, etc. (c) Excludes loan management expenses included in other functions.

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

More detailed information on defence expenditure, on current and capital expenditure on goods and services, and on primary production research and sales promotion, etc. is given in the following tables.

Defence services expenditure

Details of the expenditure on defence services shown in the following table cover expenditure from Consolidated Revenue and Loan Funds by the service and associated departments, including the cost of maintaining forces in overseas posts. In recent years there has been no expenditure on defence services from Trust Funds.

COMMONWEALTH CONSOLIDATED REVENUE FUND
EXPENDITURE ON DEFENCE, 1961-62 TO 1965-66
 (\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Department of Defence—					
Administrative and general expenses	2,803	5,293	3,532	4,207	6,961
Buildings, works, sites, etc.	452	241	113	294	197
Maintenance and rent	65	100	112	117	202
<i>Total, Defence</i>	<i>3,320</i>	<i>5,634</i>	<i>3,757</i>	<i>4,618</i>	<i>7,359</i>
Department of the Navy—					
Naval forces—pay, maintenance, etc.	67,194	63,708	72,359	83,624	99,046
Naval construction and additions to the fleet	12,939	14,805	23,763	35,967	44,918
Ships, aircraft and aircraft engines	10,156	14,932	9,702	8,622	15,494
Buildings, works, sites, etc.	2,595	2,879	2,413	4,052	7,232
Maintenance and rent	2,132	2,099	2,417	2,631	3,159
Retirement benefits	790	838	1,024	1,172	1,229
<i>Total, Navy</i>	<i>95,806</i>	<i>99,261</i>	<i>111,678</i>	<i>136,069</i>	<i>171,079</i>
Department of the Army—					
Military forces—pay, maintenance, etc.	81,855	83,544	91,300	108,920	133,675
Special units serving abroad—maintenance	4,190	3,658	4,026	4,566	9,773
Arms, armament and equipment	33,692	36,958	48,432	61,690	67,921
Buildings, works, sites, etc.	5,263	5,482	6,551	13,856	38,693
Maintenance and rent	4,460	4,649	5,444	6,372	7,503
Retirement benefits	1,858	2,202	2,668	3,368	3,657
<i>Total, Army</i>	<i>131,318</i>	<i>136,493</i>	<i>158,421</i>	<i>198,772</i>	<i>261,223</i>
Department of Air—					
Air force—pay, maintenance, etc.	55,447	55,848	59,221	69,389	77,674
R.A.A.F. squadrons overseas	4,558	5,156	5,570	5,592	7,080
Aircraft, equipment and stores	57,768	61,302	101,418	91,034	111,712
Buildings, works, sites, etc.	6,532	6,144	5,616	7,598	13,336
Maintenance and rent	4,751	5,279	5,324	5,570	6,024
Retirement benefits	1,704	1,738	1,996	2,996	2,582
<i>Total, Air</i>	<i>130,760</i>	<i>135,467</i>	<i>179,145</i>	<i>182,179</i>	<i>218,408</i>
Department of Supply—					
Administrative and general expenses	6,046	6,825	3,746	8,912	9,566
Defence Research and Development Laboratories	5,360	7,756	9,292	10,608	10,401
Government factories—maintenance of production capacity	2,890	2,952	3,090	2,766	2,270
Transport and storage services	2,266	4,178	4,508	6,764	7,027
Weapons Research Establishment	19,020	15,256	29,012	28,320	27,725
Munitions factories—working capital	240	660	164	..	2,004
Machinery, plant equipment, etc.	3,276	4,080	4,650	4,850	7,067
Buildings, works, sites, n.e.i. etc.	2,430	2,602	2,185	2,486	3,011
Maintenance and rent	1,758	1,799	1,939	2,038	2,293
<i>Total, Supply</i>	<i>43,288</i>	<i>46,110</i>	<i>58,586</i>	<i>66,744</i>	<i>71,364</i>
Defence aid for Malaysia . . . . .	..	..	144	3,376	5,034
Economic assistance to support defence programme of S.E.A.T.O. member countries	1,154	2,496	1,888	2,504	2,258
Security Intelligence Organization	1,322	1,410	1,716	1,920	1,990
Civil defence	444	546	642	644	724
Recruiting campaign	962	1,000	1,378	1,690	1,646
Aid to India . . . . .	..	2,892	1,284	60	17
Other	1,052	963	39	—466	751
<i>Total, Defence services</i>	<i>409,426</i>	<i>432,272</i>	<i>518,678</i>	<i>598,110</i>	<i>741,855</i>
<i>Less expenditure charged to Loan Fund</i>	<i>47,282</i>	<i>132,140</i>	<i>77,430</i>	<i>..</i>	<i>89,545</i>
Total expenditure charged to Consolidated Revenue Fund	362,144	300,132	441,248	598,110	652,310

Current expenditure on goods and services

This table gives details of expenditure on items included under this general heading in the table on page 783, and in the main includes expenditure on administrative services and other activities (i.e. what might be termed 'running expenses') and therefore *excludes* expenditure on capital works (see table on page 786). Information on the functions of departments and the Acts administered by the Ministers of Departments may be found on pages 87-98 of Year Book No. 49.

COMMONWEALTH CONSOLIDATED REVENUE FUND: CURRENT EXPENDITURE
ON GOODS AND SERVICES, 1961-62 TO 1965-66

(A . . .)

	1961-62	1962-63	1963-64	1964-65	1965-66
Education—					
Australian National University	6,400	7,020	8,640	11,400	12,658
Other	4,470	5,256	6,074	7,655	8,674
<i>Total, education</i>	10,869	12,276	14,714	19,055	21,332
Health and welfare	22,440	26,993	29,034	32,181	35,099
Defence—					
<i>Total</i>	408,048	427,014	474,422	568,686	753,679
<i>Less Amounts charged to Loan Fund</i>	47,282	132,140	77,430		89,545
<i>Total, defence</i>	360,766	294,874	396,992	568,686	664,134
Repatriation	44,902	50,056	55,210	58,818	63,659
Housing	2,342	2,602	3,056	3,842	4,172
Law, order and public safety—					
Crown Solicitor's Office	878	960	1,144	1,216	1,322
High Court	338	332	340	370	398
Bankruptcy administration	484	522	576	624	662
Other	3,330	3,819	4,419	5,092	5,884
<i>Total, law, order, etc.</i>	5,030	5,633	6,479	7,302	8,266
Development of resources and assistance to industry—					
Bureau of Meteorology	3,722	3,992	4,428	4,906	5,364
Forestry Branch	433	419	374	607	735
Commercial intelligence services abroad	2,032	2,376	2,726	2,996	3,313
Primary production—					
Wheat and wool industries	8,174	8,396	9,122	22,150	26,416
Other research and sales promotion, export funds, etc.	3,088	3,918	6,532	6,532	9,632
Bureau of Agricultural Economics	376	372	444	472	523
Bureau of Mineral Resources, Geology and Geophysics	3,366	4,020	4,930	4,708	4,775
Division of National Mapping	1,154	1,346	1,414	1,706	1,786
Atomic Energy Commission	5,608	6,518	7,594	8,040	8,226
Commonwealth Scientific and Industrial Research Organization	16,972	18,746	21,121	24,097	25,393
Other	13,936	15,173	16,749	17,366	25,273
<i>Total, development, etc.</i>	58,861	65,276	74,132	93,580	111,436
Civil aviation—					
Maintenance and development of civil aviation	14,758	15,728	17,736	20,296	22,516
Meteorological services	1,790	1,920	2,140	2,392	2,600
Other	5,374	5,819	6,773	7,271	8,337
<i>Total, civil aviation, etc.</i>	21,922	23,467	26,649	29,959	33,453
Legislature and general administration—					
Parliament	4,148	4,278	4,414	4,894	5,494
Governor-General	342	344	358	392	375
Audit	1,542	1,692	1,950	2,024	2,081
Public Service Board	1,736	1,838	2,134	2,420	2,738
Taxation Branch and Boards of Review	21,974	22,628	25,400	27,080	30,464
Bureau of Census and Statistics	6,648	5,572	6,276	7,346	8,783
Superannuation Board	288	362	422	498	752
Electoral Branch	2,220	1,568	2,530	2,772	2,164
News and Information Bureau	1,058	1,240	1,396	1,660	1,903
Other	34,808	37,149	(a) 51,440	(a) 59,284	(a) 66,949
<i>Total, legislature, etc.</i>	74,764	76,671	96,320	108,370	121,703
Immigration—					
Assisted migration	10,618	13,205	17,745	25,458	26,186
Other	8,374	7,683	7,901	8,566	9,409
<i>Total, immigration</i>	18,992	20,888	25,646	34,024	35,595
Regulation of trade and industry—					
Conciliation and Arbitration Commission, Industrial Court and Registrar	704	734	816	884	996
Patents, trade marks and designs	1,040	1,178	1,330	1,478	1,515
Inspection of goods for export	2,892	3,186	3,670	4,498	4,910
Other	240	3,240	3,466	3,380	3,134
<i>Total, regulation, etc.</i>	4,876	8,338	9,282	10,240	10,555
Other functions—					
National Library	926	1,034	1,374	1,622	1,941
High Commissioner's Office, United Kingdom	2,166	2,330	2,562	2,982	3,748
Other overseas representation	5,380	6,144	6,752	7,290	9,670
United Nations and allied Organizations	5,474	2,396	3,864	3,288	3,455
Antarctic Division	1,462	1,628	1,668	1,902	1,985
Other	2,121	8,073	(a) 6,546	(a) 9,468	(a) 9,432
<i>Total, other functions</i>	17,529	21,605	22,766	26,552	30,231
Not allocated to function—					
Superannuation contributions, n.e.i.	6,774	6,790	8,706	10,592	12,019
Other	4,122	2,388	2,398	3,320	3,731
<i>Total, not allocated</i>	10,896	9,178	11,104	13,912	15,750
Grand total	654,189	617,858	771,384	1,006,521	1,155,385

(a) Changes in departmental accounting procedures, which were introduced in 1963-64, affect comparability between years.

Capital expenditure on goods and services

In the following table details are given of capital expenditure on goods and services during each of the years 1961-62 to 1965-66. The table covers capital expenditure on goods and services from the Consolidated Revenue Fund for purposes other than defence and repatriation services.

**COMMONWEALTH CONSOLIDATED REVENUE FUND: CAPITAL EXPENDITURE
ON GOODS AND SERVICES, 1961-62 TO 1965-66**

(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Business undertakings—					
Cultural and recreational facilities	5,694	7,660	6,548	9,246	7,567
Transport and communication—					
Postmaster-General	93,878	123,946	136,836	159,796	181,738
Railways	3,392	4,416	5,878	6,514	9,724
Other	488	388	708	960	1,916
Housing(a)	8,938	9,564	8,814	11,620	14,194
Other	924	1,050	1,150	914	800
<i>Total, business undertakings</i>	<i>113,314</i>	<i>147,024</i>	<i>159,934</i>	<i>189,050</i>	<i>215,939</i>
Other—					
Education—					
Australian National University	4,040	2,896	4,678	5,392	5,062
Australian Capital Territory	3,084	3,350	3,712	3,956	3,284
Northern Territory	534	849	864	1,377	1,503
<i>Total, education</i>	<i>7,658</i>	<i>7,095</i>	<i>9,254</i>	<i>10,725</i>	<i>9,849</i>
Health and welfare—					
Australian Capital Territory	718	1,608	2,148	2,584	1,866
Other health and welfare	1,540	767	933	905	1,815
<i>Total, health and welfare</i>	<i>2,258</i>	<i>2,375</i>	<i>3,081</i>	<i>3,489</i>	<i>3,681</i>
Repatriation	922	996	712	1,124	1,156
Development of resources and assistance to industry—					
Atomic Energy Commission	1,938	1,524	1,064	1,390	1,292
Australian Capital Territory	1,348	1,582	920	2,822	3,395
Commonwealth Scientific and Industrial Research Organization	2,054	1,936	3,610	6,396	3,380
Other development, etc.	1,352	1,768	1,684	1,580	2,181
<i>Total, development</i>	<i>6,692</i>	<i>6,810</i>	<i>7,278</i>	<i>12,188</i>	<i>10,248</i>
Civil aviation	8,796	9,770	11,774	17,628	21,941
Roads—					
Australian Capital Territory	6,060	5,932	5,388	6,450	10,156
Other roads	2,166	3,930	3,664	2,912	4,319
<i>Total, roads</i>	<i>8,226</i>	<i>9,862</i>	<i>9,052</i>	<i>9,362</i>	<i>14,475</i>
Housing(b)	782	938	872	816	1,063
Other functions—					
Australian Capital Territory	6,078	7,732	12,936	11,178	11,321
Papua and New Guinea	42	80	48	4	125
Other	12,576	10,644	11,543	12,780	13,094
<i>Total, other functions</i>	<i>18,696</i>	<i>18,456</i>	<i>24,527</i>	<i>23,962</i>	<i>24,540</i>
Not allocated to function	11,930	12,536	11,028	13,462	12,952
Grand total	179,274	215,862	237,512	281,806	315,844

(a) See also separate item Housing.

(b) See also under Business undertakings.

Expenditure on primary production—research and sales promotion, export funds, etc.

Expenditure under this item is classified in the table on page 785 to development of resources and assistance to industry as it includes the proceeds of special industry taxes and profits from marketing schemes which are paid to trust funds or other authorities for the purposes of the industries concerned. Information relating to the taxes levied is given in the table on page 779. Some details of expenditure from the trust funds are included in the table on page 788. Details of expenditure from the Consolidated Revenue Fund during the last five years are given in the following table.

**COMMONWEALTH CONSOLIDATED REVENUE FUND: EXPENDITURE ON
PRIMARY PRODUCTION—RESEARCH AND SALES PROMOTION,
EXPORT FUNDS, ETC., 1961-62 TO 1965-66
(\$'000)**

	1961-62	1962-63	1963-64	1964-65	1965-66
Research and sales promotion—					
Canned fruit (sales promotion)	107	84	101	64	130
Cattle and beef research	339	1,008	1,433	1,613	1,930
Dairy produce research	554	523	590	510	712
Dairy produce sales promotion	525	525	523	526	779
Tobacco industry research	338	183	401	364	322
Wheat research	468	595	638	720	590
Wool industry research	..	..	1,594	3,181	2,824
Wool research	3,014	2,925	1,604	..	..
Wool use promotion	4,691	4,875	5,286	18,249	23,002
Export funds—					
Apple and pear	204	169	245	213	312
Canned fruits	132	131	185	170	216
Canned fruits excise	..	..	279	1,044	1,033
Dairy produce	207	412	530	675	776
Dried fruits	107	89	102	165	188
Dried vine fruits stabilisation fund—					
Currants	..	..	..	..	72
Raisins	..	..	..	..	165
Sultanas	..	..	..	..	1,530
Egg	68	36	57	78	25
Honey	..	4	74	94	110
Meat	278	431	484	741	1,042
Wine	225	319	225	274	288
Other—					
Fisheries development	..	1	..	..	..
Other	4	1	1	2	1
Total	11,261	12,312	14,351	28,682	36,048

Commonwealth Consolidated Revenue Fund: receipts

Sources of receipts

**COMMONWEALTH CONSOLIDATED REVENUE FUND: SOURCES OF RECEIPTS
1961-62 TO 1965-66
(\$'000)**

Source	1961-62	1962-63	1963-64	1964-65	1965-66
Taxation	2,833,049	2,880,918	3,218,838	3,787,030	4,185,338
Business undertakings	316,779	342,400	375,777	423,948	457,738
Territories—					
Northern Territory	4,002	4,210	4,944	5,611	6,434
Australian Capital Territory	7,986	11,250	14,086	18,193	18,571
Cocos (Keeling) Islands	4	4	8	8	9
Total, Territories	11,992	15,464	19,038	23,813	25,013
Interest	34,008	43,524	46,852	48,394	51,440
Dividends or payments in the nature of a dividend	4,105	3,826	5,076	5,118	5,197
Repayments	4,822	7,007	11,532	8,897	9,680
Coinage	1,179	212	..	..	..
Defence	9,612	12,325	44,651	28,961	28,906
Air navigation charges	2,786	2,966	3,755	4,437	6,888
Quarantine and other health services	222	311	372	344	463
Patents, trade marks, etc.	1,163	1,211	1,281	1,315	1,447
Bankruptcy	338	362	405	430	438
Net profit on Australian note issue	31,502	25,561	26,983	30,521	31,070
Unrequired balances of trust accounts	7,049	9,400	25,182	8,472	6,980
Australian Aluminium Production Commission	500	500	500	500	1,250
Reserve Bank Reserve Fund	6,705	8,973	3,351	4,983	10,500
Commonwealth Banking Corporation	1,843	1,433	2,290	3,477	3,232
Other	15,430	14,379	23,493	37,551	53,622
Grand total	3,283,084	3,370,772	3,809,376	4,418,178	4,879,201

Further information on receipts of business undertakings and the Territories is included respectively in the Chapters 13, Transport and Communication and 7, The Territories of Australia.

Commonwealth trust funds

The next table shows the opening and closing balances and receipts and expenditure of some of the more important trust funds of the Commonwealth for the year 1965-66, and the following table shows the totals for the last five years.

COMMONWEALTH TRUST FUNDS: RECEIPTS, EXPENDITURE AND BALANCES, 1965-66
(\$'000)

Fund	Balance at 30 June 1965	Year ended 30 June 1966		Balance at 30 June 1966
		Receipts	Expenditure	
Canadian Loan	15,049	563	227	15,385
Coal Mining Industry Long Service Leave	3,199	776	893	3,082
Coinage . . . . .	..	33,315	24,898	8,417
Defence Forces Retirement Benefits	62,673	20,294	11,243	71,724
Insurance Deposits	23,548	4,694	3,041	25,200
Imperial Pensions	393	15,264	14,882	776
International Development and Relief	520	2,145	1,896	769
Lend-Lease Settlement	288	12	..	301
Loan Consolidation and Investment Reserve	691,419	237,674	121,150	807,942
Munitions Factories	4,897	55,838	56,256	4,479
Munitions Production	2,338	24,487	23,460	3,364
Munitions Stores and Transport	779	13,756	13,973	562
National Debt Sinking	302,544	202,307	199,855	304,996
National Welfare	422,581	945,815	941,574	426,822
Parliamentary Retiring Allowances	1,221	395	256	1,361
Post Office Stores and Services	3,136	172,771	175,800	107
Superannuation	261,643	63,620	46,356	278,906
Swiss Loan	34,746	1,116	..	35,862
Temple Society	1,478	2,153	7	3,624
Tobacco Industry	401	657	578	479
War Service Homes . . . . .	..	73,061	73,061	..
War Service Homes—Insurance	1,663	741	688	1,716
Wheat Prices Stabilization . . . . .	..	18,069	18,069	..
Wheat Research	1,877	1,316	1,472	1,720
Wine Research	853	38	68	824
Wool Research	11,021	3,454	7,124	7,351
Other	15,119	105,011	102,460	17,673
Total	1,863,386	1,999,342	1,839,287	2,023,442

COMMONWEALTH TRUST FUNDS: SUMMARY, 1961-62 TO 1965-66
(\$ million)

	1961-62	1962-63	1963-64	1964-65	1965-66
Balances brought forward	1,748	1,655	1,613	1,661	1,863
Receipts	1,432	1,443	1,546	1,827	1,999
Expenditure	1,525	1,485	1,498	1,625	1,839
Balance carried forward	1,655	1,613	1,661	1,863	2,023

Commonwealth Loan Fund

Brief historical notes relating to the Commonwealth Loan Fund are given in earlier issues of the Year Book (see No. 37, page 640). The following tables show details for the years 1961-62 to 1965-66 of receipts by, and expenditure from, Commonwealth Loan Fund in respect of loans raised for both Commonwealth and State Governments. Information relating to the Commonwealth Government securities on issue is given in the division Government Securities on Issue, Commonwealth and States, of this chapter.

Loans raised for the Commonwealth

COMMONWEALTH LOAN FUND: LOANS RAISED FOR THE COMMONWEALTH
RECEIPTS AND EXPENDITURE, 1961-62 TO 1965-66
(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
RECEIPTS					
Balance from 30 June	158	196	97	125	205
Loans raised in Australia—					
Stocks and bonds	82,000	57,831	143,919	87,905	111,308
Special bonds	21,054	38,972	26,352	34,342	32,304
Advance loan subscriptions	2,749	22,814	Dr. 21,560	3,305	Dr. 213
Treasury bills—public (net)	73,200	Dr. 117,400	Dr. 2,400	38,000	5,500
Treasury bills—internal (investment of Trust Fund) (net)	5,400	77,800	39,400	33,400	49,100
Treasury notes . . . . .	..	138,980	13,590	Dr. 72,138	35,664
Peace savings certificates	3	2	2	2	..
Loans raised overseas—					
London—stock and bonds	1	5,414	20,636	..	..
New York—bonds	13,994	34,931	..	4,421	4,474
Loan—Qantas Empire Airways Limited	23,653	4,134	4,033	26,292	25,214
Loan—Australian National Airlines Commission . . . . .	..	1,119	1,121	8,566	5,075
International Bank dollar loan . . . . .	..	28,472	24,232	21,151	15,299
Netherlands loan	1,772	..	..	..	..
<i>Total, loans raised</i>	<i>223,827</i>	<i>293,069</i>	<i>249,325</i>	<i>185,247</i>	<i>283,725</i>
Deduct—					
Expenses of flotation—					
Loans raised in Australia	Cr. 318	1,804	Cr. 631	306	372
London loans	Cr. 1,051	85	317	..	..
New York loans	119	911	..	147	87
Canadian loans	Cr. 7	..	..	..	..
Swiss loans	1	..	..	..	..
Netherlands loan	83	..	..	..	..
<i>Total, deductions</i>	<i>Cr. 1,172</i>	<i>2,799</i>	<i>Cr. 314</i>	<i>452</i>	<i>460</i>
<i>Total loan raisings less expenses of flotation</i>	<i>224,999</i>	<i>290,270</i>	<i>249,638</i>	<i>184,795</i>	<i>283,265</i>
<i>Grand total</i>	<i>225,157</i>	<i>290,466</i>	<i>249,736</i>	<i>184,920</i>	<i>283,471</i>

EXPENDITURE

Financial assistance to States for housing—					
New South Wales	34,006	32,600	33,000	35,000	40,271
Victoria	27,054	25,700	26,500	27,000	31,126
Queensland	8,400	7,800	8,600	6,600	8,497
South Australia	18,072	18,982	19,400	20,500	21,057
Western Australia	7,412	6,940	6,800	7,200	8,601
Tasmania	5,856	5,200	6,000	6,400	7,448
<i>Total, States, housing</i>	<i>100,800</i>	<i>97,222</i>	<i>100,300</i>	<i>102,700</i>	<i>117,000</i>
Defence services	47,281	132,141	77,431	..	89,545
War and repatriation services	3,154	1,214	8,525	7,234	6,358
Loan—Qantas	23,653	4,134	4,033	26,292	25,214
Loan—Australian National Airlines Commission . . . . .	..	1,119	1,121	8,566	5,075
Mount Isa Railway Agreement	7,500	11,917	12,100	3,016	..
Snowy Mountains Hydro-electric Authority . . . . .	..	26,200	23,402	19,600	16,000
Works and other purposes—repayments	Cr. 60	Cr. 33	Cr. 566	Cr. 93	..
Other . . . . .	..	..	..	..	330
Redemptions—					
Treasury bills—internal	25,800	..	..	..	..
Stock and bonds—Australia	5	9,299	9,085	..	..
Stock and bonds—London . . . . .	..	..	14,180	..	..
Bonds—New York	10,111	..	..	..	..
Special bonds	6,715	7,155	..	17,400	23,810
Balance at 30 June	196	97	125	205	139
<i>Grand total</i>	<i>225,157</i>	<i>290,466</i>	<i>249,736</i>	<i>184,920</i>	<i>283,471</i>

Loans raised for the States

**COMMONWEALTH LOAN FUND: LOANS RAISED FOR THE STATES
RECEIPTS AND EXPENDITURE, 1961-62 TO 1965-66**
(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
RECEIPTS					
Balance from 30 June . . . . .	..	..	..	..	..
Loans raised in Australia—					
Stock and bonds	337,257	361,622	363,889	457,159	523,795
Special bonds	33,682	39,192	65,207	53,124	48,121
Loans raised overseas—					
London—stock and bonds . . . . .	..	32,221	28,762	..	..
New York—bonds	34,021	39,287	..	17,686	17,895
Netherlands bonds	8,142	..	..	..	..
Total	413,101	472,323	457,857	527,969	589,812
EXPENDITURE					
Payments of loan proceeds to the States—					
New South Wales	124,596	130,808	140,020	149,470	152,150
Victoria	99,091	105,360	111,728	120,954	123,206
Queensland	46,300	42,576	42,412	48,000	63,692
South Australia	50,296	51,458	55,184	59,020	61,892
Western Australia	39,162	41,044	44,006	46,968	47,902
Tasmania	28,996	29,768	30,318	32,244	33,228
Total payments to States	388,441	401,014	423,668	456,656	482,070
Redemptions—					
Stock and bonds—Australia . . . . .	..	54,620	24,384	30,000	56,000
Special bonds	8,478	8,543	9,806	16,238	31,683
London . . . . .	..	8,146	..	25,075	20,060
New York	16,183	..	..	..	..
Balance at 30 June . . . . .	..	..	..	..	..
Grand total	413,101	472,323	457,857	527,969	589,812

STATE FINANCE

Functions of State Governments

In comparing the financial results of the States allowances must be made for the various functions discharged by the respective State Governments and for local conditions in each case. Direct comparisons of the revenue, expenditure and debt of the individual States are difficult, owing to the fact that functions which in one State are assumed by the central government are in another delegated to local government or semi-governmental bodies which are vested with certain defined borrowing powers and whose financial transactions are not included with those of the central government. Care is needed, therefore, in making comparisons, and the particulars contained in this chapter should be read with those contained in the chapter Local Government.

Accounts of State Governments

The various financial transactions of the States are in each case concerned mainly with one or other of three funds—the Consolidated Revenue Fund, the Trust Fund and the Loan Fund.

The following table shows the receipts by, and expenditure from, Commonwealth Loan Fund in respect of loans raised for the State Governments during the years 1961-62 to 1965-66.

All revenue (except certain items paid into special funds) collected by a State is paid into its *Consolidated Revenue Fund*, from which payments are made under authority of an annual Appropriation Act passed by the legislature, or by a permanent appropriation under a special Act. Figures relating to New South Wales represent the transactions of the Consolidated Revenue Fund and the business undertakings included in the annual budget papers. These undertakings are: railways, tramways and omnibuses, and Sydney Harbour Trust Section of the Maritime Services Board. Adjustments have been made to the Budget figures, however, in order to eliminate duplications caused by inter-fund payments. Particulars for all other States relate to the transactions of the Consolidated Revenue Fund.

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

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

Inter-relation of Commonwealth and State finances

A statement in some detail, covering the inter-relation of Commonwealth and State finances during the period from the inception of federation to the passing of the *Financial Agreement Act* 1928, was published in Year Book No. 22, pages 379-80. Changes in the financial relations between the Commonwealth and States since the passing of the Financial Agreement Act have been described in issues of the Year Book from year to year.

State Consolidated Revenue Fund expenditure

The principal heads of State expenditure from Consolidated Revenue Funds are: (a) interest, exchange and debt redemption charges in connection with debt; (b) working expenses of business undertakings; (c) education; (d) health and charitable expenditure; (e) justice; (f) police; (g) penal establishments; and (h) all other expenditure, including expenditure on public works, lands and surveys, agriculture and forestry, legislative and general administration, pensions, and miscellaneous.

The working expenses of railways and tramways are the largest item of State Government expenditure. In 1965-66 the working expenses of the railways, tramways and omnibuses were 21.3 per cent of the total expenditure from the State Consolidated Revenue Funds; education, 23.6 per cent; debt charges, 17.5 per cent; charitable, public health and hospitals, 13.6 per cent; and law, order and public safety, 5.8 per cent.

Total expenditure

The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1961-62 to 1965-66 are shown in the following table.

STATE CONSOLIDATED REVENUE FUND EXPENDITURE, 1961-62 TO 1965-66

Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
EXPENDITURE (\$'000)							
1961-62 .	597,489	392,597	234,431	177,192	151,780	63,302	1,616,790
1962-63 .	624,888	414,150	246,928	186,789	158,687	64,301	1,695,742
1963-64 .	683,992	444,874	260,454	199,755	170,681	69,577	1,829,333
1964-65 .	734,160	480,668	271,215	216,803	184,840	77,447	1,965,133
1965-66 .	776,314	516,689	298,022	235,650	206,665	86,917	2,120,259
PER HEAD OF POPULATION (\$)							
1961-62 .	151.25	132.80	153.17	181.38	203.62	179.25	153.80
1962-63 .	155.53	137.55	158.96	187.58	207.02	179.56	158.44
1963-64 .	167.85	144.91	164.41	195.78	216.74	191.86	167.80
1964-65 .	177.43	153.35	167.91	206.77	229.52	211.48	176.92
1965-66 .	184.67	161.88	180.90	218.63	250.51	235.29	187.38

(a) See above for transactions included.

Details of expenditure

The following tables show the total expenditure and expenditure per head of population for each of the principal items. For further information on the finances of the various types of business undertakings in the States see the chapters Transport, Communication and Travel and Local Government of this Year Book.

STATE CONSOLIDATED REVENUE FUND EXPENDITURE: DETAILS, 1965-66

	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.(b)	Total
EXPENDITURE (\$'000)							
Debt (interest, exchange, debt redemption, etc.)	102,250	95,940	50,558	56,259	39,238	26,307	370,551
Railways	167,770	94,878	86,347	29,337	40,625	3,156	422,112
Tramways and omnibuses . .	27,022				1,332	760	29,114
Harbours and rivers, etc. . .	12,329	1,395		3,294	2,380	46	19,445
Water supply, sewerage, irrigation and drainage		9,419		11,416	5,849	617	27,301
Other business and industrial undertakings		1,147	30	552	3,435	70	5,235
Education	189,091	140,289	56,195	54,372	40,819	18,967	499,733
Health and charitable	97,172	72,227	43,025	32,148	29,330	11,686	285,587
Justice	13,278	4,931	3,931	1,683	1,608	856	26,286
Police	28,387	21,038	12,378	6,887	5,686	2,727	77,102
Penal establishments	6,612	2,916	1,619	1,66	1,650	696	15,258
Public safety	1,961	74	1,356	1,353	438	219	4,400
All other expenditure	130,444	72,437	42,583	37,583	34,277	20,812	338,135
Total	776,314	516,689	298,022	235,650	206,665	86,917	2,120,259

PER HEAD OF POPULATION

(\$)

Debt (interest, exchange, debt redemption, etc.)	24.32	30.06	30.69	52.20	47.56	71.22	32.75
Railways	39.91	29.73	52.41	27.22	49.24	8.54	37.30
Tramways and omnibuses . .	6.43				1.61	2.06	2.57
Harbours and rivers, etc. . .	2.93	0.44		3.06	2.88	0.12	1.72
Water supply, sewerage, irrigation and drainage		2.95		10.59	7.09	1.67	2.41
Other business and industrial undertakings		0.36	0.02	0.51	4.16	0.19	0.46
Education	44.98	43.95	34.11	50.45	49.48	51.35	44.16
Health and charitable	23.11	22.63	26.12	29.83	35.55	31.62	25.24
Justice	3.16	1.54	2.39	1.56	1.95	2.32	2.32
Police	6.75	6.59	7.51	6.39	6.89	7.38	6.81
Penal establishments	1.57	0.91	0.98	1.64	2.00	1.88	1.35
Public safety	0.48	0.02	0.82	0.33	0.53	0.59	0.39
All other expenditure	31.03	22.69	25.85	34.87	41.55	56.34	29.88
Total	184.67	161.88	180.90	218.63	250.51	235.29	187.38

(a) See page 791 for transactions included. (b) Tasmanian transport services are under the separate control of semi-governmental authorities. Figures shown for relevant items represent payments to the authorities.

TOTAL STATE CONSOLIDATED REVENUE FUND EXPENDITURE: DETAILS

1961-62 TO 1965-66

(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Debt (interest, exchange, debt redemption, etc.)	274,909	301,723	320,403	343,990	370,551
Railways, tramways and omnibuses (working expenses)	400,363	397,940	420,585	443,947	451,226
Harbours and rivers, etc.	15,847	15,985	19,035	20,652	19,445
Water supply, sewerage, irrigation and drainage	25,374	25,706	26,313	24,840	27,301
Other business and industrial undertakings	5,386	5,492	5,187	6,260	5,235
Education	328,004	359,053	401,009	457,333	499,733
Health and charitable	226,568	231,051	239,167	260,508	285,587
Justice	20,022	19,910	21,749	24,187	26,286
Police	59,607	62,961	68,008	72,981	77,102
Penal establishments	11,714	12,223	13,054	14,204	15,258
Public safety	3,345	3,773	3,935	4,038	4,400
All other expenditure	245,653	259,925	290,887	292,194	338,135
Total	1,616,790	1,695,742	1,829,333	1,965,133	2,120,259

State Consolidated Revenue Fund receipts

The principal sources of State revenue are: (a) taxation; (b) the business undertakings controlled by the State Governments; (c) sale of and rental from crown lands; (d) interest on advances; (e) payments by the Commonwealth Government under the Financial Agreements, Special Grants and Financial Assistance Acts, etc.; (f) Commonwealth National Welfare Fund payments; and (g) miscellaneous sources, comprising fines, fees, etc.

Of these sources, that yielding the largest revenue to the Consolidated Revenue Funds for the States as a whole in the year 1965-66 was Commonwealth payments under financial assistance and other grants (40.4 per cent of the total revenue). Next in magnitude was the group of business undertakings (26.4 per cent), the principal contributors being the Government railways and tramways, followed by taxation receipts (18.0 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* pages 796 and 798). Of the remaining sources of revenue, interest (n.e.i.) constituted 4.3 per cent, land revenue 3.0 per cent, and National Welfare Fund payments 1.3 per cent.

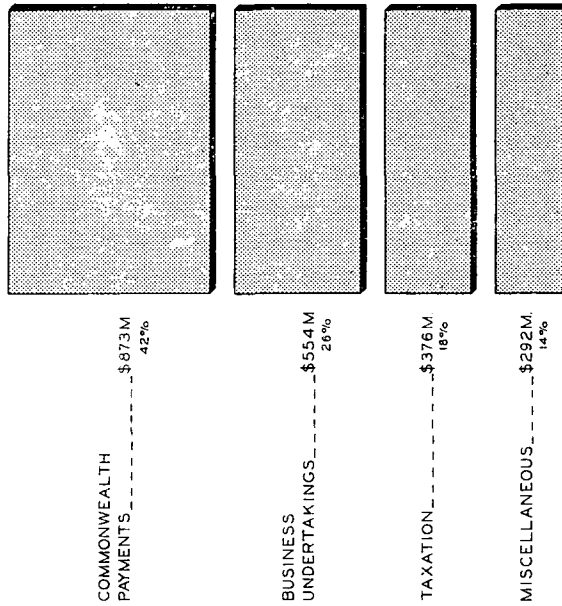
Total receipts

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

STATE CONSOLIDATED REVENUE FUNDS

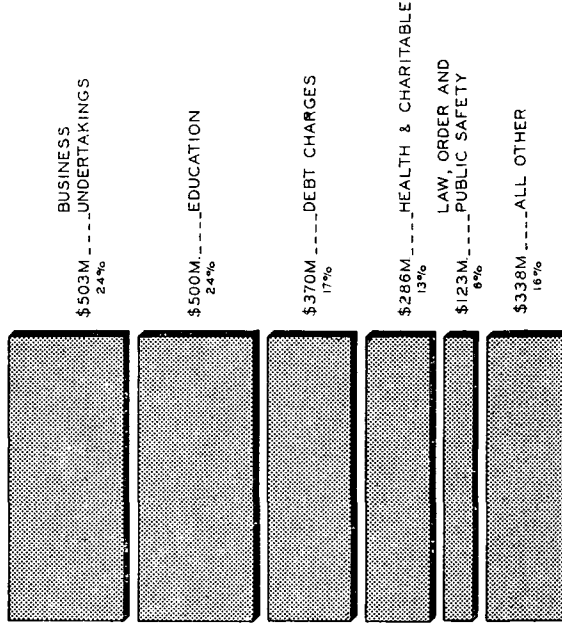
YEAR ENDED 30 JUNE 1966

RECEIPTS



TOTAL RECEIPTS: \$2,095 MILLION

EXPENDITURE



TOTAL EXPENDITURE: \$2,120 MILLION

PLATE 42

STATE CONSOLIDATED REVENUE FUND RECEIPTS
1961-62 TO 1965-66

Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
RECEIPTS (\$'000)							
1961-62 . . .	591,223	392,618	234,650	178,205	149,852	62,585	1,609,133
1962-63 . . .	625,260	414,151	246,983	187,368	157,182	63,318	1,694,262
1963-64 . . .	684,535	444,368	260,897	203,006	167,888	68,391	1,829,087
1964-65 . . .	729,091	480,668	267,139	214,181	180,143	75,828	1,947,050
1965-66 . . .	771,627	508,554	294,502	228,816	206,655	84,896	2,095,051

PER HEAD OF POPULATION
(\$)

1961-62 . . .	149.67	132.81	153.31	182.42	201.04	177.22	153.07
1962-63 . . .	155.62	137.55	159.00	188.17	205.05	176.81	158.30
1963-64 . . .	167.98	144.74	164.69	198.97	213.20	188.59	167.78
1964-65 . . .	176.21	153.35	165.39	204.27	223.69	207.06	175.29
1965-66 . . .	183.55	159.33	178.76	212.29	250.50	229.82	185.16

(a) See page 791 for transactions included.

Sources of revenue

Classifying the revenue of the several States in the manner indicated on page 793, particulars for the year 1965-66 were as follows.

STATE CONSOLIDATED REVENUE FUND RECEIPTS
BY SOURCE, 1965-66

Source of revenue	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas. (b)	Total
RECEIPTS (\$'000)							
Taxation(c) . . .	138,324	123,454	42,546	36,852	23,314	11,934	376,422
Business undertakings . . .	236,989	126,773	81,717	58,597	49,267	602	553,946
Lands . . .	34,501	8,654	10,701	2,067	4,598	1,759	62,281
Interest, n.e.i. . .	8,306	20,735	14,783	19,167	12,594	13,854	89,440
Commonwealth grants(d)—							
Financial assistance . . .	255,001	191,922	113,357	86,467	78,474	32,131	757,351
Other(e) . . .	20,466	4,334	13,351	7,722	24,985	18,266	89,126
Commonwealth National							
Welfare Fund payments(f) . . .	17,332	3,923	1,469	2,187	137	1,281	26,329
Miscellaneous . . .	60,708	28,758	16,576	15,757	13,287	5,070	140,155
Total . . .	771,627	508,554	294,502	228,816	206,655	84,896	2,095,051

PER HEAD OF POPULATION
(\$)

Taxation(c) . . .	32.90	38.68	25.82	34.19	28.26	32.31	33.27
Business undertakings . . .	56.37	39.72	49.60	54.37	59.72	1.63	48.95
Lands . . .	8.21	2.71	6.50	1.92	5.57	4.76	5.50
Interest, n.e.i. . .	1.98	6.50	8.97	17.78	15.27	37.50	7.90
Commonwealth grants(d)—							
Financial assistance . . .	60.66	60.13	68.81	80.22	95.12	86.98	66.93
Other(e) . . .	4.87	1.36	8.10	7.16	30.29	49.45	7.88
Commonwealth National							
Welfare Fund payments(f) . . .	4.12	1.23	0.89	2.03	0.17	3.47	2.33
Miscellaneous . . .	14.44	9.01	10.06	14.62	16.11	13.72	12.39
Total . . .	183.55	159.33	178.76	212.29	250.50	229.82	185.16

(a) See page 791. (b) Tasmanian transport services are under the separate control of semi-governmental authorities. (c) In all States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (d) Excludes Commonwealth payments paid to trust funds. (e) Includes payments under Financial Agreement, special grants, additional financial assistance, grants to universities, etc. (f) Consolidated Revenue Fund receipts only. Excludes payments to Trust Funds.

State receipts from taxation

In the tables on taxation collections in these paragraphs the collections have been grouped according to the nature of the tax rather than the method of collection. For example, stamp duties on betting tickets and bookmakers' licences have been included under Racing instead of under Stamp duties and Licences respectively.

Net taxation collections

The following tables show, for the year 1965-66, details of the collections by each State Government from the various types of tax in operation, irrespective of whether such moneys have been paid into the Consolidated Revenue Funds or not. For this reason the particulars hereunder differ from those shown in the tables relating to the Consolidated Revenue Funds and present a comprehensive statement of all taxation collections by the Government in each State.

STATE RECEIPTS FROM TAXATION: NET COLLECTIONS(a), BY TYPE OF TAX
1965-66
(\$'000)

Tax	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Motor—							
Registration fees and taxes	37,251	36,034	15,704	10,929	8,992	3,533	112,443
Drivers', etc., licences	6,989	2,850	1,056	958	1,059	381	13,293
Other	17,836	14,058	8,356	3,719	2,305	572	46,845
<i>Total, motor</i>	<i>62,076</i>	<i>52,942</i>	<i>25,115</i>	<i>15,606</i>	<i>12,356</i>	<i>4,486</i>	<i>172,581</i>
Probate and succession duties	40,041	32,003	10,328	6,134	3,947	2,005	94,457
Stamp duties, n.e.i.	39,890	36,443	13,733	7,978	8,723	2,826	109,592
Land	34,477	19,881	4,148	5,638	3,398	2,029	69,570
Liquor	11,397	8,031	4,048	1,142	2,013	739	27,369
Lotteries . . . . .	..	6,294	710	..	..	..	7,004
Racing	9,724	12,190	4,005	2,453	2,895	1,041	32,309
Poker machine licence fees	15,761	..	..	..	..	..	15,761
Licences, n.e.i.	448	1,245	213	220	566	26	2,717
Other	1	..	5,832	361	1,083	..	7,275
Grand total	213,814	169,028	68,131	39,532	34,981	13,150	538,637

(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 RECEIPTS FROM TAXATION: PAYMENTS INTO SPECIAL FUNDS, 1965-66
(\$'000)

Tax	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Motor	59,146	44,405	19,332	1,903	10,584	808	136,179
Stamp duties, n.e.i. . . . .	..	571	..	..	..	..	571
Liquor . . . . .	..	383	172	..	..	..	555
Racing	583	..	354	777	..	408	2,123
Poker machine licence fees	15,761	..	..	..	..	..	15,761
Other . . . . .	..	215	5,727	..	1,083	..	7,025
Total	75,490	45,574	25,586	2,680	11,667	1,217	162,214

The table hereunder shows, for the year 1965-66, the proportions of collections under individual classes of tax to total taxation revenue.

**STATE RECEIPTS FROM TAXATION: PROPORTIONS OF INDIVIDUAL TAXES TO
TOTAL, 1965-66
(Per cent)**

Tax	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Motor	29.03	31.32	36.86	34.96	35.32	34.11	31.70
Probate and succession duties	18.72	18.93	15.16	15.52	11.28	15.25	17.53
Stamp duties, n.e.i.	18.65	21.56	20.16	24.70	24.94	21.49	20.67
Land	16.12	11.76	6.09	14.26	9.71	15.43	12.91
Liquor	5.33	4.75	5.94	2.89	5.76	5.62	5.08
Lotteries		3.72	1.04				1.30
Racing	4.55	7.21	5.88	6.21	8.28	7.92	6.01
Poker machine licence fees	7.37						2.93
Licences, n.e.i.	0.21	0.74	0.31	0.56	1.62	0.20	0.51
Other			8.56	0.91	3.09		1.35
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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 Funds, during the years 1961-62 to 1965-66 are shown in the following tables.

STATE RECEIPTS FROM TAXATION: NET COLLECTIONS, 1961-62 TO 1965-66

Year	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
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**NET COLLECTIONS
(\$'000)**

1961-62	134,866	115,638	48,549	25,902	20,400	9,609	354,963
1962-63	156,182	121,964	54,046	27,691	22,996	10,184	393,062
1963-64	185,919	135,757	60,582	30,619	26,713	11,110	450,701
1964-65	201,026	151,640	64,887	37,255	29,600	11,918	496,326
1965-66	213,814	169,028	68,131	39,532	34,981	13,150	538,637

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

1961-62	34.14	39.12	31.72	26.51	27.37	27.21	33.77
1962-63	38.87	40.51	34.79	27.81	30.00	28.44	36.73
1963-64	45.62	44.19	38.24	30.01	33.92	30.64	41.34
1964-65	48.58	48.42	40.17	35.53	36.76	32.54	44.70
1965-66	50.86	52.96	41.35	36.68	42.40	35.60	47.61

**STATE RECEIPTS FROM TAXATION: TOTAL NET COLLECTIONS(a), BY TYPE OF
TAX, 1961-62 TO 1965-66**
(\$'000)

Tax	1961-62	1962-63	1963-64	1964-65	1965-66
Motor	103,216	115,518	136,714	153,270	172,581
Probate and succession duties	75,166	80,028	91,090	91,443	94,457
Stamp duties, n.e.i.	73,056	81,757	93,080	104,436	109,592
Land	45,321	49,410	55,134	62,765	69,570
Liquor	19,722	22,203	23,784	26,179	27,369
Lotteries	7,017	7,090	7,310	7,454	7,004
Racing	18,230	21,198	23,361	27,340	32,309
Entertainments	2,180	941	53	..	..
Poker machine licence fees	3,544	6,558	11,268	13,666	15,761
Licences, n.e.i., and all other	7,511	8,360	8,906	9,772	9,992
Total	354,963	393,062	450,701	496,326	538,637

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

Taxation collections paid to special funds

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

**STATE RECEIPTS FROM TAXATION: TOTAL PAYMENTS INTO SPECIAL
FUNDS, 1961-62 TO 1965-66**
(\$'000)

Tax	1961-62	1962-63	1963-64	1964-65	1965-66
Motor	86,120	96,872	111,830	121,398	136,179
Stamp duties, n.e.i.	401	484	508	546	571
Liquor	341	464	540	535	555
Racing	1,097	1,356	1,481	1,832	2,123
Poker machine licence fees	3,544	6,558	11,268	13,666	15,761
Other	5,080	5,527	5,948	6,756	7,025
Total	96,583	111,262	131,575	144,734	162,214

**State Consolidated Revenue Fund receipts
from business undertakings**

A considerable proportion of State gross revenue is made up of receipts from business undertakings under the control of the Governments. The most important of these are railways and tramways, harbour works, water supply and sewerage, and electricity supply. In addition, State batteries for the treatment of auriferous ores in Western Australia and various minor revenue-producing services rendered by the Governments of all States are included. For the year 1965-66 the receipts from these sources was \$553,946,000 or 26.4 per cent of the receipts from all sources.

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

Source	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.(a)	Total
Railways(b)	195,336	99,673	81,717	29,763	41,864	..	448,353
Tramways and omnibuses	25,130	..	..	..	..	..	25,130
Harbours, rivers, lights	16,523	(c) 2,037	..	6,195	2,387	..	27,142
Water supply, sewerage, irrigation and drainage	..	13,102	..	20,934	3,308	26	37,370
Electricity supply	..	11,051	..	..	1,708	..	11,051
Other	..	910	..	1,705	..	577	4,900
Total	236,989	126,773	81,717	58,597	49,267	602	553,946

(a) Tasmanian transport services are under the separate control of semi-governmental authorities.
(b) The following contributions to railways revenue from Consolidated Revenue Fund are excluded—New South Wales, \$1,600,000; South Australia, \$8,000,000. (c) Includes Harbour Trust Fund contribution, \$1,382,000.

**STATE CONSOLIDATED REVENUE FUND
RECEIPTS FROM BUSINESS UNDERTAKINGS, 1961-62 TO 1965-66**

Year	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas. (a)	Total
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RECEIPTS
(\$'000)

1961-62	215,080	106,449	70,144	48,897	44,077	223	484,870
1962-63	220,965	108,401	73,267	49,927	45,103	163	497,826
1963-64	242,824	115,715	81,124	54,904	47,175	236	541,978
1964-65	255,024	127,416	79,813	57,256	42,631	348	562,487
1965-66	236,989	126,773	81,717	58,597	49,267	602	553,946

PER HEAD OF POPULATION
(\$)

1961-62	54.45	36.01	45.83	50.05	59.13	0.63	46.12
1962-63	55.00	36.00	47.17	50.14	58.84	0.46	46.51
1963-64	59.59	37.67	51.21	53.81	59.91	0.65	49.47
1964-65	61.63	40.65	49.41	54.61	52.94	0.95	50.64
1965-66	56.37	39.72	49.60	54.37	59.72	1.63	48.95

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

**STATE CONSOLIDATED REVENUE FUND: TOTAL RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1961-62 TO 1965-66**
(\$'000)

Source	1961-62	1962-63	1963-64	1964-65	1965-66
Railways, tramways and omnibuses	419,711	429,633	465,557	485,800	473,483
Harbour services	21,340	21,480	25,058	27,371	27,142
Water supply, sewerage, irrigation and drainage	32,767	34,801	38,548	33,424	37,370
Other	11,053	11,911	12,815	15,892	15,951
Total	484,870	497,826	541,978	562,487	553,946

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

Other State Consolidated Revenue Fund receipts

State land receipts

The receipts from the sale and rental of Crown lands have, with few exceptions, been treated from the earliest times as forming part of the Consolidated Revenue Funds, and have been applied to meet ordinary expenses. The following table shows the revenue from sales and rentals of Crown lands for the year 1965-66.

STATE CONSOLIDATED REVENUE FUND LAND RECEIPTS, BY SOURCE
1965-66
(\$'000)

Source	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Sales . . .	2,281	526	1,605	317	268	105	5,103
Conditional purchases . . .	435	..	..	22	481	..	939
Rentals(a) . . .	28,651	2,085	8,156	1,728	1,144	134	41,898
Forestry . . .	2,852	5,560	..	..	2,705	1,500	12,617
Other . . .	282	483	940	..	..	20	1,724
Total . . .	34,501	8,654	10,701	2,067	4,598	1,759	62,281

(a) Includes mining royalties, rents, etc.

The total land receipts for all States for the years 1961-62 to 1965-66 respectively were: \$31,572,000, \$32,725,000, \$38,478,000, \$56,458,000, and \$62,281,000.

State receipts from Commonwealth grants

Commonwealth grants to the States represent a very large proportion of the States' receipts. In 1965-66 the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was \$846,477,000 (40.4 per cent). Details were as follows: contribution towards interest on States' debts under the Financial Agreement, \$15,170,000; special grants to the States of Western Australia and Tasmania, \$41,770,000; financial assistance, \$757,351,000; drought assistance, \$21,700,000; grants to universities, \$9,897,000, and other grants, \$589,000. 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 (\$17,761,000 in 1965-66) paid to the National Debt Sinking Fund, grants for Commonwealth Aid Roads (\$140,000,000 in 1965-66), and grants for universities (\$36,881,000 in 1965-66) paid to State Trust Funds. More detailed information concerning Commonwealth grants to the States is given on pages 766-75.

State receipts from Commonwealth National Welfare Fund

The States also receive payments from the Commonwealth in respect of hospital and pharmaceutical benefits, milk for school children, and reimbursement of maintenance expenditure on tuberculosis sanatoriums. These receipts are paid into Consolidated Revenue Funds or Trust Funds according to the varying accounting procedures in the States. In 1965-66 the total amount paid to State Consolidated Revenue Funds was \$26,329,000 (1.3 per cent). This amount was made up of hospital benefits, \$2,798,000; pharmaceutical benefits, \$8,384,000; milk for school children, \$2,916,000; tuberculosis—reimbursement of maintenance expenditure, \$11,484,000; other, \$748,000.

State surplus revenue

The following table shows for each of the years 1961-62 to 1965-66 the total amount and amount per head of population of the surplus or deficit of each State.

STATE SURPLUS REVENUE, 1961-62 TO 1965-66

Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
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TOTAL AMOUNT
(\$'000)

1961-62 . . .	-6,266	21	219	1,013	-1,928	-717	-7,656
1962-63 . . .	372	1	55	580	-1,506	-983	-1,480
1963-64 . . .	544	-505	443	3,251	-2,792	-1,185	-246
1964-65 . . .	-5,069	..	-4,076	-2,622	-4,695	-1,619	-18,083
1965-66 . . .	-4,687	-8,135	-3,520	-6,834	-10	-2,021	-25,208

PER HEAD OF POPULATION
(\$)

1961-62 . . .	-1.58	0.01	0.14	1.04	-2.59	-2.03	-0.73
1962-63 . . .	0.09	..	0.04	0.58	-1.96	-2.74	-0.14
1963-64 . . .	0.13	-0.16	0.28	3.19	-3.55	-3.27	-0.02
1964-65 . . .	-1.23	..	-2.52	-2.50	-5.83	-4.42	-1.63
1965-66 . . .	-1.11	-2.55	-2.14	-6.34	-0.01	-5.47	-2.22

(a) See page 791.

Minus sign (-) indicates deficit.

State Loan Funds

The principal purpose of State public borrowing is to assist in financing the development of the resources of the country, e.g. the establishment and operation of railway systems and electricity undertakings, construction of roads and water and sewerage works, and improvements to harbours and rivers.

Statements relating to 'gross' loan expenditure are shown on page 802. Gross expenditure represents the amounts disbursed during each year. Details of 'net' loan expenditure, i.e. gross expenditure less any credits to the Loan Fund during the year on account of repayments of advances to local governing bodies, settlers, etc., the sale of assets, and transfers from other funds, may be found in the annual bulletin *State, Territory and Local Government Authorities' Finance and Government Securities*. Such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made.

Gross loan expenditure

Particulars of gross loan expenditure on works, services, etc., are shown in the following tables.

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.: DETAILS
1965-66
(\$'000)

	N.S.W.	Vic.(a)	Qld	S.A.	W.A.	Tas.	Total
Public works and services—							
Railways	15,500	16,300	20,479	5,565	10,205	900	68,949
Tramways and omnibuses					300		300
Roads	4,147	2,390	(b) - 634	310			
Bridges							
Harbours and rivers	10,812	3,453	371	2,655	2,899	4,446	30,849
Lights and lighthouses							
Water supply	19,601	17,953	- 204	15,678	11,321	1,040	77,459
Sewerage		986		11,084			
Electricity supply	15,000	15,000	2,941	6,000	1,434	16,500	56,875
Gas supply		60					60
Public buildings	78,279	58,487	20,145	23,946	20,196	11,357	212,412
Loans and grants to local bodies	679	2,044	14,487	30	854	160	18,256
Housing(c)	56	1,803	4,300	700	1,152		8,011
Other public works, etc.	653	552		193	769	661	2,828
Primary production—							
Soldier settlement	205	64					269
Land for settlement	995	2,532	137			350	4,014
Advances to settlers		229		1,403		800	2,432
Water conservation, irrigation and drainage	16,967		6,713	2,185	1,518		27,384
Vermmin-proof fencing			14	(d)			14
Agriculture	1,800	1,009	21		421	557	3,808
Agricultural Bank			2,202				2,202
Forestry	1,500	2,077	4,736	2,044	360	1,325	12,042
Mines and mineral resources	2,896	218	1,885	304	266	89	5,657
Other	1,304	2,508		741	40	104	4,697
Other purposes		(e) 3,181		2,136	911	888	7,117
Total	170,395	130,848	77,595	74,974	52,646	39,177	545,635

(a) Expenditure from loan funds and on account of loans; includes expenditure from loan funds, from Treasurer's Advance Account, and from State Loans Repayment Fund. (b) Represents transfer of liability on account of expenditure incurred in earlier years. The amount involved has been debited against the item Loans and grants to local bodies, and included in the expenditure shown for 1965-66. (c) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (d) Included in item Advances to settlers. (e) Includes Rural Finance and Settlement Commission, for advances to rural industries, \$2,574,000.

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.
1961-62 TO 1965-66

Year	N.S.W.	Vic.(a)	Qld	S.A.	W.A.	Tas.	Total
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GROSS LOAN EXPENDITURE
(\$'000)

1961-62	135,040	106,834	61,377	61,310	41,545	32,191	438,297
1962-63	140,661	110,665	62,862	59,602	44,310	32,914	451,014
1963-64	148,897	117,750	69,647	63,496	47,270	34,988	482,048
1964-65	160,441	127,855	77,604	73,597	50,736	35,667	525,900
1965-66	170,395	130,848	77,595	74,974	52,646	39,177	545,635

PER HEAD OF POPULATION
(\$)

1961-62	34.18	36.14	40.10	62.76	55.74	91.15	41.69
1962-63	35.01	37.74	40.47	59.86	56.27	91.91	42.14
1963-64	36.54	38.33	43.96	62.23	60.03	96.48	44.22
1964-65	38.78	40.79	48.05	70.34	63.00	97.39	47.35
1965-66	40.53	40.99	47.10	69.56	63.82	106.06	48.22

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

Total loan expenditure

The preceding tables do not include particulars of expenditure on loan discounts and flotations, the funding of deficits, the retirement of treasury bills, and similar items of a nature other than works, services, etc. Summaries of the gross and net expenditure and repayments in respect of all loan purposes for the years 1963-64 to 1965-66 are shown in the next table.

STATE LOAN EXPENDITURE: SUMMARY, 1963-64 TO 1965-66
(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
1963-64							
Works and services—							
Gross expenditure	148,897	117,750	69,647	63,496	47,270	34,988	482,048
Net expenditure	139,267	111,495	58,694	52,849	43,100	32,712	438,117
Repayments	9,629	6,255	10,953	10,647	4,170	2,276	43,931
Other than works, etc. (a)—							
Gross expenditure	— 640	1,000	1,500	100	623	234	2,818
Net expenditure	— 640	1,000	1,500	..	520	193	2,573
Repayments . . . . .	..	..	..	100	(b)103	42	245
Total loan expenditure—							
Gross	148,256	118,751	71,147	63,596	47,893	35,222	484,866
Net	138,627	112,496	60,194	52,849	43,620	32,905	440,690
Repayments	9,629	6,255	10,953	10,747	4,273	2,317	44,176
1964-65							
Works and services—							
Gross expenditure	160,441	127,855	77,604	73,597	50,736	35,667	525,900
Net expenditure	148,320	120,267	65,421	62,554	46,779	33,306	476,646
Repayments	12,121	7,588	12,184	11,042	3,957	2,361	49,254
Other than works, etc. (a)—							
Gross expenditure	— 3,562	611	1,500	43	293	113	— 1,003
Net expenditure	— 3,562	611	1,500	..	179	46	— 1,226
Repayments . . . . .	..	..	..	43	(b)114	67	223
Total loan expenditure—							
Gross	156,879	128,465	79,104	73,639	51,029	35,780	524,898
Net	144,758	120,878	66,921	62,554	46,958	33,352	475,420
Repayments	12,121	7,588	12,184	11,085	4,071	2,428	49,477
1965-66							
Works and services—							
Gross expenditure	170,395	130,848	77,595	74,974	52,646	39,177	545,635
Net expenditure	154,216	122,702	66,466	64,535	47,800	36,565	492,284
Repayments	16,179	8,146	11,129	10,439	4,846	2,612	53,352
Other than works, etc. (a)—							
Gross expenditure	589	1,036	..	192	280	169	2,267
Net expenditure	589	1,036	1,500	791	143	9	4,069
Repayments . . . . .	..	..	— 1,500	— 599	137	160	— 1,802
Total loan expenditure—							
Gross	170,984	131,884	77,595	75,167	52,926	39,346	547,902
Net	154,806	123,738	67,966	65,326	47,943	36,573	496,352
Repayments	16,179	8,146	9,629	9,840	4,983	2,773	51,550

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

Information relating to the government securities and borrowings on issue on behalf of the States is given in the division on Government Securities on Issue: Commonwealth and States (*see* page 808).

Advances to settlers

A detailed statement regarding the terms and conditions governing advances to settlers in the several States and the Northern Territory may be found in earlier issues of the Year Book (*see* List of Special Articles, etc., preceding General Index to this issue). The summaries of loans and advances under State authorities in the following paragraphs are compiled from returns supplied by the State Government lending agencies concerned. This information was previously included in the former chapter Land Settlement and Tenure (*see* Year Book No. 52, page 86). A summary for Western Australia is not included, as practically the only governmental funds being made available are Commonwealth (*see* pages 775-6). The figures include transactions in lands acquired under closer and soldier settlement schemes, but exclude balances owing on former Crown lands sold on the conditional purchase, etc., system. Advances made by general banking institutions in the course of their ordinary business are not included. For information on such advances *see* Chapter 19, Private Finance.

The amounts outstanding do not represent the actual differences between the total advances and settlers' repayments, for considerable remissions of indebtedness have been made in all States as a result of re-appraisements of land values and the writing down of debts. In general they include both principal and interest outstanding.

In New South Wales and Victoria expenditure on the acquisition, development and improvement of land for war service land settlement is provided for by the States, and particulars thereof are included in the respective summaries. In Queensland no money is paid for the value of the land acquired, most land being occupied on lease from the Government, but advances in respect of improvements are included. In the other States this expenditure is provided for by the Commonwealth, and particulars are included on page 775.

Loans (Agricultural Occupations) under the *Re-establishment and Employment Act* 1945-1966 and certain advances for the purchase of wire-netting and for other purposes made from finance provided by the Commonwealth are included in the summaries following.

ADVANCES TO SETTLERS, ETC.: NEW SOUTH WALES, TO 30 JUNE 1966

Advances, etc.	Advances, etc., made during 1964-65	Advances, etc., made during 1965-66	Total advances, etc., to 30 June 1966	Balances outstanding at 30 June 1966	
				Number	Amount
Department of Lands—	\$'000	\$'000	\$'000		\$'000
Closer land settlement	1,243	1,005	(a) 38,538	6,072	(b) 3,078
Soldier settlers, 1914-18 War . . . . .	..	..	6,392	7	4
1939-45 War	38	61	29,554	2,066	3,928
Soldier land settlement—acquisition, develop- ment and improvement of land, War Service Land Settlement Agreement Act	3	144	57,830	1,854	(c) 49,862
Wire netting . . . . .	..	..	109	..	..
Prickly pear	95	58	1,265	326	35
Rural Bank—					
General Bank Department (including Com- monwealth Re-establishment Scheme advances)	21,268	15,643	281,092	7,569	46,849
Government Agency Department—					
Rural Industries Agency	1,921	6,342	28,063	2,648	7,983
advances to Settlers Agency (including unemployment relief and dairy promotion advances)	647	756	12,258	1,955	2,677
Rural Reconstruction Agency	556	429	33,619	649	4,661
Irrigation Agency—					
Shallow bores	195	213	5,364	645	1,240
Farm water supplies	453	722	4,443	1,209	2,653
Soil conservation	89	128	658	310	437
Murrumbidgee Irrigation Area—tree mortality advances	6	..	806	104	588
Rivers and foreshores improvement . . . . .	..	..	10	19	1
Irrigation areas	865	154	n.a.	12,213	8,971
Government Guarantee Agency . . . . .	..	..	451	..	..
Closer Settlement Agency . . . . .	..	..	336	26	49
Total	27,370	25,655	(d) 500,788	37,672	133,016

(a) In addition, the sum of \$3,874,000 had been expended to 30 June 1966 on subdivision, maintenance, improvement, and disposal of land acquired for closer settlement. (b) Excludes an amount of \$9,369,000 capitalised to 30 June 1966 on conversion into leasehold under the Closer Settlement Amendment (Conversion) Act, 1943 and capital values of leasehold tenures, \$6 535,000. (c) Includes capital value of 2,627 Closer Settlement Leases, \$39,589,000, and unpaid balances on 1,854 Structural Improvement Accounts, \$10,190,000. (d) Incomplete.

ADVANCES TO SETTLERS, ETC.: VICTORIA, TO 30 JUNE 1966

Advances, etc.	Advances, etc., made during 1964-65	Advances, etc., made during 1965-66	Total advances, etc., to 30 June 1966	Balances outstanding at 30 June 1966	
				Number	Amount
State Savings Bank, Crédit Foncier—	\$'000	\$'000	\$'000		\$'000
Civilians	302	337	25,696	459	1,705
Discharged soldiers . . . . .	..	..	1,698	1	1
Treasurer—					
Cool stores, canneries, etc.	240	960	4,886	(a) 1	2,788
Department of Lands and Survey—					
Closer settlement settlers and soldier settlers	..	..	(b) 93,810	1,307	2,630
Cultivators of land . . . . .	..	..	4,927	20	8
Wire netting	1	..	1,478	34	10
Rural Finance and Settlement Commission—					
For soldier settlement—					
Purchase of land, and development and improvement of holdings	34	48	(c) 93,321	n.a.	(d) 43,011
Advances for—					
Development of single unit farms . . . . .	..	..	23,917	1,345	9,558
Improvements, stock, etc.	44	15	12,305	198	142
Other advances . . . . .	..	..	3,594	212	61
For general land settlement—					
Purchase of land	29	278	1 582	n.a.	(f) 18,655
Development and improvement of holdings	2,151	2,030	(e) 18,512	n.a.	
Improvements, stock, etc.	237	246	877	262	
Total	3,058	3,914	286,603	(g) 3,839	78,932

(a) Number of companies. (b) Represents consolidated debts of settlers (Section 30, Act 4091). (c) Includes liability for advances for settlers' leases, \$41,458,000. (d) After allowing an amount of \$30,772,000, representing excess acquisition, development and improvement costs, which has been written off. Includes \$48,400,000 outstanding on contracts of sale for disposal of unsuitable land. (e) Includes liability for advances for settlers' leases \$3,818,000. (f) Includes amounts owing on contracts for sale of unsuitable land, \$84,000, after writing off \$933,000 excess acquisition and development costs. (g) Incomplete.

ADVANCES TO SETTLERS, ETC.: QUEENSLAND, TO 30 JUNE 1966

Advances, etc.	Advances, etc., made during 1964-65	Advances, etc., made during 1965-66	Total advances, etc., to 30 June 1966	Balances outstanding at 30 June 1966	
				Number	Amount
Co-ordination of Rural Advances and Agricultural Bank Acts	\$'000	\$'000	\$'000		\$'000
Discharged soldiers' settlement(a)	11,684	10,787	122,428	6,458	53,875
Water facilities . . . . .	..	..	4,936	151	59
Wire netting, etc. . . . .	..	..	116	..	..
Seed wheat and barley	3	2	2,039	..	..
Drought relief	79	3,048	(b) 367	n.a.	25
War Service Land Settlement	193	154	5,961	947	3,153
Financial Arrangements and Development Aid			10,275	181	1,774
Acts and prior Acts . . . . .	..	..	2,368	..	..
Irrigation . . . . .	..	..	110	..	..
Farmers' Assistance (Debt Adjustment) Acts . . . . .	..	..	2,111	9	19
Commonwealth Re-establishment and Employment Act . . . . .	..	..	1 748	14	10
Water Supplies Assistance Act	784	920	3,710	793	3,073
Brigalow and Other Lands Development Act	1,445	892	3,490	68	3,417
Soil Conservation Act . . . . .	..	6	6	5	6
Total	14,188	15,810	159,665	(c) 8,626	65,412

(a) Includes advances to group settlers through the Lands Department, as well as advances through the Agricultural Bank. (b) Includes accrued interest. (c) Incomplete.

South Australia

Particulars of Primary Producers Assistance, comprising advances in drought-affected areas and under Farmers Relief Acts, included in the following table for earlier years are now omitted, as the amounts (\$13,165,000) were written off as irrecoverable as at 30 June 1966.

ADVANCES TO SETTLERS, ETC.: SOUTH AUSTRALIA, TO 30 JUNE 1966

Advances, etc.	Advances, etc., made during 1964-65	Advances, etc., made during 1965-66	Total advances, etc., to 30 June 1966	Balances outstanding at 30 June 1966	
				Number	Amount
	\$'000	\$'000	\$'000		\$'000
Department of Lands—					
Advances to soldier settlers . . . . .	..	..	10,144	15	334
Advances to blockholders . . . . .	..	..	83	..	..
Advances under Closer Settlement Acts . . . . .	..	..	5,461	420	892
Settlement of Returned Service Personnel, 1939-45 War	2,883	2,137	29,099	1,090	12,749
Advances under Crown Lands Development Act	34	..	986	76	716
Irrigation Branch—					
Advances to soldier settlers . . . . .	..	..	2,096	100	245
State Bank of South Australia—					
Advances to settlers for improvements	141	196	3,442	370	1,177
Advances under Vermin and Fencing Acts	3	7	2,885	79	77
Advances under Loans to Producers Act	1,297	1,359	11,084	199	7,768
Commonwealth Re-establishment and Em- ployment Act . . . . .	..	..	1,655	170	130
Total	4,358	3,699	66,935	2,519	24,088

Western Australia

The operations prior to 1945 covered in this section related to moneys made available through, or by, the old Agricultural Bank and other Government Departments for the purpose of agricultural development. On 1 October 1945, however, the Agricultural Bank was reconstituted as the Rural and Industries Bank of Western Australia, and was given authority to operate in similar manner to the associated banks. Certain securities in the books of the old bank were taken over by the general banking division of the new bank, and the clients concerned then operated with privileges and obligations similar to those provided by other banking institutions. The majority of the remaining securities, also, were eventually transferred.

At present, very limited funds are being made available by the State Government for advances for agricultural development, the bulk of the moneys for this purpose being provided by the Commonwealth Government under the War Service Land Settlement and Commonwealth Re-establishment and Employment Acts. Particulars of this expenditure are shown on pages 775-6.

Tasmania

Particulars of advances made for the purchase of land for closer and soldier land settlement included in this table for earlier years are now omitted, as they are not regarded as outstanding advances by the Department of Agriculture; the areas so purchased have been leased on 99-year terms with an option of purchase which the leaseholder may exercise at any time.

ADVANCES TO SETTLERS, ETC.: TASMANIA, TO 30 JUNE 1966

Advances, etc.	Advances, etc., made during 1964-65	Advances, etc., made during 1965-66	Total advances, etc., to 30 June 1966	Balances outstanding at 30 June 1966	
				Number	Amount
	\$'000	\$'000	\$'000		\$'000
Agricultural Bank—					
State Advances Act and Rural Credits	921	715	11,651	1,188	3,729
Commonwealth Re-establishment and Em- ployment Act . . . . .	..	..	815	87	76
Primary Producers' Relief Act 1947 . . . . .	..	..	596	15	6
1960	18	..	18	3	3
1962	19	..	19	7	13
Minister for Agriculture—					
Soldier settlers—					
Advances	13	28	2,121	159	107
Closer settlers—					
Advances	45	21	402	68	386
Total	1,016	764	15,622	1,527	4,320

Northern Territory

During the year 1965-66 thirty-five advances totalling \$189,608 were approved and advances made totalled \$176,065. At 30 June 1966 the balance outstanding from seventy-six settlers, including interest, was \$683,701.

COMMONWEALTH AND STATE FINANCE

Consolidated Revenue Fund expenditure and receipts

The following table shows the aggregate expenditure and receipts of the Consolidated Revenue Funds of the Commonwealth and States for each of the years 1961-62 to 1965-66. In the table the combined Commonwealth and State totals have been adjusted to exclude major duplications, but the separate Commonwealth and State figures are as shown in other divisions of this chapter. The items excluded from the total figures are: payments made by the Commonwealth to the States and included in the State Consolidated Revenue Funds on account of financial assistance grants in 1961-62 to 1965-66, interest under the Financial Agreement, special grants, special financial assistance, grants to universities, cattle tick control, Tuberculosis Act capital expenditure, National Welfare Fund payments, and estimated payments of pay-roll tax by the States to the Commonwealth. There are other relatively minor payments for which adjustments have not been made, and the adjusted figures are therefore still slightly overstated.

COMMONWEALTH AND STATE CONSOLIDATED REVENUE FUND EXPENDITURE AND RECEIPTS, 1961-62 TO 1965-66

Year	Expenditure			Receipts		
	Commonwealth	States	Total	Commonwealth	States	Total
	\$'000	\$'000	\$m	\$'000	\$'000	\$m
1961-62	3,283,084	1,616,790	4,212.8	3,283,084	1,609,133	4,205.2
1962-63	3,370,772	1,695,742	4,347.5	3,370,772	1,694,262	4,346.1
1963-64	3,809,376	1,829,333	4,885.4	3,809,376	1,829,087	4,885.1
1964-65	4,418,178	1,965,133	5,605.2	4,418,178	1,947,050	5,587.2
1965-66	4,879,201	2,120,259	6,105.4	4,879,201	2,095,051	6,080.2

Taxation collections

The following table shows the combined Commonwealth and State taxation collections and the amount per head of population for the years 1961-62 to 1965-66. Taxation collections by the State Governments which are not paid into the Consolidated Revenue Funds are included.

COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS BY TYPE OF TAX, 1961-62 TO 1965-66

Tax	1961-62	1962-63	1963-64	1964-65	1965-66
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NET COLLECTIONS

(\$'000)

Income taxes	1,656,300	1,621,181	1,874,484	2,295,607	2,549,695
Customs and excise duty	701,612	759,005	815,036	899,722	1,022,970
Sales tax	297,648	313,062	325,189	362,857	370,044
Motor taxes	103,216	115,518	136,714	153,270	172,581
Pay-roll tax	121,943	126,510	136,443	150,078	161,943
Estate, probate and succession duties	109,224	115,727	130,961	132,974	130,581
Stamp duties, n.e.i.	73,056	81,757	93,080	104,436	109,593
Land tax	45,321	49,410	55,134	62,765	69,570
Racing	18,230	21,198	23,361	27,340	32,309
Liquor licences	19,722	22,203	23,784	26,179	27,369
Licences, n.e.i. and other taxes(a)	41,740	48,410	55,351	68,127	77,318
Total—					
Commonwealth	2,833,049	2,880,918	3,218,838	3,787,030	4,185,338
States	354,963	393,062	450,701	496,326	538,637
Grand total	3,188,012	3,273,980	3,669,539	4,283,356	4,723,975

(a) Includes arrears of State income taxes.

**COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS
BY TYPE OF TAX, 1961-62 TO 1965-66—continued**

Tax	1961-62	1962-63	1963-64	1964-65	1965-66
PER HEAD OF POPULATION (\$)					
Income taxes	156.21	150.10	170.25	204.49	222.79
Customs and excise duties	66.17	70.27	74.03	80.15	89.39
Sales tax	28.07	28.98	29.54	32.32	32.33
Pay-roll tax	11.50	11.71	12.39	13.37	14.15
Estate, probate and succession duties	10.30	10.71	11.89	11.85	11.41
Motor taxes	9.73	10.70	12.42	13.65	15.08
Stamp duties, n.e.i.	6.89	7.57	8.45	9.30	9.58
Land tax	4.27	4.57	5.01	5.59	6.08
Racing	1.72	1.96	2.12	2.44	2.82
Liquor taxes	1.86	2.06	2.16	2.33	2.39
Licences, n.e.i., and other taxes(a)	3.94	4.48	5.03	6.07	6.76
Total—					
Commonwealth	267.20	266.73	292.35	337.35	365.72
States	33.77	36.73	41.34	44.68	47.61
Grand total	300.67	303.12	333.29	381.56	412.78

(a) Includes arrears of State income taxes.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES

For the following reasons, Government Securities on Issue, as set out in the tables in this division, may not be aggregated without adjustment to indicate what is sometimes described as the 'public debt' or 'net public debt' of the Commonwealth and State Governments. There are forms of debt not evidenced by the issue of securities. Again, some of the securities included in the tables are held by the Governments themselves. For example, a State Government may hold temporarily, or even for long periods, securities issued by the Commonwealth Government. The Commonwealth Government itself, through such institutions as the National Debt Commission, or through the Trust Funds, holds large investments in securities issued, either directly by itself or on behalf of the States. In addition, some of the securities issued on behalf of the States and held by the Commonwealth Government represent the proceeds of overseas loans, securities for which were issued directly by the Commonwealth Government. From the point of view of the aggregate net debt of the Commonwealth and the States, it would thus involve duplication if the sum of the securities on issue were to be regarded as representing the 'net public debt'.

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

In the statistical tables relating to Government securities, details of securities on issue, annual interest liability and average rate of interest liability, except on pages 812-14, are shown in the currencies in which they are repayable or payable respectively. Australian currency equivalents for overseas loans have been calculated using International Monetary Fund par rates of exchange (and the calculated equivalent for Swiss francs) ruling at 30 June in each year shown. Rates of exchange to \$A at 30 June 1966 were as follows: £Sterling, 0.4000; United States dollars, 1.1200; Canadian dollars, 1.2108; Swiss francs, 4.8978; Netherlands guilders, 4.0544; German Deutsche marks, 4.4800.

The full text of the original Financial Agreement between the Commonwealth and the States was given in Year Book No. 31, page 21, a summary of the original Agreement as affected by the subsequent Agreements in later issues up to No. 37 (see pages 685-90), and a summary of the main provisions in further issues up to No. 50 (see pages 952-3).

Government securities on issue: Commonwealth and States

Government securities on issue, annual interest payable and average rate of interest

In the following tables, details are given of government securities on issue on account of the Commonwealth and States, annual interest payable and average rates of interest.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1966

	Currency in which repayable							Total— Aus- tralian currency equiva- lents(a)
	Aus- tralian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw. fr. '000	f.'000	D.M. '000	\$A'000
For Commonwealth purposes	2,520,779	73,398	380,067	49,191	194,088	7,150	84,596	3,144,518
On account of States—								
New South Wales	2,180,713	102,257	96,274	4,625	15,833	10,383	..	2,531,928
Victoria	1,626,901	42,202	46,376	3,720	12,732	8,346	..	1,781,544
Queensland	836,050	40,735	39,496	1,866	6,391	4,250	..	977,046
South Australia	866,183	31,211	24,876	1,979	6,774	4,191	..	970,473
Western Australia	632,794	32,398	15,613	1,420	4,863	3,264	..	730,700
Tasmania	471,045	6,867	13,975	1,080	3,703	2,416	..	502,932
Total, States	6,613,686	255,670	236,610	14,690	50,296	32,850	..	7,494,623
Total, Commonwealth and States—								
Stock and bonds	8,195,101	323,952	347,462	27,875	243,000	40,000	..	9,397,109
Treasury bills, internal	681,500	..	..	..	..	..	..	681,500
Treasury notes	115,996	..	..	..	..	..	..	115,996
Treasury bills, public	80,000	..	..	..	..	..	..	80,000
International Bank loans	..	..	187,301	36,006	4,384	..	84,596	216,749
Commonwealth notes	..	..	81,914	..	..	..	..	73,137
Debentures	54,802	..	..	..	..	..	..	54,802
Balance of securities of States taken over by Commonwealth and still represented by State securities	..	4,165	..	..	..	..	..	10,413
Other	7,065	948	..	..	..	..	..	9,435
Grand total—								
Currencies in which repayable	9,134,464	329,067	616,677	63,881	244,384	40,000	84,596	..
Australian currency equivalents(a) \$A'000	9,134,464	822,667	550,604	52,759	49,896	9,866	18,884	10639141

(a) For rates of exchange to \$A ruling at 30 June 1966, see page 808. (b) State securities issued by the Government of Western Australia to meet the costs of acquisition of the Midland Railway Company of Western Australia Ltd.

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

	Currency in which payable							Total— Aus- tralian currency equiva- lents(a)
	Aus- tralian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw. fr. '000	f.'000	D.M. '000	\$A'000
For Commonwealth purposes	91,723	3,509	18,955	2,275	7,973	357	4,801	122,087
On account of States—								
New South Wales	101,164	4,690	4,803	266	712	519	..	119,668
Victoria	77,879	1,858	2,355	214	573	417	..	85,023
Queensland	38,673	1,556	1,939	107	287	213	..	44,493
South Australia	41,208	1,120	1,271	114	305	210	..	45,350
Western Australia	29,986	1,114	776	82	219	163	..	33,617
Tasmania	22,468	295	744	62	167	121	..	23,987
Total, States	313,379	10,632	11,889	845	2,263	1,643	..	352,138
Grand total—								
Currencies in which repayable	405,102	14,141	30,844	3,120	10,236	2,000	4,801	..
Australian currency equivalents(a) \$A'000	405,102	35,353	27,539	2,576	2,090	493	1,072	474,225

(a) For rates of exchange to \$A ruling at 30 June 1966 see page 808.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1966—continued

	Currency in which payable							Total— Aus- tralian currency equiva- lents(a)
	Aus- tralian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	

AVERAGE RATE OF INTEREST LIABILITY
(Per cent)

For Commonwealth purposes	3.64	4.78	4.99	4.63	4.11	5.00	5.68	3.88
On account of States—								
New South Wales . . .	4.73	4.59	4.99	5.75	4.50	5.00	..	4.73
Victoria . . .	4.79	4.40	5.08	5.75	4.50	5.00	..	4.77
Queensland . . .	4.63	3.82	4.91	5.75	4.50	5.00	..	4.53
South Australia . . .	4.76	3.59	5.11	5.75	4.50	5.00	..	4.67
Western Australia . . .	4.74	3.44	4.97	5.75	4.50	5.00	..	4.60
Tasmania . . .	4.77	4.30	5.32	5.75	4.50	5.00	..	4.77
Total, States . . .	4.74	4.16	5.02	5.75	4.50	5.00	..	4.70
Grand total . . .	4.43	4.30	5.00	4.88	4.19	5.00	5.68	4.46

(a) For rates of exchange to \$A ruling at 30 June 1966, see page 808.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1962 TO 1966

	30 June—				
	1962	1963	1964	1965	1966
For Commonwealth purposes—					
Australian currency . . . \$A'000	2,560,948	2,518,728	2,568,714	2,512,888	2,520,779
Sterling . . . £Stg'000	75,188	77,327	79,393	76,253	73,398
United States dollars . . . \$US'000	315,617	362,025	351,347	368,641	380,067
Canadian dollars . . . \$Can'000	51,627	50,948	50,376	49,665	49,191
Swiss francs . . . Sw. fr.'000	209,658	196,556	194,288	194,288	194,088
Netherlands guilders . . . f.'000	7,150	7,150	7,150	7,150	7,150
German Deutsche marks . . . D.M.'000	6,355	6,355	37,901	84,596	84,596
Total, Commonwealth—Australian cur- rency equivalents(a) . . . \$A'000	3,119,350	3,120,672	3,172,396	3,133,997	3,144,518
On account of States—					
Australian currency . . . \$A'000	5,097,400	5,393,340	5,749,642	6,182,321	6,613,686
Sterling . . . £Stg'000	266,161	273,843	284,795	268,670	255,670
United States dollars . . . \$US'000	187,701	227,930	220,966	229,884	236,610
Canadian dollars . . . \$Can'000	16,765	16,668	16,065	15,633	14,690
Swiss francs . . . Sw. fr.'000	50,296	50,296	50,296	50,296	50,296
Netherlands guilders . . . f.'000	32,850	32,850	32,850	32,850	32,850
Total, States—Australian currency equi- valents(a) . . . \$A'000	5,962,610	6,313,596	6,690,562	7,090,533	7,494,623
Total, Commonwealth and States— Australian currency equivalents(a) \$A'000	9,081,960	9,434,268	9,862,958	10,224,530	10,639,141

(a) For rates of exchange to \$A ruling at 30 June 1966, see page 808.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1962 TO 1966**

	30 June—				
	1962	1963	1964	1965	1966
AMOUNT					
For Commonwealth purposes—					
Australian currency . . . \$A'000	85,290	84,550	89,405	89,540	91,723
Sterling . . . £Stg'000	3,386	3,504	3,714	3,608	3,509
United States dollars . . . \$US'000	15,053	17,711	17,334	18,437	18,955
Canadian dollars . . . \$Can'000	2,380	2,352	2,327	2,297	2,275
Swiss francs . . . Sw. fr.'000	8,675	8,080	7,982	7,982	7,973
Netherlands guilders . . . f.'000	357	357	357	358	357
German Deutsche marks . . . D.M.'000	302	302	2,116	4,801	4,801
Total, Commonwealth—Australian currency equivalents(a) . . . \$A'000	111,090	112,870	118,280	119,709	122,087
On account of States—					
Australian currency . . . \$A'000	225,886	238,128	255,105	283,118	313,379
Sterling . . . £Stg'000	10,328	10,917	11,529	11,034	10,632
United States dollars . . . \$US'000	8,976	11,227	10,889	11,428	11,889
Canadian dollars . . . \$Can'000	964	959	924	899	845
Swiss francs . . . Sw. fr.'000	2,263	2,263	2,263	2,263	2,263
Netherlands guilders . . . f.'000	1,643	1,643	1,643	1,643	1,643
Total, States—Australian currency equivalents(a) . . . \$A'000	261,326	277,106	295,278	322,515	352,138
Total, Commonwealth and States—Australian currency equivalents(a) . . . \$A'000	372,416	389,976	413,558	442,223	474,225

AVERAGE RATE OF INTEREST LIABILITY

(Per cent)

For Commonwealth purposes—					
Australian currency	3.33	3.36	3.48	3.56	3.64
Sterling	4.50	4.53	4.68	4.73	4.78
United States dollars	4.77	4.89	4.93	5.00	4.99
Canadian dollars	4.61	4.62	4.62	4.62	4.63
Swiss francs	4.14	4.11	4.11	4.11	4.11
Netherlands guilders	5.00	5.00	5.00	5.00	5.00
German Deutsche marks	4.75	4.75	4.58	5.68	5.68
Total, Commonwealth—Australian currency equivalents(a)	3.56	3.62	3.73	3.82	3.88
On account of States—					
Australian currency	4.43	4.42	4.44	4.58	4.74
Sterling	3.88	3.99	4.05	4.11	4.16
United States dollars	4.79	4.93	4.93	4.97	5.02
Canadian dollars	5.75	5.75	5.75	5.75	5.75
Swiss francs	4.50	4.50	4.50	4.50	4.50
Netherlands guilders	5.00	5.00	5.00	5.00	5.00
Total, States—Australian currency equivalents(a)	4.38	4.39	4.41	4.55	4.70
Total, Commonwealth and States—Australian currency equivalents(a)	4.10	4.13	4.19	4.33	4.46

(a) For rates of exchange to \$A ruling at 30 June 1966 see page 808.

Government securities on issue and annual interest payable—Australian currency

In the following tables, details, including per capita figures, are shown in Australian currency equivalents calculated at rates of exchange ruling at 30 June of each of the years concerned.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1966—AUSTRALIAN CURRENCY**

	Currency in which repayable							Total
	Australian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	
SECURITIES ON ISSUE (\$A'000)								
For Commonwealth pur- poses—								
Treasury bills, internal .	681,500	..	..	..	..	..	..	681,500
Other short-term .	195,996	..	..	..	..	..	..	195,996
Other .	1,643,283	183,492	339,345	40,627	39,627	1,764	18,884	2,267,022
<i>Total, Commonwealth</i>	<i>2,520,779</i>	<i>183,492</i>	<i>339,345</i>	<i>40,627</i>	<i>39,627</i>	<i>1,764</i>	<i>18,884</i>	<i>3,144,518</i>
On account of States—								
New South Wales .	2,180,713	255,642	85,959	3,820	3,233	2,561	..	2,531,928
Victoria .	1,626,901	105,505	41,407	3,072	2,600	2,059	..	1,781,544
Queensland .	836,050	101,838	35,264	1,541	1,305	1,048	..	977,046
South Australia .	866,183	78,028	22,211	1,634	1,383	1,034	..	970,473
Western Australia .	632,794	80,995	13,940	1,173	993	805	..	730,700
Tasmania .	471,045	17,167	12,478	892	755	595	..	502,932
<i>Total, States</i>	<i>6,613,686</i>	<i>639,175</i>	<i>211,259</i>	<i>12,132</i>	<i>10,269</i>	<i>8,102</i>	<i>..</i>	<i>7,494,623</i>
Total, Commonwealth and States—								
Treasury bills, internal .	681,500	..	..	..	..	..	..	681,500
Other short-term .	195,996	..	..	..	..	..	..	195,996
Other .	8,256,969	822,667	550,604	52,759	49,896	9,866	18,884	9,761,645
<i>Grand total</i>	<i>9,134,464</i>	<i>822,667</i>	<i>550,604</i>	<i>52,759</i>	<i>49,896</i>	<i>9,866</i>	<i>18,884</i>	<i>10,639,141</i>

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

For Commonwealth purposes . . .	218.42	15.90	29.40	3.52	3.43	0.15	1.64	272.47
On account of States—								
New South Wales . . .	515.40	60.42	20.32	0.90	0.76	0.61	..	598.41
Victoria . . .	505.59	32.79	12.87	0.95	0.81	0.64	..	553.65
Queensland . . .	503.27	61.30	21.23	0.93	0.79	0.63	..	588.14
South Australia . . .	794.14	71.54	20.36	1.50	1.27	0.95	..	889.75
Western Australia . . .	757.32	96.93	16.68	1.40	1.19	0.96	..	874.49
Tasmania . . .	1,268.92	46.25	33.61	2.40	2.03	1.60	..	1,354.82
Total, States	579.76	56.03	18.52	1.06	0.90	0.71	..	656.98
Total Commonwealth and States	791.49	71.28	47.71	4.57	4.32	0.85	1.64	921.87

ANNUAL INTEREST PAYABLE**(\$A'000)**

For Commonwealth purposes	91,723	8,773	16,924	1,879	1,628	88	1,072	122,087
On account of States—								
New South Wales . . .	103,164	11,724	4,288	220	145	127	..	119,668
Victoria . . .	77,879	4,644	2,103	177	117	103	..	85,023
Queensland . . .	38,673	3,890	1,731	88	59	52	..	44,493
South Australia . . .	41,208	2,800	1,135	93	62	52	..	45,350
Western Australia . . .	29,986	2,785	693	68	45	40	..	33,617
Tasmania . . .	22,468	737	665	51	34	30	..	23,987
Total, States	313,379	26,580	10,615	697	462	405	..	352,138
Total, Commonwealth and States	405,102	35,353	27,539	2,576	2,090	493	1,072	474,225

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1966—AUSTRALIAN CURRENCY—*continued*

	Currency in which repayable—							Total
	Aus- tralian	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders	German Deutsche marks	

ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION

(\$A)

For Commonwealth purposes	7.95	0.76	1.47	0.16	0.14	0.01	0.09	10.58
On account of States—								
New South Wales	24.38	2.77	1.01	0.05	0.03	0.03	..	28.28
Victoria	24.20	1.44	0.65	0.06	0.04	0.03	..	26.42
Queensland	23.28	2.34	1.04	0.05	0.04	0.03	..	26.78
South Australia	37.78	2.57	1.04	0.09	0.06	0.05	..	41.58
Western Australia	35.89	3.33	0.83	0.08	0.05	0.05	..	40.23
Tasmania	60.53	1.99	1.79	0.14	0.09	0.08	..	64.62
Total, States	27.47	2.33	0.93	0.06	0.04	0.04	..	30.87
Total, Commonwealth and States	35.10	3.06	2.39	0.22	0.18	0.04	0.09	41.09

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1962
TO 1966—AUSTRALIAN CURRENCY

(\$A'000)

	30 June—				
	1962	1963	1964	1965	1966

SECURITIES ON ISSUE

For Commonwealth purposes—					
Treasury Bills, Internal	481,800	559,600	599,000	632,400	681,500
Other short-term	416,000	385,076	330,570	196,432	195,996
Other	2,221,550	2,175,996	2,242,826	2,305,165	2,267,022
Total, Commonwealth	3,119,350	3,120,672	3,172,396	3,133,997	3,144,518
On account of States—					
New South Wales	2,056,616	2,167,012	2,283,382	2,407,364	2,531,928
Victoria	1,392,540	1,482,260	1,577,722	1,679,339	1,781,544
Queensland	765,770	811,274	862,774	919,706	977,046
South Australia	780,646	824,186	870,504	919,446	970,473
Western Australia	578,760	613,396	652,796	691,660	730,700
Tasmania	388,278	415,468	443,384	473,019	502,932
Total, States	5,962,610	6,313,596	6,690,562	7,090,533	7,494,623
Total, Commonwealth and States—					
Treasury bills, internal	481,800	559,600	599,000	632,400	681,500
Other short-term	416,000	385,076	330,570	196,432	195,996
Other	8,184,160	8,489,592	8,933,388	9,395,698	9,761,645
Grand total	9,081,960	9,434,268	9,862,958	10,224,530	10,639,141

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1962
TO 1966—AUSTRALIAN CURRENCY—continued**
(\$A'000)

	30 June—				
	1962	1963	1964	1965	1966
ANNUAL INTEREST PAYABLE					
For Commonwealth purposes	111,090	112,870	118,280	119,708	122,087
On account of States—					
New South Wales	90,084	95,314	101,280	110,250	119,668
Victoria	62,422	66,350	70,890	77,650	85,023
Queensland	32,670	34,524	36,920	40,492	44,493
South Australia	34,172	35,974	38,114	41,534	45,350
Western Australia	24,914	26,420	28,284	30,886	33,617
Tasmania	17,064	18,524	19,790	21,706	23,987
<i>Total, States</i>	<i>261,326</i>	<i>277,106</i>	<i>295,278</i>	<i>322,515</i>	<i>352,138</i>
<i>Total, Commonwealth and States</i>	<i>372,416</i>	<i>389,976</i>	<i>413,558</i>	<i>442,223</i>	<i>474,225</i>

Government securities on issue at each rate of interest and according to earliest and latest years of maturity

For details of securities on issue for Commonwealth and State purposes at 30 June 1966 at each rate of interest and classified according to the earliest and latest years of maturity see the annual bulletin *State, Territory and Local Government Authorities' Finance and Government Securities*.

Short-term securities on issue

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

**GOVERNMENT SHORT-TERM SECURITIES ON ISSUE MATURING IN AUSTRALIA(a)
COMMONWEALTH AND STATES, 30 JUNE 1962 TO 30 JUNE 1966**
(\$A'000)

Date	Commonwealth		States(b)	Total
	Treasury bills	Treasury notes		
30 June 1962	416,000	..	..	416,000
" " 1963	246,000	139,076	..	385,076
" " 1964	178,000	152,570	..	330,570
30 September 1964	242,000	183,996	10,000	435,996
31 December 1964	432,000	203,750	26,000	661,750
31 March 1965	80,000	394,846	24,000	498,846
30 June 1965	116,000	80,432	..	196,432
30 September 1965	272,000	125,146	4,000	401,146
31 December 1965	550,000	218,574	22,000	790,574
31 March 1966	383,000	255,434	19,000	657,434
30 June 1966	80,000	115,996	..	195,996

(a) Excludes overdrafts and internal Treasury bills. (b) Treasury bills.

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

In 1962-63, daily issues of Treasury notes replaced those of seasonal securities which had, during the three previous financial years, all matured in the course of the same financial year in which they were issued. Treasury notes with a currency of thirteen weeks were issued in multiples of \$2,000 over the minimum subscription of \$10,000, and increases in value were subject to the usual income tax rebate of ten cents in the dollar. In 1965-66 the issue prices of Treasury notes were 98.95 per cent from July to February and 98.87 per cent from February to June, and yields varied accordingly from 4.254 per cent to 4.58 per cent.

Government securities on issue on account of the States; local government and semi-governmental authority securities on issue

In some States certain public utilities, such as tramways, water supply and sewerage, harbour services, etc., are controlled by boards or trusts, which in addition to receiving advances from the central government raise loans by borrowing on their own behalf, while in other States these services are controlled by the central government. Direct comparisons between States of the securities on issue on account of the several States should therefore be made with caution. The table following shows for 1960-61 to 1964-65 particulars of the securities on issue on account of the States, the securities on issue by local government and semi-governmental authorities, and the aggregates of these.

**GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES: LOCAL GOVERNMENT AND SEMI-GOVERNMENTAL AUTHORITY SECURITIES ON ISSUE
30 JUNE 1961 TO 1965**

	State	Local government (a)	Semi-gov- ernmental (a)	Total
SECURITIES ON ISSUE (\$A'000)(b)				
30 June 1965—				
New South Wales	2,407,364	233,232	785,848	3,426,443
Victoria	1,679,339	149,545	1,316,345	3,145,229
Queensland	919,706	273,969	243,419	1,437,093
South Australia	919,446	26,809	113,843	1,060,098
Western Australia	691,660	44,043	68,816	804,519
Tasmania	473,019	42,375	49,639	565,033
Total, 30 June 1965	7,090,533	769,972	2,577,909	10,438,415
1964	6,690,562	709,030	2,384,658	9,784,250
1963	6,313,596	642,659	2,195,150	9,151,405
1962	5,962,610	581,044	2,003,985	8,547,638
1961	5,630,480	517,565	1,842,494	7,990,539

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

30 June 1965—				
New South Wales	577.30	55.93	188.45	821.68
Victoria	531.04	47.29	416.25	994.58
Queensland	563.41	167.83	149.12	880.36
South Australia	864.33	25.20	107.02	996.55
Western Australia	850.28	54.14	84.60	989.02
Tasmania	1,286.33	115.23	134.99	1,536.55
Total, 30 June 1965	632.53	68.69	229.97	931.19
1964	608.09	64.44	216.74	889.27
1963	584.63	59.51	203.27	847.40
1962	562.29	54.79	188.98	806.06
1961	540.24	49.66	176.78	766.68

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

Commonwealth loan raisings

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

New loans raised

Australia. The following table shows details of new loans raised in Australia by the Commonwealth during the three years 1963-64 to 1965-66.

COMMONWEALTH NEW LOANS(a) RAISED IN AUSTRALIA, 1963-64 TO 1965-66

Month of raising	Amount invited	Amount sub- scribed	Rate of interest per annum	Year of maturity	Price of issue	Allocation of loan		
						Commonwealth		States
						War (1939- 45) etc.	Other pur- poses	
	\$'000	\$'000	Per cent		Per cent	\$'000	\$'000	\$'000
1963-64—								
July (Loan No. 142)	90,000	66,932	3.75	1966	99.62	..	27,322	121,713
		50,351	4.25	1973	99			
		31,752	4.50	1986	99.25			
		42,551	3.75	1966	99.88			
October (Loan No. 143)	120,000	49,964	4.25	1973	99.62	..	43,508	95,272
		46,265	4.50	1986	100			
		72,549	3.75	1967	99.75			
February (Loan No. 145)	140,000	37,384	4.25	1974	99.62	..	83,533	71,382
		44,982	4.50	1987	100			
		9,689	4.25	1967	100			
May (Loan No. 147)	80,000	15,907	4.50	1975	100	..	14,760	52,589
		41,753	4.62	1984	99			
July-June (special bonds)(b)	..	72,159	3.75	1971	100	4,311	12,447	55,401
			4.75					
1964-65—								
August (Loan No. 149)	100,000	13,794	4.50	1967	99.50	..	25,152	116,888
		13,062	4.75	1975	100			
		115,184	5	1984	100			
		11,500	4.25	1967	99.50			
November (Loan No. 151)	120,000	17,560	4.75	1975	100	..	20,093	80,318
		71,351	5	1985	100			
		9,169	4.25	1967	99.62			
February (Loan No. 152)	120,000	24,327	4.50	1972	99.25	..	13,925	64,680
		45,109	5	1985	100			
		33,566	5	1968	100			
April (Loan No. 153)	80,000	6,577	5	1975	99	..	61,769	31,104
		52,731	5.25	1985	100			
		22,000	5	1968	100			
June (Loan No. 155)(c)	134,000	20,000	5	1975	99	..	24,408	109,592
		92,000	5.25	1985	100			
July-June	..	52,190	3.75	1972	100	7,187	8,117	36,886
			5.25					
1965-66—								
August (Loan No. 156)	70,000	39,307	5.00	1968	100	..	16,490	78,893
		17,404	5.00	1975	99			
		38,671	5.25	1985	100			
		42,138	5.00	1968	100			
November (Loan No. 158)	100,000	27,325	5.00	1976	99	..	85,995	46,796
		63,327	5.25	1988	100			
		85,140	5.00	1969	100			
February (Loan No. 160)	100,000	10,969	5.00	1976	99	..	30,118	144,092
		78,101	5.25	1988	100			
		24,464	5.00	1970	100			
May (Loan No. 161)	75,000	7,933	5.00	1976	99	..	11,999	50,076
		25,677	5.25	1988	100			
		72,000	5.00	1970	100			
June (Loan No. 163)(c)	169,000	24,000	5.00	1976	99	..	40,544	128,456
		73,000	5.25	1988	100			
July-June	..	25,266	4.50	1974	100	5,068	3,758	16,440
			5.25					

(a) Includes loans raised for redemption of Treasury bills, but excludes conversion loans, loans for redemption of debt maturing in London, short-term debt and certain miscellaneous debt (see page 820).

(b) 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, 1966-72. Interest increases over period of currency.

(c) Special issue. For details see following paragraph.

The loan of \$169,000,000 raised in June 1966 was for the purpose of fulfilling an undertaking given by the Commonwealth that the States would have access to loan funds for their works programmes up to the approved Loan Council borrowing programmes. These programmes totalled \$510,000,000 in 1962-63, \$544,000,000 in 1963-64, \$580,000,000 in 1964-65, and \$605,000,000 in 1965-66. The subscription to the special loan in 1965-66 came from the Loan Consolidation and Investment Reserve Trust Account. Loan No. 155 of June 1965 was for the same purpose.

Finance for the approved Loan Council programmes from 1962-63 to 1965-66 was provided from the following sources:

	1962-63 \$'000	1963-64 \$'000	1964-65 \$'000	1965-66 \$'000
Public loans, domestic raisings, etc.	406,294	508,782	424,092	413,871
Overseas loans and special Commonwealth assistance	103,706	35,218	155,908	191,129
Total	510,000	544,000	580,000	605,000

In addition to the new loans raised as shown in the table on the previous page and the redemption and conversion loans shown on page 818 there were other miscellaneous loan operations in Australia (see page 820).

London. A loan of £Stg 12,000,000, 5.5 per cent interest, price of issue 98 per cent, maturing 1978, was raised in London during 1962-63 and a further loan of £Stg 20,000,000, 5.5 per cent interest, price of issue 98.5 per cent, maturing 1982, was raised in 1963-64.

New York. The following table gives details of the loans raised during the period 1963-64 to 1965-66.

COMMONWEALTH NEW LOANS REPAYABLE IN UNITED STATES
DOLLARS, 1963-64 TO 1965-66

Month of raising	Amount of loan	Rate of interest per annum	Price of issue	Year of maturity	Allocation of loan	
					Commonwealth	States
	\$US'000	Per cent	Per cent		\$US'000	\$US'000
1963-64—						
July-June .	2,000	4.50-4.75	100	1965-71	(a) 2,000	..
July-June .	2,500	4.75-5.25	100	1966-72	(a) 2,500	..
July-June .	1,250	4.50-4.75	100	1971	(b) 1,250	..
1964-65—						
May(c) .	25,000	5.50	98.50	1985	5,000	20,000
July-June .	7,000	4.50-4.75	100	1965-71	(a) 7,000	..
July-June .	17,500	4.75-5.25	100	1966-72	(a) 17,500	..
July-June .	4,750	4.75-5.25	100	1967-73	(a) 4,750	..
July-June .	8,500	4.50-4.75	100	1971	(b) 8,500	..
July-June .	1,000	4.75-5.25	100	1973	(b) 1,000	..
1965-66—						
November(c)	25,000	5.75	99.75	1986	5,000	20,000
July-June .	5,000	4.50-5.25	100	1966-73	(a) 5,000	..
July-June .	18,850	4.50-5.25	100	1966-74	(a) 18,850	..
July-June .	4,250	5.00-5.75	100	1966-75	(a) 4,250	..
July-June .	5,400	4.50-5.25	100	1966-74	(b) 5,400	..
July-June .	250	5.00-5.75	100	1966-75	(b) 250	..

(a) Proceeds used for Qantas Empire Airways Loan. (b) Proceeds used for Australian National Airlines Commission Loan. (c) Prospectus issued in New York and loan offered for subscription in the United States, United Kingdom and the various European centres.

Conversion and redemption loans

Australia. Particulars of conversion loans raised in Australia during the three years 1963-64 to 1965-66 are given in the following table.

**COMMONWEALTH CONVERSION AND REDEMPTION LOANS RAISED IN
AUSTRALIA, 1963-64 TO 1965-66**

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	Year of maturity	
	\$A'000	Per cent	\$A'000	Per cent	Per cent		\$A'000
1963-64—			56,190	3.75	99.88	1966	
October . . .	288,670	3.13	60,836	4.25	99.63	1973	260
			84,420	4.50	100	1986	
			a 19,766	4.00-4.75	100	1970	
			67,542	3.75	99.75	1967	
February . . .	99,192	4.75	17,580	4.25	99.63	1974	-1,174
			4,282	4.50	100	1987	
			(a) 1,748	3.75-4.50	100	1971	
			67,108	4.25	100	1967	
May . . .	165,652	4.25	31,528	4.50	100	1975	-1,596
			25,220	4.63	99	1984	
			(a) 202	3.75-4.50	100	1971	
July-June (special bonds) . . .	19,398	4.00-5.25	19,398	3.75-4.75	100	{ 1970 1971 }	-48
1964-65—			58,284	4.25	99.50	1967	
August . . .	415,672	3.13	58,018	4.75	100	1975	1,687
			165,109	5.00	100	1984	
			a 27,970	4.25-5.00	100	1972	
			69,967	5.00	100	1968	
April . . .	303,026	4.25-5.00	42,466	5.00	99	1975	-2,894
			80,514	5.25	100	1985	
			(a) 3,041	4.50-5.25	100	1972	
July-June (special bonds) . . .	35,276	3.75-5.25	35,276	3.75-5.25	100	{ 1971 1972 }	..
1965-66—			78,998	5.00	100	1968	
August . . .	158,700	4.25	24,626	5.00	99	1975	-354
			22,779	5.25	100	1983	
			(a) 304	4.50-5.25	100	1973	
			73,832	5.00	100	1968	
November . . .	{ 95,391 132,238 }	{ 3.13 4.50 }	70,144	5.00	99	1975	3,562
			89,598	5.25	100	1988	
			a 13,152	4.50-5.25	100	1973	
			123,956	5.00	100	1970	
May . . .	{ 199,573 129,287 }	{ 4.00 4.25 }	74,477	5.00	99	1976	1,761
			100,748	5.25	100	1988	
			(a) 627	4.50-5.25	100	1973	
July-June (special bonds) . . .	87,759	4.50-5.25	87,759	4.50-5.25	100	1974	..

(a) Special bonds.

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

London. The following table shows particulars of loans raised in London during the years 1960-61, 1962-63 and 1963-64 for the purpose of redeeming and converting London loans. None was raised during 1961-62 or since 1963-64.

**COMMONWEALTH LOANS RAISED FOR THE CONVERSION AND REDEMPTION
OF LOANS MATURING IN LONDON, 1960-61 TO 1963-64**

Month of raising	Old loan		New loan					Increase in annual liability for interest and exchange
	Amount	Rate of interest per annum	Amount raised in—		Rate of interest per annum	Price of issue	Year of maturity	
			Australia	London				
1960-61— July . . .	£Stg '000 13,925	Per cent 3	\$A'000 ..	£Stg '000 13,925	Per cent 6	Per cent 98	1977-80 1975	£Stg '000 418
January . . .	20,579	3.25	..	20,000	6	97.50	1981-83	531
1962-63— July . . .	11,790	4	..	10,000	6	97			1972
1963-64— October . . .	5,655	4	..	5,741	5.50	98.50	1982	90
								\$A'000 (a) 1,045
								1,328
								320
								225

(a) No account has been taken of the cost of issuing the conversion loans at a discount. Exchange calculated at \$A1 = £Stg 0.4000 (the International Monetary Fund par rate of exchange in the years shown).

New York. During 1946-47 four loans totalling \$US 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 loan raised in New York for this purpose in March 1957 amounted to \$US 17,114,000, at 5 per cent interest, issued at par, maturing in 1972. No loans were raised for the purpose of redeeming loans which became due for redemption or which the Commonwealth had the option of redeeming during 1957-58 to 1960-61, or in 1962-63 and 1963-64. In 1961-62 a re-financing loan of \$US 30,000,000 was raised at 5.5 per cent interest, issued at 98.25 per cent, maturing in 1982.

Drawings from cash loans, for which Commonwealth notes were issued in New York between 1956 and 1964, were used to finance the purchase of aircraft and equipment by Qantas Empire Airways from November 1956, and to finance aircraft purchases by Trans-Australia Airlines from September 1958. At 30 June 1966 outstanding notes which are subject to interest rates varying between 4.25 per cent and 5.75 per cent and which are all repayable before 1 January 1975 amounted to \$US 81,914,000.

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 five loans from the International Bank for Reconstruction and Development between August 1950 and December 1956, amounting to \$US 308,500,000, repayable over periods of from ten to twenty-five years at rates of interest of from 4.25 to 4.75 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 were 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 were imported and distributed through normal channels, and payment was made through the Australian banking system.

The loan on behalf of Qantas Empire Airways of \$US 9,230,000 at 4.75 per cent maturing in 1966-87 was finally drawn at the end of July 1958, and in 1962-63, 1963-64, 1964-65, and 1965-66 respectively drawings of \$US 31,851,000, \$US 27,018,000, \$US 23,519,000 and \$US 17,057,000 were made from the loan (at 5.75 per cent maturing in 1966-87) raised for the purposes of the Snowy Mountains Hydro-electric Authority.

Drawings from International Bank loans have been made mainly in United States dollars but partly in Canadian dollars, Swiss francs and German Deutsche marks.

Swiss loans

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 *Crédit Suisse* and the *Union Bank of Switzerland*. Certain Swiss taxes connected with the issue and servicing of the loans were paid on an agreed basis by the Australian Government.

The first loan was for a period of fifteen years with an option on the part of the Commonwealth Government to repay the loan in full or in part after twelve 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 fifteen years with an option to redeem after ten years. The rate of interest was 3.75 per cent, issue price 99.50 per cent. 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 ten years. The rate of interest was 4.5 per cent, issue price 99 per cent. The fourth loan was issued at par in March 1961, at the rate of 4.5 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 Reserve Bank in return for an equivalent amount of Australian currency.

Canadian loans

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 for a period of fifteen 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 1 November 1970. The rate of interest

was 4 per cent, payable half-yearly, and the issue price 98.50 per cent. A second loan, of 20,000,000 Canadian dollars, was raised in March 1961, on the security of the Commonwealth of Australia, 5 75 per cent twenty-year bonds being issued at the rate of 98.50 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 Reserve Bank for Australian currency.

Netherlands loan

In 1961 the Commonwealth arranged for a public flotation in the Netherlands of a loan of 40,000,000 Netherlands guilders at par, with an interest rate of 5 per cent per annum. The proceeds were used to assist the loan programmes of the Commonwealth and States. The loan is to be repaid in fifteen annual instalments from 1967 to 1981, but, at the Commonwealth's option, an earlier redemption date may be negotiated on and after 15 December 1971.

Summary of loan transactions

The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the five years 1961-62 to 1965-66.

COMMONWEALTH LOAN TRANSACTIONS: SUMMARY, 1961-62 TO 1965-66

	1961-62	1962-63	1963-64	1964-65	1965-66
New loans(a) raised in—					
Australia \$A'000	460,152	476,160	582,238	600,120	658,725
London £Stg'000	..	12,000	21,067	..	..
New York(b) . . . \$US'000	51,483	122,701	32,768	87,269	75,807
Netherlands . . . guilders '000	40,000	..	..	..	..
Miscellaneous debt in Australia(c)					
\$A'000	8,930	34,793	-54	24,184	6,350
Net change in short-term debt—					
Australia—Public . . \$A'000	44,000	-170,000	-68,000	-62,000	-36,000
Internal . . . \$A'000	-20,400	77,800	39,400	33,400	49,100
Treasury notes \$A'000	..	139,076	13,494	-72,138	35,564
Loans raised for conversion or redemption of existing securities maturing in—					
Australia \$A'000	457,888	793,663	455,820	540,645	761,000
London £Stg'000	..	10,000	5,741	..	..
New York \$US'000	30,000	..	..	..	..

(a) Includes loans raised for redemption of Treasury bills. (b) Includes proceeds of \$US31,851,000 \$US 27,018,000, \$US 23,519,000 and \$US 17,057,000 in 1962-63, 1963-64, 1964-65, and 1965-66 from International Bank for Reconstruction and Development loan used for the purposes of the Snowy Mountains Hydro-electric Authority. (c) Advance loan subscriptions (net change), 'over the counter sales' (instalment stock and inscribed stock and bonds issued by State Governments), and Peace Savings Certificates (interest credited).

Minus sign (—) denotes a decrease in debt.

Government securities on issue maturing in Australia, classified by holder

The following table shows details of government securities maturing in Australia classified according to holder as at the 30 June 1965 and 1966.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATE
MATURING IN AUSTRALIA, BY HOLDER(a), 30 JUNE 1965 AND 1966**

(Source: Reserve Bank of Australia Statistical Bulletin)

Holder	30 June—			
	1965		1966	
	Amount	Proportion of total	Amount	Proportion of total
	\$ million	Per cent	\$ million	Per cent
Reserve Bank of Australia	805	9.3	692	7.6
Trading banks	945	10.9	1,115	12.2
Savings banks	2,066	23.8	2,116	23.2
Life insurance offices	745	8.6	834	9.1
Fire, marine and general insurance offices	98	1.1	108	1.2
Other private financial institutions—				
Pension and provident funds	124	1.4	138	1.5
Friendly societies, hospitals and medical funds	16	0.2	17	0.2
Trustee companies	130	1.5	127	1.4
Pastoral finance companies	16	0.2	27	0.3
Money market dealers	343	3.9	377	4.1
Miscellaneous	25	0.3	42	0.5
Government financial institutions—				
Insurance offices and funds	101	1.1	108	1.2
Pension and provident funds	171	2.0	180	2.0
Public trustees	36	0.4	33	0.4
All other(b)	7	0.1	7	0.1
Public authorities (excluding finance)—				
Commonwealth Government (including Commonwealth semi-government)	1,508	17.3	1,644	18.0
State Government	25	0.3	29	0.3
Local government and State semi-government	243	2.8	250	2.7
Companies (excluding finance)	174	2.0	150	1.7
Other holders—				
Marketing boards	3	0.1	4	..
Farmers	116	1.3	103	1.1
Non-profit organisations	52	0.6	53	0.6
All other	946	10.9	980	10.7
Total	8,695	100.0	9,134	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) Includes securities held by Commonwealth Development Bank of Australia.

National Debt Sinking Fund

Securities on issue on behalf of the Commonwealth

Particulars relating to the creation of sinking funds are included in issues of the Year Book prior to No. 23. The old sinking funds were merged in the National Debt Sinking Fund on 11 August 1923. Particulars of receipts and expenditure of the Commonwealth Account for the years 1961–62 to 1965–66 are as follows.

NATIONAL DEBT SINKING FUND: COMMONWEALTH ACCOUNT, 1961-62 TO 1965-66
(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Receipts—					
From Consolidated Revenue	50,323	54,460	57,739	62,171	64,969
Loans and advances repaid	7,667	7,984	8,806	10,318	11,659
War Service Homes money repaid	18,844	22,175	27,131	31,137	31,045
Reparation moneys	16				221
Interest on investments	(a) 13,234	(a) 12,082	(a) 12,872	(a) 12,040	(a) 11,910
Total, receipts	90,083	96,701	106,547	115,666	119,804
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	105,050	31,309	49,311	153,857	81,869
London	340	165	1,507	7,239	6,565
New York	(b) 20,661	(b) 19,350	(b) 20,334	(b) 22,301	(b) 26,166
Canada		15	97	69	151
Total, expenditure	126,051	50,838	71,249	183,466	114,751
Balance at 30 June	284,401	330,264	365,562	297,761	302,814
Face value of securities repurchased and redeemed in—					
Australia	105,371	31,279	48,881	153,823	82,258
London	301	130	1,268	6,279	5,711
New York	(b) 9,535	(b) 8,913	(b) 9,330	(b) 10,204	(b) 12,026
Canada		7	48	34	75
Total, face value	115,207	40,330	59,526	170,340	100,070

(a) Includes interest received under *National Debt Sinking Fund (Special Payment) Act 1951*: 1961-62, \$3.8m; 1962-63, \$3.5m; 1963-64, \$3.5m; 1964-65, \$3.5m; 1965-66, \$3.5m. (b) Includes instalment repayments of loans from International Bank for Reconstruction and Development: 1961-62—face value, \$7.3m, net cost, \$15.8m; 1962-63—face value, \$7.6m, net cost \$16.6m; 1963-64—face value, \$8.0m, net cost \$17.4m; 1964-65—face value, \$8.4m, net cost, \$18.3m; 1965-66—face value \$8.7m, net cost \$19.1m.

Securities on issue on behalf of States

A sinking fund for the redemption of the securities on issue on behalf of States was established under the Financial Agreement. Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1965-66 and for all States during the years 1961-62 to 1965-66 are shown in the following tables.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1965-66
(\$'000)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
Receipts—							
Contributions under Financial Agreement—							
Commonwealth	5,991	4,225	2,272	2,335	1,726	1,212	17,761
States	21,196	16,413	8,007	8,226	6,903	3,641	64,385
Interest from States on cancelled securities	31	25	24	12	10	4	106
Special contributions by States	63	102	30	20	6	2	222
Interest on investments, etc.	15	5	1	4	4		30
Total, receipts	27,295	20,769	10,334	10,597	8,649	4,859	82,503
Expenditure (net cost)—							
Securities repurchased and redeemed in—							
Australia	22,252	16,027	4,773	7,711	6,598	3,500	60,861
London	1,093	2,667	4,173	1,793	1,162	798	11,685
New York	4,310	2,765	1,674	1,332	1,020	674	11,775
Canada	246	197	100	105	76	58	782
Total, expenditure	27,901	21,656	10,720	10,941	8,856	5,030	85,104
Balance at 30 June 1966	975	211	278	292	267	159	2,182
Face value of securities repurchased and redeemed in—							
Australia	22,260	16,043	4,773	7,714	6,598	3,500	60,888
London	1,030	2,256	3,470	1,551	1,049	646	10,002
New York	1,997	1,281	774	617	473	313	5,455
Canada	122	98	49	52	37	29	388
Total, face value	25,409	19,677	9,067	9,934	8,158	4,487	76,733

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1961-62 TO 1965-66
(\$'000)

	1961-62	1962-63	1963-64	1964-65	1965-66
Receipts—					
Contributions under Financial Agreement—					
Commonwealth	13,478	14,497	15,691	16,646	17,761
States	49,316	52,108	55,669	60,099	64,385
Interest from States on cancelled securities	30	66	45	26	106
Special contributions by States	387	344	974	222	222
Interest on investments, etc.	8	—80	107	—36	30
Total, receipts	63,219	66,935	72,486	76,958	82,503
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	51,781	54,068	60,791	52,808	60,861
London	1,249	6,068	4,075	14,612	11,685
New York	10,115	4,138	6,228	9,948	11,775
Canada . . . . .	..	79	501	358	782
Total, expenditure	63,145	64,353	71,594	77,726	85,104
Balance at 30 June	1,078	4,660	5,522	4,783	2,182
Face values of securities repurchased and re-					
deemed in—					
Australia	51,452	54,116	60,806	52,825	60,888
London	1,061	4,230	3,520	12,250	10,002
New York	4,556	1,920	2,862	4,554	5,455
Canada . . . . .	..	40	248	178	388
Total, face value	57,068	60,306	67,435	69,807	76,733

TAXES ON INCOME

A description of the development of income taxes in Australia appeared in Year Book No. 35, page 926. Since July 1942 the Commonwealth, under the uniform tax arrangement, has been the only authority imposing taxes on income.

The *Income Tax Assessment Act 1936–1966*, the *Income Tax Act 1966*, the *Income Tax (Non-Resident Dividends) Act 1965*, and the *Income Tax Regulations* deal with the assessment and imposition of Income Tax. The second-mentioned Act is an annual measure, and its primary purpose is to declare the rates of tax payable for the financial year.

Both individuals and companies are liable for income tax. Private companies are subject to tax on undistributed income in addition to the primary income tax levied on all companies.

The operation of the *Income Tax Assessment Act 1936–1966* is affected by the following Acts:

- (a) *Taxation Administration Act 1953–1965*, which provides for the administration of certain Acts relating to taxation;
- (b) *Income Tax (International Agreements) Act 1954–1966* which gives the force of law to agreements between the Commonwealth and the Governments of the United Kingdom, Canada and New Zealand, and to a convention between the Government of the Commonwealth and the United States of America, for the avoidance of double taxation and the prevention of evasion of taxes on income.

Lodgment of returns and assessment of income tax

Individuals and non-profit companies with total income in excess of \$416 and all partnerships, trusts and companies deriving income are required to lodge returns of income by 31 July each year (31 August for business incomes). The income tax payable is assessed, and assessment notices showing the amounts payable are issued, during the year following the year of income. In respect of individuals the approximate amount payable, however, has already been collected during the income year from employees by deductions from wages and from non-employees by a provisional tax. The amount shown on the assessment notice is therefore adjusted against the amount already paid and any difference either collected or refunded. No such system of 'pay-as-you-earn' is in operation in respect of companies.

Pay-as-you-earn system

Salary and wage earners. Under this system salary and wage earners are subject to instalment deductions for payment of the tax at current rates from weekly (or fortnightly) earnings. Employers are required to make the deductions 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 employees. Under the group scheme of deduction, covering most employers of more than ten persons, the amount deducted is remitted to the Taxation Department within seven days of the close of the month in which the deduction is made.

Not later than 14 July each year employers are required to supply each employee with a group certificate showing amount earned and total deductions during the year ended 30 June. This certificate, together with the employee's return of income, is forwarded to the Taxation Department. If the tax assessed on the basis of the return is less than the amount shown on the group certificate, a refund is forwarded with the assessment, if not, the employee is required to pay the balance.

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

Taxpayers with income other than salary or wages. These taxpayers pay provisional tax in respect of income other than salary and wages. Collection of tax for the current year is made at the same time as collection and assessment for the previous year are adjusted. The notice of assessment shows an amount of provisional tax for the current year. The provisional amount is an approximation to the tax which will be payable after the return of income for the current year has been lodged. It is ascertained by assuming that the income of the current year will be the same as that for the previous year (for which a return has already been lodged), but the rates for the current year are applied to the income and not the rates for the year in which it was derived. The assessment notice shows the provisional tax paid in the previous year as a credit against the tax assessed on the basis of the return for that year. On receipt of his assessment, the taxpayer may elect to substitute his own estimate of income for the current year and pay tax on 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 twenty per cent lower than the income of the previous year and he underestimates his income by more than twenty per cent. An employee with income of \$300 or more from sources other than salaries or wages is required to pay provisional tax in respect of that income.

Tax collected. During the collection years 1961-62 to 1965-66 net receipts (i.e. tax collected less refunds to taxpayers) from individual taxpayers were \$1,074.7m; \$1,083.4m; \$1,272.2m; \$1,570.4m, and \$1,731.2m respectively. Of these amounts, instalments from salaries and wages in the respective years accounted for \$653.4m (60.80 per cent), \$684.4m (63.17 per cent), \$792.2m (62.28 per cent), \$990.6m (63.08 per cent), and \$1,160.4m (67.03 per cent). The remainder came from direct cash payments from individual taxpayers.

Assessable income

As a general principle income assessable to income tax includes all income other than exempt income derived directly or indirectly from sources in Australia. Thus a non-resident is taxed on income derived in Australia, while a resident 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.

The word income is used in its ordinary sense and includes certain receipts declared by the Assessment Act to be assessable income. Receipts such as gifts (other than gratuities received by an employee from his employer in the course of his employment), legacies, profits from the sale of property not acquired for the purpose of profit making by sale), lottery wins, and most capital gains are not regarded as income and are not assessable.

Certain types of Australian income are exempt from tax in Australia, the more important being (i) pensions, child endowment and other payments under the *Social Services Act* 1947-1966 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.

For the 1965-66 and subsequent income years the pay and allowances and bounties for part-time duty, and the gratuity payable on a call out for continuous full-time service of members of each service of the Defence Force Emergency Reserves is exempt from income tax. This exemption does not apply to pay and allowances for continuous full-time service in Australia. Also the pay and allowances earned by members of the Defence Force for service outside Australia while allotted for duty in special areas (i.e. part of Borneo and adjacent waters, and South Vietnam) are exempt from income tax.

Expenses incurred in gaining or producing assessable income or necessarily incurred in carrying on a business for that purpose are allowable deductions, except to the extent that such expenses are of a capital, private, or domestic nature, or are incurred in gaining or producing exempt income. Certain subscriptions to business associations and trade union dues are also allowable deductions.

Special deductions for both resident and non-resident taxpayers include such items as trading losses incurred over the previous seven years, bad debts, depreciation, rates and taxes on land which are annually assessed, gifts to certain institutions (e.g. scientific, charitable, benevolent, etc.), and one-third of amounts paid as calls to certain mining, prospecting, oil-prospecting, or afforestation companies operating in Australia. 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 the Territory of Papua and New Guinea.

Special deductions may be allowed for capital actually expended in mining operations conducted for the purpose of earning assessable income. In the case of primary producers certain developmental expenditure of a capital nature may be deducted. Deductions in addition to depreciation are allowed to manufacturers and primary producers by way of an investment allowance for expenditure on specified plant and equipment. Subject to a maximum permissible tax saving, a double deduction is effectively allowed for certain expenditure incurred in export market development.

Residents of prescribed isolated areas subject to uncongenial climatic conditions and high costs of living are entitled to a zone allowance deduction. Two zones, A and B, have been prescribed and the boundaries are as defined in the Second Schedule, *Income Tax Act 1936-1966*. The allowances are: Zone A, \$540 plus an amount equal to half the total deductions allowable to the taxpayer for the maintenance of dependants; and Zone B, \$90 plus an amount equal to one-twelfth of the total deductions allowable to the taxpayer for the maintenance of dependants. Members of the defence forces serving in certain overseas localities, other than those declared to be special areas (see previous page), for more than half the year of income are also entitled to a deduction of the same amount as residents of Zone A.

Income tax is levied on the taxable income remaining after making these deductions and the concessional deductions to which reference is made in the following paragraphs.

Concessional deductions

Concessional allowances to residents for dependants, medical and dental expenses, life insurance and superannuation contributions, etc. are made by way of a deduction from income. The maximum deduction allowed for the income year 1966-67 for each dependant or for a housekeeper employed by the taxpayer is shown in the following table.

Dependant, etc. (resident)	Maximum deduction(a)
	\$
Spouse	286
Daughter-housekeeper(b)	286
Housekeeper(c)	286
Parent or parent-in-law	286
One child under 16 years of age	182
Other children under 16 years of age	130
Invalid relative(d)	182
Child 16 to 21 years receiving full-time education	182

(a) If the dependant is maintained for part only of the year, a partial deduction is allowed. (b) Of a widower or widow. (c) Caring for a spouse in receipt of an invalid pension, or caring for children under 16 years of age of a widower or widow. (d) Child, step-child, brother or sister over 16 years of age.

When the dependant maintained derives separate income, the amount of the concessional deduction is reduced by the amount, if any, by which the separate net income exceeds \$130. Separate net income includes age and invalid pensions but not child endowment. Scholarships are excluded except insofar as they relate to maintenance.

For the 1966-67 income year medical expenses (less amounts recouped from hospital and medical funds) paid by a taxpayer who is a resident, in respect of himself or dependants, including children under twenty-one years of age, are allowed as a concessional deduction. Medical expenses include payments made to a legally qualified medical practitioner, nurse or chemist, or to a hospital, in respect of an illness or operation, payments for dental services, payments for therapeutic treatment and eye tests, expenditure on medical or surgical appliances, artificial limbs or

eyes, hearing aids and spectacles, the remuneration of an attendant of a person who is blind or confined to a bed or invalid chair, and payments for the maintenance of a trained dog used for the guidance of a blind person.

Other concessional deductions allowed to resident taxpayers include: (i) payments of life insurance premiums and contributions to superannuation funds and friendly societies, not exceeding an aggregate of \$800, (ii) payments to medical or hospital benefits funds, (iii) funeral expenses of a dependant not exceeding \$100, and (iv) expenditure incurred for the full-time education of children or dependants who are less than twenty-one years of age, with a maximum of \$300 for each child or dependant.

Effective exemption from tax

For the income years 1950-51 to 1962-63 taxpayers without dependants were exempt from income tax if their income did not exceed \$208. For 1963-64 to 1966-67 this exemption was \$416. The effect of the deductions for dependants was to exempt resident taxpayers up to the incomes shown hereunder.

RESIDENT TAXPAYERS: EFFECTIVE EXEMPTIONS FROM TAX

(\$)

Taxpayer with—	Income years		
	1953-54 to 1956-57	1957-58 to 1962-63	1963-64 to 1966-67
No dependants	208	208	416
Wife	468	494	702
Wife and one child	624	676	884
Wife and two children . . .	728	806	1,014
Wife and three children . .	832	936	1,144
Wife and four children . .	936	1,066	1,274

For the 1966-67 income year an aged person (i.e. a man who has attained the age of sixty-five years or a woman who has attained the age of sixty years and is a resident of Australia during the whole of the year of income) is exempt from income tax if his or her net income (i.e. gross income less expenses of earning that income) does not exceed \$1,070. If the net income exceeds \$1,070 but does not exceed \$1,264 the tax cannot exceed nine-twentieths of the excess of the income over \$1,070. An aged person who contributes to the maintenance of a spouse is exempt from tax if the combined net incomes of the taxpayer and the spouse do not exceed \$1,980. Where their combined incomes exceed \$1,980 the tax payable by the taxpayer (provided his net income does not exceed \$2,958) is limited to nine-twentieths of the excess of their combined net income over \$1,980.

Rates of income tax on individuals

The table on page 827 shows the rates of income tax for income years 1953-54 to 1966-67.

The minimum amount of income tax payable is 50c.

Where the taxable income of a person does not exceed \$428 the amount of tax payable is limited to one half of the amount by which the taxable income exceeds \$416.

For primary producers the rate of income tax for the current year is determined by the average of the taxable incomes for the five years up to and including the current year. 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 \$16,000. When the taxable income does exceed \$16,000, the balance is taxed at ordinary rates applicable to that part. When the taxable income is less than \$16,000, the rate of tax for averaging purposes is limited to the rate on a taxable income of \$16,000.

The taxable income, including any abnormal receipts, of actors, artists, composers, inventors, etc. is taxed at the rate appropriate to the normal taxable income plus one-third of the abnormal receipts.

Interest on Commonwealth loans issued prior to 1 January 1940 is subject to the condition that it shall not be taxed at rates higher than those for 1930-31. Interest derived from bonds, debentures, stocks or other securities issued after 1 January 1940 by the Commonwealth, together with interest on certain State semi-governmental loans issued free of State income tax, is subject to a rebate of 10 cents for each \$1 included in the taxable income.

INCOME TAX—INDIVIDUALS: RATES OF INCOME TAX
1953-54 TO 1966-67

Total taxable income		1953-54		1954-55 to 1964-65(a)		1965-66 and 1966-67(b)	
Column 1 Exceeding	Column 2 Not exceeding	Tax on amount in column 1	Tax on each \$ of balance of income	Tax on amount in column 1	Tax on each \$ of balance of income	Tax on amount in column 1	Tax on each \$ of balance of income
\$	\$	\$	cents	\$	cents	\$	cents
Nil	200	Nil	0.42	Nil	0.42	Nil	0.40
200	300	0.83	1.67	0.83	1.25	0.80	1.20
300	400	2.50	3.75	2.08	2.92	2.00	2.90
400	500	6.25	5.42	5.00	4.58	4.90	4.50
500	600	11.67	7.08	9.58	6.25	9.40	6.10
600	800	18.75	9.17	15.83	8.33	15.50	8.20
800	1,000	37.08	11.67	32.50	10.83	31.90	10.80
1,000	1,200	60.42	13.75	54.17	12.50	53.50	12.50
1,200	1,400	87.92	15.83	79.17	14.17	78.50	14.20
1,400	1,600	119.58	17.50	107.50	15.83	106.90	15.90
1,600	1,800	154.58	19.17	139.17	17.50	138.70	17.60
1,800	2,000	192.92	20.83	174.17	19.17	173.90	19.30
2,000	2,400	234.58	23.33	212.50	21.67	212.50	21.60
2,400	2,800	327.92	26.67	299.17	24.58	298.90	24.60
2,800	3,200	434.58	29.58	397.50	27.08	397.30	27.10
3,200	3,600	552.92	32.50	505.83	29.58	505.70	29.60
3,600	4,000	682.92	35.42	624.17	32.08	624.10	32.10
4,000	4,800	824.58	38.75	752.50	35.42	752.50	35.40
4,800	5,600	1,134.58	41.67	1,035.83	38.33	1,035.70	38.30
5,600	6,400	1,467.92	44.58	1,342.50	41.25	1,342.10	41.20
6,400	7,200	1,824.58	47.50	1,672.50	43.75	1,671.70	43.80
7,200	8,000	2,204.58	50.42	2,022.50	46.25	2,022.10	46.30
8,000	8,800	2,607.92	53.33	2,392.50	48.75	2,392.50	48.70
8,800	10,000	3,034.58	56.67	2,782.50	51.67	2,782.10	51.70
10,000	12,000	3,714.58	60.00	3,402.50	55.00	3,402.50	55.00
12,000	16,000	4,914.58	62.92	4,502.50	57.92	4,502.50	57.90
16,000	20,000	7,431.25	65.83	6,819.17	60.42	6,818.50	60.40
20,000	32,000	10,064.58	68.75	9,235.83	63.33	9,234.50	63.30
32,000	upwards	18,314.58	70.00	16,835.83	66.67	16,830.50	66.70

(a) For the 1959-60, 1961-62, 1962-63, and 1963-64 income years a rebate of 5 per cent was allowable on the tax calculated from this schedule. (b) Additional tax equal to 2½ per cent of the tax at general rates was also payable for the 1965-66 and 1966-67 financial years.

Taxes on specified incomes

The following table shows the income tax payable by taxpayers, with various incomes and numbers of dependants, on income derived in the years 1959-60 to 1966-67.

INCOME TAX ON SPECIFIED INCOMES, 1959-60 TO 1966-67
(£)

Income(a) £	1959-60	1960-61	1961-62 and 1962-63	1963-64	1964-65	1965-66 and 1966-67
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TAXPAYER WITH NO DEPENDANTS

300 . .	2.00	2.10	2.00
400 . .	4.80	5.00	4.80
500 . .	9.10	9.60	9.10	9.10	9.60	9.60
600 . .	15.00	15.80	15.00	15.00	15.80	15.90
700 . .	23.00	24.20	23.00	23.00	24.20	24.30
800 . .	30.90	32.50	30.90	30.90	32.50	32.70
1,000 . .	51.50	54.20	51.50	51.50	54.20	54.80
1,200 . .	75.20	79.20	75.20	75.20	79.20	80.50
1,600 . .	132.20	139.20	132.20	132.20	139.20	142.20
2,000 . .	201.90	212.50	201.90	201.90	212.50	217.80
3,000 . .	429.10	451.70	429.10	429.10	451.70	462.80
4,000 . .	714.90	752.50	714.90	714.90	752.50	771.30
6,000 . .	1,432.10	1,507.50	1,432.10	1,432.10	1,507.50	1,544.60
10,000 . .	3,232.40	3,402.50	3,232.40	3,232.40	3,402.50	3,487.60

TAXPAYER WITH DEPENDENT WIFE

300 . .	..	..	..	..	..	..
400 . .	..	..	..	..	..	..
500 . .	1.00	1.00	1.00	..	..	..
600 . .	2.40	2.50	2.40	..	..	..
700 . .	5.30	5.60	5.30	..	..	..
800 . .	10.00	10.50	10.00	10.00	10.50	10.50
1,000 . .	24.00	25.30	24.00	24.00	25.30	25.50
1,200 . .	42.60	44.80	42.60	42.60	44.80	45.30
1,600 . .	90.50	95.30	90.50	90.50	95.30	97.00
2,000 . .	151.10	159.10	151.10	151.10	159.10	162.70
3,000 . .	357.60	376.40	357.60	357.60	376.40	385.50
4,000 . .	627.70	660.70	627.70	627.70	660.70	677.20
6,000 . .	1,320.00	1,389.50	1,320.00	1,320.00	1,389.50	1,423.80
10,000 . .	3,092.00	3,254.70	3,092.00	3,092.00	3,254.70	3,336.00

TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD

300 . .	..	..	..	..	..	..
400 . .	..	..	..	..	..	..
500 . .	..	..	..	..	..	..
600 . .	..	..	..	..	..	..
700 . .	1.10	1.20	1.10	..	..	..
800 . .	2.90	3.00	2.90	..	..	..
1,000 . .	11.00	11.60	11.00	11.00	11.60	11.60
1,200 . .	25.50	26.80	25.50	25.50	26.80	27.00
1,600 . .	67.20	70.70	67.20	67.20	70.70	71.70
2,000 . .	122.00	128.40	122.00	122.00	128.40	131.10
3,000 . .	315.00	331.60	315.00	315.00	331.60	339.70
4,000 . .	573.80	604.00	573.80	573.80	604.00	619.10
6,000 . .	1,250.60	1,316.40	1,250.60	1,250.60	1,316.40	1,348.90
10,000 . .	3,002.70	3,160.70	3,002.70	3,002.70	3,160.70	3,239.60

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

INCOME TAX ON SPECIFIED INCOMES, 1959-60 TO 1966-67—continued
(£)

Income(a) £	1959-60	1960-61	1961-62 and 1962-63	1963-64	1964-65	1965-66 and 1966-67
TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN						
300 . . . . .	..	..	..	..	..	..
400 . . . . .	..	..	..	..	..	..
500 . . . . .	..	..	..	..	..	..
600 . . . . .	..	..	..	..	..	..
700 . . . . .	..	..	..	..	..	..
800 . . . . .	..	..	..	..	..	..
1,000	4 80	5 10	4 80	..	..	..
1,200	15 20	16 00	15 20	15 20	16 00	16 00
1,600	51 70	54 40	51 70	51 70	54 40	55 10
2,000	102 40	107 80	102 40	102 40	107 80	109 90
3,000	284 70	299 70	284 70	284 70	299 70	306 90
4,000	537 30	565 60	537 30	537 30	565 60	579 60
6,000	1,203 30	1,266 60	1,203 30	1,203 30	1,266 60	1,297 90
10,000	2,938 80	3,093 50	2,938 80	2,938 80	3,093 50	3,170 70

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

Company income taxes

For taxation purposes companies are divided into two main groups—private and public. Broadly, a private company is defined as a company in which all the issued shares are held by not more than twenty persons, or which is capable of being controlled by not more than seven persons, and which is not a company in which the public is substantially interested, or is a subsidiary of a public company. All other companies are regarded as public companies. Both private and public companies pay primary tax assessed on a taxable income ascertained on the same principles as for individuals.

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

Rates of tax. A private company incurs liability for additional tax on its undistributed income if it fails to make a sufficient distribution of income within a specified period after the close of the year of income. The tax is levied on the undistributed amount which, for practical purposes, is the taxable income less—(a) primary income tax payable; (b) retention allowance (i.e. the proportion of the reduced distributable income which a company may retain without incurring liability for undistributed income tax); and (c) certain dividends paid by the company.

The rates of primary tax for all companies and additional tax for private companies applicable to income years 1955-56 to 1965-66 are shown in the following table.

RATES OF TAX: COMPANIES, 1955-56 TO 1965-66 INCOME YEARS
(Cents per \$)

Income year	Private company			Public company ^(a)	
	Up to \$10,000	On remainder of taxable income	Rate of additional tax on undistributed income	Up to \$10,000	On remainder of taxable income
1955-56	25	35	50	35	40
1956-57 to 1958-59	22½	32½	50	32½	37½
1959-60 to 1962-63	25	35	50	35	40
1963-64 to 1965-66	27½	37½	50	37½	42½

(a) Excludes co-operative, non-profit and life insurance for which the rates of tax (in cents per \$) for 1965-66 were as under:

Type of company	Up to \$10,000	On remainder of taxable income
Co-operative	32½	42½
Non-profit—Friendly societies	32½	32½
Other	32½	42½
Mutual life insurance	27½	37½
Other life insurance—		
Mutual income	27½	37½
Other income	37½	42½

For non-resident companies rate of tax (cents per dollar) on dividends only was: up to \$10,000 and remainder of taxable income respectively—1955-56, 30 cents and 40 cents; 1956-57 to 1958-59, 27½ cents and 37½ cents; 1959-1960 to 1962-63, 30 cents and 40 cents; 1963-64 to 1965-66, 32½ cents and 42½ cents.

For 1966-67 where the taxable income of a non-profit company does not exceed \$1,188 the amount of tax payable is limited to half the amount by which the taxable income exceeds \$416.

For the income years 1952-53 to 1965-66 the retention allowance (see page 829) was the proportion of the reduced distributable income shown in the following table.

RETENTION ALLOWANCE: PRIVATE COMPANIES
1952-53 TO 1965-66
(Per cent)

Reduced distributable income	1952-53 to 1957-58	1958-59 to 1961-62	1962-63 to 1965-66
First \$2,000 or part	50	50	..
Next \$2,000 " "	40	40	..
" \$2,000 " "	35	..	..
" \$2,000 " "	30	..	..
First \$10,000 " " . . . . .	..	..	50
Next \$10,000 " " . . . . .	..	..	45
Balance	25	35	40

In addition to the foregoing proportions, 10 per cent of distributable income from property, except dividends from other private companies, is also allowed.

For the income years 1952-53 to 1965-66 the reduced distributable income was 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 50 cents in the dollar on the undistributed amount.

Income tax assessments

1963-64 income year. The following tables show, for the 1963-64 income year, the number of taxpayers, income, and net income tax assessed for individuals and resident and non-resident companies. For further information of this nature see the annual bulletin *Commonwealth Taxation Assessments* issued by this Bureau.

COMMONWEALTH INCOME TAX ASSESSMENTS(a): RESIDENT INDIVIDUALS BY GRADE OF INCOME AND BY STATE, ETC. OF ASSESSMENT

(Income derived in the year 1963-64)

Grade of actual income(b) and State or Territory of assessment	Taxpayers			Actual income(b)	Taxable income(c)			Net tax assessed
	Males	Females	Total	Total	Salary and wages	Other income	Total	
\$	No.	No.	No.	\$'000	\$'000	\$'000	\$'000	\$'000
417- 599	45,048	93,346	138,394	71,238	56,315	11,878	68,193	1,231
600- 799	68,915	130,092	199,007	139,659	108,134	21,281	129,416	3,843
800- 999	81,599	146,257	227,856	205,126	156,501	30,229	186,730	7,619
1,000- 1,199	91,246	156,253	247,499	271,626	199,719	43,614	243,333	12,438
1,200- 1,399	99,039	176,153	275,192	358,027	265,393	52,460	317,853	19,435
1,400- 1,599	113,291	168,628	281,919	422,400	308,819	60,460	369,279	25,676
1,600- 1,799	148,524	127,797	276,321	469,734	328,961	68,629	397,589	30,431
1,800- 1,999	208,826	90,098	298,924	568,278	387,421	73,983	461,405	37,889
2,000- 2,199	263,640	62,293	325,933	684,265	457,915	78,730	536,645	47,038
2,200- 2,399	275,713	41,780	317,493	729,998	480,320	78,979	559,299	52,253
2,400- 2,599	260,695	29,423	290,118	724,748	470,663	80,639	551,302	54,852
2,600- 2,799	238,201	22,652	260,853	703,147	448,699	79,299	527,998	55,391
2,800- 2,999	198,292	17,430	215,722	624,777	390,873	77,029	467,903	51,851
3,000- 3,999	553,835	51,136	604,971	2,064,632	1,221,892	337,245	1,559,137	198,324
4,000- 5,999	283,700	37,903	321,603	1,525,697	726,879	458,239	1,185,118	195,496
6,000- 7,999	75,042	13,596	88,638	605,413	199,006	291,775	490,781	104,323
8,000- 9,999	31,705	6,059	37,764	335,018	85,188	194,732	279,920	70,930
10,000-19,999	36,477	6,917	43,394	565,679	98,454	390,438	488,892	165,453
20,000-29,999	4,330	844	5,174	122,829	17,193	92,255	109,448	48,617
30,000 and over	1,865	366	2,231	102,612	12,723	78,775	91,497	48,005
Central Office	9,295	6,491	15,786	107,785	20,042	72,196	92,237	29,435
New South Wales	1,144,052	521,959	1,666,011	4,260,842	2,536,587	869,930	3,406,517	464,765
Victoria	871,380	425,490	1,296,870	3,274,385	1,907,122	743,074	2,650,196	360,567
Queensland	421,829	162,884	584,713	1,453,994	733,321	398,370	1,131,691	153,855
South Australia	292,597	126,265	418,862	1,021,326	565,615	254,594	820,209	103,839
Western Australia	212,565	84,581	297,146	724,919	385,058	184,757	569,814	73,460
Tasmania	96,365	37,420	133,785	316,004	184,505	60,716	245,221	29,372
Northern Territory	7,817	2,630	10,447	31,243	17,467	3,479	20,946	2,723
Australian Capital Territory	24,083	11,303	35,386	104,406	71,350	13,554	84,904	13,081
Total residents	3,079,983	1,379,023	4,459,006	11,294,903	6,421,067	2,600,670	9,021,737	1,231,097
Total non-residents	1,062	404	1,466	6,908	4,516	2,215	6,732	1,345
Total residents and non-residents	3,081,045	1,379,427	4,460,472	11,301,811	6,425,583	2,602,885	9,028,469	1,232,442

(a) Assessments in respect of 1963-64 incomes issued to 30 September 1965. 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 ASSESSMENTS(a)
RESIDENT AND NON-RESIDENT COMPANIES
BY GRADE OF INCOME AND STATE, ETC., OF ASSESSMENT
(Income derived in the year 1963-64)

Grade of taxable income(c) and State or Territory of assessment	Taxable				Non-taxable	
	Companies	Actual income(b)	Taxable income(c)	Net tax assessed (d)	Companies	Taxable income (c)(e)
\$	No.	\$'000	\$'000	\$'000	No.	\$'000
Loss for year . . . . .	..	..	..	..	22,586	(f) 141,496
Nil					12,136	
1- 1,999	19,526	23,355	13,690	3,666	2,845	2,068
2,000- 9,999	23,754	141,486	128,276	33,384	3,082	15,497
10,000- 19,999	9,986	147,503	138,100	39,627	879	12,251
20,000- 39,999	5,471	161,490	151,814	47,237	523	14,230
40,000- 99,999	3,386	220,596	208,433	67,982	300	18,253
100,000- 199,999	1,311	193,264	182,712	61,016	112	15,689
200,000- 399,999	713	218,561	200,291	66,976	49	13,877
400,000- 999,999	440	286,349	269,677	84,541	29	18,378
1,000,000-1,999,999	131	190,485	179,082	62,896	3	3,707
2,000,000 and over	134	961,168	773,264	248,614	4	15,039
Central Office	3,692	1,233,551	1,004,641	337,532	1,245	18,739
New South Wales	25,237	512,870	486,270	144,538	17,857	46,003
Victoria	18,696	392,279	371,783	110,398	12,247	32,015
Queensland	5,525	142,592	135,728	48,425	3,639	8,734
South Australia	6,278	120,875	113,548	36,168	3,426	8,627
Western Australia	2,517	68,300	63,048	21,647	1,498	1,371
Tasmania	1,255	29,848	28,807	8,993	852	837
Northern Territory	181	3,656	2,789	835	111	159
Australian Capital Territory	1,471	40,291	38,726	7,503	1,673	12,506
Total	64,852	2,544,258	2,245,339	715,938	42,548	128,990
						141,496

(a) Assessments in respect of 1963-64 incomes issued to 31 December 1965. 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. (e) Net tax assessed is nil because of rebates. (f) This figure is not included in the total shown for taxable income. (g) Not included in figures shown in adjoining column.

Income tax on residents, by grade of income. Individual income taxes assessed on residents are distributed according to grades of actual income in the following table. The year shown in each case is the year of income of the taxpayer. Assessments issued after the normal assessing period are not included.

COMMONWEALTH INCOME TAX ASSESSMENTS
RESIDENT INDIVIDUALS, BY GRADE OF ACTUAL INCOME(a)
(Income years 1960-61 to 1963-64)

Grade of actual income (a)		Income year							
		1960-61		1961-62		1962-63		1963-64	
		Tax-payers	Net tax assessed	Tax-payers	Net tax assessed	Tax-payers	Net tax assessed	Tax-payers	Net tax assessed
\$	\$	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
210- 399		159,541	394	159,892	372	166,450	384	(b)	
400- 599		185,229	1,540	181,445	1,414	187,461	1,458	138,394	1,231
600- 799		215,468	4,200	207,996	3,830	210,437	3,844	199,007	3,843
800- 999		244,387	8,268	240,502	7,744	238,236	7,618	227,856	7,619
1,000- 1,199		265,308	13,806	255,915	12,530	256,636	12,548	247,499	12,438
1,200- 1,399		291,960	20,972	287,667	19,620	289,893	19,850	275,192	19,435
1,400- 1,599		281,872	25,706	285,783	25,056	288,192	25,418	281,919	25,676
1,600- 1,799		302,734	32,570	295,816	30,702	290,223	30,678	276,321	30,431
1,800- 1,999		342,070	42,534	338,675	40,406	329,293	39,844	298,924	37,889
2,000- 2,199		353,179	50,454	362,021	49,708	348,614	48,676	325,933	47,038
2,200- 2,399		312,243	51,376	328,910	52,372	326,268	52,192	317,493	52,253
2,400- 2,599		266,540	51,036	275,566	50,440	281,785	51,808	290,118	54,852
2,600- 2,799		216,529	47,642	222,923	46,540	240,493	50,440	260,853	55,391
2,800- 2,999		167,256	42,018	172,220	41,396	189,299	45,146	215,722	51,851
3,000- 3,999		433,485	148,692	448,352	145,148	510,518	164,938	604,971	198,324
4,000- 5,999		208,536	135,850	226,306	139,076	261,794	160,056	321,603	195,496
6,000- 7,999		55,817	73,470	58,771	72,670	70,656	85,524	88,638	104,323
8,000- 9,999		23,604	49,682	24,652	48,988	29,680	57,974	37,764	70,930
10,000-19,999		26,167	109,372	27,154	106,488	32,382	126,102	43,394	165,453
20,000-29,999		3,014	30,490	3,112	29,672	3,780	35,418	5,174	48,617
30,000-59,999		1,237	22,792	1,208	21,166	1,393	23,778	1,933	34,220
60,000-99,999		152	5,888	153	5,330	168	5,786	220	7,869
100,000 and over		52	3,696	69	5,514	69	5,228	78	5,916
Total		4,356,380	972,448	4,405,108	956,182	4,553,720	1,054,706	4,459,006	1,231,097

(a) Actual income is defined briefly as 'Gross income including exempt income less expenses incurred in gaining that income'. (b) Exemption raised to \$416.

Yield of income taxes

Income taxes collected. The following table shows the amounts of taxes collected and the proportions of the several components in the years 1961-62 to 1965-66.

INCOME TAXES COLLECTED, 1961-62 TO 1965-66

Tax	Collection year				
	1961-62	1962-63	1963-64	1964-65	1965-66

AMOUNTS COLLECTED (\$'000)

Individuals—					
Instalments from salaries and wages	653,428	684,426	792,242	990,600	1,160,369
Direct cash payments	421,262	398,982	479,916	579,762	570,799
Companies	565,376	519,828	586,260	709,044	801,105
Superannuation funds		15	130	162	175
Dividend (withholding)	16,233	17,929	15,936	16,039	17,247
Total	1,656,300	1,621,181	1,874,484	2,295,607	2,549,695

INCOME TAXES COLLECTED, 1961-62 TO 1965-66—*continued*

Tax	Collection year				
	1961-62	1962-63	1963-64	1964-65	1965-66
PERCENTAGES					
Individuals—					
Instalments from salaries and wages	39.45	42.22	42.26	43.15	45.51
Direct cash payments	25.43	24.61	25.60	25.26	22.38
Companies	34.13	32.06	31.28	30.89	31.42
Superannuation funds . . . . .	..	..	0.01	0.01	0.01
Dividend (withholding)	0.98	1.10	0.85	0.70	0.68
Total	100.00	100.00	100.00	100.00	100.00

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

INCOME TAXES ASSESSED, 1959-60 TO 1963-64
(\$'000)

Tax	Income year—				
	1959-60	1960-61	1961-62	1962-63	1963-64
Individuals	852,952	973,402	956,974	1,056,060	1,232,442
Companies—					
Primary tax	585,712	552,954	536,336	599,972	715,938
Additional tax on undistributed income of private companies	2,920	2,602	1,976	1,532	1,609
Total	1,441,584	1,528,958	1,495,286	1,657,564	1,949,989

Refunds of revenue. Income tax collections, as previously shown, are net amounts after refunds of revenue made in the course of the year. Refunds are of two types—those charged to special appropriations under authority of the Income Tax Assessment Act and those charged to special appropriations under authority of the Audit Act. Income tax instalment refunds, by far the greatest part of income tax refunds, are made when the instalments deducted during the year exceed the tax assessed on incomes for that year. Refunds made from special appropriations under section 37A of the Audit Act include refunds of moneys paid to the revenue in error, refunds of tax overpaid, refunds due to the amendment of assessments, etc. Refunds of income tax during the collection years 1961-62 to 1965-66 were: 1961-62, \$211,035,328; 1962-63 \$236,625,942; 1963-64, \$242,421,772; 1964-65, \$264,366,042; and 1965-66, \$305,830,170.