

## CHAPTER XXI.

### PUBLIC FINANCE.

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

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

#### A. COMMONWEALTH FINANCE.

##### § 1. General.

**1. Financial Provisions of the Constitution.**—The main provisions of the Constitution relating to the initiation and development of the financial system of the Commonwealth are contained in Sections 81 to 105A of the Commonwealth Constitution (*see* pp. 17–20 of this Year Book). Two other sections which have a most important bearing on questions of Commonwealth finance are Sections 69 and 51.

Section 69 provides for the transfer from the States to the Commonwealth of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments. Section 87 deals with the financial relations between the Commonwealth and the States. These matters have been treated in previous issues of the Official Year Book and on pp. 804–808 of this issue a summary is given of the present provisions for Commonwealth financial assistance to the States.

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

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

##### § 2. Commonwealth Consolidated Revenue Fund.

###### I. Nature of Fund.

**1. Provisions of the Constitution.**—The provisions made for the establishment of a Commonwealth Consolidated Revenue Fund, and the means to be adopted for operating on the fund, are contained in Sections 81 to 83 of the Constitution (*see* p. 17 of this Year Book).

**2. Annual Results of Transactions.**—In the early 1920's, receipts and expenditure of the Consolidated Revenue Fund each ranged between £60 million and £70 million. After allowing for special appropriations amounting to one or two million pounds each year utilized for a variety of purposes, e.g., for debt redemption, naval construction, main roads, science and industry investigations, prospecting for oil and precious metals, civil aviation, etc., the receipts and expenditure of the Fund were balanced. In the later twenties and early thirties, when receipts and expenditure were each about £70 million or £80 million a year, there were annual deficiencies, which by the end of 1930–31 had accumulated to more than £17 million.

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

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

During the years 1951–52 to 1955–56, the Fund was balanced after special payments of £98.5 million to the National Debt Sinking Fund, £13.4 million to the War Pensions Trust Account, £56.3 million and £70.1 million to the Debt Redemption Reserve Trust Account, and £61.6 million to the Loan Consolidation and Investment Reserve Trust Account. The amounts so transferred were subsequently invested wholly or partly in special loans for State works requirements.

Receipts and expenditure increased from £95 million in 1938–39 to £377 million in 1944–45. By 1950–51, they had risen to £842 million and by 1953–54 to £1,023 million. Receipts and expenditure for 1955–56 were £1,138 million.

## II.—Revenue.

1. General.—The following table shows details of the revenue from each source and the amount per head of population under each of the main headings during the years 1938–39 and 1951–52 to 1955–56. Taxation constitutes the main source of Commonwealth revenue e.g. 88.2 per cent. in 1955–56.

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

Source.	1938–39.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.
<i>Taxation</i> .. .. .	74,111	934,011	895,464	900,450	937,608	1,003,780
Per head of population ..	£10 13 9	£109 10 4	£102 10 6	£101 3 5	£103 2 11	£107 15 0
<i>Business Undertakings</i> .. .. .	17,892	64,955	70,933	75,126	80,210	87,821
Per head of population ..	£2 11 9	£7 12 4	£8 2 5	£8 8 10	£8 16 6	£9 8 7
<i>Territories(a)</i> .. .. .	356	1,558	1,779	2,195	2,419	2,249
Per head of population ..	£0 1 0	£0 3 8	£0 4 1	£0 4 11	£0 5 4	£0 4 10
<i>Other Revenue—</i>						
Interest, etc. .. .. .	1,144	3,795	5,415	8,797	12,428	14,179
Coinage .. .. .	128	895	310	750	725	199
Defence .. .. .	151	499	2,188	2,809	4,106	3,820
Atomic Energy Commission ..	..	..	1,174	2,791	1,082	30
Civil Aviation—						
Recoups for Airmail Services .. .. .	..	2,827	3,074	3,437	3,767	(b)
Other .. .. .	6	420	427	876	877	1,159
Health .. .. .	18	51	43	80	86	94
Patents, Trade Marks, etc. ..	68	143	183	187	211	267
Bankruptcy .. .. .	31	27	31	49	54	60
Wartime Trading Profits—						
Wool .. .. .	..	..	42,361	..	..	..
Commerce and Agriculture ..	..	34	121	106	..	..
Shipping and Transport .. ..	158	260	255	391	321	329
Net Profit on Australian Note Issue .. .. .	767	3,381	4,861	5,707	5,516	7,866
Surplus Balances of Trust Accounts .. .. .	..	179	761	4,190	8,237	1,981
Australian Shipping Board ..	..	..	..	4,000	..	3,000
Transfer of Surplus Funds ..	..	..	..	..	..	..
Joint Coal Board—Repayment of Advances ..	..	..	500	3,342	3,550	2,488
Tea Importation Board—						
Repayment of Advance .. ..	..	..	..	..	..	2,000
Other .. .. .	235	3,793	10,187	7,507	6,244	7,036
<i>Total</i> .. .. .	2,706	16,304	71,891	45,019	47,204	44,508
Per head of population ..	£0 7 9	£1 18 2	£8 4 7	£5 1 2	£5 3 10	£4 15 7
<i>Grand Total</i> .. .. .	95,065	1,016,828	1,040,067	1,022,790	1,067,441	1,138,358
Per head of population ..	£13 14 3	£119 4 6	£119 1 7	£114 18 4	£117 8 7	£122 4 0

(a) Excludes Railways.  
master-General's Department.

(b) Transactions relating to Airmail Services now included in Post-

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on p. 797.

2. **Taxation.**—(i) *Total Collections.* (a) *Amount.* Collections under each heading for the years 1938–39 and 1951–52 to 1955–56 are shown below :—

**COMMONWEALTH TAXATION : TOTAL NET COLLECTIONS.**

(£'000.)

Heading.	1938–39.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.
Customs .. .. .	31,161	113,936	70,720	94,757	101,254	87,508
Excise .. .. .	16,472	99,981	113,104	125,460	143,149	168,264
Sales Tax .. .. .	9,308	95,459	89,067	95,689	100,446	110,001
Land Tax .. .. .	1,489	6,199	1,250	221	13	..
Pay-roll Tax .. .. .	..	37,170	40,171	40,384	41,455	45,543
Income Taxes(a) .. .. .	11,883	551,142	554,737	528,181	532,916	573,988
Estate Duty .. .. .	1,915	7,778	8,393	9,825	9,614	10,120
Gift Duty .. .. .	..	1,202	1,162	1,386	1,618	1,820
Entertainments Tax .. .. .	..	6,161	6,708	1,977	—2	—1
Special Industry Taxes(b) .. .. .	1,883	14,983	10,152	2,570	7,145	6,537
<b>Total Taxation .. .. .</b>	<b>74,111</b>	<b>934,011</b>	<b>895,464</b>	<b>900,450</b>	<b>937,608</b>	<b>1,003,780</b>

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

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

(b) *Proportion of each Class on Total Collections.* The following table shows the proportion of the total collections represented by returns from each class of taxation for the years 1938–39 and 1951–52 to 1955–56 :—

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

(Per Cent.)

Heading.	1938–39.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.
Customs .. .. .	42.1	12.2	7.9	10.5	10.8	8.7
Excise .. .. .	22.3	10.7	12.6	13.9	15.3	16.8
Sales Tax .. .. .	12.6	10.2	10.0	10.6	10.7	11.0
Land Tax .. .. .	2.0	0.7	0.2	..	..	..
Pay-roll Tax .. .. .	..	4.0	4.5	4.5	4.4	4.5
Income Taxes(a) .. .. .	16.0	59.0	61.9	58.7	56.8	57.2
Estate Duty .. .. .	2.6	0.8	0.9	1.1	1.0	1.0
Gift Duty .. .. .	..	0.1	0.1	0.2	0.2	0.2
Entertainments Tax .. .. .	..	0.7	0.8	0.2	..	..
Special Industry Taxes(b) .. .. .	2.4	1.6	1.1	0.3	0.8	0.6
<b>Total Taxation .. .. .</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) See note (a) to previous table

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

(ii) *Customs Revenue.* The classification of customs receipts by Tariff Divisions published in earlier issues of the Official Year Book was discontinued in 1955–56. In the following tables, customs duty receipts have been dissected according to the classification used for Oversea Trade Statistics. For years prior to 1955–56, refunds and drawbacks were not classified by statistical classes and consequently details of gross receipts only are available for those years. The following table shows gross receipts for the years 1938–39 and 1951–52 to 1955–56 according to statistical classes.

## COMMONWEALTH CUSTOMS REVENUE : CLASSIFICATION OF GROSS RECEIPTS.

(£'000.)

Classes.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Foodstuffs of animal origin .. ..	266	321	132	267	371	432
Foodstuffs of vegetable origin .. ..	1,069	1,393	1,153	1,405	1,558	1,346
Spirituos and alcoholic liquors .. ..	1,105	2,639	1,981	2,256	2,621	2,712
Tobacco, cigars and cigarettes .. ..	4,097	25,018	19,206	18,902	15,839	12,546
Live animals .. ..	17	51	2	7	7	18
Animal substances (not foodstuffs) .. ..	74	532	245	384	209	256
Vegetable substances and fibres .. ..	3,057	14,403	3,874	11,589	13,614	12,200
Yarns, textiles and apparel .. ..	9,956	26,022	25,731	27,168	23,137	19,336
Oils, fats and waxes .. ..	38	85	38	170	138	145
Pigments, paints and varnishes .. ..	40	53	34	31	45	34
Rocks and minerals .. ..	4,830	26,043	12,256	18,275	26,356	23,202
Metals, metal manufactures and machinery .. ..	431	1,368	757	1,179	1,495	1,410
Rubber and leather and manufactures thereof .. ..	780	681	276	814	1,568	1,569
Wood and wicker, raw and manufactured .. ..	493	2,067	630	1,713	2,207	2,309
Earthenware, cement, china, glass and stoneware .. ..	491	1,001	380	896	1,452	1,246
Pulp, paper and board, paper manufactures and stationery .. ..	390	2,413	684	2,039	2,912	2,822
Sporting material, toys, fancy goods, jewellery and time pieces .. ..	239	1,018	643	944	1,155	1,242
Optical, surgical and scientific instruments, photographic goods .. ..	377	1,240	497	911	1,228	1,227
Chemicals, pharmaceutical products, essential oils and fertilizers .. ..	652	1,530	640	913	2,140	2,532
Miscellaneous goods .. ..	4,109	10,189	7,200	8,636	8,681	7,734
Primage .. ..	132	1,119	710	822	586	608
Other receipts .. ..						
<i>Total—Gross Customs Revenue</i> .. ..	<i>32,643</i>	<i>119,186</i>	<i>77,069</i>	<i>99,321</i>	<i>107,319</i>	<i>94,926</i>
Refunds and drawbacks .. ..	1,482	5,250	6,349	4,564	6,065	7,418
<i>Total—Net Customs Revenue</i> .. ..	<i>31,161</i>	<i>113,936</i>	<i>70,720</i>	<i>94,757</i>	<i>101,254</i>	<i>87,508</i>

The following table gives details of gross customs receipts, refunds and drawbacks, and net customs receipts for the year 1955-56:—

## COMMONWEALTH CUSTOMS REVENUE: CLASSIFICATION OF REFUNDS AND NET RECEIPTS, 1955-56.

(£'000.)

Classes.	Gross Receipts.	Refunds, etc.	Net Receipts.
Foodstuffs of animal origin .. ..	432	14	418
Foodstuffs of vegetable origin .. ..	1,346	41	1,305
Spirituos and alcoholic liquors .. ..	2,712	1	2,711
Tobacco, cigars and cigarettes .. ..	12,546	30	12,516
Live animals .. ..	18	15	3
Animal substances (not foodstuffs) .. ..	256	16	240
Vegetable substances and fibres .. ..	12,200	540	11,660
Yarns, textiles and apparel .. ..	19,336	403	18,933
Oils, fats and waxes .. ..	145	40	105
Pigments, paints and varnishes .. ..	34	33	1
Rocks and minerals .. ..	23,202	5,053	18,149
Metals, metal manufactures and machinery .. ..	1,410	116	1,294
Rubber and leather and manufactures thereof .. ..	1,569	36	1,533
Wood and wicker, raw and manufactured .. ..	2,309	74	2,235
Earthenware, cement, china, glass and stoneware .. ..	1,246	80	1,166
Pulp, paper and board, paper manufactures and stationery .. ..	2,822	30	2,792
Sporting material, toys, fancy goods, jewellery and timepieces .. ..	1,242	38	1,204
Optical, surgical and scientific instruments, photographic goods .. ..	1,227	134	1,093
Chemicals, pharmaceutical products, essential oils and fertilizers .. ..	2,532	244	2,288
Miscellaneous goods .. ..	7,734	473	7,261
Primage .. ..	608	7	601
Other receipts .. ..			
<i>Total</i> .. ..	<i>94,926</i>	<i>7,418</i>	<i>87,508</i>

(iii) *Excise Revenue.* Net excise receipts for the years 1938-39 and 1951-52 to 1955-56 were as follows :—

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

Particulars.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Beer .. .. .	7,289	56,941	65,826	71,060	76,362	85,315
Spirits .. .. .	1,604	8,890	6,680	6,355	6,496	7,325
Tobacco .. .. .	3,868	13,845	16,036	16,211	15,141	14,849
Cigars and cigarettes .. .. .	2,410	13,848	17,890	23,081	29,030	36,516
Cigarette papers .. .. .	531	1,035	1,019	1,072	1,007	896
Petrol .. .. .	582	3,419	3,823	5,549	12,898	21,190
Matches .. .. .	82	1,058	955	1,083	1,096	1,061
Playing cards .. .. .	11	55	40	53	51	47
Coal .. .. .	..	499	552	579	600	566
Miscellaneous .. .. .	86	341	283	417	468	499
<b>Total .. .. .</b>	<b>16,472</b>	<b>99,981</b>	<b>113,104</b>	<b>125,460</b>	<b>143,149</b>	<b>168,264</b>

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

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

Since the inception of the tax, certain exemptions have been allowed. These exemptions, which have been extended from time to time, relate mainly to goods of an essential nature or those for use in primary production. The most recent exemptions were those granted from 4th September, 1957.

A general rate of Sales Tax is levied on all goods other than those specified in the schedules of the Sales Tax (Exemptions and Classifications) Act 1935-1957. These schedules set out details of goods exempt from sales tax and those subject to special rates. The general and special rates which operated from 8th September, 1949, were:—

Period.	General Rate.	Special Rates.
8th September, 1949 to 12th October, 1950 ..	8½ per cent. ..	25 per cent.
13th October, 1950 to 26th September, 1951 ..	8½ per cent. ..	10, 25 and 33½ per cent.
27th September, 1951 to 6th August, 1952 ..	12½ per cent. ..	20, 25, 33½, 50 and 66½ per cent.
7th August, 1952 to 9th September, 1953 ..	12½ per cent. ..	20, 33½ and 50 per cent.
10th September, 1953 to 18th August, 1954 ..	12½ per cent. ..	16½ per cent.
19th August, 1954 to 14th March, 1956 ..	12½ per cent. ..	10 and 16½ per cent.
15th March, 1956 to 3rd September, 1957 ..	12½ per cent. ..	10, 16½, 25 and 30 per cent.
From 4th September, 1957 .. .. .	12½ per cent. ..	8½, 16½, 25 and 30 per cent.

For particulars of rates applicable from the inception of Sales Tax in August, 1930, to 7th September, 1949, see Official Year Book No. 37, p. 617.

Particulars of the net amount of sales tax payable, and the sales of taxable and exempt goods in each State for 1955-56, are given in the following table. The figures relate to sales during the period 1st July to 30th June. The figures for sales tax payable differ from those for net collections shown on p. 785, because the latter include some adjustments in respect of earlier years tax and include only tax payable on returns lodged during the year, which in general cover sales for the period June to May.

**SALES TAX AND AMOUNT OF SALES, 1955-56.**  
(£'000.)

Particulars.	N.S.W. (a)	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	N. Terr.	Total.
Net Sales on which Sales Tax was payable at—								
10 per cent. ..	62,693	50,382	17,349	16,509	9,381	2,810	33	159,157
12½ per cent. ..	161,710	116,949	52,945	39,465	24,853	8,801	306	405,029
16½ per cent. ..	72,092	54,466	22,117	25,839	8,991	1,571	26	185,102
25 per cent.(b) ..	7,370	4,682	1,483	1,070	636	186	4	15,431
30 per cent.(b) ..	12,082	11,394	4,281	4,859	1,188	251	..	34,055
<i>Total</i> ..	<i>315,947</i>	<i>237,873</i>	<i>98,175</i>	<i>87,742</i>	<i>45,049</i>	<i>13,619</i>	<i>369</i>	<i>798,774</i>
Sales of Exempt Goods by Registered Persons	721,345½	548,182	239,034	170,916	116,615	58,654	2,119	1,856,865
Total Sales of Taxable and Exempt Goods ..	1,037,292	786,055	337,209	258,658	161,664	72,273	2,488	2,655,639
Sales Tax Payable ..	43,965	33,323	13,694	12,615	6,058	1,765	49	111,469

(a) Includes Australian Capital Territory.

(b) Operative from 15th March, 1956.

Sales of taxable and exempt goods and sales tax payable for Australia as a whole, are shown in the following table for the years 1938-39 and 1951-52 to 1955-56:—

**SALES TAX AND AMOUNT OF SALES.**  
(£'000.)

Year.	Net Sales on which Sales Tax was Payable.	Sales of Exempt Goods by Registered Persons.	Total Sales of Taxable and Exempt Goods.	Sales Tax Payable.
1938-39 .. .. .	196,491	280,656	477,147	9,363
1951-52 .. .. .	623,390	1,321,696	1,945,086	91,332
1952-53 .. .. .	555,390	1,342,279	1,897,669	86,085
1953-54 .. .. .	687,946	1,466,323	2,154,269	96,079
1954-55 .. .. .	766,940	1,699,342	2,466,282	101,427
1955-56 .. .. .	798,774	1,856,865	2,655,639	111,469

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 1935-1957. The figures shown in the foregoing tables do not represent the total sales of all commodities, as vendors trading in exempt goods only are not required to be registered and consequently the volume of their sales is not included in the statistics above. In addition, non-taxable sales (i.e. goods sold by one registered taxpayer to another registered taxpayer) are excluded.

(c) *Land Tax.* Commonwealth Land Tax was levied annually from 1910-11 to 1951-52 on the unimproved value of land. It was abolished from 1st July, 1952. For rates of tax payable from 1942-43 to 1951-52, see Official Year Book No. 40, 1954, p. 669. Receipts for the years 1938-39 and 1951-52 to 1955-56 were as follows:—1938-39, £1,489,000; 1951-52, £6,199,000; 1952-53, £1,250,000; 1953-54, £221,000; 1954-55, £13,000; 1955-56, £356.

(d) *Pay-roll Tax.* The Pay-roll Tax Act 1941 and the Pay-roll Tax Assessment Act 1941-1942 imposed a pay-roll tax of 2½ per cent. on all wages and salaries in excess of £20 per week paid by an employer after 30th June, 1941. Employers who are liable for tax are required to register and to furnish a monthly return of all wages paid. These measures formed part of the Commonwealth scheme of child endowment, the revenue from the tax being designed to provide part of the money required. The exemption was increased to £80 per week (£4,160 per annum) from 1st October, 1953, to £120 per week (£6,240 per annum) from 1st September, 1954, and to £200 per week (£10,400 per annum) from 1st September, 1957.

Receipts from pay-roll tax for the years 1951-52 to 1955-56 were, 1951-52, £37,170,000; 1952-53, £40,171,000; 1953-54, £40,384,000; 1954-55, £41,455,000; 1955-56, £45,543,000.

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

(f) *Wool Sales Deduction.* The Wool Sales Deduction Act 1950 and the Wool Sales Deduction (Administration) Act 1950 came into operation on 2nd December, 1950, and required that a deduction be made from the sale value of wool sold or exported, the amount deducted being set off against the Income Tax and Social Services Contribution assessed in respect of the income of the year 1950-51. These Acts were repealed by the Wool Sales

Deduction Legislation Repeal Act 1951 which came into operation on 17th November, 1951, and provided for the refund to producers, etc., of amounts paid on the value of wool sold or otherwise disposed of, after 30th June, 1951. The amount of deduction collected in 1951-52 was, £5,963,000. In 1952-53 and 1953-54, refunds amounted to £2,223,000 and £239,000 respectively.

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

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

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

The rates of duty levied under the Estate Duty Act 1914-1941 increase as the value of the estate increases as follows:—£1 to £10,000, 3 per cent.; £10,001 to £20,000, 3 per cent. to 6 per cent.; £20,001 to £120,000, 6 per cent. to 26 per cent.; £120,001 to £500,000, 26 per cent. to 27.9 per cent.; over £500,000, 27.9 per cent.

Total collections for the years 1938-39 and 1951-52 to 1955-56 were as follows:—1938-39, £1,915,000; 1951-52, £7,778,000; 1952-53, £8,393,000; 1953-54, £9,825,000; 1954-55, £9,614,000; 1955-56, £10,120,000.

Particulars of the number and value of estates and duty assessed, for each of the assessment years 1938-39 and 1951-52 to 1955-56, are given in the following table:—

#### ESTATE DUTY ASSESSMENTS.

Particulars.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Number of Estates ..	9,681	16,289	19,663	19,621	12,878	11,069
Gross Value Assessed ..	£'000 65,699	144,073	175,672	187,905	176,853	178,361
Deductions ..	£'000 12,630	22,083	27,795	31,010	30,136	31,281
Statutory Exemption ..	£'000 ..	18,672	22,566	22,976	23,290	23,802
Dutiable Value ..	£'000 53,069	103,318	125,311	133,919	123,427	123,278
Duty Payable ..	£'000 2,002	7,978	9,249	10,089	10,310	10,882
Average dutiable value ..	£ 5,482	6,343	6,373	6,825	9,584	11,137
Average duty per estate ..	£ 207	479	470	514	801	983

(h) *Gift Duty.* The Gift Duty Act 1941-1947 and the Gift Duty Assessment Act 1941-1957 impose a gift duty on all gifts made after the 29th October, 1941. A gift has been defined as any disposition of property, which is made otherwise than by will, without adequate consideration in money or money's worth. There is a liability on both the donor and the donee to furnish a return, and both are jointly and severally liable for payment of the duty.

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

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

Total receipts from gift duty for the years 1951-52 to 1955-56 were as follows:—1951-52, £1,202,000; 1952-53, £1,162,000; 1953-54, £1,386,000; 1954-55, £1,618,000; 1955-56, £1,820,000.

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

Entertainments tax receipts during the three years 1951-52 to 1953-54 were as follows:—1951-52, £6,161,000; 1952-53, £6,708,000; 1953-54, £1,977,000. There was an excess of refunds over payments of £2,000 in 1954-55 and of £1,000 in 1955-56.

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

(k) *Wool Levy.* The Wool Tax Act 1936 and Wool Tax Assessment Act 1936 provided for a levy on all wool grown in Australia and shorn on or after 1st July, 1936. Details of this levy are given in earlier issues of the Official Year Book. This levy was suspended from 1st July, 1946, until 30th June, 1952, while the Wool Contributory Charge was imposed.

With the repeal of the Wool Contributory Charge, however, a levy on wool produced in Australia was re-introduced from 1st July, 1952. The Wool Tax Acts (Nos. 1 and 2) of 1952 provide for the payment of a levy of four shillings a bale until 30th June, 1953, after which date the rate of tax may be varied within prescribed limits. There was no variation to 30th June, 1957. The purpose of the tax is to provide funds for publicity and research previously provided by the Wool Contributory Charge. Collections during 1952–53, 1953–54, 1954–55 and 1955–56 were £675,000, £772,000, £784,000 and £851,000 respectively.

(l) *Wool Contributory Charge.* The Wool (Contributory Charge) Act 1945 and the Wool (Contributory Charge) Assessment Act 1945 imposed a charge on all wool produced in Australia and sold, manufactured or exported. Wool sold by the Australian Wool Realization Commission was not liable to the charge. Details of the rate of the charge and collections made were given in earlier issues of the Official Year Book (see No. 40, p. 675).

The various Wool (Contributory Charge) Acts were repealed by the Wool Tax Assessment Act of 1952 and the charge superseded by the wool levy. Collections during the years 1951–52 and 1952–53 were as follows:—1951–52, £2,230,000, and 1952–53, £28,000.

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

The Wheat Export Charge Act 1954 repealed previous Acts and provided for an export charge on wheat and wheat products for the seasons 1953–54 to 1957–58 inclusive. The charge levied is based on the difference between the cost of production and the export price with a maximum levy of 1s. 6d. per bushel. Under the Wheat Industry Stabilization Act 1954, to which the Wheat Export Charge Act is complementary, the Commonwealth Government guarantees a return to wheat-growers of the ascertained cost of production in respect of up to 100 million bushels of wheat exported from Australia during each of the five seasons. Collections from the wheat export charge are paid into the Wheat Prices Stabilization Fund, out of which payments will be made to the Australian Wheat Board, when required, for the purpose of building up the average export price for any season to the guaranteed price. If the Fund is exhausted, additional payments will be made from the Consolidated Revenue Fund.

Collections of the wheat export charge amounted to £12,202,000 in 1951–52, £8,139,000 in 1952–53, nil in 1953–54, £5,063,000 in 1954–55, and £4,294,000 in 1955–56.

(n) *Miscellaneous Export Charges.* These consist of charges levied on exports of apples and pears (Apple and Pear Export Charges Act 1938–1947), canned fruits (Canned Fruits Export Charges Act 1926–1952), dairy produce (Dairy Produce Export Charges Act 1924–1937), dried fruits (Dried Fruits Export Charges Act 1924–1929), eggs (Egg Export Charges Act 1947) and meat (Meat Export Charge Act 1935–54) and on grapes used in the manufacture of wine (Wine Grapes Charges Act 1929–1954). The collections are paid into funds to be applied for the purposes of Export Boards established under various Acts, in controlling the quantity and quality of produce exported.

Collections for the last five years were as follows:—1951–52, £72,000; 1952–53, £166,000; 1953–54, £168,000; 1954–55, £300,000; and 1955–56, £414,000.

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

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

Since 1947, the charge has been amended as follows:—11th October, 1949, a reduction to 2½d. a man-hour; 11th December, 1951, an increase to 4d. a man-hour; 28th October, 1952, an increase to 11d. a man-hour; 4th May, 1954, a reduction to 6d. a man-hour; 30th October, 1956, an increase to 1s. 7d. a man-hour; and from 21st May, 1957, an increase to 2s. a man-hour.

Collections during the years 1951–52 to 1955–56 were as follows:—1951–52, £551,000; 1952–53, £1,144,000; 1953–54, £1,630,000; 1954–55, £998,000; and 1955–56, £973,000.

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

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

The Tobacco Charge Act No. 1, 1955 imposed a maximum charge of ¾d. per pound on all Australian tobacco leaf sold to a manufacturer.

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



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

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

Collections in 1955-56 amounted to £4,739.

3. *Business Undertakings.*—(i) *Postmaster-General's Department.* Particulars of net receipts for each of the financial years 1938-39 and 1951-52 to 1956-57 are contained in the following table :—

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

Particulars.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Private boxes and bags ..	74	164	169	175	180	185
Commission on money orders and postal notes ..	289	827	859	887	862	935
Telegraphs ..	1,372	5,066	4,547	4,710	4,934	4,960
Telephones ..	8,040	31,059	35,177	37,113	40,402	44,351
Postage ..	6,636	20,687	21,821	22,893	24,139	(a)26,597
Miscellaneous ..	955	1,568	1,825	2,020	2,308	2,313
<b>Total ..</b>	<b>17,366</b>	<b>59,371</b>	<b>64,398</b>	<b>67,798</b>	<b>72,825</b>	<b>79,341</b>

(a) Includes revenue for Airmail Services previously received by Department of Civil Aviation.

Further particulars of the Postmaster-General's Department's receipts to 1956-57 are given in Chapter XI.—Transport and Communication (Part II, Division A. Posts, Telegraphs, Telephones, Cable and Radio Communication).

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

Details of net receipts for the years 1951-52 to 1955-56 are shown in the following table :—

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

Particulars.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Listeners' Licence Fees ..	2,776	3,770	3,827	3,831	3,846
Broadcasting Station Licence Fees ..	20	23	25	27	35
Miscellaneous ..	9	13	15	17	16
<b>Total ..</b>	<b>2,805</b>	<b>3,806</b>	<b>3,867</b>	<b>3,875</b>	<b>3,897</b>

(iii) *Commonwealth Railways.* The Commonwealth Government is responsible for four railways—the Trans-Australian, the Central Australia, the North Australia and the Australian Capital Territory. The following table shows the amounts paid to the credit of the Consolidated Revenue Fund on account of each of these railways for the years 1938-39 and 1951-52 to 1955-56 :—

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

Railway.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Trans-Australian ..	331	1,479	1,372	1,825	1,928	2,545
Central Australia ..	138	1,241	1,290	1,553	1,483	1,937
North Australia ..	50	49	42	68	70	86
Aust. Cap. Territory ..	7	10	25	15	29	15
<b>Total ..</b>	<b>526</b>	<b>2,779</b>	<b>2,729</b>	<b>3,461</b>	<b>3,510</b>	<b>4,583</b>

Further particulars to 1956-57 are given in Chapter XI.—Transport and Communication (Part I. Division B. Government Railways).

4. **Other Sources of Revenue.**—Revenue derived by the Consolidated Revenue Fund from the Territories of the Commonwealth during 1955-56 amounted to £2,249,000 (Australian Capital Territory, £1,512,000; Northern Territory, £737,000). Of other sources of revenue, amounting in 1955-56 to £44,508,000, the following are noteworthy :—Interest, £14,179,000; Defence, £3,820,000; Net Profit on Australian Note Issue, £7,866,000; Joint Coal Board—Repayment of Advances, £2,488,000; Tea Importation Board—Repayment of Advance, £2,000,000; Australian Shipping Board, Transfer of Surplus Funds, £3,000,000; and Surplus Balances of Trust Accounts, £1,981,000.

### III.—Expenditure.

1. **Details of Expenditure from Consolidated Revenue.**—The following table shows details of the expenditure from the Consolidated Revenue Fund during the years 1938-39 and 1951-52 to 1955-56.

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

Department, etc.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Defence Services(a) .. ..	7,514	124,635	173,346	161,759	153,303	153,071
War (1914-18 and 1939-45) and Repatriation Services(b) ..	19,252	105,801	(c) 131,134	120,144	120,151	124,524
Subsidies and Bounties .. ..	236	31,341	25,332	21,320	21,539	17,393
Cost of Departments(d) .. ..	9,299	71,469	74,545	72,171	79,337	88,766
National Welfare Fund .. ..	(e) 16,428	171,709	165,511	176,565	189,319	214,866
National Debt Sinking Fund Special Payment .. ..	..	98,500	..	..	..	..
Debt Redemption Reserve Trust Account .. ..	..	..	..	56,271	70,151	..
Loan Consolidation and Investment Reserve Trust Account ..	..	..	..	..	..	61,613
Business Undertakings—						
Postmaster-General—						
Airmail Services .. ..	211	2,413	2,908	2,863	2,946	3,860
Other .. ..	14,667	61,878	67,009	69,381	73,300	81,767
Broadcasting Services .. ..	(f)	4,135	4,556	4,684	4,871	5,590
Railways .. ..	1,331	3,491	3,390	3,527	3,622	3,721
Territories .. ..	1,100	9,773	9,838	11,153	12,971	14,603
Capital Works and Services—						
Defence .. ..	1,349	45,126	42,317	28,513	33,003	38,479
Repatriation .. ..	141	27,861	28,167	27,073	30,131	30,242
Postmaster-General .. ..	3,851	28,819	28,427	25,986	25,839	28,970
Broadcasting Services .. ..	(f)	251	202	281	273	817
Railways .. ..	142	2,637	4,746	3,382	3,100	2,674
Territories .. ..	739	5,153	4,821	4,511	5,168	8,049
Other .. ..	493	45,152	35,927	31,467	29,455	31,148
Payments to or for States .. ..	15,669	161,701	184,204	195,648	200,729	220,542
Other Expenditure(g) .. ..	2,643	14,983	53,687	6,091	8,233	7,663
Grand Total .. ..	95,065	1,016,828	1,040,067	1,022,790	1,067,441	1,138,358
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population .. ..	13 14 3	119 4 6	119 1 7	114 18 4	117 8 7	122 4 0

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

(c) Includes £13,400,000 special payment to War Pensions Trust Account. (d) Revised to include Pension and Superannuation payments relating to Defence and War and Repatriation Services.

(e) Invalid and Age Pensions and Maternity Allowances. (f) Provided in part from Postmaster-General's Department votes and balance from Broadcasting Trust Account. (g) Includes assistance to Primary Producers.

Further details of the expenditure in each section are given in paragraphs 2 to 14 following.

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on p. 797. In this diagram, Public Debt Charges (interest and debt redemption, etc.) are shown as a separate item, whereas, in the table above, these charges are included in the section to which they relate.

Details of Commonwealth expenditure on public debt charges for 1938-39 and 1951-52 to 1955-56 are shown in the following table :—

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

Item.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<b>War (1914-18 and 1939-45)</b>						
<i>Debt(b)—</i>						
Interest and Exchange ..	7,616	43,902	43,354	43,698	43,234	43,514
Debt Redemption ..	2,049	15,002	21,256	19,981	15,273	16,299
Other(c) ..	224	215	279	249	376	214
<b>Total ..</b>	<b>9,889</b>	<b>59,119</b>	<b>64,889</b>	<b>63,928</b>	<b>58,883</b>	<b>60,027</b>
<b>Business Undertakings—</b>						
<i>Postmaster-General's Department—</i>						
Interest and Exchange ..	1,758	1,437	1,349	1,207	1,303	885
Debt Redemption ..	1,129	2,257	2,371	2,313	1,655	1,438
Other(c) ..	..	..	..	13	253	..
<b>Total ..</b>	<b>2,887</b>	<b>3,694</b>	<b>3,720</b>	<b>3,533</b>	<b>3,211</b>	<b>2,323</b>
<b>Railways—</b>						
Interest and Exchange ..	455	415	413	406	410	388
Debt Redemption ..	75	141	148	155	163	172
Other(c) ..	11	..	1	..	19	..
<b>Total ..</b>	<b>541</b>	<b>556</b>	<b>562</b>	<b>561</b>	<b>592</b>	<b>560</b>
<b>Territories—</b>						
Interest and Exchange ..	318	219	218	238	234	233
Debt Redemption ..	58	110	115	121	127	133
Other(c) ..	4	..	..	..	..	..
<b>Total ..</b>	<b>380</b>	<b>329</b>	<b>333</b>	<b>359</b>	<b>361</b>	<b>366</b>
<b>Works and Other Purposes—</b>						
Interest and Exchange ..	3,226	3,259	4,149	5,308	6,089	8,175
Debt Redemption ..	613	791	718	708	556	625
Other(c) ..	37	46	66	133	145	77
<b>Total ..</b>	<b>3,876</b>	<b>4,096</b>	<b>4,933</b>	<b>6,149</b>	<b>6,790</b>	<b>8,877</b>
<b>Total—</b>						
Interest and Exchange ..	13,373	49,232	49,483	50,857	51,270	53,195
Debt Redemption ..	3,924	18,301	24,608	23,278	17,774	18,667
Other(c) ..	276	261	346	395	793	291
<b>Grand Total ..</b>	<b>17,573</b>	<b>67,794</b>	<b>74,437</b>	<b>74,530</b>	<b>69,837</b>	<b>72,153</b>

(a) Excludes payments to or for States under the Financial Agreement. See pp. 805-808.  
(b) Includes repatriation debt. (c) Redemption, conversion and loan management, etc., expenses.

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

The figures represent the combined expenditures from revenue, trust and loan funds for the years 1938–39 and 1951–52 to 1955–56.

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

(£'000.)

Item.	1938–39.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.
<i>Department of Defence</i> .. ..	61	476	601	634	644	761
<i>Department of the Navy—</i>						
Naval Forces—Pay, maintenance, etc.	2,592	30,386	36,406	34,642	34,311	35,273
Naval construction and additions to the fleet .. ..	1,643	3,302	5,436	5,996	6,422	4,884
Buildings, works, etc. .. ..	433	2,812	2,510	1,665	1,674	1,636
Administrative and miscellaneous expenditure .. ..	31	1,269	2,988	2,731	4,970	6,392
<i>Total</i> .. ..	4,699	37,769	47,340	45,034	47,377	48,185
<i>Department of the Army—</i>						
Military Forces—Pay, maintenance, etc. .. ..	2,941	28,490	58,287	44,719	38,653	39,808
Arms, armament, ammunition .. ..	1,129	17,926	26,174	15,201	18,435	16,374
Buildings, works, etc. .. ..	418	8,769	6,039	3,313	2,938	3,466
Administrative and miscellaneous expenditure .. ..	71	812	1,103	1,201	1,679	2,161
<i>Total</i> .. ..	4,559	55,997	91,603	64,434	61,705	61,809
<i>Department of Air—</i>						
Air Force—Pay, maintenance, etc.	1,304	19,998	23,762	21,539	22,744	24,081
Aircraft, equipment and stores .. ..	1,049	23,502	25,881	22,886	22,708	23,541
Buildings, works, etc. .. ..	489	3,883	4,521	3,312	2,587	3,013
Administrative and miscellaneous expenditure .. ..	12	1,025	1,169	1,122	1,377	1,760
<i>Total</i> .. ..	2,854	48,408	55,333	48,859	49,416	52,395
<i>Department of Supply—</i>						
Defence research and development	..	6,434	6,786	7,444	9,307	10,680
Strategic stores and equipment reserve .. ..	..	10,049	..	..	..	..
Buildings, works, etc. .. ..	463	270	372	200	175	225
Administrative and miscellaneous expenditure .. ..	1,212	3,050	4,245	4,160	4,199	4,458
<i>Total</i> .. ..	1,675	19,803	11,403	11,804	13,681	15,363
<i>Administration of National Service Act</i> .. ..	..	173	212	218	199	218
<i>Department of Defence Production(b)</i> .. ..	..	7,135	9,171	7,288	5,252	12,334
<i>Defence Equipment and Supplies(c)</i> .. ..	..	..	..	12,000	8,000	..
<i>Civil Defence</i> .. ..	..	..	..	..	33	89
<i>Recruiting Campaign</i> .. ..	..	..	..	..	..	372
<i>Other</i> .. ..	..	..	..	..	..	24
<i>Total Defence Services—</i>						
Consolidated Revenue Fund .. ..	8,863	169,761	215,663	190,271	186,307	191,550
Trust Funds .. ..	(d) 3,072	..	..	..	..	..
Loan Fund .. ..	1,913	..	..	..	..	..
<i>Grand Total</i> .. ..	13,848	169,761	215,663	190,271	186,307	191,550

(a) Excludes expenditure on debt charges, pension and superannuation payments, and Defence Division of the Department of the Treasury. (b) Included with Department of Supply prior to 1951–52. (c) Paid to credit of Defence Equipment and Supplies Trust Account. (d) Expenditure from excess receipts of previous years appropriated for Defence Equipment Trust Account.

3. War and Repatriation Services.—Expenditure from Consolidated Revenue and Loan Fund for War and Repatriation Services and Post-war Charges in relation to both the 1914–18 and 1939–45 Wars is shown in the following table for the years 1938–39 and

1951-52 to 1955-56. Expenditure on the maintenance of forces in Korea and at other overseas posts and the cost of arms and equipment is included in Defence Services (see paragraph 2).

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

(£'000.)

Item.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Public Debt Charges—</i>						
Interest and Exchange .. ..	7,616	43,902	43,354	43,698	43,234	43,514
Debt Redemption .. ..	2,049	15,002	21,256	19,981	15,273	16,299
Other .. ..	224	215	279	249	376	214
<i>Total Public Debt Charges(a) ..</i>	<i>9,889</i>	<i>59,119</i>	<i>64,889</i>	<i>63,928</i>	<i>58,883</i>	<i>60,027</i>
War Gratuities .. ..	..	42	15	..	..	..
War and Service Pensions .. ..	8,228	33,566	36,577	39,425	44,548	47,307
Commonwealth Reconstruction Training Scheme .. ..	..	1,807	974	502	314	221
War Service Land Settlement .. ..	..	5,641	6,567	5,506	4,789	8,790
Re-establishment loans for agricultural purposes .. ..	..	188	140	115	106	71
<i>Repatriation Department—</i>						
Repatriation benefits .. ..	631	9,758	10,822	11,500	11,720	12,278
Other benefits .. ..	119	298	388	443	486	473
Administration and general expenses	315	3,196	3,464	3,597	3,671	3,974
Expenditure recovered(b) .. ..	-71	-1,615	-1,534	-1,281	-1,226	-1,082
<i>Total Repatriation Department ..</i>	<i>994</i>	<i>11,637</i>	<i>13,140</i>	<i>14,259</i>	<i>14,651</i>	<i>15,643</i>
War Service Homes—Salaries and general expenses .. ..	98	631	622	685	815	948
Other Departments—Miscellaneous expenditure(c) .. ..	43	1,153	1,288	804	472	369
International Payments(d) .. ..	..	102	48	40	41	36
Other Administrations—Recoverable expenditure(e) .. ..	..	1,071	-842	-921	-429	-1,266
Miscellaneous Credits .. ..	..	-2,853	(f)	(f)	(f)	(f)
Credits from the Disposals Commission .. ..	..	-1,183	(f)	(f)	(f)	(f)
<i>Capital Works and Services—</i>						
Repatriation Department .. ..	36	271	203	227	132	242
War Service Homes Act 1918-1949 .. ..	105	27,590	27,964	26,846	29,999	30,000
<i>Total Capital Works and Services ..</i>	<i>141</i>	<i>27,861</i>	<i>28,167</i>	<i>27,073</i>	<i>30,131</i>	<i>30,242</i>
<i>Total, War and Repatriation Services and Post-war Charges—</i>						
Consolidated Revenue Fund .. ..	19,393	133,662	145,901	147,217	150,282	154,766
Loan Fund .. ..	..	5,120	5,684	4,199	4,039	7,622
<i>Grand Total .. ..</i>	<i>19,393</i>	<i>138,782</i>	<i>151,585</i>	<i>151,416</i>	<i>154,321</i>	<i>162,388</i>

(a) Excludes Interest and Redemption on War (1914-18) Debt due to the United Kingdom Government, payment of which was suspended in 1931. (b) From Service Departments and Australian Soldiers' Repatriation Trust Account. (c) Revised to exclude Government contributions under Superannuation Act. (d) Excludes International Monetary Fund Charges. (e) Munitions, stores, etc., supplied to the Government of United Kingdom and other administrations. Includes repayments and waiver of war-time indebtedness of other administrations. (f) Receipts credited to Defence revenue.

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

4. **Subsidies and Bounties.**—The following table shows details, for the years 1938-39 and 1951-52 to 1955-56, of Commonwealth expenditure from revenue on subsidies, bounties and assistance to primary producers. Expenditure on special relief such as drought, frost, flood and bush fire, etc. (see table, p. 800, for more important items), is not included, nor is expenditure from the proceeds of certain taxes on primary products and profits from marketing schemes, which have been paid to trust funds for the purpose of price or other stabilization schemes or for distribution to producers (see paragraph 14, p. 808). Further information relating to these schemes and other assistance to, primary producers is given in Chapter XXII.—Agricultural Production.

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

**SUBSIDIES AND BOUNTIES : COMMONWEALTH EXPENDITURE.**  
(£'000.)

Item.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Subsidies—</i>						
<i>Price Stabilization—</i>						
Tea .. .. .	..	5,577	4,683	4,180	5,077	1,734
Coal .. .. .	..	1,519	1,114	200	185	27
Wheat Shipped to Tasmania—						
Freight Subsidy .. .. .	..	143	210	192	..	..
<i>Total</i> .. .. .	..	7,239	6,007	4,572	5,262	1,761
<i>Assistance to Primary Production—</i>						
Dairy Industry(a) .. .. .	..	17,843	15,719	15,400	15,750	14,500
Nitrogenous Fertilizers .. .. .	..	1,521	289	175	..	..
Other .. .. .	..	9	519	..	..	..
<i>Total</i> .. .. .	..	19,373	16,527	15,575	15,750	14,500
<i>Assistance to Gold-mining Industry</i>	..	..	..	..	97	401
<i>Total Subsidies</i> .. .. .	..	26,612	22,534	20,147	21,109	16,662
<i>Bounties—</i>						
Tractor .. .. .	..	103	38	145	82	55
Wool Products .. .. .	..	2,254	1	..	..	..
Wheat—for Stock Feed .. .. .	..	2,368	2,759	1,010	..	..
Sulphuric Acid .. .. .	..	..	..	..	306	513
Other .. .. .	..	..	..	18	42	163
<i>Total Bounties</i> .. .. .	..	236	2,798	1,173	430	731
<i>Grand Total</i> .. .. .	..	236	31,341	25,332	21,539	17,993

(a) Dairy products.

(b) Includes Raw Cotton Bounty, £115,000 and Sulphur Bounty, £88,000.

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

Information on the functions of departments and the acts administered by the Ministers of departments was published in Official Year Book No. 37, pp. 76-86, and particulars of subsequent changes in departmental structure were given in later issues (see No. 43, p. 81).

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

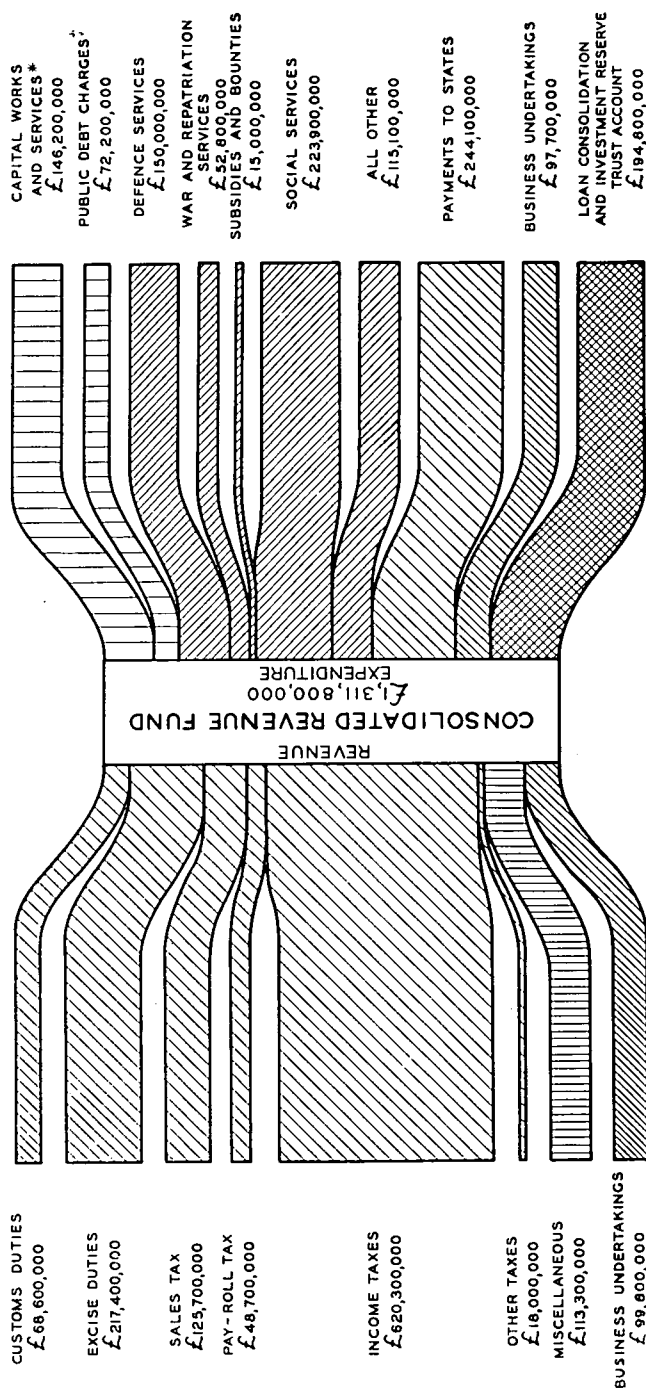
**COMMONWEALTH CONSOLIDATED REVENUE FUND : COST OF DEPARTMENTS—SALARIES, WAGES AND GENERAL EXPENDITURE.**

(£'000.)

Department.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Governor-General</i> .. .. .	28	64	81	88	82	94
<i>Parliament—</i>						
Cost of Parliament .. .. .	279	1,062	1,193	1,184	1,282	1,420
Electoral Office .. .. .	105	341	441	434	427	532
<i>Total</i> .. .. .	384	1,403	1,634	1,618	1,709	1,952
<i>Prime Minister—</i>						
Department .. .. .	62	210	246	256	268	314
Audit Office .. .. .	38	289	(a)	(a)	(a)	(a)
Public Service Board .. .. .	51	405	429	440	485	597
National Library .. .. .	4	96	107	121	136	160
High Commissioner's Office—United Kingdom .. .. .	81	621	621	612	587	658
Commonwealth Grants Commission .. .. .	5	14	15	15	17	19
Office of Education .. .. .	..	200	148	149	156	194
Security Services .. .. .	..	276	331	332	362	422
<i>Total</i> .. .. .	241	2,111	1,897	1,925	2,011	2,364
<i>External Affairs—</i>						
Department .. .. .	20	442	427	429	456	501
Oversea representation .. .. .	..	1,160	1,301	1,280	1,232	1,444
<i>Total</i> .. .. .	20	1,602	1,728	1,709	1,688	1,945

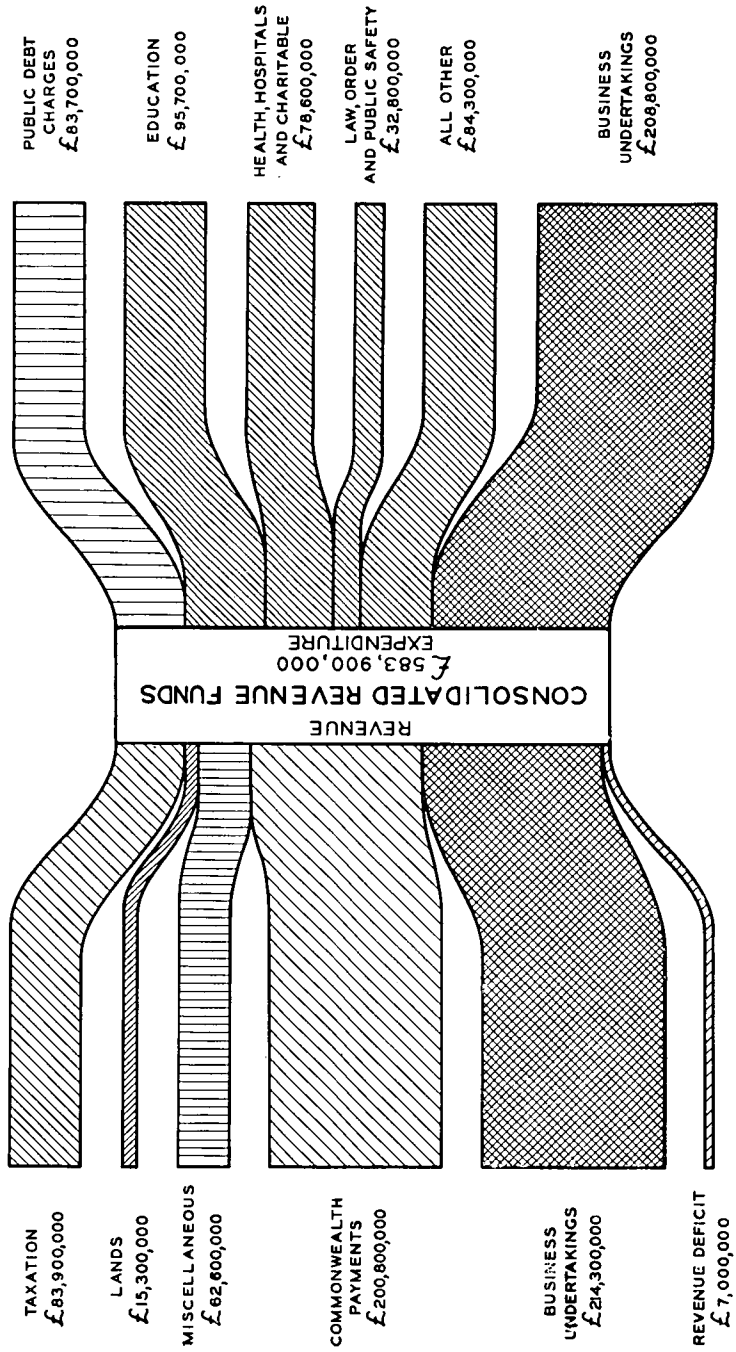
For footnotes see next page.

# COMMONWEALTH CONSOLIDATED REVENUE FUND, YEAR ENDED 30<sup>TH</sup> JUNE, 1957



\* INCLUDES DEFENCE WORKS AND SERVICES £38,400,000

† INCLUDES WAR DEBT CHARGES £38,800,000

STATE CONSOLIDATED REVENUE FUNDS, YEAR ENDED 30<sup>TH</sup>. JUNE, 1957



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

Department.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<b>Treasury—</b>						
Department .. .. .	59	430	540	530	569	665
Taxation Branch and Boards of Review .. .. .	616	6,117	6,668	6,674	6,741	7,489
Bureau of Census and Statistics .. .. .	61	461	530	594	646	776
Commonwealth Superannuation Board .. .. .	9	73	78	80	82	89
<b>Total</b> .. .. .	<b>745</b>	<b>7,081</b>	<b>7,816</b>	<b>7,878</b>	<b>8,038</b>	<b>9,019</b>
<b>Attorney-General—</b>						
Department .. .. .	20	149	187	199	223	264
Crown Solicitor .. .. .	28	205	227	237	264	315
High Court .. .. .	34	78	87	85	96	109
Bankruptcy Administration .. .. .	44	90	97	113	122	146
Court of Conciliation and Arbitration .. .. .	24	168	175	174	180	199
Patents, Trade Marks and Designs .. .. .	71	319	334	381	379	388
Other Branches .. .. .	37	241	233	244	329	401
<b>Total</b> .. .. .	<b>258</b>	<b>1,250</b>	<b>1,340</b>	<b>1,433</b>	<b>1,593</b>	<b>1,822</b>
<b>Interior—</b>						
Department .. .. .	296	1,083	1,212	1,204	1,248	1,096
Meteorological Branch .. .. .	80	440	438	515	540	601
Observatory .. .. .	7	60	67	72	76	88
Forestry Branch .. .. .	10	86	88	90	93	116
News and Information Bureau .. .. .	(b)	(b)	(b)	(b)	(b)	271
<b>Total</b> .. .. .	<b>393</b>	<b>1,669</b>	<b>1,805</b>	<b>1,881</b>	<b>1,957</b>	<b>2,172</b>
<b>Works .. .. .</b>	<b>(c)</b>	<b>1,481</b>	<b>1,384</b>	<b>1,939</b>	<b>2,110</b>	<b>2,436</b>
<b>Civil Aviation .. .. .</b>	<b>90</b>	<b>3,571</b>	<b>3,788</b>	<b>2,511</b>	<b>2,504</b>	<b>2,933</b>
<b>Trade and Customs .. .. .</b>	<b>721</b>	<b>2,953</b>	<b>3,244</b>	<b>3,390</b>	<b>3,676</b>	<b>(d)4,021</b>
<b>Health—</b>						
Department .. .. .	135	353	405	445	471	537
Quarantine .. .. .	161	198	222	222	222	238
Health Services .. .. .	343	479	459	459	505	608
<b>Total</b> .. .. .	<b>135</b>	<b>857</b>	<b>1,082</b>	<b>1,126</b>	<b>1,198</b>	<b>1,383</b>
<b>Trade—</b>						
Department .. .. .	(e)	(e)	(e)	(e)	(e)	428
Tariff Board .. .. .	(f)	(f)	(f)	(f)	(f)	68
Commercial Intelligence Services Abroad .. .. .	(e)	(e)	(e)	(e)	(e)	453
<b>Total</b> .. .. .	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>949</b>
<b>Primary Industry—</b>						
Department .. .. .	(e)	(e)	(e)	(e)	(e)	294
Inspection of goods for export .. .. .	(e)	(e)	(e)	(e)	(e)	1,007
Division of Agricultural Economics and Division of Agricultural Production .. .. .	(e)	(e)	(e)	(e)	(e)	168
<b>Total</b> .. .. .	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>1,469</b>
<b>Commerce and Agriculture—</b>						
Department .. .. .	58	333	388	407	452	428
Inspection of goods for export .. .. .	175	582	689	740	841	841
Commercial Intelligence Services Abroad .. .. .	47	299	334	364	393	393
Division of Agricultural Economics and Division of Agricultural Production .. .. .	..	122	123	140	152	152
<b>Total</b> .. .. .	<b>280</b>	<b>1,336</b>	<b>1,534</b>	<b>1,651</b>	<b>1,838</b>	<b>..</b>
<b>Social Services—Department</b> .. .. .	<b>139</b>	<b>1,974</b>	<b>2,300</b>	<b>2,395</b>	<b>2,475</b>	<b>2,669</b>
<b>Shipping and Transport—</b>						
Department .. .. .	..	161	144	135	144	173
Marine Branch .. .. .	208	748	792	813	816	898
Ship Construction .. .. .	..	85	91	91	17	16
<b>Total</b> .. .. .	<b>208</b>	<b>994</b>	<b>1,027</b>	<b>1,039</b>	<b>977</b>	<b>1,087</b>
<b>Territories—Department</b> .. .. .	<b>(h)</b>	<b>158</b>	<b>193</b>	<b>166</b>	<b>167</b>	<b>204</b>
<b>Immigration—Department</b> .. .. .	<b>(c)</b>	<b>1,230</b>	<b>1,269</b>	<b>1,193</b>	<b>1,384</b>	<b>1,734</b>
<b>Labour and National Service—Department</b> .. .. .	<b>..</b>	<b>1,773</b>	<b>1,785</b>	<b>1,732</b>	<b>1,774</b>	<b>1,986</b>
<b>National Development—</b>						
Department .. .. .	..	452	448	385	361	357
Bureau of Mineral Resources .. .. .	..	480	698	434	379	522
<b>Total</b> .. .. .	<b>..</b>	<b>932</b>	<b>1,146</b>	<b>819</b>	<b>740</b>	<b>879</b>
<b>Commonwealth Scientific and Industrial Research Organization—Department</b> .. .. .	<b>195</b>	<b>2,895</b>	<b>3,260</b>	<b>3,537</b>	<b>3,994</b>	<b>4,723</b>
<b>Atomic Energy Commission</b> .. .. .	<b>..</b>	<b>..</b>	<b>6</b>	<b>253</b>	<b>430</b>	<b>641</b>
<b>Total All Departments</b> .. .. .	<b>3,837</b>	<b>35,334</b>	<b>38,319</b>	<b>38,283</b>	<b>40,345</b>	<b>46,482</b>

(a) Allocated to Departments. (b) Included with Interior—Department. (c) Included with Department of the Interior. (d) Department of Customs and Excise. (e) See Department of Commerce and Agriculture. (f) Included with Department of Trade and Customs. (g) See Departments of Trade and Primary Industry. (h) Included with Prime Minister's Department.

The following table gives details of miscellaneous expenditure included in the total cost of departments. It covers such items as interest and debt redemption in respect of departments (including defence departments) which is included under expenditure by the Department of the Treasury, repairs and maintenance of buildings, and special expenditure for which the Commonwealth is committed, such as contributions to international organizations, payment of Commonwealth scholarships, etc. The costs of social services, which are paid from the National Welfare Fund, are not included in this table (*see pp. 801-2 for this information*).

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

(£'000.)

Department.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Governor-General</i> .. .. .	1	10	7	6	25	29
<i>Parliament—</i>						
Cost of elections .. .. .	3	231	244	240	15	301
Other .. .. .	12	37	27	36	26	36
<i>Total</i> .. .. .	15	268	271	276	41	337
<i>Prime Minister—</i>						
Commonwealth Scholarship Scheme and financial assistance to University students .. .. .	..	742	864	917	984	1,111
Australian National University .. .. .	..	450	600	650	748	877
Bush fire and flood relief, etc. .. .. .	19	43	75	108	598	394
Other .. .. .	249	334	569	875	456	894
<i>Total</i> .. .. .	268	1,569	2,108	2,550	2,786	3,276
<i>External Affairs—</i>						
United Nations and Allied Organizations .. (b)	46	715	597	632	647	659
Australian National Antarctic Research Expeditions .. .. .	..	145	152	224	213	269
International development and relief .. .. .	..	4,859	4,271	3,574	3,429	5,285
Contributions to other international agencies, etc. .. .. .	4	94	105	112	170	139
<i>Total</i> .. .. .	50	5,813	5,125	4,542	4,459	6,352
<i>Treasury—</i>						
Interest (including exchange) .. .. .	3,229	3,259	4,149	5,309	6,089	8,174
Debt Redemption(c) .. .. .	614	792	718	708	556	625
Other(d) .. .. .	259	1,435	2,090	2,086	4,093	2,896
<i>Total</i> .. .. .	4,102	5,486	6,957	8,103	10,738	11,695
<i>Attorney-General</i> .. .. .	18	74	71	86	81	75
<i>Interior—</i>						
Other departments in Canberra—Transport services, fuel, light and power; oversea publicity, etc. .. .. .	..	231	302	318	358	412
Other .. .. .	102	239	292	354	373	434
<i>Total</i> .. .. .	102	470	594	672	731	846
<i>Works</i> .. .. .	(e)	106	104	119	116	129
<i>Civil Aviation—</i>						
Maintenance and development of civil aviation .. .. .	162	2,526	2,671	3,883	4,080	4,617
Domestic and international air services—						
Mails, subsidies, etc. .. .. .	56	3,274	3,968	3,573	3,543	(f)
Meteorological maintenance services and other .. .. .	8	610	678	611	603	407
<i>Total</i> .. .. .	226	6,410	7,317	8,067	8,226	5,024
<i>Trade and Customs</i> .. .. .	37	98	131	165	146	(g)102
<i>Health—</i>						
Subsidy, cattle tick control .. .. .	69	53	53	53	250	552
Miscellaneous expenditure on health .. .. .	93	295	369	377	472	509
Other .. .. .	14	62	55	76	85	109
<i>Total</i> .. .. .	176	410	477	506	807	1,170
<i>Trade</i> .. .. .	(h)	(h)	(h)	(h)	(h)	199
<i>Primary Industry—</i>						
Dairy Industry—Efficiency grant .. .. .	..	..	..	..	..	241
Wool Use Promotion and Research .. .. .	..	..	..	..	..	426
Fisheries development .. .. .	..	..	..	..	..	125
Other .. .. .	..	..	..	..	..	345
<i>Total</i> .. .. .	..	..	..	..	..	1,137
<i>Commerce and Agriculture—</i>						
Dairy Industry—Efficiency grant .. .. .	..	293	244	238	241	..
Wool use publicity, promotion and research .. .. .	74	341	371	386	392	..
Other .. .. .	173	177	335	519	364	..
<i>Total</i> .. .. .	247	811	950	1,143	997	(i)

For footnotes see next page.

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

(£'000.)

Department.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Social Services—</i>						
Compassionate allowances, Assistance						
Homes for Aged, etc. .. .. .	186	87	104	116	546	535
Other .. .. .		53	58	67	66	61
<i>Total .. .. .</i>	<i>186</i>	<i>140</i>	<i>162</i>	<i>183</i>	<i>612</i>	<i>596</i>
<i>Shipping and Transport—</i>						
Shipping subsidies, etc. .. .. .		186	186	148	170	607
Railway fare and freight concessions .. .. .		487	510	569	631	593
Oversea Coal—Loss on Emergency Transport .. .. .	7	80	46	49	52	828
Other .. .. .						44
<i>Total .. .. .</i>	<i>7</i>	<i>753</i>	<i>742</i>	<i>766</i>	<i>853</i>	<i>2,072</i>
<i>Territories .. .. .</i>	<i>(j)</i>	<i>1</i>	<i>1</i>	<i>..</i>	<i>2</i>	<i>1</i>
<i>Immigration—</i>						
Assisted migration .. .. .	(e)	8,892	6,400	3,644	5,791	6,270
Other migration activities .. .. .	(e)	3,365	3,096	1,960	1,649	2,035
Other .. .. .	(e)	281	274	205	255	315
<i>Total .. .. .</i>	<i>(e)</i>	<i>12,538</i>	<i>9,770</i>	<i>5,809</i>	<i>7,695</i>	<i>8,620</i>
<i>Labour and National Service .. .. .</i>	<i>..</i>	<i>106</i>	<i>95</i>	<i>87</i>	<i>89</i>	<i>109</i>
<i>National Development—</i>						
Joint Coal Board .. .. .	..	716	1,031	621	282	246
Other .. .. .	..	257	194	71	172	140
<i>Total .. .. .</i>	<i>..</i>	<i>973</i>	<i>1,225</i>	<i>692</i>	<i>454</i>	<i>386</i>
<i>Commonwealth Scientific and Industrial Research Organization—</i>						
Miscellaneous grants to scientific bodies .. .. .	28	83	102	98	110	100
Other .. .. .	..	16	17	18	24	29
<i>Total .. .. .</i>	<i>28</i>	<i>99</i>	<i>119</i>	<i>116</i>	<i>134</i>	<i>129</i>
<i>Total, All Departments .. .. .</i>	<i>5,463</i>	<i>36,135</i>	<i>36,226</i>	<i>33,888</i>	<i>38,992</i>	<i>42,284</i>

(a) Includes rent, repairs and maintenance. Pension and superannuation contributions and interest and debt redemption in respect of the various departments are included under the Department of the Treasury.

(b) League of Nations. (c) Unallocated debt charges, in respect of all departments including defence departments.

(d) Includes pension and superannuation contributions in respect of all departments, including defence departments. (e) Included with Department of the Interior.

(f) Expenditure from Postmaster-General's Department. (g) Department of Customs and Excise.

(h) See Department of Commerce and Agriculture. (i) See Departments of Trade and Primary Industry.

(j) Included with Prime Minister's Department.

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

In the following table, details are given of the income and expenditure of the National Welfare Fund and the balance in the fund at the end of each year for the years 1951–52 to 1955–56. A dissection of expenditure into the various types of benefits is given in Chapter XV.—Welfare Services (*see* p. 546).

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

Year.	Income.			Expenditure.	Balance in Fund at end of Year.
	Contribution from Consolidated Revenue.	Interest on Investments.	Total.		
1951–52 .. .. .	171,709	1,129	172,838	137,608	185,027
1952–53 .. .. .	165,511	1,809	167,320	165,511	186,836
1953–54 .. .. .	176,565	2,094	178,659	176,565	188,930
1954–55 .. .. .	189,319	2,108	191,427	189,319	191,038
1955–56 .. .. .	214,866	2,086	216,952	214,866	193,124

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

8. **Debt Redemption Reserve Trust Account.**—Section 4 of the Appropriation Act (No. 2), 1953–1954 provided for payments from Consolidated Revenue Fund of such sums as the Treasurer may determine. These sums are appropriated to the Debt Redemption Reserve Trust Account for the purpose of expenditure in redeeming any securities forming part of the National Debt of the Commonwealth.

The following payments were made to the Trust Account from Consolidated Revenue Fund.—1953–54, £56,271,000; 1954–55, £70,151,000. There was no expenditure from the Trust Account until November, 1955, when the total balance of £126,422,000 was paid to the credit of the Loan Consolidation and Investment Reserve. The balance of the Trust Account at 30th June, 1954 and 1955 formed part of General Trust Funds which were invested in special loans to finance Commonwealth and State works programmes.

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

In 1955–56, the Account was credited with a transfer from the Debt Redemption Reserve Trust Account, £126,422,000, a payment from Consolidated Revenue Fund of £61,613,000 and Interest, etc. amounting to £2,399,000. Expenditure from the Trust Account on repurchase of securities was £28,701,000. The major portion of the balance of the Trust Account at 30th June, 1956, was invested in Commonwealth securities in special loans to finance Commonwealth and State works programmes.

10. **Business Undertakings.**—(i) *Postmaster-General's Department.* From the beginning of 1949–50, Broadcasting Services were separated from the Postmaster-General's Department. Prior to 1949–50, part of the expenditure on these services was included with the Postmaster-General's Department. Details of the expenditure of this Department for the years 1938–39 and 1951–52 to 1955–56 are given in the following table :—

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

Item.	1938–39.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.
Salaries, stores and materials, mail, engineering services, etc.	11,485	58,686	64,157	66,619	70,568	80,644
Superannuation, Pensions, etc.	392	1,061	1,056	1,214	1,490	1,606
Rents, repairs, etc. ..	114	850	984	878	977	1,054
Interest and Exchange ..	1,758	1,437	1,349	1,220	1,556	885
Debt Redemptions ..	1,129	2,257	2,371	2,313	1,655	1,438
<i>Total Working, etc., Expenses</i> .. .. .	<i>14,878</i>	<i>64,291</i>	<i>69,917</i>	<i>72,244</i>	<i>76,246</i>	<i>83,627</i>
Capital Works and Services ..	3,851	28,819	28,427	25,986	25,839	28,970
<b>Grand Total .. ..</b>	<b>18,729</b>	<b>93,110</b>	<b>98,344</b>	<b>98,230</b>	<b>102,085</b>	<b>114,597</b>

Further details of expenditure for 1956-57 on account of the Postmaster-General's Department appear in Chapter XI.—Transport and Communication (Part II., Division A., Posts, Telegraphs, Telephones and Cable and Radio Communication).

(ii) *Broadcasting Services.* Since 1949-50, all expenditure on broadcasting services has been brought together in one section. Previously these services had been financed partly by the Postmaster-General's Department and partly from the Wireless Broadcasting Trust Account. Details of expenditure for the years 1951-52 to 1955-56 are shown in the following table.

#### COMMONWEALTH BROADCASTING SERVICES : EXPENDITURE.

(£'000.)

Item.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Australian Broadcasting Control Board ..	61	56	77	83	106
Australian Broadcasting Commission— Salaries, general and programme expenses .. .. .	2,254	2,497	2,590	2,702	3,250
Technical and other Services—Postmaster- General .. .. .	1,807	1,988	2,006	2,068	2,210
Repairs, maintenance, etc. .. .. .	13	15	11	18	24
<i>Total Working, etc., expenses</i> ..	<i>4,135</i>	<i>4,556</i>	<i>4,684</i>	<i>4,871</i>	<i>5,590</i>
Capital Works and Services .. .. .	251	202	281	273	817
<b>Grand Total</b> .. .. .	<b>4,386</b>	<b>4,758</b>	<b>4,965</b>	<b>5,144</b>	<b>6,407</b>

(iii) *Railways.* The Commonwealth Railways, previously administered by the Department of the Interior, were transferred in March, 1950, to the newly-formed Department of Fuel, Shipping and Transport, which became the Department of Shipping and Transport in May, 1951. The expenditure on railways for the years 1938-39 and 1951-52 to 1955-56 is shown below.

#### COMMONWEALTH RAILWAYS : EXPENDITURE.

(£'000.)

Item.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Working expenses—						
Trans-Australian .. .. .	494	1,540	1,285	1,352	1,412	1,705
North Australia .. .. .	55	91	115	139	158	183
Central Australia .. .. .	214	1,178	1,297	1,359	1,322	1,152
Aust. Capital Territory .. .. .	7	37	46	43	40	45
Interest and Exchange .. .. .	455	415	413	406	410	388
Debt Redemption .. .. .	75	141	148	155	163	172
Superannuation .. .. .	14	43	44	50	58	59
Miscellaneous(a) .. .. .	17	46	42	23	59	17
<i>Total Working, etc., ex- penses</i> .. .. .	<i>1,331</i>	<i>3,491</i>	<i>3,390</i>	<i>3,527</i>	<i>3,622</i>	<i>3,721</i>
Capital Works and Services .. .. .	142	2,637	4,746	3,382	3,100	2,674
<b>Grand Total</b> .. .. .	<b>1,473</b>	<b>6,128</b>	<b>8,136</b>	<b>6,909</b>	<b>6,722</b>	<b>6,395</b>

(a) Includes loan redemption and conversion expenses, 1952-53, £1,000; 1954-55, £19,000.

Additional details of the financial operations of the Commonwealth Railways to 1956-57 are given in Chapter XI.—Transport and Communication (Part I., Division B. Government Railways).

11. *Territories.*—The following table shows the expenditure on account of Commonwealth Territories for the years 1938-39 and 1951-52 to 1955-56. The Australian Capital Territory is administered by the Department of the Interior, and the Department of Territories controls the Northern Territory and the external territories. The expenditure has been grouped in one table for convenience. Information in greater detail will be found in the annual bulletin, *Finance*.

## COMMONWEALTH TERRITORIES : EXPENDITURE.

(£'000.)

Territory.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Administration and Maintenance of Services—</i>						
Australian Capital Territory(a)	637	2,157	2,462	2,652	2,786	2,663
Northern Territory (a)	403	2,068	2,448	2,622	2,829	3,275
Papua	49	5,532	4,888	5,821	7,322	8,623
New Guinea	6					
Norfolk Island	5					
Cocos (Keeling) Islands	..	16	40	58	34	30
<i>Total</i>	<i>1,100</i>	<i>9,773</i>	<i>9,838</i>	<i>11,153</i>	<i>12,971</i>	<i>14,603</i>
<i>Capital Works and Services—</i>						
Australian Capital Territory(a)	244	3,851	3,246	2,642	3,342	5,181
Northern Territory(a)	495	1,281	1,206	1,452	1,818	2,861
Papua and New Guinea	..	21	369	417	8	5
Cocos (Keeling) Islands	..	..	..	..	..	2
<i>Total</i>	<i>739</i>	<i>5,153</i>	<i>4,821</i>	<i>4,511</i>	<i>5,168</i>	<i>8,049</i>

(a) Excludes Railways, see para 10 (iii).

12. *Capital Works and Services.*—In the following table, details are given of Commonwealth expenditure on capital works and services during each of the years 1938-39 and 1951-52 to 1955-56. The table covers all expenditure on capital works and services made from the Consolidated Revenue Fund, the Loan Fund and Trust Funds.

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

(£'000.)

Particulars.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Defence and War—</i>						
Navy	2,076	6,415	9,847	9,248	11,746	11,288
Army	1,547	18,410	20,960	11,172	14,033	12,467
Air Force	1,538	3,883	4,521	3,312	2,587	3,013
Munitions and other	1,173	16,418	6,989	4,781	4,637	11,711
<i>Repatriation Services—</i>						
War Service Homes	105	27,590	27,964	26,846	29,999	30,000
Other	..	271	203	227	132	242
Postmaster-General's Department	3,849	28,818	28,427	25,986	25,837	28,969
Broadcasting Services	..	251	202	281	273	817
<i>Railways—</i>						
Commonwealth	142	2,634	4,742	3,381	3,099	2,669
<i>Territories—</i>						
Australian Capital Territory	488	3,851	3,237	2,630	3,338	5,177
Northern Territory	244	1,281	1,206	1,452	1,818	2,861
Papua-New Guinea	..	20	369	417	8	5
Cocos (Keeling) Islands	..	..	..	..	..	2
<i>Other—</i>						
Ships, yards and docks	-300	2,413	1,786	3,494	3,228	3,589
Civil Aviation	419	6,424	6,096	4,933	3,657	3,881
Snowy Mountains Scheme	..	10,393	13,600	13,170	13,200	15,146
Immigration	..	7,243	2,279	558	208	319
Coal Industry Act 1946	..	4,100	26	..	..	..
Health	35	490	416	409	383	639
Subscriptions to Capital(b)	..	..	1,049	1,000	1,000	1,200
Advances(c)	..	2,389	4,180	2,451	2,403	205
All other works, buildings, etc.	243	11,700	6,493	5,453	5,376	6,170
<i>Total</i>	<i>11,559</i>	<i>154,994</i>	<i>144,592</i>	<i>121,201</i>	<i>126,962</i>	<i>140,370</i>
<i>Source of Funds—</i>						
Consolidated Revenue Fund	6,715	154,999	144,606	121,214	126,969	140,379
Loan Fund	1,598	-5	-14	-13	-7	-9
Trust Funds(d)	3,246	..	..	..	..	..
<i>Total</i>	<i>11,559</i>	<i>154,994</i>	<i>144,592</i>	<i>121,201</i>	<i>126,962</i>	<i>140,370</i>

(a) Includes Strategic Stores and Equipment Reserve, £10,049,000. (b) Excludes Commonwealth New Guinea Timbers Ltd. included under Territories. (c) Excludes Overseas Telecommunications Commission included under Postmaster-General's Department. (d) From National Defence Contributions Trust Account and other trust funds.

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

13. *Payments to or for the States.*—(i) *General.* An outline of the provisions of the Constitution requiring the Commonwealth to make payments to the States, and of the systems which followed, is given in earlier issues of the Official Year Book (see No. 37,

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

(ii) *Amounts Paid.* (a) *Year 1955-56.* The table below shows particulars of the amounts paid to each of the States as grants for the several purposes referred to in subsequent paragraphs.

**COMMONWEALTH PAYMENTS TO OR FOR THE STATES, 1955-56.(a)**  
(£'000.)

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	Total.
Financial Agreement—							
Interest on States' Debts ..	2,918	2,127	1,096	704	473	267	7,585
Sinking Fund on States' Debts(b) ..	1,546	972	534	560	428	270	4,310
Special Grants ..	54,209	36,044	22,518	12,681	8,900	4,200	18,500
Tax Reimbursement Grants ..	7,110	3,398	2,123	1,195	1,060	461	141,578
Special Financial Assistance ..	7,282	4,660	5,097	2,976	5,178	1,326	15,348
Commonwealth Aid Roads(c) ..							26,519
Tuberculosis Act 1948—Reimbursement of Capital Expenditure ..	868	74	468	122	216	10	1,758
Mental Institutions—Contribution to Capital Expenditure ..	209	446	66	12	10	30	773
Western Australian Waterworks Grant ..					682		682
Coal Mining Industry—Long Service Leave(d) ..	441	1	84		29	10	565
Contribution to South Australia—Port Augusta to Port Pirie Railway ..				20			20
Encouragement of Meat Production ..			113		190		303
Grants to Universities ..	644	415	196	197	134	65	1,651
<b>Total ..</b>	<b>75,227</b>	<b>48,138</b>	<b>32,295</b>	<b>23,867</b>	<b>28,552</b>	<b>11,513</b>	<b>219,592</b>

(a) Excludes relief to primary producers and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Paid to Trust Fund; excludes £950,000 for road safety practices and Commonwealth strategic roads. (d) Paid to Trust Fund.

(b) 1938-39 and 1951-52 to 1955-56. The following table shows particulars of payments by the Commonwealth to or on behalf of the States during each of these years.

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

Particulars.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Financial Agreement—						
Interest on States' Debts ..	7,585	7,585	7,585	7,585	7,585	7,585
Sinking Fund on States' Debts(b) ..	1,478	2,557	3,011	3,463	3,947	4,310
Special Grants ..	2,020	10,522	15,934	15,400	12,300	18,500
Tax Reimbursement Grants ..		86,268	108,623	120,415	130,046	141,578
Special Financial Assistance ..		33,577	27,146	21,915	19,902	15,348
Grants for Road Construction, etc.(c) ..	4,266	14,647	15,107	16,457	21,461	26,519
Commonwealth Aid Roads (Supplementary) Trust Account ..				5,000		
Tuberculosis Act 1948—Reimbursement of Capital Expenditure ..		734	1,292	1,380	1,709	1,758
Mental Institutions—Contribution to Capital Expenditure ..						773
Price Control Reimbursement ..		937	1,056	84		
Local Public Works—Interest and Sinking Fund ..	100					
Youth Employment ..	200					
Western Australian Waterworks ..		289	224	333	366	682
Coal Mining Industry—Long Service Leave(d) ..		499	552	579	600	565
Imported Houses—Grants ..		1,788	1,530	615	88	
Contribution to South Australia—Port Augusta to Port Pirie Railway ..	20	20	20	20	20	20
Encouragement of Meat Production ..		205	398	413	261	303
Grant to Universities ..		1,473	1,125	1,389	1,544	1,651
<b>Total ..</b>	<b>15,669</b>	<b>161,101</b>	<b>183,603</b>	<b>195,048</b>	<b>199,829</b>	<b>219,592</b>

(a) Excludes relief to primary producers and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Excludes expenditure on strategic roads and road safety practices, 1951-52 to 1953-54, £600,000; 1954-55, £900,000; 1955-56, £950,000. (d) Paid to Trust Fund.

Particulars of special Commonwealth grants for the relief of primary producers are not included in the foregoing tables. For details see Chapter XXII.—Agricultural Production. See also para. 4, Subsidies and Bounties, and para. 14, Other Expenditure, of this subsection.

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

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

In addition, under the Financial Agreement, the Commonwealth agreed to make certain contributions to the National Debt Sinking Fund for redemption of State Debts. Details of these payments are given in division D of this Chapter (§ 2, p. 825).

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

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

Applications have been received from South Australia, Western Australia and Tasmania each year from 1933 onwards and the recommendations of the Commission in respect of the years 1938–39 and 1952–53 to 1956–57 are shown in the following table. Commencing with 1949–50, the Commission has divided the grants recommended into two parts. One part is the Commission's estimate of the indispensable need of the claimant State for the year in which the payment is to be made after allowing a sufficient margin for safety. The other part is an adjustment of this estimate for an earlier year after an examination of the audited accounts for that year. Thus the grants for 1956–57 include an estimate of the indispensable need of the claimant State for 1956–57 and an adjustment to the estimated grant for 1954–55.

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

Particulars.	1938–39.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.
<i>South Australia—</i>						
Estimated grant .. ..	1,040	6,600	6,300	3,350	5,940	5,760
Adjustment(a) .. ..	..	–257	–200	–1,100	–540	40
<i>Net grant recommended</i> ..	<i>1,040</i>	<i>6,343</i>	<i>6,100</i>	<i>2,250</i>	<i>5,400</i>	<i>5,800</i>
<i>Western Australia—</i>						
Estimated grant .. ..	570	8,200	7,350	7,100	8,875	9,102
Adjustment(a) .. ..	..	–159	450	350	25	98
<i>Net grant recommended</i> ..	<i>570</i>	<i>8,041</i>	<i>7,800</i>	<i>7,450</i>	<i>8,900</i>	<i>9,200</i>
<i>Tasmania—</i>						
Estimated grant .. ..	410	1,550	1,650	3,200	4,384	3,657
Adjustment(a) .. ..	..	..	–150	–600	–184	–157
<i>Net grant recommended</i> ..	<i>410</i>	<i>1,550</i>	<i>1,500</i>	<i>2,600</i>	<i>4,200</i>	<i>3,500</i>
<b>Grand Total .. ..</b>	<b>2,020</b>	<b>15,934</b>	<b>15,400</b>	<b>12,300</b>	<b>18,500</b>	<b>18,500</b>

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

(v) *Tax Reimbursement Grants.* Details of the States Grants (Income Tax Reimbursement) Act 1942 and the States Grants (Entertainments Tax Reimbursement) Act 1942 are given in earlier issues of the Official Year Book (*see* No. 37, pp. 635 to 637). These Acts provided for grants to the States as compensation for vacating the fields of Income Tax and Entertainments Tax. Grants under these Acts ceased after 1945–46 and were replaced by grants under the States Grants (Tax Reimbursement) Act 1946–1948.

This Act provided for reimbursement grants of certain specified amounts to be paid to the States during 1946–47 and 1947–48. For 1948–49 and subsequent years, the grants were assessed on the aggregate paid in 1947–48 (£45,000,000) increased in accordance with a formula based on increases in population and average wages. Details of the formula and of the treatment of arrears of State income taxes were given in earlier issues of the Official Year Book (*see* No. 40, p. 696).



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

(vi) *Special Financial Assistance Grants.* During the years 1951-52 to 1955-56, there were heavy additions to the financial needs of the States and special assistance grants amounting to £33,577,000, £27,146,000, £21,915,000, £19,902,000 and £15,348,000 respectively were made. For details of amounts paid to each State during 1955-56 see p. 805 and for payments during 1951-52, 1952-53, 1953-54 and 1954-55 see Official Year Books No. 40, p. 698, No. 41, p. 619, No. 42, p. 783 and No. 43, p. 775.

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

(b) *The Commonwealth Aid Roads Act 1954* repealed the Commonwealth Aid Roads Act 1950 and provided for payment to the States, for a period of five years from 1st July, 1954, of an amount equivalent to 7d. per gallon on all petrol except aviation spirit which is entered for home consumption and which is subject to Customs and Excise duties as specified in Customs Tariff Items 229 c and 229 (d) (2) and Excise Tariff Item 11. Out of this amount, the following grants are to be made to the States, for construction and maintenance of roads and the purchase of roadmaking plant:—

(a) Sixty per cent. of the amount, less £900,000 per annum, for expenditure on roads, and

(b) Forty per cent. of the amount for expenditure on roads in rural areas other than highways, trunk or main roads.

The States may spend from the Commonwealth road grants up to £1,000,000 per annum on works connected with transport by road or water. Five per cent. of the grants is payable to Tasmania and the remainder is to be divided among the other five States, three-fifths according to population and two-fifths according to area. In addition, the Commonwealth may spend each year £800,000 on strategic roads and £100,000 on the promotion of road safety practices.

An amendment to the Commonwealth Aid Roads Act 1954 increased the allocation for road safety purposes to £150,000 per year as from 1st July, 1955.

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

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

(x) *Other Payments.* (a) *Price Control Reimbursement.* These grants were made from 1948-49 to 1953-54 to reimburse the States for expenditure incurred in administering prices, rents and land sales controls.

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

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

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

(e) *Contribution to South Australia—Port Augusta to Port Pirie Railway.* The Port Augusta to Port Pirie Railway Act 1935-1950 approved an agreement between the Commonwealth and South Australia to provide for the extension of the Trans-Australian Railway by the construction of a railway in South Australia from Port Augusta to Port Pirie. As a contribution towards reimbursing South Australia for the cost of the section to be constructed by the State, and for any additional expense incurred by the State in carrying out

the Agreement, the Act provided for a payment by the Commonwealth to the State of South Australia of £20,000 per annum for twenty years, the first payment being made after the opening of the Railway in 1937-38.

(f) *Encouragement of Meat Production.* To develop meat production in Queensland and Western Australia, grants are made to these States for the provision and improvement of roads and other facilities for the movement of live-stock. Provision is made for the Commonwealth to meet the cost of the construction and improvement of certain specified roads in both States and the construction of eight cattle loading and unloading points in Queensland. Provision is also made for the Commonwealth to meet half the cost of improving watering facilities on specified stock routes in both States. The amount of the grants for improving watering facilities on stock routes is limited to £75,000 in Queensland and £31,500 in Western Australia. These limits were extended as from 20th April, 1954 to £150,000 in Queensland and £50,000 in Western Australia.

(g) *Grants to Universities.* The States Grants (Universities) Act 1951 provides for grants to be made to the States for the purpose of financial assistance to Universities during the three years 1950-51 to 1952-53. The Act was superseded by the States Grants (Universities) Act 1953 which came into operation on 1st January, 1953, and which increased the assistance payable.

14. *Other Expenditure.*—Expenditure under this item represents 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. Advance payments in respect of sales of uranium paid to the Atomic Energy Commission are also included.

Information relating to the taxes levied is given in sub-section II.—Revenue, of this section (see p. 790). Details of expenditure from the trust funds are given in § 3., Commonwealth Trust Funds. Details of the price stabilization and other assistance schemes for primary industries may be found in Chapter XXII.—Agricultural Production. Details of expenditure from the Consolidated Revenue Fund during the last five years are given in the following table.

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

Receipts from—	Expenditure on—	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Taxes—</i>						
Export Charges ..	Export Control Boards (a)	..	166	168	301	414
Stevedoring Industry Charge ..	Stevedoring Industry Board ..	551	1,144	1,630	998	973
Tobacco Charge ..	Tobacco Industry (b) ..	..	..	..	..	5
Wheat Export Charge ..	Wheat Industry Price Stabilization (c) ..	12,202	8,139	..	5,063	4,294
Wool Contributory Charge ..	Wool Use Promotion and Disposals Plan ..	486	28	..	..	..
Wool Tax ..	Wool Reserve Prices Fund ..	1,744	..	..	..	..
Total ..	Wool Use Promotion ..	..	675	772	784	851
	.. ..	1,983	10,152	2,570	7,146	6,537
<i>Other—</i>						
Advance Payments—	Atomic Energy Commission ..	..	1,174	2,791	1,082	30
Sales of Uranium ..						
Australian New Guinea Production Trust Account ..	Papua and New Guinea Copra Fund ..	..	..	..	..	836
Dried Vine Fruits Support Price Agreement—United Kingdom Government ..	Dried Fruits Board ..	..	..	..	..	107
Meat Export Deficiency Payments — United Kingdom Government ..	Australian Meat Board ..	..	..	..	..	153
Hide and Leather Industries — Moneys paid by Hide and Leather Industries Board ..	Hide and Leather Industries Trust Fund ..	..	..	..	5	..
Wool Disposals Profit ..	Wool Industry—Distribution of War-time Trading Profits ..	..	42,361	..	..	..
Wool Stores—Moneys paid by Wool Realization Commission ..	Australian Wool Bureau ..	..	..	730	..	..
Total ..	.. ..	..	43,535	3,521	1,087	1,126
Grand Total ..	.. ..	14,983	53,687	6,091	8,233	7,663

(a) Paid to Apple and Pear Export Fund, Canned Fruits Export Fund, Dairy Produce Export Fund, Dried Fruits Export Fund, Egg Export Fund and Wine Export Fund. Prior to 1952-53 these charges were treated as refunds of Revenue and not shown separately. (b) Paid to Tobacco Industry Trust Fund. (c) Paid to Wheat Prices Stabilization Fund.

## § 3. Commonwealth Trust Funds.

1. Receipts, Expenditure and Balances, 1955-56.—The following table shows the opening and closing balances, and receipts and expenditure of some of the more important Trust Funds of the Commonwealth for the year ended 30th June, 1956.

## COMMONWEALTH TRUST FUNDS : RECEIPTS, EXPENDITURE AND BALANCES, 1955-56.

(£'000.)

Fund.	Balance at 30th June, 1955.	Year ended 30th June, 1956.		Balance at 30th June, 1956.
		Receipts.	Expenditure.	
Australian New Guinea Production ..	1,538	50	1,583	5
Coal Mining Industry Long Service Leave ..	927	594	311	1,210
Coinage .. .. .	3,891	1,091	1,091	3,891
Commonwealth Aid Roads .. ..	2,591	27,469	26,581	3,479
Commonwealth Aid Roads (Supplementary) ..	3,118	..	..	3,118
Debt Redemption Reserve .. ..	126,422	Dr126,422a	..	..
Defence Equipment and Supplies .. ..	20,000	..	..	20,000
Defence Forces Retirement Benefits .. ..	7,188	2,623	1,326	8,485
Enemy Subjects .. .. .	1,496	80	257	1,319
Hide and Leather Industries .. ..	5	..	5	..
Insurance Deposits .. .. .	4,758	597	320	5,035
International Development and Relief .. ..	228	4,011	3,901	338
Korean Operations Pool .. .. .	10,390	5,586	5,976	10,000
Lend-Lease Settlement .. .. .	1,450	38	77	1,411
Loan Consolidation and Investment Reserve .. .. .	..	190,434	28,701	161,733
National Debt Sinking Fund .. .. .	204,029	73,843	39,536	238,336
National Welfare .. .. .	191,038	216,952	214,866	193,124
Parliamentary Retiring Allowances .. ..	167	70	29	208
Public Trustee and Custodian .. ..	170	33	2	201
Strategic Stores and Equipment Reserve ..	48,876	..	239	48,637
Superannuation .. .. .	38,802	10,489	4,903	44,388
Temple Society .. .. .	632	13	217	428
Tobacco Industry .. .. .	..	52	1	51
War Gratuity .. .. .	203	..	45	158
War Service Homes .. .. .	..	31,015	31,015	..
War Service Homes—Insurance .. ..	327	204	188	343
Wheat Industry Stabilization .. ..	293	..	..	293
Wheat Prices Stabilization .. .. .	5,089	4,515	..	9,604
Wool Contributory Charge .. .. .	8	..	..	8
Wool Disposals Profit .. .. .	168	47	12	203
Wool Industry .. .. .	6,936	226	448	6,714
Wool Research .. .. .	279	594	873	..
Other .. .. .	52,379	398,973	395,682	55,670
<b>Total .. .. .</b>	<b>733,398</b>	<b>843,177</b>	<b>758,185</b>	<b>818,390</b>

(a) Transferred to Loan Consolidation and Investment Reserve Trust Fund.

2. Summary, 1938-39 and 1951-52 to 1955-56.—In the following table, the balances and total receipts and expenditure of the Trust Funds are shown for each of these years.

## COMMONWEALTH TRUST FUNDS.

(£'000.)

Particulars.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Balances brought forward ..	25,609	363,051	489,729	566,571	647,290	733,398
Receipts .. .. .	84,167	725,282	709,973	764,365	792,431	843,177
Expenditure .. .. .	85,550	598,604	633,131	683,646	706,323	758,185
Balance carried forward ..	24,226	489,729	566,571	647,290	733,398	818,390

## § 4. Commonwealth Loan Fund.

Brief historical notes relating to the Commonwealth Loan Fund are given in earlier issues of the Official Year Book (*see* No. 37, p. 640). In the following table, details are given of the net expenditure from the Commonwealth Loan Fund for the years 1938–39 and 1951–52 to 1955–56 and of the aggregate expenditure to 30th June, 1956. The figures shown represent “net” loan expenditure, i.e., after adjustments have been made for refunds of amounts expended in earlier years.

## COMMONWEALTH NET EXPENDITURE FROM LOAN FUND.

(£'000.)

Particulars.	1938–39.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	Total to 30th June, 1956.
War Loans—							
Defence and War (1914–18, 1939–45) Services .. ..	..	(a)5,120	(a)5,684	(a)4,199	(a)4,039	(a)7,622	2,013,340
Other Loans—							
Capital Works and Services—							
Defence(b) .. ..	1,912	..	..	..	..	..	8,682
Repatriation Services(b)—							
War Service Homes(b) .. ..	..	..	..	..	..	..	7,329
Other .. ..	..	..	..	..	..	..	47
Postmaster-General's Department .. ..	—1	—1	—1	..	—2	..	40,422
Broadcasting Services .. ..	..	..	..	..	..	..	104
Railways .. ..	..	—3	—4	—1	—1	—5	13,744
Territories(c) .. ..	—7	—1	—9	—12	—4	—4	8,716
Other—							
Ships, Yards and Docks .. ..	—305	..	..	..	..	..	7,694
Civil Aviation .. ..	..	..	..	..	..	..	213
Immigration .. ..	..	..	..	..	..	..	1,681
All other works, buildings, etc. .. ..	—1	..	..	..	..	..	4,223
Other Purposes—							
Assistance to States—							
Farmers Debt Adjustment .. ..	2,000	..	..	..	..	..	7,967
Housing .. ..	..	26,547	30,000	37,200	29,150	33,200	240,559
Other .. ..	—4	..	..	..	..	..	5,976
Wheat Bountv .. ..	..	..	..	..	..	..	3,430
Emergency Wheat Storage .. ..	..	..	..	..	..	3,182	3,182
Total Capital Works and Services and Other Purposes..	3,594	26,542	29,986	37,187	29,143	36,373	353,969
International Bank Dollar Loan(d) .. ..	..	23,831	17,935	21,468	23,575	19,369	110,222
Swiss Loan(e) .. ..	..	..	..	5,792	5,930	..	11,722
Canadian Loan(f) .. ..	..	..	..	..	..	6,459	6,459
Grand Total .. ..	3,594	55,493	53,605	68,646	62,687	69,823	2,495,712

(a) Financial assistance to the States in connexion with War Service Land Settlement. (b) Excludes amounts charged to War Loan Fund. (c) Includes administration and other public buildings, Australian Capital Territory. (d) Payment to National Debt Sinking Fund. *See* pp. 840 and 841. (e) Payment to Swiss Loan Trust Account. *See* p. 838. (f) Payment to Canadian Loan Trust Account. *See* p. 839.

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

Information relating to the Public Debt of the Commonwealth is given in Division D, Commonwealth and State Public Debt, of this chapter.

## B. STATE FINANCE.

## § 1. General.

1. Functions of State Governments.—In comparing the financial returns of the States, allowances must be made for the various functions discharged by the respective Governments, and for local conditions in each case. Direct comparisons of the revenue, expenditure and debt of the individual States are difficult, owing to the fact that functions which in one State are assumed by the Central Government are in another relegated to

municipal or semi-governmental bodies which are vested with certain defined borrowing powers and whose financial transactions are not included with those of the Central Government. Care, therefore, is needed in making comparisons, and the particulars contained in this Chapter should be read with those contained in Chapter XIX.—Local Government. In many respects, moreover, the budgets of the Australian Governments differ materially from those of most European countries, owing to the inclusion therein of the revenue and expenditure of departments concerned in rendering public services, such as railways, tramways, water supply, etc., which in other countries are often left to private enterprise.

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

Figures in § 2 following relating to New South Wales represent the transactions of the Consolidated Revenue Fund and the business undertakings included in the annual budget papers. These latter are as follows:—Railways, Tramways and Omnibuses, and Sydney Harbour Trust Section of the Maritime Services Board. Adjustments have been made to the Budget figures, however, in order to obviate duplications caused by inter-fund payments. In previous issues of the Year Book, payments from the Commonwealth National Welfare Fund—Hospital Benefits, were deducted from both revenue and expenditure. These payments are now included and figures for previous years have been adjusted accordingly. Particulars for all other States relate to the transactions of the Consolidated Revenue Fund.

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

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

**3. Inter-relation of Commonwealth and State Finances.**—A statement in some detail, covering the inter-relation of Commonwealth and State Finances during the period from the inception of Federation to the passing of the Financial Agreement Act 1928, was published in Official Year Book No. 22, pp. 379–380. Changes in the financial relations between the Commonwealth and States since the passing of the Financial Agreement Act have been described in issues of the Official Year Book from year to year (*see also* pp. 825–827).

## § 2. State Consolidated Revenue Funds.

### I.—Revenue.

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

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

Of these sources, that yielding the largest revenue for the States as a whole is the group of business undertakings, the principal contributors being the government railways and tramways. Next in magnitude are Commonwealth payments under the Tax Reimbursement Acts, followed in order by taxation receipts, Commonwealth special financial assistance and special grants, and lands receipts. With the introduction of uniform taxation by the Commonwealth in 1942–43, the States vacated the fields of income and entertainment taxation, and payments by the Commonwealth under the Income and Entertainments Tax Reimbursements Acts and, from 1946–47, under the Tax Reimbursement Act, replaced revenue previously received from those sources. The Commonwealth, however, ceased to impose Entertainments Tax in 1953–54 and in the same year Victoria, Western Australia and Tasmania re-imposed an Entertainments Tax.

**2. Revenue Received.**—The following table shows particulars of the total amounts, and the amounts per head of population, of consolidated revenue received by the several States during the years 1938–39 and 1951–52 to 1955–56.

## STATE CONSOLIDATED REVENUE.

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total
TOTAL REVENUE. (£'000.)							
1938-39 ..	51,099	26,985	19,330	12,304	10,950	3,615	124,283
1951-52 ..	168,935	81,661	55,753	37,588	33,955	10,469	388,361
1952-53 ..	182,848	96,995	63,171	44,251	38,725	12,061	438,051
1953-54 ..	188,692	106,748	69,696	48,376	43,596	13,285	470,393
1954-55 ..	195,438	116,789	73,820	48,684	46,070	14,495	495,296
1955-56 ..	204,399	123,152	75,669	55,352	49,612	17,827	526,011

PER HEAD OF POPULATION. £ s. d.							
1938-39 ..	18 13 7	14 8 3	19 3 6	20 13 6	23 9 0	15 4 2	17 19 5
1951-52 ..	51 0 2	35 7 1	44 19 4	50 11 4	57 11 3	35 13 9	45 15 1
1952-53 ..	54 6 4	40 17 8	49 13 1	57 14 7	63 7 2	39 17 4	50 8 1
1953-54 ..	55 8 2	44 1 2	53 11 10	61 11 0	69 2 5	42 18 8	53 2 6
1954-55 ..	56 9 10	46 18 9	55 14 0	60 5 10	70 19 10	46 6 3	54 15 6
1955-56 ..	57 19 11	48 0 4	55 18 10	66 6 8	74 3 1	55 17 0	56 15 6

(a) See § 1, para. 2, p. 811.

3. Sources of Revenue.—(i) General. Classifying the revenue of the several States in the manner indicated in para. 1 above, particulars for the year 1955-56 were as follows:—

## STATE CONSOLIDATED REVENUE : SOURCES, 1955-56.

Source of Revenue.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total
TOTAL REVENUE. (£'000.)							
Taxation(b) ..	24,051	22,904	9,627	8,075	4,155	3,595	72,407
Business Under-takings ..	89,496	44,160	30,404	18,435	17,405	..	199,900
Lands ..	5,340	2,322	3,748	546	1,249	424	13,629
Interest, n.e.i. ..	1,292	4,138	1,973	4,066	1,534	2,917	15,920
Commonwealth Grants—							
Tax Reimburse-ments ..	54,209	36,044	22,518	12,681	11,252	4,874	141,578
Other(c) ..	10,028	5,526	3,417	7,529	10,434	4,928	41,862
Commonwealth National Welfare Fund Payments(d)	5,321	1,124	584	570	403	212	8,214
Miscellaneous ..	14,662	6,934	3,398	3,450	3,180	877	32,501
Total ..	204,399	123,152	75,669	55,352	49,612	17,827	526,011

PER HEAD OF POPULATION. (£ s. d.)							
Taxation(b) ..	6 16 6	8 18 7	7 2 4	9 13 7	6 4 2	11 5 3	7 16 4
Business Under-takings ..	25 7 10	17 4 4	22 9 7	22 1 10	26 0 4	..	21 11 6
Lands ..	1 10 4	0 18 1	2 15 5	0 13 1	1 17 4	1 6 6	1 9 5
Interest, n.e.i. ..	0 7 4	1 12 3	1 9 2	4 17 5	2 5 11	9 2 9	1 14 4
Commonwealth Grants—							
Tax Reimburse-ments ..	15 7 7	14 1 1	16 13 0	15 3 11	16 16 4	15 5 5	15 5 8
Other(c) ..	2 16 11	2 3 1	2 10 6	9 0 6	15 11 11	15 8 9	4 10 4
Commonwealth National Welfare Fund Payments(d)	1 10 2	0 8 9	0 8 8	0 13 8	0 12 0	0 13 4	0 17 9
Miscellaneous ..	4 3 3	2 14 2	2 10 2	4 2 8	4 15 0	2 15 0	3 10 2
Total ..	57 19 11	48 0 4	55 18 10	66 6 8	74 3 1	55 17 0	56 15 6

(a) See § 1, para. 2, p. 811. (b) In all States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (c) Includes payments under Financial Agreement, Special Grants, Special Financial Assistance, Grants to Universities, etc. (d) Consolidated Revenue Fund receipts only. Excludes payments to Trust Funds.

(ii) *Revenue from Taxation. (a) General.* The following table shows, for the year 1955-56, particulars of all State taxation collections irrespective of whether such moneys have been paid into the Consolidated Revenue Funds or not. For this reason, the particulars hereunder differ from those shown in the tables relating to the Consolidated Revenue Funds and represent a comprehensive statement of all taxation collections by the Government in each State. In this and the succeeding statements of taxation, the collections have been grouped according to the nature of the tax rather than the method of collection. For example, stamp duties on betting tickets and bookmakers' licences have been included under "Racing Tax" instead of under "Stamp Duties" and "Licences" respectively. Commonwealth payments under the State Grants (Tax Reimbursement) Act are not included.

**STATE REVENUE FROM TAXATION : TOTAL NET COLLECTIONS(a) 1955-56.**  
(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<i>Motor Taxes—</i>							
Registration .. ..							
Fees .. ..	9,091	4,887	4,343	3,074	1,291	734	23,420
Taxes .. ..	824	400	(b) 144	329	119	45	1,861
Drivers', etc., Licences ..	965	1,491	852	74	106	150	3,638
Other .. ..							
<i>Total Motor ..</i>	<i>10,880</i>	<i>6,778</i>	<i>5,339</i>	<i>3,477</i>	<i>1,516</i>	<i>929</i>	<i>28,919</i>
<i>Probate and Succession</i>							
Duties .. ..	9,753	7,102	2,948	1,846	1,107	632	23,388
Stamp Duties, n.e.i. ..	8,260	4,381	2,549	1,274	1,195	522	18,181
Land .. ..	2	3,250	1,387	567	529	234	5,969
Income (Arrears) .. ..	18	25	13	..	1	17	74
Liquor .. ..	2,972	2,310	787	62	301	185	6,617
Lotteries .. ..	..	2,793	305	..	..	1,158	4,256
Racing .. ..	2,923	2,066	294	1,167	622	358	7,430
Entertainments .. ..	..	1,054	..	..	256	136	1,446
Licences, n.e.i. .. ..	123	245	195	60	40	4	667
Other .. ..	..	..	907	44	103	..	1,054
<i>Grand Total ..</i>	<i>34,931</i>	<i>30,004</i>	<i>14,724</i>	<i>8,497</i>	<i>5,670</i>	<i>4,175</i>	<i>98,001</i>

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue or to other funds. (b) As from October, 1952 no charge has been made for drivers' licences. Instead an annual driving fee is charged upon registration of a vehicle.

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

**STATE REVENUE FROM TAXATION : PAYMENTS INTO SPECIAL FUNDS,**  
**1955-56.**  
(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor .. ..	10,880	6,778	4,343	..	1,412	305	23,718
Stamp Duties, n.e.i. ..	..	180	..	..	..	..	180
Liquor .. ..	..	142	—7	..	..	..	135
Lotteries .. ..	..	..	..	..	..	101	101
Racing .. ..	..	..	..	422	..	174	596
Other .. ..	..	..	761	..	103	..	864
<i>Total .. ..</i>	<i>10,880</i>	<i>7,100</i>	<i>5,097</i>	<i>422</i>	<i>1,515</i>	<i>580</i>	<i>25,594</i>

The table hereunder shows, for the year 1955-56, the proportions of collections under individual classes of tax to the total taxation revenue:—

**STATE REVENUE FROM TAXATION : PROPORTIONS OF INDIVIDUAL TAXES TO TOTAL, 1955-56.**

(Per Cent.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor ..	31.15	22.59	36.26	40.92	26.73	22.25	29.51
Probate and Succession Duties ..	27.92	23.67	20.02	21.73	19.52	15.14	23.86
Stamp Duties, n.e.i. ..	23.65	14.60	17.31	14.99	21.07	12.51	18.55
Land ..	0.01	10.83	9.42	6.68	9.34	5.60	6.09
Income (Arrears) ..	0.04	0.08	0.09	0.03	0.03	0.41	0.08
Liquor ..	8.51	7.70	5.34	0.73	5.30	4.42	6.75
Lotteries ..	..	9.31	2.07	..	..	27.73	4.34
Racing ..	8.37	6.89	2.00	13.73	10.97	8.58	7.58
Entertainments ..	..	3.51	..	..	4.51	3.26	1.48
Licences, n.e.i. ..	0.35	0.82	1.33	0.71	0.71	0.10	0.68
Other ..	..	..	6.16	0.51	1.82	..	1.08
<b>Grand Total</b> ..	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

(b) 1938-39 and 1951-52 to 1955-56. Prior to federation, customs and excise duties constituted the principal source of revenue from taxation. Thereafter, until the introduction of the uniform income tax scheme in 1942-43, the most productive State taxes were the various income taxes which, in 1941-42, included unemployment relief, State development and hospital taxes. Since 1941-42, the States have been reimbursed by the Commonwealth for the revenue lost by the discontinuance of these taxes. Details of the reimbursement grants are given on pp. 806 and 812. Information relating to the State income taxes which were levied prior to 1942-43 may be found in earlier issues of the Official Year Book.

The total amounts and the amounts per head raised from all sources of taxation by the several State Governments, including amounts not paid into the Consolidated Revenue Fund, during the years 1938-39 and 1951-52 to 1955-56 are shown in the following table:—

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

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>TOTAL NET COLLECTIONS.</b> (£'000.)							
1938-39(b) ..	20,263	12,023	8,657	4,199	3,597	1,779	50,518
1951-52 ..	24,840	16,943	9,672	5,151	3,455	3,089	63,150
1952-53 ..	27,678	19,157	11,603	5,341	3,912	3,467	71,158
1953-54 ..	29,749	22,300	12,817	6,911	4,682	3,941	80,400
1954-55 ..	32,079	27,497	13,644	7,920	5,210	3,136	89,486
1955-56 ..	34,931	30,004	14,724	8,497	5,670	4,175	98,001
<b>PER HEAD OF POPULATION.</b> (£ s. d.)							
1938-39(b) ..	7 8 2	6 8 5	8 11 6	7 1 1	7 14 1	7 9 8	7 6 1
1951-52 ..	7 10 0	7 6 9	7 16 0	6 18 7	5 17 2	10 10 7	7 8 10
1952-53 ..	8 4 5	8 1 6	9 2 5	6 19 4	6 8 0	11 9 2	8 3 9
1953-54 ..	8 14 9	9 4 1	9 17 1	8 15 10	7 8 5	12 14 9	9 1 7
1954-55 ..	9 5 5	11 1 1	10 5 11	9 16 2	8 0 7	10 0 4	9 17 11
1955-56 ..	9 18 3	11 14 0	10 17 8	10 3 7	8 9 6	13 1 7	10 11 7

(a) Excluding Commonwealth Tax Reimbursements.

(b) Includes Income Taxes.



The following table shows, for the years 1938-39 and 1951-52 to 1955-56 the aggregate amounts collected by the several State Governments, under the various forms of State taxation and includes amounts paid to funds other than Consolidated Revenue.

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

Tax.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Motor .....	6,961	20,523	23,321	25,877	27,783	28,919
Probate and Succession Duties .....	5,000	15,394	17,756	18,700	21,602	23,388
Stamp Duties, n.e.i. ....	3,466	12,228	12,297	14,543	16,027	18,181
Land .....	1,408	2,511	3,416	4,138	4,998	5,969
Income Taxes .....	29,796	(b) 155	(b) 132	(b) 92	(b) 52	(b) 74
Liquor .....	1,045	3,681	4,429	5,346	5,563	6,617
Lotteries .....	532	1,642	1,756	1,804	3,478	4,256
Racing .....	1,251	5,990	6,794	7,503	6,992	7,430
Entertainments .....	633			906	1,341	1,446
Licences and all other .....	426	1,026	1,257	1,491	1,650	1,721
<b>Total .....</b>	<b>50,518</b>	<b>63,150</b>	<b>71,158</b>	<b>80,400</b>	<b>89,486</b>	<b>98,001</b>

(a) From all sources of taxation irrespective of whether paid to Consolidated Revenue or to other funds. Excludes Commonwealth Tax Reimbursements. (b) Arrears of State income taxes.

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

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

Tax.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Unemployment Relief ..	1,119	..	..	..	..	..
Hospital .....	264	..	..	..	..	..
Motor .....	5,858	16,934	19,316	20,774	22,879	23,718
Stamp Duties, n.e.i. ....	..	137	122	155	181	180
Liquor .....	92	149	173	185	208	135
Lotteries .....	..	..	..	..	..	101
Racing .....	83	588	520	554	549	596
Other .....	173	357	638	765	847	864
<b>Total .....</b>	<b>7,589</b>	<b>18,165</b>	<b>20,769</b>	<b>22,433</b>	<b>24,664</b>	<b>25,594</b>

(iii) *Business Undertakings.* (a) 1955-56. A very large proportion of State gross revenue is made up of receipts from business undertakings under the control of the Governments. The principal of these are railways and tramways, harbour works, water supply and sewerage, and electricity supply and, in addition, State batteries for the treatment of auriferous ores in Western Australia and various minor revenue-producing services rendered by the Governments of all States are included. For the year 1955-56, the revenue from these sources was £199,900,000 or 38.0 per cent. of the revenue from all sources. Details of revenue are as follows:—

**STATE REVENUE FROM BUSINESS UNDERTAKINGS, 1955-56.**  
(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.(a)	Total.
Railways(b) ..	75,386	(c) 37,300	30,404	13,025	13,052	..	169,167
Tramways and Omnibuses ..	11,067	..	..	..	951	..	12,018
Harbours, Rivers, Lights ..	3,043	(d) 571	..	1,930	289	..	5,833
Water Supply, Sewerage, Irrigation and Drainage ..	..	3,061	..	3,251	2,685	..	8,997
Electricity Supply ..	..	2,103	..	..	56	..	2,159
Other ..	..	1,125	..	229	372	..	1,726
<b>Total .. ..</b>	<b>89,496</b>	<b>44,160</b>	<b>30,404</b>	<b>18,435</b>	<b>17,405</b>	<b>..</b>	<b>199,900</b>

(a) Tasmanian transport services are under the separate control of the Transport Commission. (b) The following contributions to Railways revenue from Consolidated Revenue Fund are excluded—New South Wales, £1,000,000; South Australia, £4,050,000. (c) Includes electric tramways operated by the Railways Department. (d) Includes Harbour Trust Fund contribution, £409,000.

(b) 1938-39 and 1951-52 to 1955-56. The total revenue from Business Undertakings and the revenue per head in each State are shown in the following table:—

### STATE REVENUE FROM BUSINESS UNDERTAKINGS.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
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#### TOTAL REVENUE.

(£'000.)

1938-39	..	24,676	11,649	7,642	4,937	5,633	(a) 511	55,048
1951-52	..	82,454	29,180	22,391	12,918	12,430	..	159,373
1952-53	..	86,223	36,845	24,868	15,346	11,475	..	174,757
1953-54	..	88,616	41,163	28,952	16,733	15,271	..	190,735
1954-55	..	87,929	44,021	30,805	17,807	16,695	..	197,257
1955-56	..	89,496	44,160	30,404	18,435	17,405	..	199,900

#### PER HEAD OF POPULATION.

(£ s. d.)

1938-39	..	9 0 5	6 2 6	7 11 7	8 5 10	12 1 4	(a) 2 3 0	7 19 2
1951-52	..	24 17 11	12 12 8	18 1 2	17 7 7	21 1 6	..	18 15 7
1952-53	..	25 12 3	15 10 7	19 10 11	20 0 5	18 15 6	..	20 2 2
1953-54	..	26 0 5	16 19 10	22 5 3	21 5 10	24 4 3	..	21 10 10
1954-55	..	25 8 4	17 13 10	23 4 10	22 1 1	25 14 7	..	21 16 4
1955-56	..	25 7 10	17 4 4	22 9 7	22 1 10	26 0 4	..	21 11 6

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

In the table below, particulars of total State revenue from Business Undertakings for the various types of undertakings are shown for the years 1938-39 and 1951-52 to 1955-56:—

### STATE REVENUE FROM BUSINESS UNDERTAKINGS.

(£'000.)

Source.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Railways, Tramways and Omnibuses .. ..	48,134	146,700	161,459	176,127	179,878	181,185
Harbour Services .. ..	2,357	4,569	4,058	4,782	5,887	5,833
Water Supply, Sewerage, Irrigation and Drainage .. ..	2,543	5,568	6,142	6,535	7,872	8,997
Other .. ..	2,014	2,536	3,098	3,291	3,620	3,885
<b>Total .. ..</b>	<b>55,048</b>	<b>159,373</b>	<b>174,757</b>	<b>190,735</b>	<b>197,257</b>	<b>199,900</b>

(iv) *Lands.* The revenue from the sale and rental of crown lands has, with few exceptions, been treated from the earliest times as forming part of the Consolidated Revenue Funds, and has been applied to meet ordinary expenses. The following table shows the revenue from sales and rentals of crown lands for the year 1955-56.

STATE LAND REVENUE, 1955-56.  
(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Sales ..	198	85	..	106	56	14	459
Conditional Purchases ..	256	..	..	3	147	..	406
Rentals(a) ..	3,677	312	2,499	437	182	25	7,132
Forestry ..	1,144	1,659	1,092	..	864	377	5,136
Other ..	65	266	157	..	..	8	496
<b>Total ..</b>	<b>5,340</b>	<b>2,322</b>	<b>3,748</b>	<b>546</b>	<b>1,249</b>	<b>424</b>	<b>13,629</b>

(a) Includes mining royalties, rents, etc.

The total land revenue for all States for the years 1938-39 and 1951-52 to 1955-56 respectively was:—£4,144,000, £11,722,000, £12,589,000, £11,903,000, £12,308,000, and £13,629,000.

(v) *Commonwealth Grants.* Commonwealth grants to the States represent a considerable proportion of the States' Revenue. In 1955-56, the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was £183,440,000 (34.9 per cent.). This was made up of the contribution towards interest on States' debts under the Financial Agreement, £7,585,000, special grants to the States of South Australia, Western Australia and Tasmania, £18,500,000, special financial assistance, £15,348,000, tax reimbursement grants, £141,578,000, grants to Universities, £393,000 and other grants, £36,000.

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 towards the sinking fund on States' debts (£4,310,000 in 1955-56) paid to the National Debt Sinking Fund and grants for Commonwealth Aid Roads (£26,519,000 in 1955-56) paid to State trust funds.

More detailed information concerning Commonwealth grants to the States is given on pp. 804-808.

(vi) *Commonwealth National Welfare Fund Payments.* The States also receive payments from the Commonwealth in respect of Hospital and Pharmaceutical Benefits, Nutrition of Children and reimbursement of maintenance expenditure on Tuberculosis Sanatoria. These receipts are paid into Consolidated Revenue Funds or Trust Funds according to the varying accounting procedures in the States. In 1955-56, the total amount paid to State Consolidated Revenue Funds was £8,214,000 (1.6 per cent.). This was made up of Hospital Benefits, £2,578,000; Pharmaceutical Benefits, £549,000; Nutrition of Children, £1,042,000; and Tuberculosis—Reimbursement of maintenance expenditure, £4,045,000.

(vii) *Interest and Miscellaneous.* In addition to the foregoing, there are in each State several miscellaneous sources of revenue, including such items as interest, fines, fees, etc. In 1955-56, interest, mainly from loans to local governing bodies, on public account balances and for soldier land settlement amounted to £15,920,000, whilst "Miscellaneous" revenue which includes fines of the courts and fees for services, amounted to £32,501,000.

## II.—Expenditure.

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

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

In earlier years, the working expenses of railways and tramways were the most important item of State Governmental expenditure but for a period prior to 1941-42 public debt charges were the heaviest item. Since then, however, railways and tramways expenditure has again taken the major place. In the year 1955-56, the working expenses of the railways, tramways and omnibuses were 34.2 per cent. of the total expenditure from the State Consolidated Revenue Funds; next in importance were education, 16.1 per cent.; public debt charges, 14.7 per cent.; charitable, public health and hospitals, 13.1 per cent.; and law, order and public safety, 5.3 per cent.

2. **Total Expenditure.**—The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1938–39 and 1951–52 to 1955–56 are shown in the following table:—

**STATE EXPENDITURE: CONSOLIDATED REVENUE FUNDS.**

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL EXPENDITURE. (£'000.)							
1938–39 ..	53,558	27,773	19,316	12,701	11,170	3,641	128,159
1951–52 ..	168,837	84,067	55,708	37,499	34,547	10,871	391,529
1952–53 ..	182,751	97,360	62,980	44,226	39,233	11,763	438,313
1953–54 ..	188,564	106,037	69,353	46,566	43,699	13,270	467,489
1954–55 ..	197,586	115,453	73,602	50,918	46,554	14,707	498,820
1955–56 ..	211,232	126,398	77,392	56,782	51,443	17,712	540,959
PER HEAD OF POPULATION. (£ s. d.)							
1938–39 ..	19 11 7	14 16 8	19 3 3	21 6 10	23 18 5	15 6 5	18 10 8
1951–52 ..	50 19 7	36 7 11	44 18 7	50 9 0	58 11 4	37 1 2	46 2 7
1952–53 ..	54 5 9	41 0 9	49 10 1	57 13 11	64 3 10	38 17 8	50 8 8
1953–54 ..	55 7 5	43 15 4	53 6 7	59 4 11	69 5 8	42 17 9	52 15 11
1954–55 ..	57 2 3	46 8 0	55 10 8	63 1 2	71 14 9	46 19 9	55 3 4
1955–56 ..	59 18 8	49 5 7	57 4 4	68 0 11	76 17 10	55 9 10	58 7 10

(a) See § 1, para. 2, p. 811.

3. **Details of Expenditure.**—(i) 1955–56. The following table shows the total expenditure and expenditure per head of population for each of the principal items:—

**STATE EXPENDITURE: DETAILS, 1955–56.**

Particulars.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.(b)	Total.
TOTAL EXPENDITURE. (£'000.)							
Public Debt (interest, exchange, debt redemption, etc.) .. ..	24,422	19,160	11,053	11,786	8,102	5,017	79,540
Railways .. ..	70,621	36,199	32,899	14,751	15,755	..	170,226
Tramways and Omnibuses ..	13,837	..	..	..	1,173	..	15,010
Harbours and Rivers, etc. ..	2,189	442	..	1,332	458	..	4,421
Water Supply, Sewerage, Irrigation and Drainage ..	..	2,783	..	2,558	2,309	..	7,650
Other Business and Industrial Undertakings ..	..	1,017	..	210	1,144	1,123	3,494
Education .. ..	35,181	23,275	10,194	7,441	7,391	3,628	87,110
Health and Charitable ..	25,786	20,760	9,750	5,761	5,945	2,886	70,888
Justice .. ..	2,698	1,433	879	377	417	227	6,031
Police .. ..	6,899	5,102	3,197	1,364	1,500	726	18,788
Penal establishments ..	1,610	681	244	322	233	117	3,207
Public Safety .. ..	371	47	305	66	95	45	930
Adjustment of surplus of previous years(c) ..	..	..	..	..	25	—184	—159
All other expenditure ..	27,618	15,499	8,871	10,814	6,894	4,127	73,823
<b>Total .. ..</b>	<b>211,232</b>	<b>126,398</b>	<b>77,392</b>	<b>56,782</b>	<b>51,443</b>	<b>17,712</b>	<b>540,959</b>

(a) See § 1, para. 2, p. 811.

(b) Tasmanian transport services are under the separate control of the Transport Commission. (c) Balance of Special Grant, 1953–54. The Special Grant for 1955–56 was brought into the Western Australian Consolidated Revenue Fund and the first part, £25,000, in respect of 1953–54 transferred to offset the Net Accumulated Deficit. The Special Grant for 1955–56 taken into Tasmanian Consolidated Revenue Fund was £4,384,000, although the Commonwealth payment was £4,200,000. The difference was offset in the Tasmanian accounts against the adjusted surplus for 1953–54.

## STATE EXPENDITURE : DETAILS, 1955-56—continued.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
PER HEAD OF POPULATION. (£ s. d.)							
Public Debt (interest, exchange, debt redemption, etc.)	6 18 7	7 9 5	8 3 6	14 2 6	12 2 2	15 14 4	8 11 9
Railways	20 0 9	14 2 3	24 6 5	17 13 7	23 11 0	..	18 7 6
Tramways and Omnibuses	3 18 6	..	..	..	1 15 1	..	1 12 5
Harbours and Rivers, etc.	0 12 5	0 3 6	..	1 11 11	0 13 8	..	0 9 7
Water Supply, Sewerage, Irrigation and Drainage	..	1 1 8	..	3 1 4	3 9 0	..	0 16 6
Other Business and Industrial Undertakings	..	0 7 11	..	0 5 0	1 14 2	3 10 4	0 7 7
Education	9 19 8	9 1 6	7 10 9	8 18 4	11 1 0	11 7 4	9 8 0
Health and Charitable	7 6 4	8 1 11	7 4 2	6 18 1	8 17 9	9 0 10	7 13 0
Justice	0 15 4	0 11 2	0 13 0	0 9 0	0 9 11	0 14 3	0 12 10
Police	1 19 2	1 19 9	2 7 3	1 12 8	2 4 10	2 5 6	2 0 7
Penal establishments	0 9 2	0 5 4	0 3 7	0 7 9	0 7 0	0 7 4	0 6 11
Public safety	0 2 1	0 0 4	0 4 6	0 1 7	0 2 10	0 2 10	0 2 0
Adjustment of surplus of previous years	..	..	..	..	0 0 9	-0 11 6	-0 0 4
All other expenditure	7 16 8	6 0 10	6 11 2	12 19 2	10 8 8	12 18 7	7 19 6
Total	59 18 8	49 5 7	57 4 4	68 0 11	76 17 10	55 9 10	58 7 10

(ii) 1938-39 and 1951-52 to 1955-56. Combined expenditure by the several States for these years on each of the principal items is shown in the following table:—

STATE EXPENDITURE.  
(£'000.)

Particulars.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Public Debt (interest, exchange, debt redemption, etc.)	40,158	50,545	54,449	61,225	70,394	79,540
Railways, Tramways and Omnibuses (working expenses)	38,138	151,710	165,863	170,209	173,915	185,236
Harbours and Rivers, etc.	680	3,067	3,155	3,916	4,444	4,421
Water Supply, Sewerage, Irrigation and Drainage	1,076	5,233	6,151	6,438	7,051	7,650
Other Business and Industrial Undertakings	1,035	2,809	3,405	3,522	3,554	3,494
Education	12,639	50,972	61,700	67,162	76,249	87,110
Health and Charitable	15,307	50,282	56,737	60,672	67,338	70,888
Justice	1,323	4,240	4,731	5,071	5,349	6,031
Police	3,733	12,575	14,837	15,688	16,679	18,788
Penal establishments	646	2,300	2,537	2,747	2,928	3,207
Public Safety	297	962	930	867	852	930
Reduction of previous deficits or adjustment of surpluses	..	126	-159	300	-250	-159
All other expenditure	13,127	56,708	63,977	69,672	70,317	73,823
Total	128,159	391,529	438,313	467,489	498,820	540,959

## Division III.—Surplus Revenue.

The following table shows for each of the years 1938–39 and 1951–52 to 1955–56 the total amount and amount per head of population of the surplus or deficit of each State:—

## STATE SURPLUS REVENUE.

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL AMOUNT. (£'000.)							
1938–39 ..	–2,459	– 787	14	– 397	– 221	– 26	– 3,876
1951–52 ..	98	–2,406	45	89	– 592	–402	– 3,168
1952–53 ..	97	– 365	191	25	– 508	298	– 262
1953–54 ..	128	711	343	1,810	– 103	15	2,904
1954–55 ..	–2,148	1,336	218	–2,234	– 484	–212	– 3,524
1955–56 ..	–6,833	–3,246	–1,723	–1,430	–1,831	115	–14,948
PER HEAD OF POPULATION. (£ s. d.)							
1938–39 ..	–0 18 0	–0 8 5	0 0 3	–0 13 4	–0 9 5	–0 2 3	–0 11 3
1951–52 ..	0 0 7	–1 0 10	0 0 9	0 2 4	–1 0 1	–1 7 5	–0 7 6
1952–53 ..	0 0 7	–0 3 1	0 3 0	0 0 8	–0 16 8	0 19 8	–0 0 7
1953–54 ..	0 0 9	0 5 10	0 5 3	2 6 1	–0 3 3	0 0 11	0 6 7
1954–55 ..	–0 12 5	0 10 9	0 3 4	–2 15 4	–0 14 11	–0 13 6	–0 7 10
1955–56 ..	–1 18 9	–1 5 3	–1 5 6	–1 14 3	–2 14 9	0 7 2	–1 12 4

(a) See § 1, para. 2, p. 811.

NOTE.—Minus sign (–) indicates deficit.

## § 3. State Trust Funds.

In addition to the moneys received as revenue and paid to the credit of the Consolidated Revenue Funds, considerable sums are held by the State Governments in trust for various purposes. The balances of trust funds held at 30th June for each of the years 1939 and 1952 to 1956 were as follows:—

STATE TRUST FUND BALANCES.  
(£'000.)

At 30th June—	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1939 .. ..	15,684	8,189	3,062	1,448	3,744	530	32,657
1952 .. ..	39,419	20,084	35,097	1,896	10,537	625	107,658
1953 .. ..	53,240	22,456	38,652	2,573	11,646	1,320	129,887
1954 .. ..	63,284	29,023	47,518	4,131	12,957	1,671	158,584
1955 .. ..	63,435	30,649	50,235	4,127	10,667	739	159,852
1956 .. ..	52,993	29,850	46,825	4,517	12,689	838	147,712

(a) Special Deposits Account and Special Accounts.

## § 4. State Loan Funds.

1. General.—As far back as 1842, revenue collections were supplemented by borrowed moneys, the earliest loan being raised by New South Wales for the purpose of assisting immigration, at rates of interest varying from 2½d. to 5½d. per £100 per diem, or approximately

from 4½ per cent. to 8 per cent. per annum. State public borrowing however is mainly due to the fact that the State Governments, in addition to ordinary administrative duties, undertake functions which in other countries are usually entrusted to local authorities or left to private enterprise. Foremost amongst these are the construction and control of the railway systems. Loan moneys have also been largely used for improvements to harbours and rivers, and for the construction of roads, water supply and sewerage works. The State loan expenditure and public debt thus differ very materially from those of most European countries, and from those of the Commonwealth, where such expenditure was very largely incurred for defence or war purposes. As shown above, the State debts consist chiefly of moneys raised and expended with the object of assisting the development of the resources of the country, and are to a very large extent represented by tangible assets.

Statements relating to "gross" loan expenditure are shown below. The gross expenditure represents the amounts disbursed during each year. Details of "net" loan expenditure, i.e., gross expenditure less any credits to the Loan Fund during the year on account of repayments of advances to local governing bodies, settlers, etc., the sale of assets, and transfers from other funds may be found in *Finance*, Bulletin No. 47, 1955-56. Such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made. (See also following page).

2. Gross Loan Expenditure.—(i) 1955-56. Particulars of gross loan expenditure on works, services, etc., are shown in the following table:—

**STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1955-56.**  
(£'000.)

Particulars.	N.S.W.	Vic.(a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<i>Public Works and Services—</i>							
Railways ..	13,750	7,867	4,321	2,500	4,064	188	32,690
Tramways and Omnibuses ..	1,150	..	..	500	35	162	1,847
Roads ..	150	1,106	180	100	..	..	..
Bridges ..	1,845	403	34	920	987	822	6,547
Harbours and Rivers ..	..	..	..	..	..	..	..
Lights and Lighthouses ..	..	7,374	1,758	4,723	1,888	283	19,997
Water Supply ..	2,278	406	..	931	356	..	..
Sewerage ..	11,250	1,000	..	6,000	1,025	7,878	27,153
Electricity Supply ..	12,562	13,224	3,417	3,756	2,147	2,007	37,113
Public Buildings ..	..	..	..	..	..	..	..
Loans and Grants to Local Bodies ..	166	121	6,171	..	..	..	6,458
Housing(b) ..	131	105	850	2,902	1,852	5,192	11,032
Other Public Works, etc.	269	294	..	112	250	298	1,223
<i>Primary Production—</i>							
Soldier Settlement ..	3,856	3,900	466	2	..	48	8,272
Land for Settlement ..	..	..	160	66	..	..	226
Advances to Settlers ..	..	..	..	228	..	135	363
Water Conservation ..	6,581	..	1,719	588	390	..	10,121
Irrigation and Drainage ..	..	..	..	680	163	..	..
Vermin-proof Fencing ..	..	..	(c) 90	(d) ..	..	..	90
Agriculture ..	300	..	..	..	38	..	338
Agricultural Bank ..	..	..	740	..	30	..	770
Forestry ..	195	800	1,719	1,773	100	240	4,827
Mines and Mineral Resources ..	350	12	30	2,961	194	..	3,547
Other ..	536	69	..	60	13	1	679
<i>Other Purposes</i> ..	..	(e) 2,450	..	217	1,451	100	4,218
<b>Total Public Works, Services, etc.</b> ..	<b>55,369</b>	<b>39,131</b>	<b>21,655</b>	<b>29,019</b>	<b>14,983</b>	<b>17,354</b>	<b>177,511</b>
<b>Per Head of Population</b> ..	<b>£15 14 2</b>	<b>£15 5 2</b>	<b>£16 0 2</b>	<b>£34 15 6</b>	<b>£22 7 11</b>	<b>£54 7 4</b>	<b>£19 3 2</b>

(a) Expenditure from Loan Funds and on account of Loans; includes expenditure from Loan Funds, from Treasurer's Advance Account and from State Loans Repayment Fund. (b) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (c) £90,000 transferred to Barrier Fences Trust Fund. (d) Included with Advances to Settlers. (e) Includes Gas and Fuel Corporation advances and share capital, £1,170,000, and Rural Finance Corporation, for advances to rural industries, £920,000.

(ii) 1938-39 and 1951-52 to 1955-56. Particulars of gross loan expenditure on works, etc., for these years are shown in the following table :—

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

Year.	N.S.W.	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
GROSS LOAN EXPENDITURE. (£'000.)							
1938-39 ..	8,789	3,218	3,393	2,529	1,783	1,687	21,399
1951-52 ..	65,354	55,084	23,662	31,198	18,758	16,882	210,938
1952-53 ..	54,551	41,575	21,854	25,393	19,012	19,830	182,215
1953-54 ..	60,021	45,665	20,630	25,452	15,824	15,356	182,948
1954-55 ..	53,336	40,952	20,498	26,897	16,433	17,211	175,327
1955-56 ..	55,369	39,131	21,655	29,019	14,983	17,354	177,511
PER HEAD OF POPULATION. (£ s. d.)							
1938-39 ..	3 4 3	1 14 5	3 7 4	4 5 0	3 16 4	7 2 0	3 1 11
1951-52 ..	19 14 8	23 17 0	19 1 8	41 19 5	31 16 0	57 11 0	24 17 0
1952-53 ..	16 4 1	17 10 6	17 3 7	33 2 6	31 2 2	65 10 11	20 19 4
1953-54 ..	17 12 6	18 16 11	15 17 3	32 7 8	25 1 10	49 12 7	20 13 3
1954-55 ..	15 8 4	16 9 2	15 9 4	33 6 2	25 6 6	54 19 10	19 7 9
1955-56 ..	15 14 2	15 5 2	16 0 2	34 15 6	22 7 11	54 7 4	19 3 2

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

The above 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 1953-54 to 1955-56 are shown in paragraph 3 following.

3. **Total Loan Expenditure.**—The following table shows particulars, in summary form, of the total loan expenditure in each State during each of the years, 1953-54 to 1955-56.

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

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1953-54.							
<i>Works and Services—</i>							
Gross Expenditure ..	60,021	45,665	20,630	25,452	15,824	15,356	182,948
Net Expenditure ..	56,727	42,510	18,451	22,061	14,194	13,437	167,380
Repayments ..	3,294	3,155	2,179	3,391	1,630	1,919	15,568
<i>Other than Works, etc.(a)—</i>							
Gross Expenditure ..	367	139	..	61	111	552	1,230
Net Expenditure ..	367	139	..	61	101	335	1,003
Repayments ..	..	..	..	..	(b) 10	217	227
<b>Total Loan Expenditure—</b>							
Gross ..	60,388	45,804	20,630	25,513	15,935	15,908	184,178
Net ..	57,094	42,649	18,451	22,122	14,295	13,772	168,383
Repayments ..	3,294	3,155	2,179	3,391	1,640	2,136	15,795

For footnotes see next page.



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

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1954-55.							
<i>Works and Services—</i>							
Gross Expenditure ..	53,336	40,952	20,498	26,897	16,433	17,211	175,327
Net Expenditure ..	51,314	38,780	18,024	23,444	14,731	14,252	160,545
Repayments ..	2,022	2,172	2,474	3,453	1,702	2,959	14,782
<i>Other than Works, etc.(a)—</i>							
Gross Expenditure ..	349	242	..	100	128	444	1,263
Net Expenditure ..	349	242	..	62	117	437	1,207
Repayments ..	..	..	..	38	(b) 11	7	56
<b>Total Loan Expenditure—</b>							
Gross ..	53,685	41,194	20,498	26,997	16,561	17,655	176,590
Net ..	51,663	39,022	18,024	23,506	14,848	14,689	161,752
Repayments ..	2,022	2,172	2,474	3,491	1,713	2,966	14,838
1955-56.							
<i>Works and Services—</i>							
Gross Expenditure ..	55,369	39,131	21,655	29,019	14,983	17,354	177,511
Net Expenditure ..	49,750	36,343	19,015	24,152	13,314	13,301	155,875
Repayments ..	5,619	2,788	2,640	4,867	1,669	4,053	21,636
<i>Other than Works, etc.(a)—</i>							
Gross Expenditure ..	8	31	1	107	160	252	559
Net Expenditure ..	8	31	94	9	146	223	511
Repayments ..	..	..	-93	98	(b) 14	29	48
<b>Total Loan Expenditure—</b>							
Gross ..	55,377	39,162	21,656	29,126	15,143	17,606	178,070
Net ..	49,758	36,374	19,109	24,161	13,460	13,524	156,386
Repayments ..	5,619	2,788	2,547	4,965	1,683	4,082	21,684

(a) Includes exchange, discounts and flotation expenses, revenue and general cash deficits.

(b) From Consolidated Revenue Fund.

Information relating to the State Public Debt is given in division D. Commonwealth and State Public Debt (pp. 827 and 829).

## C. COMMONWEALTH AND STATE FINANCE.

1. Revenue and Expenditure.—(i) *Consolidated Revenue Funds.* The following tables show the aggregate revenue and expenditure of the Consolidated Revenue Funds of the Commonwealth and States for each of the years 1938-39 and 1951-52 to 1955-56. In these tables, the combined Commonwealth and State totals have been adjusted to exclude major duplications, but the separate Commonwealth and State figures are as shown in other divisions of this Chapter. The items excluded from the total figures are :—payments made by the Commonwealth to the States and included in the State Consolidated Revenue Funds on account of tax reimbursements, interest under the Financial Agreement special grants, special financial assistance, coal strike emergency grants, price control reimbursements, grants to universities, tuberculosis capital expenditure, National Welfare Fund payments, and estimated payments of pay-roll tax by the States to the Commonwealth. There are other relatively minor payments for which adjustments have not been made and the adjusted figures are therefore still slightly overstated.

## COMMONWEALTH AND STATES : REVENUE AND EXPENDITURE.

Year ended 30th June—	Revenue.			Expenditure.		
	Commonwealth.	States.	Total.	Commonwealth.	States.	Total.
	£'000.	£'000.	£m.	£'000.	£'000.	£m.
1939 ..	95,065	124,283	209.6	95,065	128,159	213.5
1952 ..	1,016,828	388,361	1,256.1	1,016,828	391,529	1,259.3
1953 ..	1,040,067	438,051	1,305.8	1,040,067	438,313	1,306.1
1954 ..	1,022,790	470,393	1,314.3	1,022,790	467,489	1,311.4
1955 ..	1,067,441	495,296	1,378.5	1,067,441	498,820	1,382.1
1956 ..	1,138,358	526,011	1,466.7	1,138,358	540,959	1,481.6

(ii) *Loan Expenditure.* The aggregate gross loan expenditures of the Commonwealth and States on works and services for the years 1938-39 and 1951-52 to 1955-56 are shown in the following table :—

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

Gross Loan Expenditure.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Commonwealth(b) .. ..	3,913	31,667	35,684	41,399	33,189	44,003
State .. ..	21,399	210,938	182,215	182,948	175,327	177,511
<b>Total .. ..</b>	<b>25,312</b>	<b>242,605</b>	<b>217,899</b>	<b>224,347</b>	<b>208,516</b>	<b>221,514</b>

(a) Excludes expenditure on loan flotations, funding deficits, etc. (b) Includes expenditure on Defence, War (1939-45) and Repatriation Services. Excludes payments to National Debt Sinking Fund from proceeds of loan from International Bank of Reconstruction and Development, payments to Swiss Loan Trust account from proceeds of Swiss Loan and payments to Canadian Loan Trust account from proceeds of Canadian Loan (see pp. 838-839).

2. *Taxation.*—The following table shows the combined Commonwealth and State taxation, and the amount per head of population, for the years 1938-39 and 1951-52 to 1955-56. Taxation collections by the State Governments which are not paid into the Consolidated Revenue Funds have been included.

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

Particulars.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<b>NET COLLECTIONS.</b> (£'000.)						
Customs and Excise Duties ..	47,632	213,917	183,824	220,217	244,403	255,772
Sales Tax .. ..	9,308	95,459	89,067	95,689	100,446	110,001
Land Tax .. ..	2,897	8,710	4,666	4,359	5,011	5,969
Pay-roll Tax .. ..		37,170	40,171	40,384	41,455	45,543
Income Taxes .. ..	41,679	551,297	554,869	528,273	532,968	574,062
Probate and Succession Duties	6,916	23,172	26,149	28,525	31,216	33,508
Stamp Duties n.e.i. .. ..	3,466	12,228	12,297	14,543	16,027	18,181
Motor Taxes .. ..	6,961	20,523	23,321	25,877	27,783	28,919
Liquor Taxes .. ..	1,045	3,681	4,429	5,346	5,563	6,617
Racing .. ..	1,251	5,990	6,794	7,503	6,992	7,430
Entertainments Tax .. ..	633	6,161	6,708	2,883	1,339	1,445
Licences, n.e.i., and other Taxes	2,841	18,853	14,327	7,251	13,891	14,334
<b>Total .. ..</b>	<b>124,629</b>	<b>997,161</b>	<b>966,622</b>	<b>980,850</b>	<b>1,027,094</b>	<b>1,101,781</b>

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

	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
Customs and Excise Duties ..	6 17 5	25 1 8	21 0 11	24 14 10	26 17 9	27 9 1
Sales Tax .. ..	1 6 10	11 3 10	10 3 11	10 15 0	11 1 0	11 16 2
Land Tax .. ..	0 8 4	1 0 5	0 10 8	0 9 10	0 11 0	0 12 10
Pay-roll Tax .. ..		4 7 2	4 12 0	4 10 9	4 11 2	4 17 9
Income Taxes .. ..	6 0 3	64 12 10	63 10 7	59 7 1	58 12 7	61 12 6
Probate and Succession Duties	0 19 11	2 14 4	2 19 10	3 4 1	3 8 8	3 11 11
Stamp Duties n.e.i. .. ..	0 10 0	1 8 8	1 8 2	1 12 8	1 15 3	1 19 0
Motor Taxes .. ..	1 0 1	2 8 2	2 13 5	2 18 2	3 1 2	3 2 1
Liquor Taxes .. ..	0 3 0	0 8 8	0 10 2	0 12 0	0 12 3	0 14 2
Racing .. ..		0 14 1	0 15 7	0 16 10	0 15 5	0 15 11
Entertainments Tax .. ..	0 5 6	0 14 5	0 15 4	0 6 6	0 3 0	0 3 1
Licences, n.e.i., and other Taxes	0 8 1	2 4 2	1 12 10	0 16 4	1 10 7	1 10 11
<b>Total .. ..</b>	<b>17 19 5</b>	<b>116 18 5</b>	<b>110 13 5</b>	<b>110 4 1</b>	<b>112 19 10</b>	<b>118 5 5</b>

(a) For separate details of Commonwealth and State taxation collections, see pp. 785 and 813.

## D. COMMONWEALTH AND STATE PUBLIC DEBT.

## § 1. General.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) *New Borrowings.* On new borrowings after 1st July, 1927, (except those for redemptions or conversions, or funding a State deficit) a sinking fund at the rate of 10s. per £100 per annum was established and the State and the Commonwealth contribute from revenue equal shares for a period of 53 years from the date of raising. (New South Wales did not commence sinking fund contributions in respect of new loans raised in the financial year 1927–28 until 1st July, 1928.)

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

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

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

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

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

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

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

1. **Public Debt, Annual Interest Payable and Average Rate of Interest at 30th June, 1956.**—In the following table, details are given of the Commonwealth and State Public Debt, annual interest payable and average rate of interest at 30th June, 1956.

#### COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1956.

Particulars.	Maturing in—					Total.
	Australia.	London.	New York.	Canada.	Switzer-land.	
DEBT.						
	£A.'000.	£stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)	£'000.(a)
<i>Commonwealth Debt—</i>						
War (1914-18) Debt(b)—						
Stock and Bonds .. ..	122,252	7,534	..	..	..	129,786
Other Debt(c) .. ..	94	..	..	..	..	94
<i>Total War (1914-18) Debt .. ..</i>	<i>122,346</i>	<i>7,534</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>129,880</i>
War (1939-45) Debt—						
Stock and Bonds .. ..	982,598	5,725	..	..	..	988,323
Treasury Bill, Internal ..	220,290	..	..	..	..	220,290
Treasury Bills, Public ..	165,000	..	..	..	..	165,000
Other Debt(d) .. ..	31,459	..	..	..	..	31,459
<i>Total War (1939-45) Debt .. ..</i>	<i>1,399,347</i>	<i>5,725</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>1,405,072</i>
Works and Other Purposes—						
Stock and Bonds .. ..	256,977	..	9,087	3,082	12,251	330,193
Treasury Bills, Internal ..	11,310	..	..	..	..	11,310
International Bank Dollar Loan .. ..	..	..	50,112	..	..	50,112
<i>Total Works and Other Purposes ..</i>	<i>268,287</i>	<i>48,796</i>	<i>59,199</i>	<i>3,082</i>	<i>12,251</i>	<i>391,615</i>
<i>Total Commonwealth Debt .. ..</i>	<i>1,789,980</i>	<i>62,055</i>	<i>59,199</i>	<i>3,082</i>	<i>12,251</i>	<i>1,926,567</i>
<i>State Debt—</i>						
Stock and Bonds .. ..	1,614,876	258,140	22,336	..	..	1,895,352
Debentures .. ..	36,366	4,691	..	..	..	41,057
Treasury Bills and Debentures —Short-term .. ..	..	21,377	..	..	..	21,377
Balance of Debts of States taken over by Commonwealth and still represented by State Securities .. ..	..	4,241	..	..	..	4,241
<i>Total State Debt .. ..</i>	<i>1,651,242</i>	<i>288,449</i>	<i>22,336</i>	<i>..</i>	<i>..</i>	<i>1,962,027</i>
<i>Grand Total Commonwealth and State Debt .. ..</i>	<i>3,441,222</i>	<i>350,504</i>	<i>81,535</i>	<i>3,082</i>	<i>12,251</i>	<i>3,888,594</i>

(a) See § 1, p. 825. (b) Excludes War (1914–18) Debt due to United Kingdom Government (£79,724,220). Repayment of this debt and interest thereon (£3,919,774) was suspended in 1931. (c) War and Peace Savings Certificates and Stamps and War Gratuity Bonds. (d) Advance Loan Subscriptions, National Savings Bonds, War Savings and Savings Certificates, War Savings and National Savings Stamps.

**COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST  
PAYABLE AT 30TH JUNE, 1956—continued.**

Particulars.	Maturing in—					Total.
	Australia.	London.	New York.	Canada.	Switzer- land.	
DEBT PER HEAD OF POPULATION.						
	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
Commonwealth Debt—						
War (1914-18) Debt(b) ..	12 19 6	0 16 0	..	..	..	13 15 6
War (1939-45) Debt ..	148 8 8	0 12 1	..	..	..	149 0 9
Works and Other Purposes ..	28 9 2	5 3 6	6 5 7	0 6 7	1 6 0	41 10 10
Total Commonwealth Debt ..	189 17 4	6 11 7	6 5 7	0 6 7	1 6 0	204 7 1
Total State Debt ..	176 2 9	30 15 5	2 7 8	..	..	209 5 10
Grand Total Commonwealth and State Debt ..	365 0 4	37 3 7	8 13 0	0 6 7	1 6 0	412 9 6

<b>ANNUAL INTEREST PAYABLE.</b>						
	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)	£'000.(a)
<i>Commonwealth Debt—</i>						
War (1914–18) Debt(b) ..	4,181	227	..	..	..	4,408
War (1939–45) Debt ..	37,502	229	..	..	..	37,731
Works and Other Purposes ..	9,678	1,628	2,592	116	475	14,489
<i>Total Commonwealth Debt ..</i>	<i>51,361</i>	<i>2,084</i>	<i>2,592</i>	<i>116</i>	<i>475</i>	<i>56,628</i>
<i>Total State Debt ..</i>	<i>60,479</i>	<i>9,303</i>	<i>828</i>	<i>..</i>	<i>..</i>	<i>70,610</i>
<i>Grand Total Commonwealth and State Debt ..</i>	<i>111,840</i>	<i>11,387</i>	<i>3,420</i>	<i>116</i>	<i>475</i>	<i>127,238</i>

<b>ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION.</b>						
	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
<i>Commonwealth Debt—</i>						
War (1914–18) Debt(b) ..	0 8 10	0 0 6	..	..	..	0 9 4
War (1939–45) Debt ..	3 19 6	0 0 6	..	..	..	4 0 0
Works and Other Purposes ..	1 0 7	0 3 5	0 5 6	0 0 3	0 1 0	1 10 9
<i>Total Commonwealth Debt ..</i>	<i>5 8 11</i>	<i>0 4 5</i>	<i>0 5 6</i>	<i>0 0 3</i>	<i>0 1 0</i>	<i>6 0 1</i>
<i>Total State Debt ..</i>	<i>6 9 1</i>	<i>0 19 10</i>	<i>0 1 9</i>	<i>..</i>	<i>..</i>	<i>7 10 8</i>
<i>Grand Total Commonwealth and State Debt ..</i>	<i>11 17 3</i>	<i>1 4 2</i>	<i>0 7 3</i>	<i>0 0 3</i>	<i>0 1 0</i>	<i>13 9 11</i>

<b>AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).</b>						
	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
<i>Commonwealth Debt—</i>						
War (1914–18) Debt(b) ..	3 8 5	3 0 5	..	..	..	3 8 0
War (1939–45) Debt ..	2 13 7	4 0 0	..	..	..	2 13 9
Works and Other Purposes ..	3 12 2	3 6 9	4 7 7	3 15 0	3 17 6	3 14 0
<i>Total Commonwealth Debt ..</i>	<i>2 17 5</i>	<i>3 7 2</i>	<i>4 7 7</i>	<i>3 15 0</i>	<i>3 17 6</i>	<i>2 18 10</i>
<i>Total State Debt ..</i>	<i>3 13 3</i>	<i>3 4 6</i>	<i>3 14 1</i>	<i>..</i>	<i>..</i>	<i>3 12 0</i>
<i>Grand Total Commonwealth and State Debt ..</i>	<i>3 5 0</i>	<i>3 5 0</i>	<i>4 3 11</i>	<i>3 15 0</i>	<i>3 17 6</i>	<i>3 5 5</i>

(a) See § 1, p. 825. (b) Excludes War (1914–18) Debt due to United Kingdom Government (£79,724,220). Repayment of this debt and interest thereon (£3,919,774) was suspended in 1931.

2. Public Debt and Annual Interest Payable, 1939 and 1952 to 1956.—In the following table, details are given of the Public Debt and annual interest payable, including the average rate of interest, at 30th June, 1939 and 1952 to 1956. A dissection of debt for these years into debt payable in Australia, London, New York, Canada and Switzerland may be found in the annual bulletin *Finance*.

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

Particulars.	1939.	1952.	1953.	1954.	1955.	1956.
<b>DEBT.</b> (£'000.) (a)						
<i>Commonwealth Debt—</i>						
War (1914–18) Debt ..	186,214	156,095	152,333	145,964	134,079	129,880
War (1939–45) Debt ..	..	1,484,915	1,472,777	1,464,767	1,444,832	1,405,072
Works and Other Purposes ..	131,313	227,809	263,105	307,124	344,806	391,615
<i>Total Commonwealth Debt</i>	<i>317,527</i>	<i>1,868,819</i>	<i>1,888,215</i>	<i>1,917,855</i>	<i>1,923,717</i>	<i>1,926,567</i>
<i>State Debt .. .. .</i>	<i>897,772</i>	<i>1,395,676</i>	<i>1,543,648</i>	<i>1,688,948</i>	<i>1,825,727</i>	<i>1,962,027</i>
<i>Grand Total Commonwealth and State Debt</i>	<i>1,215,299</i>	<i>3,264,495</i>	<i>3,431,863</i>	<i>3,606,803</i>	<i>3,749,444</i>	<i>3,888,594</i>

**ANNUAL INTEREST PAYABLE.**  
(£'000.) (a)

<i>Commonwealth Debt—</i>						
War (1914–18) Debt ..	7,376	5,022	4,884	4,851	4,501	4,408
War (1939–45) Debt ..	..	37,509	38,853	38,758	38,580	37,731
Works and Other Purposes ..	5,150	7,159	8,507	10,490	12,488	14,489
<i>Total Commonwealth Debt</i>	<i>12,526</i>	<i>49,690</i>	<i>52,244</i>	<i>54,099</i>	<i>55,569</i>	<i>56,628</i>
<i>State Debt .. .. .</i>	<i>33,644</i>	<i>41,631</i>	<i>48,140</i>	<i>55,022</i>	<i>64,046</i>	<i>70,610</i>
<i>Grand Total Commonwealth and State Debt</i>	<i>46,170</i>	<i>91,321</i>	<i>100,384</i>	<i>109,121</i>	<i>119,615</i>	<i>127,238</i>

**AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).**  
(£ s. d.) (a)

<i>Commonwealth Debt—</i>						
War (1914–18) Debt ..	3 19 3	3 4 5	3 4 2	3 6 6	3 7 5	3 8 0
War (1939–45) Debt ..	..	2 10 7	2 12 9	2 12 11	2 13 5	2 13 9
Works and Other Purposes ..	3 18 5	3 2 11	3 4 8	3 8 4	3 12 6	3 14 0
<i>Total Commonwealth Debt</i>	<i>3 18 11</i>	<i>2 13 3</i>	<i>2 15 4</i>	<i>2 16 5</i>	<i>2 17 10</i>	<i>2 18 10</i>
<i>State Debt .. .. .</i>	<i>3 14 11</i>	<i>2 19 8</i>	<i>3 2 4</i>	<i>3 5 2</i>	<i>3 10 2</i>	<i>3 12 0</i>
<i>Grand Total Commonwealth and State Debt</i>	<i>3 16 0</i>	<i>2 16 0</i>	<i>2 18 6</i>	<i>3 0 6</i>	<i>3 3 10</i>	<i>3 5 5½</i>

(a) See § 1, p. 825.

3. State Public Debt and Annual Interest Payable at 30th June, 1956.—In paragraphs 1 and 2, totals only of the States' Public Debt are given. In the following table, the total debt of each State and the amounts outstanding per head of population at 30th June, 1956, the annual interest payable and the average rate of interest payable are shown according to the place of flotation.

## STATE PUBLIC DEBT AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1956.

State.	Maturing in Australia.	Maturing Overseas.			Grand Total.
		London.	New York.	Total Overseas.	
DEBT.					
	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)
New South Wales .. ..	565,261	122,112	10,763	132,875	698,136
Victoria .. ..	397,577	44,705	3,431	48,136	445,713
Queensland .. ..	204,989	43,554	4,256	47,810	252,799
South Australia .. ..	216,659	35,316	2,448	37,764	254,423
Western Australia .. ..	151,838	35,770	1,125	36,895	188,733
Tasmania .. ..	114,918	6,992	313	7,305	122,223
Total .. ..	1,651,242	288,449	22,336	310,785	1,962,027

## DEBT PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
New South Wales .. ..	159 1 6	34 7 3	3 0 7	37 7 10	196 9 4
Victoria .. ..	152 12 4	17 3 3	1 6 4	18 9 7	171 1 11
Queensland .. ..	149 11 1	31 15 6	3 2 1	34 17 7	184 8 8
South Australia .. ..	255 6 9	41 12 5	2 17 8	44 10 1	299 16 10
Western Australia .. ..	224 3 0	52 16 1	1 13 3	54 9 4	278 12 4
Tasmania .. ..	359 10 4	21 17 6	0 19 7	22 17 1	382 7 5
<b>Total .. ..</b>	<b>176 2 9</b>	<b>30 15 5</b>	<b>2 7 8</b>	<b>33 3 1</b>	<b>209 5 10</b>

## ANNUAL INTEREST PAYABLE.

	£A.'000.	£Stg.'000.	£'000. (a)	£'000. (a)	£'000. (a)
New South Wales .. ..	20,427	3,914	414	4,328	24,755
Victoria .. ..	14,886	1,446	121	1,567	16,453
Queensland .. ..	7,380	1,445	148	1,593	8,973
South Australia .. ..	7,989	1,118	92	1,210	9,199
Western Australia .. ..	5,465	1,149	41	1,190	6,655
Tasmania .. ..	4,332	231	12	243	4,575
<b>Total .. ..</b>	<b>60,479</b>	<b>9,303</b>	<b>828</b>	<b>10,131</b>	<b>70,610</b>

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

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
New South Wales .. ..	3 12 3	3 4 1	3 16 10	3 5 2	3 10 11
Victoria .. ..	3 14 11	3 4 8	3 10 9	3 5 1	3 13 10
Queensland .. ..	3 12 0	3 6 4	3 9 7	3 6 8	3 11 0
South Australia .. ..	3 13 9	3 3 3	3 15 3	3 4 1	3 12 4
Western Australia .. ..	3 12 0	3 4 3	3 12 11	3 4 6	3 10 6
Tasmania .. ..	3 15 5	3 6 1	3 14 4	3 6 6	3 14 10
<b>Total .. ..</b>	<b>3 13 3</b>	<b>3 4 6</b>	<b>3 14 1</b>	<b>3 5 2</b>	<b>3 12 0</b>

(a) See § 1, p. 825.

4. State Public Debt, 1939 and 1952 to 1956.—In the following table, the debt of each State and the amounts outstanding per head of population at 30th June, 1939 and 1952 to 1956 are shown.



## STATE PUBLIC DEBT.

30th June—	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
DEBT. (£'000.)(a)							
1939 .. ..	359,844	179,698	127,503	108,887	95,473	26,367	897,772
1952 .. ..	522,491	302,499	187,310	173,436	138,288	71,652	1,395,670
1953 .. ..	568,923	339,520	204,255	193,750	153,072	84,128	1,543,648
1954 .. ..	614,495	376,964	220,396	213,619	165,783	97,691	1,688,948
1955 .. ..	655,599	411,199	236,474	234,769	177,881	109,805	1,825,727
1956 .. ..	698,136	445,713	252,799	254,423	188,733	122,223	1,962,027

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

1939 .. ..	130 18 7	95 13 3	125 4 11	182 10 6	203 2 4	111 1 2	129 3 11
1952 .. ..	156 9 2	129 0 6	148 14 5	229 14 0	230 10 9	241 16 5	162 7 9
1953 .. ..	168 2 8	141 14 11	158 3 3	249 14 11	246 13 6	276 13 4	175 19 11
1954 .. ..	179 9 10	153 14 4	167 3 9	268 0 0	259 2 7	316 8 1	188 18 6
1955 .. ..	187 16 8	162 19 7	175 17 5	286 9 3	270 2 3	358 18 10	199 10 4
1956 .. ..	196 9 4	171 1 11	184 8 8	299 16 10	278 12 4	382 7 5	209 5 10

(a) See § 1, p. 825.

In some States, certain public utilities such as tramways, water supply and sewerage, harbour services, etc., are controlled by boards or trusts, which, in addition to receiving advances from the central Government, raise loans by public borrowing on their own behalf, while in other States these services are controlled by the central Government. Comparison of the debts of the States is therefore difficult, but on page 834 figures showing the aggregate debts of the States, including these local and semi-governmental authorities, are shown for the years 1938-39 and 1951-52 to 1955-56.

5. **Public Debt and Interest Payable in Australian Currency.**—In the foregoing tables relating to Commonwealth and State public debt, the debt outstanding in London is expressed in sterling, debt outstanding in New York and Canada is expressed in pounds converted from dollars at the rate of \$4.8665 to £1 and debt outstanding in Switzerland is expressed in pounds converted from Swiss francs at the rate of 1,000 Swiss francs = £A.102 1s. 10d. This method of showing the debt does not indicate the amount that the Australian Government would have to find to repay the debt at current rates of exchange. In the following table, the public debt and the interest payable are shown in terms of Australian currency throughout. Debt in London, New York and Switzerland has been converted to Australian currency at the selling rate of exchange on 30th June, 1956.

COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE  
AT 30th JUNE, 1956 : AUSTRALIAN CURRENCY.  
(£A.'000.)

Particulars.	Maturing in—					Total.
	Australia.	London. (a)	New York. (b)	Canada. (c)	Switzer- land. (d)	
DEBT.						
<i>Commonwealth Debt—</i>						
War (1914-18) Debt ..	122,346	9,455	..	..	..	131,801
War (1939-45) Debt ..	1,399,347	7,185	..	..	..	1,406,532
Works and Other Purposes..	268,287	61,239	129,391	6,870	12,402	478,189
<i>Total Commonwealth Debt</i>	<i>1,789,980</i>	<i>77,879</i>	<i>129,391</i>	<i>6,870</i>	<i>12,402</i>	<i>2,016,522</i>
<i>State Debt—</i>						
New South Wales ..	565,261	153,251	23,524	..	..	742,036
Victoria ..	397,578	56,104	7,499	..	..	461,181
Queensland ..	204,989	54,660	9,303	..	..	268,952
South Australia ..	216,659	44,322	5,350	..	..	266,331
Western Australia ..	151,837	44,891	2,460	..	..	199,188
Tasmania ..	114,918	8,775	685	..	..	124,378
<i>Total State Debt</i>	<i>1,651,242</i>	<i>362,003</i>	<i>48,821</i>	<i>..</i>	<i>..</i>	<i>2,062,066</i>
<i>Commonwealth and State Debt—</i>						
Short-term Debt ..	396,600	32,715	..	..	..	429,315
Other Debt ..	3,044,622	407,167	178,212	6,870	12,402	3,649,273
<i>Grand Total Commonwealth and State Debt</i>	<i>3,441,222</i>	<i>439,882</i>	<i>178,212</i>	<i>6,870</i>	<i>12,402</i>	<i>4,078,588</i>

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

(b) Converted at rate of \$2.2265 = £A.1.

(c) Converted at rate of 82.1835 = £A.1.

(d) Converted at rate of 9.676 francs = £A.1.

**COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE  
AT 30TH JUNE, 1956 : AUSTRALIAN CURRENCY—continued.  
(£A.'000.)**

Particulars.	Maturing in—					Total.
	Australia.	London. (a)	New York. (b)	Canada. (c)	Switzer- land. (d)	
ANNUAL INTEREST PAYABLE.						
Commonwealth Debt ..						
War (1914-18) Debt ..	4,181	285	..	..	..	4,466
War (1939-45) Debt ..	37,502	287	..	..	..	37,789
Works and Other Purposes ..	9,678	2,044	5,666	257	480	18,125
Total Commonwealth Debt ..	51,361	2,616	5,666	257	480	60,380
State Debt ..						
New South Wales ..	20,427	4,913	904	..	..	26,244
Victoria ..	14,886	1,814	265	..	..	16,965
Queensland ..	7,380	1,814	323	..	..	9,517
South Australia ..	7,989	1,403	201	..	..	9,593
Western Australia ..	5,465	1,442	90	..	..	6,997
Tasmania ..	4,332	290	26	..	..	4,648
Total State Debt ..	60,479	11,676	1,809	..	..	73,964
Grand Total Commonwealth and State Debt ..	111,840	14,292	7,475	257	480	134,344

(a) Converted at rate of £Stg.100 = £A.125 10s. (b) Converted at rate of \$2.2265 = £A.1.  
(c) Converted at rate of \$2.1835 = £A.1. (d) Converted at rate of 9.676 francs = £A.1.

6. Public Debt at each Rate of Interest.—The following table shows particulars of the amounts of debt for Commonwealth and State purposes at 30th June, 1956, at each rate of interest :—

**COMMONWEALTH AND STATE PUBLIC DEBT AT 30TH JUNE, 1956 : AMOUNTS  
AT EACH RATE OF INTEREST.**

Rate of Interest.	Maturing in—							Total.	
	Australia.		London.		New York.		Other Overseas.		
	Com- mon- wealth.	State.	Com- mon- wealth. (a)	State.	Com- mon- wealth.	State.	Com- mon- wealth.	Com- mon- wealth.	State.
Per cent. ..	£A.'000.	£A.'000.	£Stg.'000	£Stg.'000	£'000.(b)	£'000.(b)	£'000.(b)	£'000.(b)	£'000.(b)
5.1 ..	..	..	..	3,200	..	..	..	..	3,200
5.0 ..	18,525	29,045	..	1	..	..	..	18,525	29,046
4.75 ..	..	..	..	..	21,371	..	..	21,371	..
4.625 ..	..	..	..	..	8,838	..	..	8,838	..
4.5 ..	164,878	613,588	..	11,790	261	4,876	..	165,139	630,254
4.2625 ..	71	..	..	..	..	..	..	71	..
4.25 ..	41	..	..	..	19,904	..	..	19,945	..
4.0 ..	..	563	5,725	22,663	..	1,065 (c)	6,126	11,851	24,291
3.875 ..	64	703	..	..	..	..	..	64	703
3.75 ..	53,665	119,547	6,951	..	3,416	1,721 (d)	9,207	73,239	121,268
3.625 ..	..	107	..	..	..	..	..	..	107
3.5 ..	..	7,109	..	46,038	1,099	7,085	..	1,099	60,232
3.4875 ..	..	2	..	..	..	..	..	..	2
3.375 ..	..	..	..	..	3,208	5,135	..	3,208	5,135
3.25 ..	828,292	163,062	33,767	56,827	1,102	2,454	..	863,161	222,343
3.2391 ..	15,340	..	..	..	..	..	..	15,340	..
3.125 ..	252,210	474,935	..	..	..	..	..	252,210	474,935
3.1 ..	..	3,810	..	..	..	..	..	..	3,810
3.0 ..	51,758	196,761	15,612	90,669	..	..	..	67,370	287,430
2.8347 ..	8,025	..	..	..	..	..	..	8,025	..
2.75 ..	..	..	..	37,327	..	..	..	..	37,327
2.7125 ..	..	417	..	..	..	..	..	..	417
2.5 ..	..	2	..	19,932	..	..	..	..	19,934
2.325 ..	..	1,728	..	..	..	..	..	..	1,728
1.5 ..	..	3,497	..	..	..	..	..	..	3,497
1.0 ..	396,600	36,366	..	..	..	..	..	396,600	36,366
Miscellaneous (e) ..	511	..	..	2	..	..	..	511	2
<i>Total Debt</i> ..	<i>1,789,980</i>	<i>1,651,242</i>	<i>62,055</i>	<i>288,449</i>	<i>59,199</i>	<i>22,336</i>	<i>15,333</i>	<i>1,926,567</i>	<i>1,962,027</i>

(a) Excludes War (1914-18) Debt due to United Kingdom Government, £79,724,000 (rate of interest 4.91667 per cent.). (b) See § 1, p. 825. (c) Swiss debt. (d) Swiss debt £6,125,000; Canadian debt, £3,082,000. (e) Consists of overdue debt, War (1914-18) and (1939-45) Savings Stamps and National Savings Stamps, etc.

7. Dates of Maturity.—(i) *Commonwealth.* In the following table, the Commonwealth Public Debt at 30th June, 1956 is classified according to the earliest and the latest years of maturity.

COMMONWEALTH PUBLIC DEBT AT 30th JUNE, 1956(a) : CLASSIFIED  
ACCORDING TO EARLIEST AND LATEST YEARS OF MATURITY.

Year of Maturity.	Earliest Year.					Latest Year.				
	Maturing in—				Total.	Maturing in—				Total.
	Aus- tralia.	Lon- don.	New York.	Other Overseas.		Aus- tralia.	Lon- don.	New York.	Other Overseas.	
	£A.'000.	£Stg. '000.	£'000 b	£'000. (b)		£A.'000.	£Stg. '000.	£'000 b	£'000. (b)	
Before 30th June, 1956 ..	828,292	23,117	1,102	..	852,511	485,911	6,951	1,102	..	493,964
1956-57(c) ..	519,103	..	4,308	..	523,411	84,083	..	..	..	84,083
1957-58 ..	49,484	..	..	..	49,484	233,057	..	..	..	233,057
1958-59 ..	..	..	..	..	..	227,135	..	..	..	227,135
1959-60 ..	..	..	..	..	..	..	..	..	..	..
1960-61 ..	70,347	5,725	..	..	76,072	219,610	16,166	..	..	235,776
1961-62 ..	68,615	5,822	..	..	74,437	153,538	..	3,209	..	156,747
1962-63 ..	86,970	..	..	..	86,970	73,879	..	..	..	73,879
1963-64 ..	..	..	..	..	..	70,347	5,725	..	..	76,072
1964-65 ..	..	292	..	(d) 6,125	6,417	62,160	..	..	..	62,160
1965-66 ..	11,022	17,309	..	(d) 6,126	34,457	24,113	..	..	..	24,113
1966-67 ..	11,588	..	..	..	11,588	11,588	5,822	1,099	..	18,509
1967-68 ..	30,877	..	..	..	30,877	30,877	..	..	..	30,877
1968-69 ..	71,455	..	..	..	71,455	71,455	..	..	(d) 6,126	77,581
1969-70 and later ..	18,175	9,790	3,677	(e) 3,082	34,724	18,175	27,391	3,677	(f) 9,207	58,450
Miscellaneous (g) ..	24,052	..	h 50,112	..	74,164	24,052	..	h 50,112	..	74,164
Total ..	1,789,980	62,055	59,199	15,333	1,926,567	1,789,980	62,055	59,199	15,333	1,926,567

(a) See note (a) to previous table. (b) See § 1, p. 825. (c) Includes Short-term Debt. (d) Swiss debt. (e) Canadian debt. (f) Swiss debt £6,125,000; Canadian debt, £3,082,000. (g) Consists of advance loan subscriptions, overdue debt, debt repayable in half-yearly instalments, War Savings and Savings Certificates, War Savings Stamps, National Savings Stamps and Peace Savings Certificates. (h) International Bank Dollar Loans to be repaid in half-yearly instalments from 1st September, 1955 to 1st September, 1975, 1st June, 1957 to 1st December, 1972, 1st March, 1957 to 1st March, 1969, and from 15th September, 1957 to 15th March, 1970.

(ii) States. Particulars of State Public Debt at 30th June, 1956 have been classified in the following table according to the earliest and the latest years of maturity.

STATE PUBLIC DEBT AT 30th JUNE, 1956 : CLASSIFIED ACCORDING TO  
EARLIEST AND LATEST YEARS OF MATURITY.

Year of Maturity.	Earliest Year.				Latest Year.			
	Maturing in—			Total.	Maturing in—			Total.
	Aus- tralia.	London.	New York.		Aus- tralia.	London.	New York.	
	£A.'000.	£Stg. '000.	£'000.(a)		£A.'000.	£Stg. '000.	£'000.(a)	
Before 30th June, 1956 ..	145,447	58,178	2,454	206,079	171,332	(b) 26,068	2,454	199,854
1956-57 ..	215,808	(b) 26,068	12,220	254,096	91,285	20,090	..	110,003
1957-58 ..	91,285	..	..	91,285	89,913	..	..	89,913
1958-59 ..	1,668	13,935	..	15,603	33,909	20,709	..	54,618
1959-60 ..	2,732	..	..	2,732	74,564	..	..	74,564
1960-61 ..	106,925	11,790	..	118,715	63,509	18,438	..	81,947
1961-62 ..	195,327	23,489	..	218,816	48,000	..	5,135	53,135
1962-63 ..	294,665	12,871	..	307,536	188,805	11,790	..	200,595
1963-64 ..	4,076	10,000	..	14,076	106,722	..	..	106,722
1964-65 ..	2,105	12,896	..	15,001	177,424	12,870	..	190,294
1965-66 ..	62,972	64,977	..	127,949	168,832	10,000	..	178,832
1966-67 ..	63,100	..	..	63,100	63,100	23,489	7,085	93,674
1967-68 ..	130,173	15,950	..	146,123	130,173	25,549	..	155,722
1968-69 ..	205,152	..	..	205,152	205,152	..	..	205,152
1969-70 ..	3,242	18,441	1,721	23,404	3,242	41,269	1,721	46,232
1970-71 ..	44,683	..	4,876	49,559	44,683	11,036	4,876	60,595
1971-72 ..	2,177	12,175	..	14,352	2,177	15,950	..	18,127
1972-73 ..	2,711	..	..	2,711	2,711	..	..	2,711
1973-74 ..	3,336	..	..	3,336	3,336	12,175	..	15,511
1974-75 ..	4,378	..	..	4,378	4,378	31,337	..	35,715
1975-76 ..	7,338	4,351	..	11,689	7,338	..	..	7,338
1976-77 ..	6,001	..	..	6,001	6,001	..	..	6,001
1977-78 ..	7,088	..	..	7,088	7,088	4,351	..	11,439
1978-79 and later ..	23,581	..	..	23,581	23,581	..	..	23,581
Miscellaneous (c) ..	25,272	3,328	1,065	29,665	25,272	3,328	1,065	29,665
Total ..	1,651,242	288,449	22,336	1,962,027	1,651,242	288,449	22,336	1,962,027

(a) See § 1, p. 825. (b) Short-term debt. (c) Consists of overdue indefinite and inter-minable debt, debt due to Treasurer's option and half-yearly drawings.

8. **Short-term Debt.**—(i) *Amount.* Particulars of the short-term debt (Treasury Bills and Debentures) of the Commonwealth and States in London and in Australia at 30th June, 1939 and at intervals from 30th June, 1952, to 30th June, 1956, are shown in the following table. This debt is included in the public debt as shown elsewhere.

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

Date.	Maturing in Australia. (£A.'000.)			Maturing in London. (£Stg.'000.)		
	Common-wealth.	States.	Total.	Common-wealth.	States.	Total.
30th June, 1939 ..	..	50,228	50,228	4,220	23,155	27,375
" " 1952 ..	153,280	..	153,280	970	22,868	23,838
" " 1953 ..	225,000	..	225,000	720	22,868	23,588
" " 1954 ..	190,000	..	190,000	470	22,868	23,338
" " 1955 ..	160,000	..	160,000	220	26,068	26,288
30th September, 1955 ..	180,000	2,400	182,400	220	26,068	26,288
31st December, 1955 ..	255,000	7,400	262,400	220	26,068	26,288
31st March, 1956 ..	280,000	6,400	286,400	45	26,068	26,113
30th June, 1956 ..	165,000	..	165,000	..	26,068	26,068

(a) Excludes Overdrafts and Internal Treasury Bills.

(ii) *Interest Rates.* (a) *London.* The rates of interest payable on Treasury Bills and Debentures in London during the following periods were: 1938–39—minimum rate, 2 per cent., maximum rate, 2½ per cent.; 1949–50 to 1950–51—minimum rate, 2 per cent., maximum rate, 2½ per cent. On 8th November, 1951, the rates were increased to—minimum rate, 2½ per cent., maximum rate, 2½ per cent.

(b) *Australia.* The Treasury Bill rates in Australia were as follows:—1½ per cent. from 1st January, 1935; 1½ per cent. from 1st May, 1940; 1½ per cent. from 1st May, 1943; 1 per cent. from 1st March, 1945; ½ per cent. from 1st May, 1949; 1 per cent. from 1st August, 1952.

9. **State and Municipal and Semi-Governmental Authority Public Debt.**—For the reasons indicated on p. 831, direct comparisons of the debts of the several States should be made with caution. The table following shows, for 1938–39 and 1951–52 to 1955–56, particulars of the debts of the States and the debts due to the public by municipal and semi-governmental authorities in each State.

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

State.	State.	Municipal. (a)	Semi-Governmental. (a)	Total.
DEBT. (£'000.) (b) 1955–56.				
New South Wales .. ..	698,136	65,511	180,764	944,411
Victoria .. ..	445,713	26,755	297,445	769,913
Queensland .. ..	252,799	61,473	48,884	363,156
South Australia .. ..	254,423	3,132	20,351	277,906
Western Australia .. ..	188,733	6,390	11,147	206,270
Tasmania .. ..	122,223	8,505	10,550	141,278
Total	1955–56 ..	1,962,027	171,766	2,702,934
	1954–55 ..	1,825,727	159,697	2,490,149
	1953–54 ..	1,688,948	142,628	2,271,192
	1952–53 ..	1,543,648	127,041	2,052,569
	1951–52 ..	1,395,676	112,176	1,824,043
	1938–39 ..	897,772	78,126	1,096,410

(a) Due to the public and excludes amounts due to Central Government. Includes bank overdrafts.  
(b) See § 1, p. 825.

STATE AND MUNICIPAL AND SEMI-GOVERNMENTAL AUTHORITY  
PUBLIC DEBT—*continued.*

State.	State.	Municipal. (a).	Semi-Gov- ernmental. (a).	Total.
DEBT PER HEAD OF POPULATION. (£.) (b) 1954-56.				
New South Wales .. .. .	196.5	18.4	50.9	265.8
Victoria .. .. .	171.1	10.3	114.2	295.6
Queensland .. .. .	184.4	44.8	35.7	264.9
South Australia .. .. .	299.8	3.7	24.0	327.5
Western Australia .. .. .	278.6	9.4	16.5	304.5
Tasmania .. .. .	382.4	26.6	33.0	442.0
Total	1955-56 .. .. .	209.3	18.3	227.6
	1954-55 .. .. .	199.5	17.4	216.9
	1953-54 .. .. .	188.9	16.0	204.9
	1952-53 .. .. .	175.8	14.4	190.2
	1951-52 .. .. .	162.2	13.0	175.2
	1938-39 .. .. .	129.2	11.2	140.4

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

(b) See § 1, p. 825.

## § 4. Commonwealth Loan Raisings.

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

2. New Loans Raised, 1953-54 to 1955-56.—(i) *Australia.* The following table shows details of new loans raised in Australia by the Commonwealth during the three years 1953-54 to 1955-56.

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

Month of Raising.	Amount Invited.	Amount Sub- scribed.	Rate of In- terest per annum.	Year of Maturity.	Price of Issue per £100.	Allocation of Proceeds.		
						Commonwealth.		States.
						War (1939- 45) etc.	Other Pur- poses.	
	£'000.	£'000.	%		£	£'000.	£'000.	£'000.
1953-54—								
September (Eighteenth Security Loan) .. .. .	50,000	11,313	3	1955	100	..	6,850	59,468
March (Nineteenth Security Loan) .. .. .	35,000	55,005	4½	1966	100	..	..	..
.. .. .	..	8,603	3	1957	98 10s.	..	65	52,000
.. .. .	..	43,462	4½	1967	100	..	..	..
June(b) .. .. .	80,000	16,000	3	1957	98 10s.	5,407	30,475	44,118
.. .. .	..	64,000	4½	1967	100	..	..	..
1954-55—								
August (Twentieth Security Loan) .. .. .	37,594	7,177	3	1957	98 10s.	..	—7	46,505
.. .. .	..	39,321	4½	1967	100	..	..	..
November (Twenty-first Security Loan) .. .. .	50,106	5,698	3	1957	98 15s.	..	..	37,159
.. .. .	..	31,461	4½	1968	100	..	..	..
March (Twenty-second Security Loan) .. .. .	40,000	12,526	3	1957	99 5s.	..	1	44,095
.. .. .	..	31,570	4½	1968	100	..	..	..
June(b) .. .. .	48,000	10,000	3	1957	99 5s.	3,452	29,201	15,347
.. .. .	..	38,000	4½	1968	100	..	..	..
1955-56—								
August (Twenty-third Security Loan) .. .. .	35,000	16,050	3	1956	99 15s.	..	..	..
.. .. .	..	16,408	4½	1965	100	..	4	39,627
.. .. .	..	7,173	4½	1970	100	..	..	..
November (Twenty-fourth Security Loan) .. .. .	30,000	8,519	3	1956	98 15s.	..	..	..
.. .. .	..	14,639	4½	1965	100	..	17	28,032
.. .. .	..	4,891	4½	1970	100	..	..	..
May (Twenty-fifth Security Loan) .. .. .	30,000	12,907	3½	1957	99 10s.	..	..	..
.. .. .	..	20,127	5	1963	99 10s.	..	34	33,000
.. .. .	..	76,000	3½	1957	99 10s.	..	..	..
June (b) .. .. .	93,205	17,205	5	1963	99 10s.	8,354	36,003	48,848

(a) Includes loans raised for redemption of Treasury Bills, but excludes conversion loans, loans for redemption of debt maturing in London, short-term debt and certain miscellaneous debt (see below).  
(b) Special issue. For details see following paragraph.

NOTE.—Minus sign (—) indicates an excess of allocations over receipts.

The loans of £80,000,000, £48,000,000 and £93,205,000 issued in June, 1954, 1955 and 1956 respectively were for the purpose of fulfilling an undertaking given by the Commonwealth that the States would have access to loan funds for their works programmes up to the approved Loan Council borrowing programmes. These programmes totalled £200,000,000 in 1953-54, £180,000,000 in 1954-55 and £190,000,000 in 1955-56. Subscriptions to these special loans came from the following sources :—

**SPECIAL LOANS: SOURCE OF FINANCE.**

	1953-54.	1954-55.	1955-56.
	£	£	£
National Debt Commission—			
Investment of Australian currency proceeds of			
International Bank Loan .. .. .	18,000,000	22,150,000	10,800,000
Swiss Loan Trust Account .. .. .	5,750,000	6,150,000	..
Canadian Loan Trust Account .. ..	..	..	6,405,000
Loan Consolidation and Investment Reserve			
Trust Account .. .. .	..	..	62,000,000
Other Commonwealth Trust Moneys—Investment	56,250,000	19,700,000	14,000,000
Total ..	80,000,000	48,000,000	93,205,000

Finance for the approved Loan Council programmes from 1953-54 to 1955-56 was provided from the following sources—

**LOAN COUNCIL PROGRAMME(a): SOURCE OF FINANCE.**

	1953-54.	1954-55.	1955-56.
	£	£	£
Public Loans, domestic raisings, etc. ..	125,647,000	130,527,000	98,808,000
Oversea Loans and Special Commonwealth			
Assistance.. .. .	74,353,000	49,473,000	91,192,000
Total ..	200,000,000	180,000,000	190,000,000

(a) Excludes amounts provided for War Service Land Settlement; 1953-54, £5,407,000; 1954-55, £3,452,000; and 1955-56, £8,354,000; and for Emergency Wheat Storage 1955-56, £3,198,000.

In addition to the new loans raised, as shown in the foregoing tables, and the redemption and conversion loans shown in the following section, there were other miscellaneous debt operations during 1955-56, namely :—Savings Certificates and War Saving Certificates (Five and Seven Years' Series), decrease of £3,250,000 ; War Savings and Savings Stamps, decrease of £1,000 ; National Savings Bonds and Stamps, decrease of £2,000,000 ; " Over the Counter Sales " (small amounts borrowed by the States by virtue of certain statutory rights) £5,498,100. Advance loan subscriptions in hand increased from £5,175,000 at the end of 1954-55 to £7,943,000 at the end of 1955-56.

(ii) *London.* No new loans were raised in London during the period 1953-54 to 1955-56.

(iii) *New York.* A cash loan was raised in New York in June, 1956. This loan was the first since May, 1928, other than loans raised from the International Bank for Reconstruction and Development (*see* para. 4, below). The following table gives details of the new loan.

**COMMONWEALTH NEW LOAN RAISED IN NEW YORK:**

Month of Raising.	Amount of Loan.	Rate of Interest per annum.	Price of Issue per \$100.	Year of Maturity.	Allocation of Proceeds.	
					Commonwealth.	States.
1955-56—	\$'000.	%	\$		\$'000.	\$'000.
June .. ..	6,972	4½	98.50	1,971	1,270	5,702

3. Conversion and Redemption Loans, 1953-54 to 1955-56.—(i) *Australia*. Particulars of conversion loans raised in Australia during the three years 1953-54 to 1955-56 are given in the following table :—

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

Month of Raising.	Old Loan.		New Loan.				Increase in Annual Liability for Interest.
	Amount.	Rate of Interest per annum.	Amount.	Rate of Interest per annum.	Price of Issue per £100.	Year of Maturity.	
	£A.'000.	%	£A.'000.	%	£		£A.'000.
1953-54—							
September ..	32,926	2	{ 12,237 16,739	{ 3 4½	100 100	1955 1966	{ 541
March ..	15,188	2	{ 6,563 7,634	{ 3 4½	98 10s. 100	1957 1967	{ 256
1954-55—							
August ..	12,406	3½	{ 686 4,273	{ 3 4½	98 10s. 100	1957 1967	{ 27
November ..	{ 11,871 63,023	{ 2 3½	{ 11,662 48,302	{ 3 4½	98 15s. 100	1957 1968	{ 399
March ..	198,942	2	{ 64,652 124,222	{ 3 4½	99 5s. 100	1957 1968	{ 3,752
1955-56—							
November ..	{ 23,407 106,081	{ 3½ 3	{ 32,297 41,815 39,889	{ 3 4½ 4½	99 15s. 100 100	1956 1965 1970	{ 1,059
June ..	6,795	3	{ 4,500 2,295	{ 3½ 5	99 10s. 99 10s.	1957 1963	{ 80

(ii) *London*. The following table shows particulars of a loan raised in London during the year 1953-54 for the purpose of redeeming and converting London loans. There were no loans raised for this purpose in 1954-55 or 1955-56.

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

Month of Raising.	Old Loan.		New Loan.				Increase in Annual Liability for Interest and Exchange. (a)
	Amount.	Rate of Interest per annum.	Amount raised in—		Rate of Interest per annum.	Price of Issue per £100.	Year of Maturity.
			Australia.	London.			
	£Stg.'000.	%	£A.'000.	£Stg.'000.	%	£	£A.'000.
1953-54—							
November ..	10,796	3½	..	10,796	4	99 10s.	1966-68
							68

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

(iii) *New York*. During 1946-47, four loans totalling \$128,000,000 were raised in New York to redeem loans which became due for redemption or which the Commonwealth had the option of redeeming. No further loans were raised in New York for this purpose until December, 1954. The following table shows particulars of redemption loans raised in 1954-55 and 1955-56.

## COMMONWEALTH LOANS RAISED IN NEW YORK FOR REDEMPTION OF EXISTING LOANS.

Month of Raising.	Old Loan.		New Loan.				Reduction in Annual Liability for Interest.(a)	
	Amount.	Rate of Interest per annum.	Amount.	Rate of Interest per annum.	Price of Issue per \$100.	Year of Maturity.	United States of America Currency.	Australian Currency.
1954-55—December ..	\$'000. 25,000	% 5	\$'000. 25,000	% 3½	¢. 99	1969	\$'000. 312	£A.'000. (b) 141
1955-56—June ..	20,000	3½	18,028	4½	98.5	1971	-161	(c) - 72

(a) The cost of issuing the new loans at a discount has not been taken into account. (b) Converted at selling rate of exchange on 30th June, 1955, \$2.2159 = £A.1. (c) Converted at selling rate of exchange on 30th June, 1956, \$2.2265 = £A.1.

NOTE.—Minus sign (—) denotes increase in liability for interest.

4. **International Bank for Reconstruction and Development Loans.**—To provide dollar funds for the purchase of certain types of capital equipment and plant which were indispensable to the furtherance of development in Australia and which could be obtained only in the United States of America and Canada, the Commonwealth Government, in August, 1950, arranged a loan of \$100,000,000 from the International Bank for Reconstruction and Development. The loan is for a term of 25 years with interest at 4½ per cent. per annum on the amount of the loan withdrawn and outstanding from time to time. In addition, there is a commitment charge of ½ per cent. per annum on the amount of the loan not withdrawn from time to time. Repayment of the loan is to be made in half-yearly instalments commencing on 1st September, 1955. The last instalment is payable on 1st September, 1975. At the 31st December, 1953, the whole of the loan had been drawn.

In July, 1952, a further loan of \$50,000,000 was arranged. This loan is for a term of 20 years with interest at 4½ per cent. per annum on the amount of the loan withdrawn and outstanding from time to time. There is also a commitment charge of ½ per cent. per annum similar to that of the previous loan. Repayment of the loan is to be made in half-yearly instalments from 1st June, 1957 to 1st December, 1972. At 30th September, 1954, the whole of the loan had been drawn.

In March, 1954, a third loan of \$54,000,000 was arranged. This loan is for a term of 15 years with interest and commitment charges similar to those for the previous loan for \$50,000,000. Repayment of the loan will be made in half-yearly instalments from 1st March, 1957 to 1st March, 1969. At 30th September, 1955 the whole of the loan had been drawn.

In March, 1955, a fourth loan of \$54,500,000 was arranged. This loan is for a term of 15 years with interest at 4½ per cent. per annum. There is also a commitment charge of ½ per cent. per annum similar to that of previous loans. Repayment is to be made in half-yearly instalments from 15th March, 1958 to 15th March, 1970. Up to 30th June, 1956, \$43,010,000 had been drawn on the loan.

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

5. **Swiss Loan.**—To foster industrial development in Australia and to stimulate trade relations between the two countries, the Commonwealth Government arranged for the issue in Switzerland in November, 1953, and February, 1955, of two 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 loan were paid on an agreed basis by the Australian Government.

The first loan was for a period of 15 years with an option on the part of the Australian Government to repay the loan in full or in part after 12 years. The rate of interest was



4 per cent. and the issue price £99. Bondholders have the option of requiring payment either in Australian pounds or in the foreign currency equivalent of Australian pounds.

The second Swiss loan was for a period of 15 years with an option to redeem after 10 years. The rate of interest was  $3\frac{1}{2}$  per cent. and the issue price £99 10s. Bonds and interest are payable only in Swiss francs.

The loans were both fully subscribed and Swiss franc proceeds, after deducting borrowing expenses, were sold by the Commonwealth Government to the Commonwealth Bank in return for an equivalent amount of Australian currency. A trust account, named the Swiss Loan Trust Account, was opened and the proceeds from the two loans were transferred to this account and were used in assisting the Loan Council borrowing programmes for the 1953-54 and 1954-55 financial years. The Swiss Loan Trust Account will also be used as a sinking fund for the loans, and, when the time comes for repayment, the trust account investments can be realized. The provisions of the National Debt Sinking Fund Act do not apply to the loans.

**6. Canadian Loan.**—In October, 1955, the Commonwealth Government arranged for the issue in Canada of a public loan of 15,000,000 Canadian dollars raised to assist Australia's development programme. The loan was underwritten by Wood, Gundy & Company Limited of Toronto, Canada.

The loan was for a period of 15 years with an option on the part of the Australian Government to repay the loan in full or in part at any time prior to 1st November, 1970. The rate of interest was 4 per cent. payable half-yearly and the issue price \$98.50. Bonds and interest are payable in Canadian dollars.

The loan was fully subscribed and the net Canadian dollar proceeds were sold to the Commonwealth Bank for Australian currency. A trust account, named the Canadian Loan Trust Account, was opened and the Australian currency proceeds of the loan were transferred to this account and used in assisting the Loan Council borrowing programme in 1955-56.

The Canadian Loan Trust Account will provide the necessary sinking fund payments and, when the time comes for these sinking fund payments and for the final repayment, the Trust Account investments will be realized to provide funds for that purpose. The provisions of the National Debt Sinking Fund Act do not apply to this loan.

**7. Summary of Loan Transactions, 1951-52 to 1955-56.**—The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the five years 1951-52 to 1955-56.

#### COMMONWEALTH LOAN TRANSACTIONS : SUMMARY.

Details.	Year ended 30th June—				
	1952.	1953.	1954.	1955.	1956.
<b>New Loans—</b>					
New Loans (a) raised in—					
Australia .. £A.'000.	223,695	175,287	198,387	175,755	193,921
New York(b) .. \$'000.	53,380	40,223	48,144	52,821	50,355
Switzerland .. Francs '000.	..	..	60,000	60,000	..
Canada .. \$'000.	..	..	..	..	15,000
Miscellaneous Debt in Australia (c) .. £A.'000.	7,405	24,512	13,273	3,429	8,269
<b>Net Increase in Short Term Debt—</b>					
Australia—Public .. £A.'000.	42,600	71,720	—35,000	—30,000	5,000
Internal .. £A.'000.	—37,000	—75,610	29,000	34,600	—8,200
London .. £Stg.'000.	—250	—250	—250	2,950	—220
<b>Loans raised for Conversion or Redemption of existing Debt maturing in—</b>					
Australia .. £A.'000.	71,234	47,211	43,171	253,793	120,496
London—					
Raised in Australia .. £A.'000.	..	..	..	..	..
London .. £Stg.'000.	..	11,790	10,796	..	..
New York .. \$'000.	..	..	..	25,000	18,028

(a) Includes loans raised for redemption of Treasury Bills. No new loans were raised in London during this period. (b) Amounts drawn of \$100,000,000, \$50,000,000, \$54,000,000 and \$54,500,000 loans from International Bank for Reconstruction and Development. (c) "Over the Counter Sales".

Instalment Stock, National Savings Bonds, War Savings and Savings Certificates and net increase in debt on account of advance loan subscriptions and, until the discontinuance of sales, War Savings and Savings Stamps and National Savings Stamps.

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

## § 5. National Debt Sinking Fund.

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

The old sinking funds were merged in the National Debt Sinking Fund on 11th August, 1923. Particulars of receipts and expenditure of the Commonwealth Account for the years 1938–39 and 1951–52 to 1955–56 were as follows:—

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

Item.	1938–39.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.
<b>Receipts—</b>						
From Consolidated Revenue	3,918	(a) 116,928	18,471	18,154	14,115	15,412
Loans and Advances Repaid	17	2,094	2,508	2,276	2,007	2,212
War Service Homes Money Repaid	629	4,046	4,050	5,326	5,734	5,865
Half Net Profit Commonwealth Bank	321	1,336	1,764	2,127	2,835	3,112
Reparation Monies	..	..	..	..	2,662	..
Interest on Investments	32	76	(b) 2,144	(b) 3,371	(b) 4,621	(b) 7,997
Loan (International Bank for Reconstruction and Development) Act	..	23,831	17,935	21,467	23,575	19,369
Other Contributions	14	12	10	6	3	2
<b>Total Receipts</b>	<b>4,931</b>	<b>148,323</b>	<b>46,882</b>	<b>52,727</b>	<b>55,552</b>	<b>53,969</b>
<b>Expenditure—</b>						
Securities Repurchased and Redeemed in—						
Australia	4,230	25,382	16,011	16,993	36,218	17,955
London	608	411	436	722	609	298
New York	214	448	455	8,998	4,488	(c) 1,525
<b>Total Expenditure</b>	<b>5,052</b>	<b>26,241</b>	<b>16,902</b>	<b>26,713</b>	<b>41,315</b>	<b>19,778</b>
<b>Balance at 30th June</b>	<b>1,131</b>	<b>132,079</b>	<b>162,059</b>	<b>188,073</b>	<b>202,310</b>	<b>236,501</b>
<b>Face Value of Securities Repurchased and Redeemed in—</b>						
Australia	4,199	26,882	16,860	18,561	37,312	19,149
London	498	335	363	593	492	240
New York	167	211	212	4,152	2,065	(c) 699
<b>Total Face Value</b>	<b>4,864</b>	<b>27,428</b>	<b>17,435</b>	<b>23,306</b>	<b>39,869</b>	<b>20,088</b>

(a) Includes £98,500,000 Consolidated Revenue Fund special appropriation. (b) Includes interest received under National Debt Sinking Fund (Special Payment) Act 1951, £1,562,000 in 1952–53, £1,970,000 in 1953–54, £2,149,000 in 1954–55 and £3,683,000 in 1955–56. (c) Includes instalment repayments of loans from International Bank for Reconstruction and Development. Net cost £1,407,000; Face value, £645,000.

2. **State Public Debt.**—(i) *States, 1955–56.* A sinking fund for the redemption of the debt of the States was established under the Financial Agreement. Details of contributions to be made to this fund are given on p. 826. Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1955–56 are shown below.

**NATIONAL DEBT SINKING FUND: STATE ACCOUNT, 1955–56.**  
(£'000.)

Item.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<b>Receipts—</b>							
Contributions under Financial Agreement—							
Commonwealth	1,546	972	533	561	428	270	4,310
States	5,507	3,469	1,895	2,397	1,418	730	15,416
Interest from States on cancelled Securities	7	10	4	2	2	1	26
Special Contributions by States	81	5	..	2	1	1	90
Interest on Investments, etc.	10	7	5	4	4	2	32
<b>Total Receipts</b>	<b>7,151</b>	<b>4,463</b>	<b>2,437</b>	<b>2,966</b>	<b>1,853</b>	<b>1,004</b>	<b>19,874</b>
<b>Expenditure—</b>							
Securities Repurchased and Redeemed in—							
Australia	6,833	4,156	2,419	2,410	1,943	895	18,656
London	33	84	33	179	..	..	329
New York	279	49	76	356	9	4	773
<b>Total Expenditure</b>	<b>7,145</b>	<b>4,289</b>	<b>2,528</b>	<b>2,945</b>	<b>1,952</b>	<b>899</b>	<b>19,758</b>
<b>Balance at 30th June, 1956</b>	<b>514</b>	<b>583</b>	<b>216</b>	<b>243</b>	<b>122</b>	<b>157</b>	<b>1,835</b>
<b>Face Value of Securities Repurchased and Redeemed in—</b>							
Australia	7,064	4,308	2,500	2,477	1,975	911	19,235
London	29	72	29	145	..	..	275
New York	129	22	36	163	4	2	356
<b>Total Face Value</b>	<b>7,222</b>	<b>4,402</b>	<b>2,565</b>	<b>2,785</b>	<b>1,979</b>	<b>913</b>	<b>19,866</b>

(ii) *All States, 1938-39 and 1951-52 to 1955-56.* The following table is a summary of the transactions of the National Debt Sinking Fund (State Account) for the years 1938-39 and 1951-52 to 1955-56:—

## NATIONAL DEBT SINKING FUND: STATE ACCOUNT.

(£'000.)

Item.	1938-39.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<i>Receipts—</i>						
Contributions under Financial Agreement—						
Commonwealth ..	1,478	2,557	3,011	3,463	3,947	4,310
States ..	4,327	10,325	11,362	12,357	13,680	15,416
Interest from States on cancelled Securities ..	15	41	49	45	18	26
Commonwealth Contributions under Federal Aid Roads and Works Act ..	69	..	..	..	..	..
Special Contributions by States ..	61	151	155	203	90	90
Interest on Investments, etc.	56	4	25	33	16	32
<i>Total Receipts ..</i>	<i>6,006</i>	<i>13,078</i>	<i>14,602</i>	<i>16,101</i>	<i>17,751</i>	<i>19,874</i>
<i>Expenditure—</i>						
Securities Repurchased and Redeemed in—						
Australia ..	4,008	9,280	10,602	13,576	14,540	18,656
London ..	1,722	474	973	1,362	898	329
New York ..	347	430	483	4,792	2,688	773
<i>Total Expenditure ..</i>	<i>6,077</i>	<i>10,184</i>	<i>12,058</i>	<i>19,730</i>	<i>18,126</i>	<i>19,758</i>
<i>Balance at 30th June ..</i>	<i>1,885</i>	<i>3,179</i>	<i>5,723</i>	<i>2,094</i>	<i>1,719</i>	<i>1,835</i>
<i>Face Value of Securities Repurchased and Redeemed in—</i>						
Australia ..	3,996	9,661	11,644	14,445	14,780	19,235
London ..	1,561	420	838	1,154	732	275
New York ..	285	220	241	2,214	1,236	356
<i>Total Face Value ..</i>	<i>5,842</i>	<i>10,301</i>	<i>12,723</i>	<i>17,813</i>	<i>16,748</i>	<i>19,866</i>

## E. TAXES ON INCOME.

NOTE.—The following section contains details of taxes on individuals and companies for the 1957-58 financial year.

1. *General.*—A description of the development of income taxes in Australia appeared in Official Year Book No. 35, p. 926. Since July, 1942, the Commonwealth, under the uniform tax arrangement, has been the only authority imposing taxes on income. Taxes on income are assessed and imposed under the Income Tax and Social Services Contribution Assessment Act 1936-1957 and the Income Tax and Social Services Contribution Act 1957. The latter Act is an annual measure and its primary purpose is to declare the rates of tax and contribution payable for the financial year. The rates for the financial year are levied, in the case of individuals, on the income of that year and, in the case of companies, on the income of the preceding year. Thus tax for the financial year 1957-58 is levied on the income of individuals in 1957-58 and on the income of companies in 1956-57.

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

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

Certain types of Australian income are exempt from tax in Australia, the more important being (i) pensions, child endowment and other payments under the Social Services Act 1947–1957 and the Tuberculosis Act 1948, (ii) income from gold-mining and uranium mining, (iii) twenty per cent. of certain mining profits, (iv) dividends paid out of exempt mining profits, and (v) income received from a scholarship, bursary or other education allowance.

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

The further tax on property income imposed on individuals in cases where the total taxable income exceeded £400 and the amount of property income exceeded £100 was discontinued from the 1953–54 financial year.

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

Because of uncongenial climatic conditions, isolation, and high cost of living, taxpayers living in certain areas are allowed an additional deduction. Two zones have been prescribed, and the allowances are Zone A, £180 and Zone B, £30. A deduction of £180 is also allowed to members of the defence forces serving for more than one half of the year of income at declared localities outside Australia.

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

4. **Concessional Deductions.**—Concessional allowances for dependants, medical expenses, life assurance and superannuation contributions, etc., are made by way of a deduction from income. The maximum deduction allowed for each dependant, for a parent or parent-in-law, or for a housekeeper employed by the taxpayer for the financial year 1957–58 is shown in the following table.

CONCESSIONAL DEDUCTIONS FOR DEPENDANTS, ETC.  
(£.)

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

(a) These deductions are allowed only if the dependant, parent or parent-in-law is a resident of Australia. If the dependant is maintained for part only of the year a partial deduction is allowed. (b) Of a widower or widow. (c) Child, step-child, brother or sister over 16 years of age. The amount of the deduction is reduced by any invalid pension received. (d) The amount of the deduction is reduced by the value of any assistance provided by the Commonwealth or a State.

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

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

For the 1957-58 financial year, medical expenses paid by a taxpayer who is a resident, in respect of himself or dependants, including children under 21 years of age, up to £150 for each person, are allowed as a concessional deduction. Medical expenses include payments made to a legally qualified medical practitioner, nurse or chemist, or a hospital, in respect of an illness or operation, payments for dental services not exceeding £30 for any one person, payment for therapeutic treatment and eye tests, expenditure on medical or surgical appliances, artificial limbs or eyes, hearing aids and spectacles, and the remuneration of an attendant of a person who is blind or confined to bed or invalid chair.

Other concessional deductions allowed to resident taxpayers include, (i) payments of life, etc., insurance premiums and contributions to superannuation funds and friendly societies, not exceeding an aggregate of £300, (ii) payments to medical or hospital benefits funds, (iii) funeral expenses of a dependant not exceeding £30 and (iv) expenditure incurred for the full-time education of children or dependants who are less than 21 years of age (maximum £100 per child or dependant).

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

**5. Effective Exemptions from Tax.**—For the financial years 1950-51 to 1957-58, resident taxpayers without dependants were exempt from Income Tax and Social Services Contribution if their income did not exceed £104. The effect of the deductions for dependants was to exempt taxpayers up to the incomes shown hereunder.

#### RESIDENT TAXPAYERS : EFFECTIVE EXEMPTIONS FROM TAX.

(£.)

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

For the 1957-58 financial year, an aged person (i.e., a man who has attained the age of 65 years or a woman who has attained the age of 60 years) is exempt from Income Tax and Social Services Contribution if his net income (i.e., gross income less expenses of earning that income) does not exceed £410. A married couple both of whom qualify by age for the concession, are exempt from tax if their combined net incomes do not exceed £819.

**6. Rates of Income Tax and Social Services Contribution on Individuals.**—The following table shows the rates of income tax and social services contribution for the financial years 1953-54 to 1957-58.

**INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—INDIVIDUALS : RATES  
OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—1953-54 TO 1957-58.**

Total Taxable Income.		1953-54.		1954-55 to 1957-58.	
Column 1.	Column 2.	Tax and Contribution on Amount in Column 1.	Tax and Contribution on each £1 of Balance of Income.	Tax and Contribution on Amount in Column 1.	Tax and Contribution on each £1 of Balance of Income.
Exceeding—	Not Exceeding—				
£	£	£ s. d.	d.	£ s. d.	d.
Nil	100.	Nil	1	Nil	1
100	150	0 8 4	4	0 8 4	3
150	200	1 5 0	9	1 0 10	7
200	250	3 2 6	13	2 10 0	11
250	300	5 16 8	17	4 15 10	15
300	400	9 7 6	22	7 18 4	20
400	500	18 10 10	28	16 5 0	26
500	600	30 4 2	33	27 1 8	30
600	700	43 19 2	38	39 11 8	34
700	800	59 15 10	42	53 15 0	38
800	900	77 5 10	46	69 11 8	42
900	1,000	96 9 2	50	87 1 8	46
1,000	1,200	117 5 10	56	106 5 0	52
1,200	1,400	163 19 2	64	149 11 8	59
1,400	1,600	217 5 10	71	198 15 0	65
1,600	1,800	276 9 2	78	252 18 4	71
1,800	2,000	341 9 2	85	312 1 8	77
2,000	2,400	412 5 10	93	376 5 0	85
2,400	2,800	567 5 10	100	517 18 4	92
2,800	3,200	733 19 2	107	671 5 0	99
3,200	3,600	912 5 10	114	836 5 0	105
3,600	4,000	1,102 5 10	121	1,011 5 0	111
4,000	4,400	1,303 19 2	128	1,196 5 0	117
4,400	5,000	1,517 5 10	136	1,391 5 0	124
5,000	6,000	1,857 5 10	144	1,701 5 0	132
6,000	8,000	2,457 5 10	151	2,251 5 0	139
8,000	10,000	3,715 12 6	158	3,409 11 8	145
10,000	16,000	5,032 5 10	165	4,617 18 4	152
16,000	upwards	9,157 5 10	168	8,417 18 4	160

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

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

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

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

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

8. **Taxes on Specified Incomes.**—The following table shows the Income Tax and Social Services Contribution payable by taxpayers, with various incomes and numbers of dependants, on income derived in each year from 1951-52 to 1957-58 :—

## COMMONWEALTH TAXES ON INCOME.

(£.)

Income.	Income Tax and Social Services Contribution.				
	1951-52 Financial Year.	1952-53 Financial Year.	1953-54 Financial Year.	1954-55 to 1956-57 Financial Years.	1957-58 Financial Year.
<b>INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH NO DEPENDANTS.</b>					
150 .. .. .	1.80	1.65	1.25	1.05	1.05
200 .. .. .	4.35	3.95	3.10	2.50	2.50
250 .. .. .	8.05	7.30	5.85	4.80	4.80
300 .. .. .	12.80	11.65	9.35	7.90	7.90
350 .. .. .	18.80	17.10	13.95	12.10	12.10
400 .. .. .	24.75	22.50	18.55	16.25	16.25
500 .. .. .	39.45	35.85	30.20	27.10	27.10
600 .. .. .	56.80	51.65	43.95	39.60	39.60
800 .. .. .	99.00	90.00	77.30	69.60	69.60
1,000 .. .. .	148.50	135.00	117.30	106.25	106.25
1,500 .. .. .	309.80	281.65	246.85	225.85	225.85
2,000 .. .. .	515.20	468.35	412.30	376.25	376.25
3,000 .. .. .	1,021.20	928.35	823.10	753.75	753.75
5,000 .. .. .	2,297.20	2,088.35	1,857.30	1,701.25	1,701.25

## INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE.

150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	1.70	1.55	0.75	0.65	0.50
300 .. .. .	4.10	3.75	2.00	1.60	1.25
350 .. .. .	7.70	7.00	4.20	3.60	2.80
400 .. .. .	12.45	11.30	7.25	6.05	5.25
500 .. .. .	24.25	22.05	15.80	13.75	12.65
600 .. .. .	38.85	35.30	26.70	23.85	22.40
800 .. .. .	76.15	69.25	55.05	49.50	47.65
1,000 .. .. .	121.90	110.80	90.70	81.85	79.55
1,500 .. .. .	271.85	247.15	209.30	191.35	188.26
2,000 .. .. .	469.40	426.75	366.25	334.55	330.35
3,000 .. .. .	964.00	876.35	765.15	700.10	694.75
5,000 .. .. .	2,224.70	2,022.45	1,783.60	1,634.10	1,627.35

## INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD.

150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	..	..	..	..	..
300 .. .. .	0.95	0.85	..	..	..
350 .. .. .	2.75	2.50	1.10	0.95	0.60
400 .. .. .	5.65	5.15	2.80	2.25	1.50
500 .. .. .	14.95	13.60	8.80	7.40	5.80
600 .. .. .	27.40	24.90	17.80	15.60	13.40
800 .. .. .	60.45	54.95	42.85	38.60	35.35
1,000 .. .. .	103.30	93.90	75.90	68.30	64.20
1,500 .. .. .	246.10	223.75	188.50	172.20	165.80
2,000 .. .. .	435.10	395.55	338.85	309.70	302.00
3,000 .. .. .	921.10	837.35	730.60	668.20	658.20
5,000 .. .. .	2,170.35	1,973.05	1,739.40	1,593.80	1,580.35

COMMONWEALTH TAXES ON INCOME—*continued*.

(£.)

Income.	Income Tax and Social Services Contribution.				
	1951-52 Financial Year.	1952-53 Financial Year.	1953-54 Financial Year.	1954-55 to 1956-57 Financial Years.	1957-58 Financial Year.
INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN.					
150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	..	..	..	..	..
300 .. .. .	..	..	..	..	..
350 .. .. .	0.90	0.80	..	..	..
400 .. .. .	2.65	2.40	1.10	0.90	..
500 .. .. .	9.55	8.70	5.30	4.35	2.55
600 .. .. .	20.70	18.80	13.05	11.25	8.00
800 .. .. .	50.90	46.30	35.70	32.10	27.20
1,000 .. .. .	91.50	83.20	66.80	60.10	53.90
1,500 .. .. .	228.90	208.15	174.60	159.40	149.85
2,000 .. .. .	413.45	375.85	321.95	294.35	282.80
3,000 .. .. .	893.70	812.45	708.95	648.25	633.30
5,000 .. .. .	2,134.15	1,940.15	1,709.95	1,566.90	1,546.75

## INCOME FROM PROPERTY.—TAXPAYER WITH NO DEPENDANTS.

150 .. .. .	1.80	1.65	1.25	1.05	1.05
200 .. .. .	4.35	3.95	3.10	2.50	2.50
250 .. .. .	8.05	7.30	5.85	4.80	4.80
300 .. .. .	12.80	11.65	9.35	7.90	7.90
350 .. .. .	18.80	17.10	13.95	12.10	12.10
400 .. .. .	24.75	22.50	18.55	16.25	16.25
500 .. .. .	44.95	40.85	30.20	27.10	27.10
600 .. .. .	67.80	61.65	43.95	39.60	39.60
800 .. .. .	121.00	110.00	77.30	69.60	69.60
1,000 .. .. .	181.50	165.00	117.30	106.25	106.25
1,500 .. .. .	379.50	345.00	246.85	225.85	225.85
2,000 .. .. .	621.50	565.00	412.30	376.25	376.25
3,000 .. .. .	1,200.85	1,091.70	823.10	753.75	753.75
5,000 .. .. .	2,586.85	2,351.70	1,857.30	1,701.25	1,701.25

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

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



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

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

(b) *Taxpayers with Income other than Salary and Wages.* These taxpayers pay provisional tax in respect of income other than salary and wages. Collection of tax and contribution for the current year is made at the same time as collection and assessment for the previous year is adjusted. The notice of assessment shows an amount of provisional tax and contribution for the current year. This provisional amount is an approximation to the tax and contribution which will be payable after the return of income for the current year has been lodged. It is ascertained by assuming that the income of the current year will be the same as that for the previous year (for which a return has already been lodged) but the rates for the current year are applied to the income and not the rates for the year in which it was derived. The assessment notice shows the provisional tax and contribution paid in the previous year as a credit against the tax and contribution assessed on the basis of the return for that year. On receipt of his assessment the taxpayer may elect to substitute his estimate of income for the current year and pay tax on the basis of this estimate. To protect the revenue, a penalty is imposed if the taxpayer elects to pay provisional tax on an estimate of income more than 20 per cent. lower than the income of the previous year and he underestimates his income by more than 20 per cent.

Employees with income of £100 or more from sources other than salaries and wages are required to pay provisional tax in respect of that income.

**10. Lodgment of Returns and Assessment of Tax.**—All persons with assessable income in excess of £104 are required to lodge returns by the 31st July each year (31st August for business incomes). Income Tax and Social Services Contribution payable is assessed, and assessment notices showing the amount payable are issued, during the year following the year of income (in most cases from September to June following the lodgment of the return). The approximate amount payable, however, has already been collected during the income year—from employees by deductions from wages and from non-employees by a provisional tax. The amount shown on the assessment notice is therefore adjusted against the amount already collected and any difference either collected or refunded.

**11. Company Income Taxes.**—(i) *General.* For taxation purposes, companies are divided into two main groups—public and private. A private company is defined as a company in which all the issued shares are held by not more than twenty persons or which is capable of being controlled by not more than seven persons, and which is not a company in which the public is substantially interested or a subsidiary of a public company. All

other companies are regarded as public companies. Both public and private companies pay primary Income Tax and Social Services Contribution assessed on a taxable income ascertained by the same principles as for individuals.

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

(ii) *Rates of Tax.* The rates of Primary Tax, in the case of public companies, and Primary and Additional Tax for private companies, for the financial years 1953–54 to 1957–58, are shown in the table below.

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

# RATES OF TAX : COMPANIES, 1953-54 TO 1957-58 FINANCIAL YEARS.

(Pence per £.)

Type of Company	Rate of Income Tax and Social Services Contribution—						Rate of Additional Tax on Undistributed Income.
	1953–54 to 1955–56.		1956–57.		1957–58.		1953–54 to 1957–58.
	Up to £5,000.	On Remainder of Taxable Income.	Up to £5,000.	On Remainder of Taxable Income.	Up to £5,000.	On Remainder of Taxable Income.	Undistributed Amount—Additional Tax.
Private .. ..	48	72	60	84	54	78	120
Co-operative .. ..	60	84	72	96	66	90	..
Non Profit(a)—							
Friendly Society Dispen-							
saries .. ..	60	84	72	96	66	66	..
Other(b) .. ..	60	84	72	96	66	90	..
Life Assurance—							
Mutual .. ..	48	72	60	84	54	78	..
Other—							
(1) Mutual Income ..	48	72	60	84	54	78	..
(2) Other Income(c) ..	(d) 72	84	(d) 84	96	(d) 78	90	..
Other .. ..	(d) 72	84	(d) 84	96	(d) 78	90	..
Interest paid to a Non Resi-							
dent(e) .. ..	84	84	96	96	90	90	..

(a) Incomes not exceeding £104 are exempt from tax. (b) Where the taxable income does not exceed £208 (1953–54 to 1955–56), £228 (1956–57) or £231 (1957–58) the tax may not exceed one half (1953–54 to 1955–56, 1957–58) or eleven-twentieths (1956–57) of the amount by which the taxable income exceeds £104. (c) The rate of 72d. (1953–54 to 1955–56), 84d. (1956–57) or 78d. (1957–58) is levied on the amount by which the £5,000 exceeds the mutual income. (d) For non-resident companies dividends included in this part of the taxable income are taxed at 60d. (1953–54 to 1955–56), 72d. (1956–57) and 66d. per £1 (1957–58). (A resident company is allowed a rebate of tax in respect of dividends received.) (e) If the non-resident is not a company, tax is paid only on income in excess of £104.

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

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

For the financial years 1953-54 to 1957-58, the retention allowance is the following proportion of the reduced distributable income :—

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

For the financial years 1953-54 to 1957-58, the reduced distributable income is calculated by deducting from the taxable income the primary tax payable and the amount of all property income included in taxable income. The additional tax imposed on undistributed income was imposed at a flat rate of 10s. in the £1 on the undistributed amount.

12. *Yield of Income Taxes.*—(i) *Collections from Income Taxes.* The following table shows the collections of taxes imposed on income for the years 1938-39 and 1951-52 to 1955-56 :—

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

Year.	Total.		
	Common-wealth.(a)	State.(b)	Total.
1938-39 .. .. .	11,883	29,796	41,679
1951-52 .. .. .	551,142	155	551,297
1952-53 .. .. .	554,737	132	554,869
1953-54 .. .. .	528,181	92	528,273
1954-55 .. .. .	532,916	52	532,968
1955-56 .. .. .	573,988	74	574,062

(a) Includes Social Services Contribution, War Time (Company) Tax, Super Tax, Undistributed Profits Tax and Wool Deduction. (b) Amounts shown for years other than 1938-39 are arrears of State Income Taxes.

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

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

Tax.	1939-40.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.
<b>Individuals—</b>						
Income Tax and Social Services Contribution .. .. .	(a) 7,423	637,742	340,175	351,147	320,174	316,027
<b>Companies—</b>						
Income Tax .. .. .	8,041	156,163	151,246	119,348	158,887	174,997
Additional Tax on Undistributed Income of Private Companies .. .. .	688	11,219	5,824	4,266	4,001	3,654
<b>Total .. .. .</b>	<b>16,152</b>	<b>544,124</b>	<b>497,245</b>	<b>474,761</b>	<b>483,062</b>	<b>494,678</b>

(a) Income Tax.

(b) Includes assessments issued to 30th June, 1955.

(iii) *Commonwealth Income Tax and Social Services Contribution, 1955-56 Assessment Year.* The following tables show, for the 1955-56 assessment year, details of the number of taxpayers, income, and net income tax and social services contribution assessed for individuals and resident and non-resident companies.

**COMMONWEALTH INCOME TAX AND SOCIAL SERVICES CONTRIBUTION :  
1955-56 ASSESSMENT(a)—NUMBER OF TAXPAYERS, ACTUAL INCOME,  
TAXABLE INCOME AND NET INCOME TAX AND SOCIAL SERVICES CON-  
TRIBUTION ASSESSED—INDIVIDUALS.**

(Incomes derived in year 1954-55.)

Grade of Actual Income(b) and State or Territory of Assessment.	Number of Taxpayers.			Actual Income.	Taxable Income.			Net Income Tax and Social Services Contri- bution Assessed.
	Males.	Females.	Total.	Total.	Salary and Wages.	Other Income.	Total.	
£	No.	No.	No.	£'000.	£'000.	£'000.	£'000.	£'000.
105- 200 ..	56,298	108,510	164,808	25,561	20,623	3,981	24,604	214
201- 300 ..	82,800	134,163	216,963	54,614	43,014	8,107	51,121	965
301- 400 ..	101,405	147,074	248,479	87,288	67,189	12,799	79,988	2,521
401- 500 ..	115,640	164,587	280,227	126,709	95,088	18,759	113,847	4,964
501- 600 ..	136,468	185,641	322,109	176,936	132,756	23,596	156,352	8,521
601- 700 ..	204,466	110,477	314,943	205,381	144,319	27,583	171,902	10,737
701- 800 ..	348,163	57,837	406,000	305,215	212,737	31,015	243,752	16,723
801- 900 ..	386,446	30,781	417,227	354,658	245,737	32,457	278,194	21,440
901- 1,000 ..	326,177	17,229	343,406	325,540	221,228	32,331	253,559	21,132
1,001- 1,100 ..	246,270	11,654	257,924	270,098	177,520	30,942	208,462	18,897
1,101- 1,200 ..	166,808	7,904	174,712	200,414	124,942	29,229	154,171	15,032
1,201- 1,300 ..	112,172	6,397	118,569	147,878	87,357	27,378	114,735	12,084
1,301- 1,400 ..	74,997	4,894	79,891	107,618	58,936	25,069	84,005	9,478
1,401- 1,500 ..	52,959	3,876	56,835	82,264	41,072	23,563	64,635	7,787
1,501- 2,000 ..	122,837	11,994	134,831	229,309	89,257	95,844	185,101	26,067
2,001- 3,000 ..	70,096	9,647	79,743	191,412	41,817	120,738	162,555	30,953
3,001- 4,000 ..	25,032	3,768	28,800	98,899	15,843	71,216	87,059	21,499
4,001- 5,000 ..	11,789	1,803	13,592	60,428	9,093	45,098	54,191	15,799
5,001-10,000 ..	14,963	2,465	17,428	115,005	15,767	89,015	104,782	39,381
10,001-15,000 ..	2,214	378	2,592	30,764	3,810	24,499	28,309	13,441
15,001 and over	1,231	240	1,471	36,076	3,314	27,922	31,236	17,469
<i>Total Residents</i>	<i>2,659,231</i>	<i>1,021,319</i>	<i>3,680,550</i>	<i>3,232,067</i>	<i>1,851,419</i>	<i>801,141</i>	<i>2,652,560</i>	<i>314,734</i>
Central Office ..	8,144	4,725	12,869	39,311	5,709	28,982	34,691	12,323
New South Wales ..	987,051	394,737	1,381,788	1,220,194	737,416	266,861	1,004,277	117,501
Victoria ..	753,327	316,652	1,069,979	936,299	547,813	227,485	775,298	89,807
Queensland ..	377,391	122,105	499,496	420,245	214,788	121,481	336,269	39,174
South Australia ..	245,589	87,820	333,409	293,754	159,382	82,547	241,929	27,638
Western Australia ..	186,821	62,118	248,939	209,591	118,006	51,714	169,720	18,864
Tasmania ..	85,505	28,129	113,634	92,946	54,937	19,500	74,437	7,579
Nor. Territory ..	4,837	1,213	6,050	6,059	3,967	870	4,837	556
Aust. Cap. Terr.	10,566	3,820	14,386	13,668	9,401	1,701	11,102	1,292
<i>Total Residents</i>	<i>2,659,231</i>	<i>1,021,319</i>	<i>3,680,550</i>	<i>3,232,067</i>	<i>1,851,419</i>	<i>801,141</i>	<i>2,652,560</i>	<i>314,734</i>
<i>Total Non-Res- idents</i> ..	<i>2,547</i>	<i>2,547</i>	<i>5,094</i>	<i>6,598</i>	<i>620</i>	<i>5,444</i>	<i>6,064</i>	<i>1,293</i>
<b>Grand Total</b>	<b>2,661,778</b>	<b>1,023,866</b>	<b>3,685,644</b>	<b>3,238,665</b>	<b>1,852,039</b>	<b>806,585</b>	<b>2,658,624</b>	<b>316,027</b>

(a) Assessments in respect of 1954-55 incomes issued to 30th September, 1956. 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".

**COMMONWEALTH INCOME TAX AND SOCIAL SERVICES CONTRIBUTION,  
1955-56 ASSESSMENT(a)—NUMBER OF TAXPAYERS, ACTUAL INCOME,  
TAXABLE INCOME AND NET TAX ASSESSED—RESIDENT AND NON-  
RESIDENT COMPANIES.**

(Incomes derived in 1954-55.)

Grade of Taxable Income.(b) and State or Territory of Assessment.				Number of Taxpayers.	Actual Income.	Taxable Income.	Net Tax Assessed.(c)
£	£			No.	£'000.	£'000.	£'000.
1-	5,000	..	..	20,022	39,231	30,733	6,188
5,001-	10,000	..	..	4,311	31,686	30,579	6,980
10,001-	20,000	..	..	2,945	42,161	41,077	10,601
20,001-	50,000	..	..	2,166	70,504	67,782	18,749
50,001-	100,000	..	..	916	64,400	63,150	18,044
100,001-	200,000	..	..	518	73,964	71,020	20,620
200,001-	500,000	..	..	303	93,873	91,941	26,662
500,001-	1,000,000	..	..	70	51,638	47,169	14,751
1,000,001	and over	..	..	73	191,529	173,984	52,402
<i>Total</i>				<i>31,324</i>	<i>658,986</i>	<i>617,435</i>	<i>174,997</i>
Central Office				3,037	332,599	301,737	89,080
New South Wales				12,652	135,931	132,672	35,815
Victoria				8,433	95,564	92,997	25,049
Queensland				2,158	33,383	31,731	9,368
South Australia				2,905	32,849	32,071	8,114
Western Australia				1,280	18,628	16,448	4,772
Tasmania				687	8,978	8,851	2,638
Northern Territory				35	241	184	44
Australian Capital Territory				137	813	744	117
<i>Total</i>				<i>31,324</i>	<i>658,986</i>	<i>617,435</i>	<i>174,997</i>

(a) Assessments in respect of 1954-55 incomes issued to 31st December, 1956. Assessments issued after that date are not included. (b) Taxable income is the income remaining after deducting from assessable income all allowable deductions. (c) Excludes additional tax levied on the undistributed income of Private Companies £3,654,000.

(iv) *Commonwealth Income Tax on Residents—Grades of Income.*—Individual income taxes assessed on residents are distributed according to grades of actual income in the following table. The year shown in each case refers to the year in which assessment was made, i.e., the year following the income year. The figures relate only to assessments made on the income of the previous year during the normal assessing period. Assessments issued after the normal assessing period are not included.

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

Grade of Actual Income.(b)	1939-40.		1952-53.(a)		1953-54.(a)		1954-55.(a)		1955-56.(a)	
	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.	No. of Tax-payers.	Tax.
£      £		£'000.		£'000.		£'000.		£'000.		£'000.
105- 200			200,711	434	171,542	333	166,549	258	164,808	214
201- 300	(c) 47,732	27	270,729	1,985	236,185	1,545	220,238	1,181	216,963	965
301- 400	104,210	126	307,080	4,860	267,598	3,790	247,650	2,903	248,479	2,521
401- 500	68,168	182	363,271	9,569	309,511	7,403	281,456	5,614	280,227	4,984
501- 600	38,939	197	371,461	13,350	338,499	11,574	329,867	9,645	322,109	8,521
601- 700	d 29,912	294	486,388	22,031	386,310	16,830	339,308	12,540	314,943	10,737
701- 800			434,711	24,955	512,708	27,291	472,930	21,129	406,000	16,723
801- 900	e 23,070	460	306,206	21,846	387,149	25,140	428,201	23,229	417,227	21,140
901- 1,000			196,872	17,093	248,599	19,636	308,464	20,564	343,406	21,132
1,001- 1,100									257,924	18,807
1,101- 1,200	f 10,922	372	214,482	25,203	290,659	30,365	382,728	33,422	174,712	15,032
1,201- 1,300									118,569	12,084
1,301- 1,400	g 6,281	306	80,306	14,657	106,361	16,915	134,385	17,922	79,891	9,478
1,401- 1,500									56,835	7,787
1,501- 2,000	7,987	691	72,535	21,019	86,565	22,042	101,130	21,930	134,831	26,067
2,001- 3,000	4,549	686	56,460	31,511	65,865	32,713	70,043	30,330	79,743	30,953
3,001- 4,000	2,045	615	23,868	24,598	27,722	25,628	27,762	22,690	28,800	21,499
4,001- 5,000	984	484	12,018	19,168	13,877	19,983	13,155	16,681	13,592	15,799
5,001-10,000	1,298	1,321	15,086	47,391	17,527	49,956	16,995	42,617	17,428	39,381
10,001-15,000	205	504	2,354	17,027	2,624	17,022	2,795	16,212	2,592	13,441
15,001-30,000	(h) 92	393	1,091	14,357	1,302	15,094	1,286	13,716	1,246	11,857
30,001-50,000	(i) 39	316	164	4,196	200	4,383	185	3,993	157	2,877
50,001 and over	8	141	68	3,680	63	2,412	57	2,532	68	2,735
<b>Total ..</b>	<b>346,441</b>	<b>7,115</b>	<b>3,415,861</b>	<b>338,930</b>	<b>3,470,866</b>	<b>350,055</b>	<b>3,545,184</b>	<b>319,108</b>	<b>3,680,550</b>	<b>314,734</b>

(a) Includes Social Services Contribution. (b) Actual income is defined briefly as "Gross Income including exempt income less expenses incurred in gaining that income". (c) Grade £251-£300.  
 (d) Grade £601-£750. (e) Grade £751-£1,000. (f) Grade £1,001-£1,250. (g) Grade £1,251-£1,500.  
 (h) Grade £15,001-£25,000. (i) Grade £25,001-£50,000.