

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. 775–778 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. Excess receipts in these years amounted to one or two million pounds a year, and were utilized for a variety of purposes, e.g., for debt redemption, naval construction, main roads, science

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

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

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

During the years 1951-52 to 1954-55, 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 and £56.3 million and £70.1 million to the Debt Redemption 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 1954-55 were £1,067 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 1950-51 to 1954-55. Taxation constitutes the main source of Commonwealth revenue e.g. 87.8 per cent. in 1954-55.

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

Source.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Taxation</i>	74,111	777,187	934,011	895,464	900,450	937,608
Per head of population ..	£10 13 9	£93 12 0	£109 10 4	£102 10 6	£101 3 5	£103 2 11
<i>Business Undertakings</i> ..	17,892	48,792	64,955	70,933	75,126	80,270
Per head of population ..	£2 11 9	£5 17 6	£7 12 4	£8 2 5	£8 8 10	£8 16 6
<i>Territories(a)</i>	356	1,150	1,558	1,779	2,195	2,419
Per head of population ..	£0 1 0	£0 2 10	£0 3 8	£0 4 1	£0 4 11	£0 5 4
<i>Other Revenue</i> —						
Interest, etc.	1,144	2,756	3,795	5,415	8,797	12,428
Coinage	128	499	895	310	750	725
Defence	151	702	499	2,188	2,809	4,106
Atomic Energy Commission ..	..	..	..	1,174	2,791	1,082
Civil Aviation	6	3,504	3,247	3,501	4,313	4,644
Health	18	31	51	43	80	86
Patents, Trade Marks, etc. . .	68	128	143	183	187	211
Bankruptcy	31	23	27	31	49	54
Wartime Trading Profits—						
Wool .. .. .	..	..	..	42,361	..	..
Commerce and Agriculture ..	..	..	34	121	106	..
Shipping and Transport .. .	158	282	260	255	391	321
Net Profit on Australian Note Issue	767	3,394	3,381	4,861	5,707	5,516
Surplus Balances of Trust Accounts .. .. .	..	1,034	179	761	4,190	8,237
Australian Shipping Board Transfer of Surplus Funds ..	..	..	..	..	4,000	..
Joint Coal Board—Repayment of Advances .. .. .	..	..	..	500	3,342	3,550
Other	235	2,288	3,793	10,187	7,507	6,244
<i>Total</i>	2,706	14,663	16,304	71,891	45,019	47,204
Per head of population ..	£0 7 9	£1 15 4	£1 18 2	£8 4 7	£5 1 2	£5 3 10
<i>Grand Total</i>	95,065	841,792	1,016,828	1,040,067	1,022,790	1,067,441
Per head of population ..	£13 14 3	£101 7 8	£119 4 6	£119 1 7	£114 18 4	£117 8 7

(a) Excludes Railways.

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on p. 765.

2. Taxation.—(i) *Total Collections.* (a) *Amount.* Collections under each heading for the years 1938–39 and 1950–51 to 1954–55 are shown below :—

COMMONWEALTH TAXATION : TOTAL NET COLLECTIONS.

(£'000.)

Heading.	1938–39.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
Customs	31,161	91,921	113,936	70,720	94,757	101,254
Excise	16,472	73,083	99,981	113,104	125,460	143,149
Sales Tax	9,308	57,173	95,459	89,067	95,689	100,446
Land Tax	1,489	3,591	6,199	1,250	221	13
Pay-roll Tax .. .. .	..	28,721	37,170	40,171	40,384	41,455
Income Taxes(a)	11,883	451,488	551,142	554,737	528,181	532,916
Estate Duty	1,915	6,401	7,778	8,393	9,825	9,614
Gift Duty .. .. .	..	1,044	1,202	1,162	1,386	1,618
Entertainments Tax .. .. .	..	5,148	6,161	6,708	1,977	—2
Special Industry Taxes(b)	1,883	58,617	14,983	10,152	2,570	7,145
Total Taxation	74,111	777,187	934,011	895,464	900,450	937,608

(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 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 1950–51 to 1954–55 :—

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

(Per Cent.)

Heading.	1938–39.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
Customs	42.1	11.8	12.2	7.9	10.5	10.8
Excise	22.3	9.4	10.7	12.6	13.9	15.3
Sales Tax	12.6	7.4	10.2	10.0	10.6	10.7
Land Tax	2.0	0.5	0.7	0.2	..	..
Pay-roll Tax .. .. .	..	3.7	4.0	4.5	4.5	4.4
Income Taxes(a)	16.0	58.1	59.0	61.9	58.7	56.8
Estate Duty	2.6	0.8	0.8	0.9	1.1	1.0
Gift Duty .. .. .	..	0.1	0.1	0.1	0.2	0.2
Entertainments Tax .. .. .	..	0.7	0.7	0.8	0.2	..
Special Industry Taxes(b)	2.4	7.5	1.6	1.1	0.3	0.8
Total Taxation	100.0	100.0	100.0	100.0	100.0	100.0

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

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

(ii) *Customs Revenue.* Particulars of net customs receipts for the years 1938–39 and 1950–51 to 1954–55 are shown in the following table :—

COMMONWEALTH CUSTOMS REVENUE : CLASSIFICATION OF NET RECEIPTS.

(£'000.)

Classes.	1938–39.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
Ales, spirits and beverages ..	1,165	1,890	2,751	1,999	2,344	2,743
Tobacco and manufactures ..	3,256	20,830	24,996	19,199	18,890	15,813
Agricultural products and groceries ..	1,373	1,697	1,806	1,217	1,682	1,967
Textiles and attire ..	2,801	9,894	12,842	3,242	10,569	12,698
Metals and machinery ..	2,386	8,574	14,342	6,843	9,775	12,858
Oils, paints, etc. ..	9,927	23,720	25,915	25,601	27,222	22,763
Earthenware, etc. ..	510	1,467	2,188	660	1,613	2,320
Drugs and chemicals ..	310	758	941	313	655	914
Wood, wicker and cane ..	739	488	695	307	1,035	1,612
Jewellery and fancy goods ..	481	2,530	2,908	1,138	2,596	3,524
Leather and rubber ..	477	1,535	2,044	744	1,275	1,701
Paper and stationery ..	454	545	934	324	874	1,390
Vehicles ..	2,062	7,804	8,902	2,178	5,736	9,662
Miscellaneous articles ..	1,056	1,749	2,497	330	1,821	2,490
Primage ..	3,914	8,206	9,296	6,181	8,004	8,130
Other receipts ..	250	234	879	444	666	669
Total	31,161	91,921	113,936	70,720	94,757	101,254

(iii) *Excise Revenue.* Net excise receipts for the years 1938–39 and 1950–51 to 1954–55 were as follows :—

COMMONWEALTH EXCISE REVENUE : CLASSIFICATION OF NET RECEIPTS.

(£'000.)

Particulars.	1938–39.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
Beer	7,289	37,243	56,941	65,826	71,060	76,362
Spirits	1,604	8,129	8,890	6,680	6,355	6,496
Tobacco	3,868	10,759	13,845	16,036	16,211	15,141
Cigars and cigarettes ..	2,419	10,662	13,848	17,890	23,081	29,030
Cigarette papers ..	531	1,166	1,085	1,019	1,072	1,007
Petrol	582	3,065	3,419	3,823	5,549	12,898
Matches	82	1,213	1,058	955	1,083	1,096
Playing cards	11	63	55	40	53	51
Coal .. ..	..	375	499	552	579	600
Miscellaneous	86	408	341	283	417	468
Total	16,472	73,083	99,931	113,104	125,460	143,149

(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 for use in primary production. The most recent exemptions were those granted from 19th August, 1954.

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 1935–1954. These schedules

set out details of goods exempt from sales tax and those subject to special rates. The general and special rates which operated from 15th November, 1946, were :—

Period.	General Rate.	Special Rates.
15th November, 1946 to 7th September, 1949 ..	10 per cent. ..	25 per cent.
8th September, 1949 to 12th October, 1950 ..	8½ per cent. ..	25 per cent.
13th October, 1950 to 26th September, 1951 ..	8½ per cent. ..	10, 25 and 33½ per cent.
27th September, 1951 to 6th August, 1952 ..	12½ per cent. ..	20, 25, 33½, 50 and 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.
From 15th March, 1956	12½ per cent. ..	10, 16½, 25 and 30 per cent.

For particulars of rates applicable since the inception of Sales Tax in August, 1930, 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 1954-55, 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. 755, because the latter include some adjustments in respect of earlier years tax and would 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, 1954-55.
(£'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. ..	57,242	43,293	15,316	14,111	8,330	2,307	21	140,620
12½ per cent. ..	165,903	119,652	55,508	43,588	28,360	8,357	239	421,607
16½ per cent. ..	80,758	60,956	23,898	27,214	10,129	1,745	13	204,713
Total ..	<u>303,903</u>	<u>223,901</u>	<u>94,722</u>	<u>84,913</u>	<u>46,819</u>	<u>12,409</u>	<u>273</u>	<u>766,940</u>
Sales of Exempt Goods by Registered Persons ..	670,759	501,918	216,580	150,304	111,255	46,370	2,156	1,699,342
Total Sales of Taxable and Exempt Goods ..	974,662	725,819	311,302	235,217	158,074	58,779	2,429	2,466,282
Sales Tax Payable ..	40,467	29,445	12,453	11,396	6,066	1,566	34	101,427

(a) Includes Australian Capital Territory.

Sales of taxable and exempt goods and sales tax payable for Australia as a whole, are shown in the following table for the years 1938-39 and 1950-51 to 1954-55:—

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
1950-51	552,919	1,138,887	1,691,806	54,471
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

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 1935–1954. 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 1950–51 to 1954–55 were as follows :—1938–39, £1,489,000 ; 1950–51, £3,591,000 ; 1951–52, £6,199,000 ; 1952–53, £1,250,000 ; 1953–54, £221,000 ; 1954–55, £13,000.

(d) *Pay-roll Tax.* The Pay-roll Tax Assessment Act 1941–1942 and the Pay-roll Tax Act 1941 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 and to £120 per week (£6,240 per annum) from 1st September, 1954.

Receipts from pay-roll tax for the years 1950–51 to 1954–55 were, 1950–51, £28,721,000 ; 1951–52, £37,170,000 ; 1952–53, £40,171,000 ; 1953–54, £40,384,000 ; 1954–55, £41,455,000.

(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 was—1950–51, £109,531,000 ; 1951–52, £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 and the rates imposed prior to October, 1953 are given in earlier issues of the Year Book (see No. 40, p. 670).

Estate duty, under the Estate Duty Assessment Act 1914–1953, operative from 28th October, 1953 is assessed on the net value of the estate less a statutory exemption determined in accordance with the following formula :—(a) where the whole of the estate passes to the widow, children or grand-children of the deceased, the sum of £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).

This Act also provides, from 27th June, 1950, for a special deduction of £5,000 from the value of estates of persons who served in Korea or Malaya.

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 1950-51 to 1954-55 were as follows :—1938-39, £1,915,000 ; 1950-51, £6,401,000 ; 1951-52, £7,778,000 ; 1952-53, £8,393,000 ; 1953-54, £9,825,000 ; 1954-55, £9,614,000.

Particulars of the number and value of estates and duty assessed, for each of the assessment years 1938-39 and 1950-51 to 1954-55, are given in the following table :—

ESTATE DUTY ASSESSMENTS.

Particulars.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Number of Estates	9,681	15,680	16,289	19,663	19,621	12,878
Gross Value Assessed	£'000 65,699	134,074	144,073	175,672	187,905	176,853
Deductions	£'000 12,630	22,714	22,083	27,795	31,010	30,136
Statutory Exemption	£'000	18,175	18,672	22,566	22,976	23,290
Dutiable Value	£'000 53,069	93,185	103,318	125,311	133,919	123,427
Duty Payable	£ 2,002,283	6,933,608	7,797,967	9,248,925	10,088,841	10,309,838
Average dutiable value	£ 5,482	5,943	6,343	6,373	6,825	9,584
Average duty per estate	£ 207	442	479	470	514	801

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

The following rates of duty are levied under the Gift Duty Act 1941-1947 and relate to the value of all gifts made 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 1950-51 to 1954-55 were as follows :—1950-51, £1,044,000 ; 1951-52, £1,202,000 ; 1952-53, £1,162,000 ; 1953-54, £1,386,000 ; 1954-55, £1,618,000.

(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 five years 1950-51 to 1953-54 were as follows :—1950-51, £5,148,000 ; 1951-52, £6,161,000 ; 1952-53, £6,708,000 ; 1953-54, £1,977,000. In 1954-55, there was an excess of refunds over payments of £2,000.

(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 per 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, 1954. 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 and 1954-55 were £675,000, £772,000 and £784,000 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 are 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 1950-51 to 1952-53 were as follows :—1950-51, £44,844,000, 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 £13,353,000 in 1950-51, £12,202,000 in 1951-52, £8,139,000 in 1952-53, nil in 1953-54, and £5,063,000 in 1954-55.

(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 :—1950-51, £76,000 ; 1951-52, £72,000 ; 1952-53, £166,000 ; 1953-54, £168,000 ; and 1954-55, £300,000.

(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. per man-hour ; 11th December, 1951, an increase to 4d. per man-hour ; 28th October, 1952, an increase to 11d. per man-hour and from 4th May, 1954, a reduction to 6d. per man-hour.

Collections during the years 1950-51 to 1954-55 were as follows :—1950-51, £420,000 ; 1951-52, £551,000 ; 1952-53, £1,144,000 ; 1953-54, £1,630,000 ; and 1954-55, £998,000.

(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.

3. *Business Undertakings.*—(i) *Postmaster-General's Department.* Particulars of net receipts for each of the financial years 1938–39 and 1950–51 to 1954–55 are contained in the following table :—

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

Particulars.	1938–39.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
Private boxes and bags ..	74	144	164	169	175	180
Commission on money orders and postal notes	289	472	827	859	887	862
Telegraphs	1,372	4,442	5,066	4,547	4,710	4,934
Telephones	8,040	22,667	31,059	35,177	37,113	40,402
Postage	6,636	16,020	20,687	21,821	22,893	24,139
Radio	516	(a)	(a)	(a)	(a)	(a)
Miscellaneous	439	1,032	1,568	1,825	2,020	2,308
Total	17,366	44,777	59,371	64,398	67,798	72,825

(a) Included under Broadcasting Services.

Further particulars of the Postmaster-General's Department's receipts to 1954–55 are given in Chapter XI.—Transport and Communication (Part 2, Division A. Posts, Telegraphs, Telephones and Wireless).

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

Details of net receipts for the years 1950–51 to 1954–55 are shown in the following table :—

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

Particulars.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
Listeners' Licence Fees	1,943	2,776	3,770	3,827	3,832
Broadcasting Station Licence Fees	18	20	23	25	27
Miscellaneous	10	9	13	15	16
Total	1,971	2,805	3,806	3,867	3,875

(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 1950–51 to 1954–55 :—

COMMONWEALTH RAILWAY REVENUE.
(£'000.)

Railway.	1938–39.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
Trans-Australian	331	1,175	1,479	1,372	1,825	1,928
Central Australia	138	816	1,241	1,290	1,553	1,483
North Australia	50	38	49	42	68	70
Aust. Cap. Territory	7	15	10	25	15	29
Total	526	2,044	2,779	2,729	3,461	3,510

Further particulars to 1954-55 are given in Chapter XI.—Transport and Communication (Division B. Government Railways).

4. **Other Sources of Revenue.**—Revenue derived by the Consolidated Revenue Fund from the Territories of the Commonwealth during 1954-55 amounted to £2,419,000 (Australian Capital Territory, £1,776,000; Northern Territory, £643,000). Of other sources of revenue, amounting in 1954-55 to £47,199,000, the following are noteworthy:—Interest, £12,428,000; Civil Aviation, £4,644,000; Net Profit on Australian Note Issue, £5,516,000; Joint Coal Board—Repayment of Advances £3,550,000 and Surplus Balances of Trust Accounts, £8,237,000.

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 1950-51 to 1954-55.

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

Department, etc.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Defence Services(a)	7,579	73,455	125,008	173,699	162,148	153,791
War (1914-18 and 1939-45) and Repatriation Services	19,257	129,622	105,891	117,832	120,262	120,325
Subsidies and Bounties	236	40,537	31,341	25,332	21,320	21,539
Cost of Departments(b)	9,229	60,505	71,006	74,094	71,664	78,675
National Welfare Fund	(c) 16,428	132,680	171,709	165,511	176,565	189,319
National Debt Sinking Fund Special Payment (Surplus) .. ..	..	..	98,500	..	..	..
Business Undertakings—						
Postmaster-General	14,878	54,802	64,291	69,917	72,244	76,246
Broadcasting Services	(d)	3,591	4,135	4,556	4,684	4,871
Railways(e)	1,331	3,063	3,491	3,390	3,527	3,622
Territories(f)	1,100	8,276	9,773	9,838	11,153	12,971
Capital Works and Services—						
Defence	1,349	75,138	45,126	42,317	28,513	33,003
Repatriation	141	(g) 342	27,861	28,167	27,073	30,131
Postmaster-General	3,851	34,897	28,819	28,427	25,986	25,839
Broadcasting Services	(d)	212	251	202	281	273
Railways	142	1,461	2,637	4,746	3,382	3,100
Territories	739	5,085	5,153	4,821	4,511	5,168
Other(h)	493	31,050	45,152	35,927	31,467	29,455
Payments to or for States(i)	15,669	128,459	161,701	184,204	195,648	200,729
Other Expenditure(j)	2,015	58,617	14,983	53,687	6,091	8,233
Grand Total	94,437	841,792	1,016,828	1,026,667	(l) 966,519	m 997,290
Per Head of Population	£ s. d. 13 12 5	£ s. d. 101 7 8	£ s. d. 119 4 6	£ s. d. 117 10 11	£ s. d. 108 11 10	£ s. d. 109 14 3

(a) Excludes debt charges and Defence Division of the Department of the Treasury. (b) Includes Railway Fare and Freight Concessions. (c) Invalid and Age Pensions and Maternity Allowances. (d) Provided in part from Postmaster-General's Department votes and balance from Broadcasting Trust Account. (e) Excludes Railway Fare and Freight Concessions and Contribution to South Australia (Port Augusta to Port Pirie Railway Act). (f) Includes Northern Territory Railway Freight Concessions. (g) In addition, £24,911,000 was provided from Loan Fund. (h) Excludes Tuberculosis Act 1948—Reimbursement of capital expenditure to States. (i) Includes Tuberculosis Act 1948—Reimbursement of capital expenditure to States. (j) Includes assistance to primary producers. (k) Excludes surplus £13,400,000 transferred to War Pensions Trust Account. (l) Excludes surplus £56,271,000 transferred to Debt Redemption Reserve Trust Account. (m) Excludes surplus revenue £70,151,000 transferred to Debt Redemption Reserve Trust Account.

Further details of the expenditure in each section are given in paragraphs 2 to 11 following.

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on p. 765. 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 1950-51 to 1954-55 are shown in the following table :—

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

Item.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>War (1914-18 and 1939-45)</i>						
<i>Debt(b)</i>						
Interest and Exchange ..	7,616	44,614	43,902	43,354	43,698	43,234
Debt Redemption ..	2,049	13,835	15,002	21,256	19,981	15,273
Other(c) ..	224	312	215	279	249	376
<i>Total</i>	<i>9,889</i>	<i>58,761</i>	<i>59,119</i>	<i>64,889</i>	<i>63,928</i>	<i>58,883</i>
<i>Business Undertakings—</i>						
<i>Postmaster-General's Department—</i>						
Interest and Exchange ..	1,758	1,454	1,437	1,349	1,207	1,303
Debt Redemption ..	1,129	2,150	2,257	2,371	2,313	1,655
Other(c) ..	..	..	..	..	13	253
<i>Total</i>	<i>2,887</i>	<i>3,604</i>	<i>3,694</i>	<i>3,720</i>	<i>3,533</i>	<i>3,211</i>
<i>Railways—</i>						
Interest and Exchange ..	455	420	415	413	406	410
Debt Redemption ..	75	134	141	148	155	163
Other(c) ..	11	1	..	1	..	19
<i>Total</i>	<i>541</i>	<i>555</i>	<i>556</i>	<i>562</i>	<i>561</i>	<i>592</i>
<i>Territories—</i>						
Interest and Exchange ..	318	230	219	218	238	234
Debt Redemption ..	58	105	110	115	121	127
Other(c) ..	4	3	..	..	..	..
<i>Total</i>	<i>380</i>	<i>338</i>	<i>329</i>	<i>333</i>	<i>359</i>	<i>361</i>
<i>Works and Other Purposes—</i>						
Interest and Exchange ..	3,226	2,794	3,259	4,149	5,308	6,089
Debt Redemption ..	613	864	791	718	708	556
Other(c) ..	37	59	46	66	133	145
<i>Total</i>	<i>3,876</i>	<i>3,717</i>	<i>4,096</i>	<i>4,933</i>	<i>6,149</i>	<i>6,790</i>
<i>Total—</i>						
Interest and Exchange ..	13,373	49,512	49,232	49,483	50,857	51,270
Debt Redemption ..	3,924	17,088	18,301	24,608	23,278	17,774
Other(c) ..	276	375	261	346	395	793
<i>Grand Total ..</i>	<i>17,573</i>	<i>66,975</i>	<i>67,794</i>	<i>74,437</i>	<i>74,530</i>	<i>69,837</i>

(a) Excludes payments to or for States under the Financial Agreement. See pp. 775-778.

(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 1950-51 to 1954-55.

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

(£'000.)

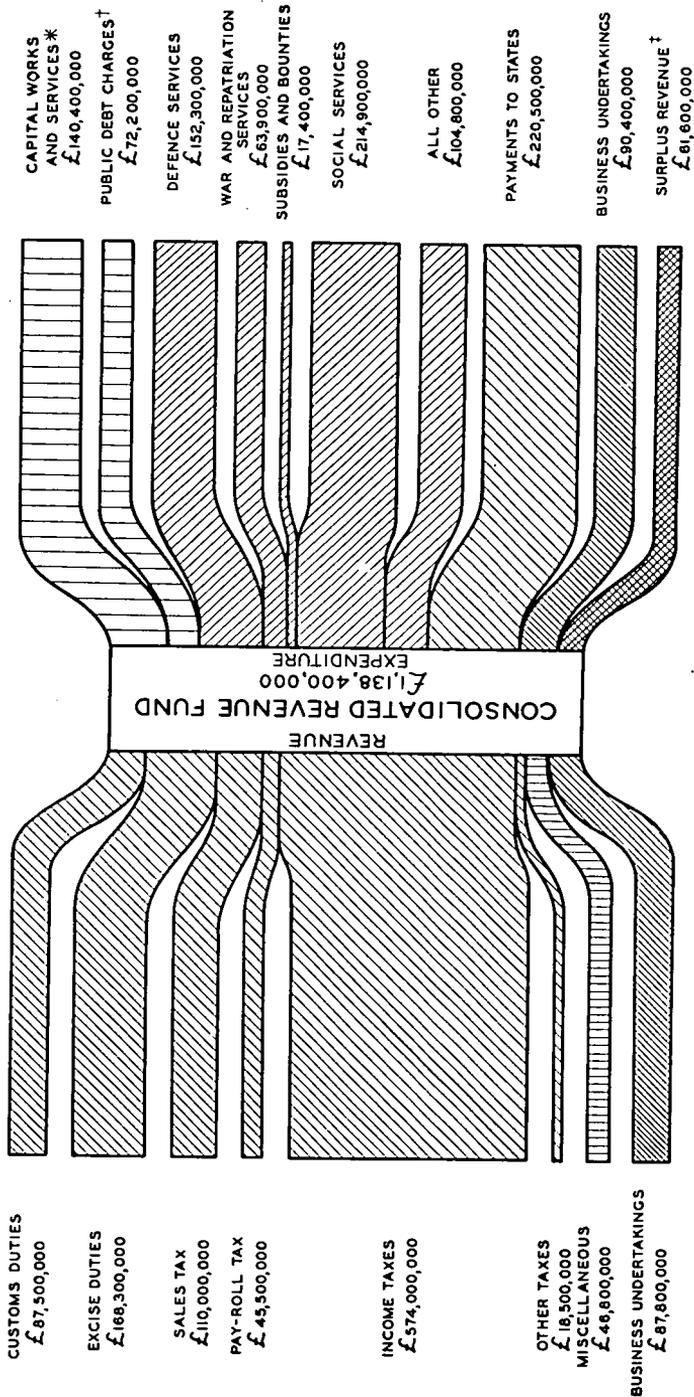
Item.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Department of Defence</i>	61	364	493	619	651	659
<i>Department of the Navy—</i>						
Naval Forces—Pay, maintenance, etc.	2,592	19,337	30,390	36,411	34,649	34,317
Naval construction and additions to the fleet	1,643	2,244	3,302	5,436	5,996	6,422
Buildings, works, etc.	433	1,659	2,812	2,510	1,665	1,674
Administrative and miscellaneous expenditure(b)	35	1,443	1,308	3,031	2,783	5,051
<i>Total</i>	4,703	24,683	37,812	47,388	45,093	47,464
<i>Department of the Army—</i>						
Military Forces—Pay, maintenance, etc.	2,941	16,977	28,615	58,441	44,908	38,826
Arms, armament, ammunition	1,129	5,387	17,926	26,174	15,201	18,435
Buildings, works, etc.	418	4,349	8,769	6,039	3,313	2,938
Administrative and miscellaneous expenditure(b)	126	—180	1,036	1,296	1,407	1,914
<i>Total</i>	4,614	26,533	56,346	91,950	64,829	62,113
<i>Department of Air—</i>						
Air Force—Pay, maintenance, etc.	1,304	12,042	20,042	23,815	21,561	22,764
Aircraft, equipment and stores	1,049	13,210	23,502	25,881	22,886	22,708
Buildings, works, etc.	489	1,592	3,883	4,521	3,312	2,587
Administrative and miscellaneous expenditure(b)	17	952	1,073	1,219	1,175	1,441
<i>Total</i>	2,859	27,796	48,500	55,436	48,934	49,500
<i>Department of Supply—</i>						
Defence research and development	..	6,264	6,434	6,786	7,444	9,307
Strategic stores and equipment reserve .. ..	..	57,048	10,049	..	..	..
Buildings, works, etc.	463	264	270	372	200	175
Administrative and miscellaneous expenditure(b)	1,212	5,629	3,090	4,279	4,203	4,263
<i>Total</i>	1,675	69,205	19,843	11,437	11,847	13,745
<i>Department of Defence Production(c)</i> .. ..	..	..	7,140	9,186	7,307	5,280
<i>Defence Equipment and Supplies(d)</i> .. ..	..	..	..	..	12,000	8,000
<i>Civil Defence</i> .. ..	..	..	..	..	..	33
<i>Total Defence Services—</i>						
Consolidated Revenue Fund	8,927	148,593	170,134	216,016	190,661	186,794
Trust Funds	(e) 3,072	..	..	..	..	..
Loan Fund	1,913	—12	..	..	..	..
<i>Grand Total</i>	13,912	148,581	170,134	216,016	190,661	186,794

(a) Excludes expenditure on debt charges and on Defence Division of the Department of the Treasury. (b) As a dissection is not available expenditure on War and Repatriation Services (see p. 767) has been deducted from this item instead of from departmental expenditure above. (c) Included with Department of Supply prior to 1951-52. (d) Paid to credit of Defence Equipment and Supplies Trust Account. (e) Expenditure from excess receipts of previous years appropriated for Defence Equipment Trust Account.

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

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

COMMONWEALTH CONSOLIDATED REVENUE FUND, YEAR ENDED 30TH. JUNE, 1956

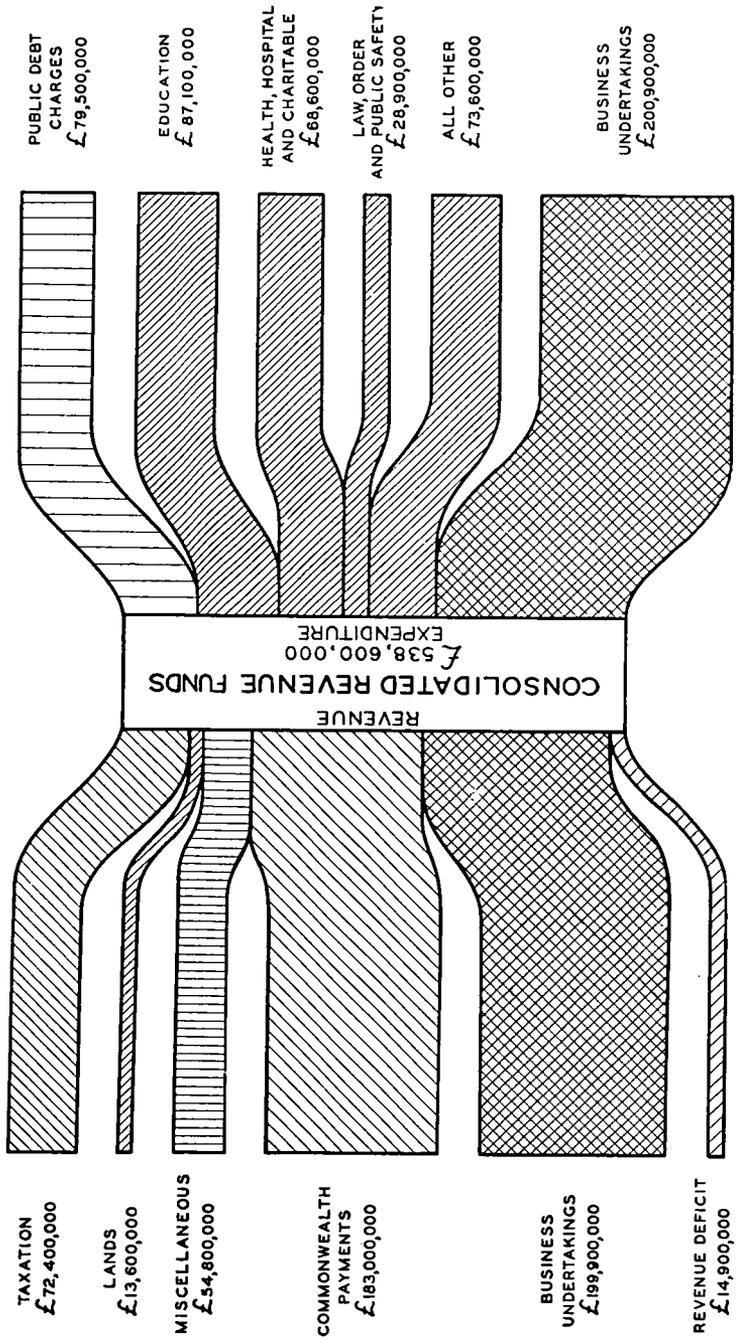


* INCLUDES DEFENCE WORKS AND SERVICES £38,500,000

† INCLUDES WAR DEBT CHARGES £60,000,000

‡ PAID TO LOAN CONSOLIDATION AND INVESTMENT RESERVE TRUST ACCOUNT

STATE CONSOLIDATED REVENUE FUNDS, YEAR ENDED 30TH. JUNE, 1956



1950-51 to 1954-55. Expenditure on the maintenance of forces in Korea and at other oversea 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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Public Debt Charges—</i>						
Interest and Exchange	7,616	44,614	43,902	43,354	43,698	43,234
Debt Redemption	2,049	13,835	15,002	21,256	19,981	15,273
Other	224	312	215	279	249	376
<i>Total Public Debt Charges(a)</i> ..	9,889	58,761	59,119	64,889	63,928	58,883
War Gratuities		30,797	42	15		
War and Service Pensions	8,228	27,532	33,566	36,577	39,425	44,548
Commonwealth Reconstruction Training Scheme		4,141	1,807	974	502	314
War Service Land Settlement		4,388	5,641	6,567	5,506	4,789
Re-establishment loans for agricultural purposes		296	188	140	115	106
<i>Repatriation Department—</i>						
Repatriation benefits	631	7,834	9,758	10,822	11,500	11,720
Other benefits	119	263	298	388	443	486
Administration and general expenses	315	3,061	3,196	3,464	3,597	3,671
Expenditure recovered(b)	-71	-1,777	-1,615	-1,534	-1,281	-1,226
<i>Total Repatriation Department</i> ..	994	9,381	11,637	13,140	14,259	14,651
War Service Homes—Salaries and general expenses	98	492	631	622	685	815
Defence Departments—Proportion of expenditure(c)		2,455				
Other Departments—Miscellaneous expenditure	48	438	1,243	1,386	922	646
International Payments(d)		81	102	48	40	41
Other Administrations—Recoverable expenditure(e)		-1,849	1,071	-842	-921	-429
Miscellaneous Credits		-1,749	-2,853	(f)	(f)	(f)
Credits from the Disposals Commission		-1,681	-1,183	(f)	(f)	(f)
<i>Capital Works and Services—</i>						
Repatriation Department	36	342	271	203	227	132
War Service Homes Act 1918-1949	105	24,911	27,590	27,964	26,846	29,999
<i>Total Capital Works and Services</i> ..	141	25,253	27,861	28,167	27,073	30,131
<i>Total, War and Repatriation Services and Post-war Charges—</i>						
Consolidated Revenue Fund	19,398	129,963	133,752	145,999	147,335	150,456
Loan Fund		28,773	5,120	5,684	4,199	4,039
Grand Total	19,398	158,736	138,872	151,683	151,534	154,495

(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) Represents expenditure on War and Repatriation Services by Defence Departments (see page 764) for which dissection is not available. (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 1950-51 to 1954-55, 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. 770, 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 11) p. 775. 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 pages 414 and 1014-15 respectively of Official Year Book No. 38.

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

Item.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Subsidies—</i>						
<i>Price Stabilization—</i>						
Tea .. .. .	..	7,129	5,577	4,683	4,180	5,077
Coal .. .. .	..	1,704	1,519	1,114	200	185
Wheat Shipped to Tasmania—						
Freight Subsidy .. .. .	..	140	143	210	192	..
<i>Total</i> .. .. .	..	8,973	7,239	6,007	4,572	5,262
<i>Assistance to Primary Production—</i>						
Dairy Industry(a) .. .. .	..	14,998	17,843	15,719	15,400	15,750
Superphosphate .. .. .	..	263	..	..	..	..
Nitrogenous Fertilizers .. .. .	..	599	1,521	289	175	..
Wheat Industry .. .. .	..	683	..	..	..	..
Other .. .. .	..	36	9	519	..	..
<i>Total</i> .. .. .	..	16,579	19,373	16,527	15,575	15,750
<i>Assistance to Gold-mining Industry</i> .. .. .	..	..	..	..	..	97
<i>Total Subsidies</i> .. .. .	..	25,552	26,612	22,534	20,147	21,109
<i>Bounties—</i>						
Tractor .. .. .	..	90	103	38	145	82
Wool Products .. .. .	..	14,875	2,254	1	..	..
Wheat—for Stock Feed .. .. .	..	..	2,368	2,759	1,010	..
Sulphuric Acid .. .. .	..	..	..	..	..	306
Other	(b)	236	4	..	18	42
<i>Total Bounties</i> .. .. .	..	14,985	4,729	2,798	1,173	430
<i>Grand Total</i> .. .. .	..	40,537	31,341	25,332	21,320	21,539

(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, pages 76-86, and particulars of subsequent changes in departmental structure are given in later issues.

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

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

Department.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Governor-General</i>	28	44	64	81	88	82
<i>Parliament—</i>						
Cost of Parliament	279	833	1,062	1,193	1,184	1,282
Electoral Office	105	344	341	441	434	427
<i>Total</i>	384	1,177	1,403	1,634	1,618	1,709
<i>Prime Minister—</i>						
Department	62	155	210	246	256	268
Audit Office	38	272	289	(a)	(a)	(a)
Public Service Board	51	381	405	429	440	485
National Library	4	73	96	107	121	136
High Commissioner's Office—United Kingdom	81	548	621	621	612	587
Commonwealth Grants Commission	5	12	14	15	15	17
Office of Education .. .. .	..	276	200	148	149	156
Security Services .. .. .	..	208	276	331	332	362
<i>Total</i>	241	1,925	2,111	1,897	1,925	2,011
<i>External Affairs—</i>						
Department	20	380	442	427	429	456
Oversea representation .. .. .	..	965	1,160	1,301	1,280	1,232
<i>Total</i>	20	1,345	1,602	1,728	1,709	1,688

For footnotes see next page.

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

Department.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Treasury—</i>						
Department	59	387	430	540	530	569
Taxation Branch and Boards of Review	616	5,323	6,117	6,668	6,674	6,741
Bureau of Census and Statistics	61	374	461	530	594	646
Commonwealth Superannuation Board	9	52	73	78	80	82
<i>Total</i>	745	6,136	7,081	7,816	7,878	8,038
<i>Attorney-General—</i>						
Department	20	123	149	187	199	223
Crown Solicitor	28	179	205	227	237	264
High Court	34	69	78	87	85	96
Bankruptcy Administration	44	79	90	97	113	122
Court of Conciliation and Arbitration	24	139	168	175	174	180
Patents, Trade Marks and Designs	71	197	319	334	381	379
Other Branches	37	231	241	233	244	329
<i>Total</i>	258	1,017	1,250	1,340	1,433	1,593
<i>Interior—</i>						
Department	296	965	1,083	1,212	1,204	1,248
Meteorological Branch	80	399	440	438	515	540
Observatory	7	56	60	67	72	76
Forestry Branch	10	79	86	88	90	93
<i>Total</i>	393	1,499	1,669	1,805	1,881	1,957
<i>Works</i>	(b)	1,594	1,481	1,384	1,939	2,110
<i>Civil Aviation</i>	90	3,166	3,371	3,788	2,511	2,504
<i>Trade and Customs</i>	721	2,474	2,953	3,244	3,390	3,676
<i>Health—</i>						
Department	135	297	353	405	445	471
Quarantine .. .. .	..	143	161	198	222	222
Health Services .. .. .	..	287	343	479	459	505
<i>Total</i>	135	727	857	1,082	1,126	1,198
<i>Commerce and Agriculture—</i>						
Department	58	296	333	388	407	452
Inspection of goods for export	175	516	582	689	740	841
Commercial Intelligence Services Abroad	47	241	299	334	364	393
Division of Agricultural Economics and Division of Agricultural Production .. .. .	..	119	122	123	140	152
<i>Total</i>	280	1,172	1,336	1,534	1,651	1,838
<i>Social Services—Department</i>	139	1,686	1,974	2,300	2,395	2,475
<i>Shipping and Transport—</i>						
Department .. .. .	..	223	161	144	135	144
Marine Branch	208	553	748	792	813	816
Ship Construction .. .. .	..	80	85	91	91	17
<i>Total</i>	208	856	994	1,027	1,039	977
<i>Territories—Department</i>	(c)	127	158	193	166	167
<i>Immigration—Department</i>	(b)	888	1,230	1,269	1,193	1,384
<i>Labour and National Service—Department</i> .. .. .	..	1,845	1,773	1,785	1,732	1,774
<i>National Development—</i>						
Department .. .. .	..	437	452	448	385	361
Bureau of Mineral Resources .. .. .	..	282	480	698	434	379
<i>Total</i> .. .. .	..	719	932	1,146	819	740
<i>Commonwealth Scientific and Industrial Research Organization—Departments</i>	195	2,477	2,895	3,260	3,537	3,994
<i>Atomic Energy Commission</i> .. .. .	..	..	..	6	253	430
<i>Total All Departments</i>	3,837	30,874	35,334	38,319	38,283	40,345

(a) Allocated to Departments.
with Prime Minister's Department.

(b) Included with Department of the Interior.

(c) Included

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. 771-2 for this information).

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

(£'000.)

Department.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Governor-General</i>	1	4	10	7	6	25
<i>Parliament—</i>						
Cost of elections	3	210	231	244	240	15
Other	17	46	45	35	45	37
<i>Total</i>	20	256	276	279	285	52
<i>Prime Minister—</i>						
Commonwealth Scholarship Scheme and financial assistance to University students .. .. .	..	425	742	864	917	984
Australian National University .. .. .	..	280	450	600	650	748
Bush fire and flood relief, etc.	19	312	43	75	108	598
Other	259	536	377	615	931	528
<i>Total</i>	278	1,553	1,612	2,154	2,606	2,858
<i>External Affairs—</i>						
United Nations and Allied Organizations	(b) 46	701	715	597	632	647
Australian National Antarctic Research Expeditions .. .. .	..	119	145	152	224	213
International development and relief .. .. .	..	1,511	4,859	4,271	3,574	3,429
Contributions to other international agencies, etc.	4	102	94	105	112	172
<i>Total</i>	50	2,433	5,813	5,125	4,542	4,461
<i>Treasury—</i>						
Interest (including exchange)	3,229	2,794	3,259	4,149	5,309	6,089
Debt Redemption(c)	614	864	792	718	708	556
Other	87	550	595	1,241	1,094	2,801
<i>Total</i>	3,930	4,208	4,646	6,108	7,111	9,446
<i>Attorney-General</i>	23	78	98	97	117	123
<i>Interior—</i>						
Other departments in Canberra—Transport services, fuel, light and power; oversea publicity, etc. .. .. .	..	262	231	302	317	358
Other	123	267	298	366	430	459
<i>Total</i>	123	529	529	668	747	817
<i>Works</i>	(d)	148	138	131	158	172
<i>Civil Aviation—</i>						
Maintenance and development of civil aviation	162	1,767	2,526	2,671	3,883	4,080
Domestic and international air services—						
Mails, subsidies, etc.	56	3,041	3,274	3,968	3,573	3,543
Meteorological maintenance services and other	8	503	616	684	620	616
<i>Total</i>	226	5,311	6,416	7,323	8,076	8,239
<i>Trade and Customs</i>	82	174	218	251	310	329
<i>Health—</i>						
Subsidy, cattle tick control	69	53	53	53	53	250
Miscellaneous expenditure on health	93	265	295	369	377	472
Other	17	65	77	73	97	114
<i>Total</i>	179	383	425	495	527	836
<i>Commerce and Agriculture—</i>						
Dairy Industry—Efficiency grant .. .. .	..	205	293	244	238	241
Wool use publicity, promotion and research	74	348	341	371	386	392
Other	186	148	199	356	545	393
<i>Total</i>	260	701	833	971	1,169	1,026

For footnotes see next page.

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

(£'000.)

Department.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Social Services—</i>						
Compassionate allowances, etc.	} 186	{ 76	{ 87	{ 104	{ 116	{ 546
Other		{ 64	{ 73	{ 79	{ 92	{ 102
<i>Total</i>	186	140	160	183	208	648
<i>Shipping and Transport—</i>						
Shipping subsidies, etc. . . . .	..	86	186	186	148	170
Railway fare and freight concessions . . . . .	..	283	487	510	569	631
Storage services . . . . .	..	285	(e) 92	(e) 55	(e) 62	(e) 72
Other	7	50				
<i>Total</i>	7	704	765	751	779	873
<i>Territories</i>	(f)	2	2	2	6	12
<i>Immigration—</i>						
Assisted migration	(d)	8,110	8,892	6,400	3,645	5,791
Other migration activities	(d)	3,708	3,365	3,096	1,960	1,649
Other	(d)	264	283	277	209	261
<i>Total</i>	(d)	12,082	12,540	9,773	5,814	7,701
<i>Labour and National Service</i> . . . . .	..	148	108	102	96	101
<i>National Development—</i>						
Joint Coal Board . . . . .	..	636	716	1,031	621	282
Other . . . . .	..	52	259	194	73	174
<i>Total</i> . . . . .	..	688	975	1,225	694	456
<i>Commonwealth Scientific and Industrial Research Organization—</i>						
Miscellaneous grants to scientific bodies	28	69	83	102	98	110
Other . . . . .	..	20	25	28	32	45
<i>Total</i>	28	89	108	130	130	155
Total, All Departments	5,393	29,631	35,672	35,775	33,381	38,330

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

(b) League of Nations. (c) Unallocated debt charges, in respect of all departments including defence departments. (d) Included with Department of the Interior. (e) Provided under Defence Services. (f) 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 other 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 1950–51 to 1954–55. A dissection of expenditure into the various types of benefits is given in Chapter XV.—Welfare Services (see page 522).

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.		
1950–51	132,680	985	133,665	114,983	149,797
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

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

8. *Business Undertakings.*—(i) *Postmaster-General's Department.* From the beginning of 1949–50, Broadcasting Services were separated from the Postmaster-General's Department. 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 1950–51 to 1954–55 are given in the following table :—

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

Item.	1938–39.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
Salaries, stores and materials, mail, engineering services, etc.	11,485	49,670	58,686	64,157	66,619	70,568
Superannuation, Pensions, etc.	392	795	1,061	1,056	1,214	1,490
Rents, repairs, etc.	114	733	850	984	878	977
Interest and Exchange	1,758	1,454	1,437	1,349	1,220	1,356
Debt Redemptions	1,129	2,150	2,257	2,371	2,313	1,655
<i>Total Working, etc., Expenses</i>	14,878	54,802	64,291	69,917	72,244	76,246
Capital Works and Services	3,851	34,897	28,819	28,427	25,986	25,839
Grand Total	18,729	89,699	93,110	98,344	98,230	102,085

Further details of expenditure for 1954–55 on account of the Postmaster-General's Department appear in Chapter XI.—Transport and Communication (Part II., Division A., Posts, Telegraphs, Telephones and Wireless).

(ii) *Broadcasting Services.* Since 1949–50, all expenditure on broadcasting services has been brought together in one section. Previously these services had been financed partly by the Postmaster-General's Department and partly from the Wireless Broadcasting Trust Account. Details of expenditure for the years 1950–51 to 1954–55 are shown in the following table.

COMMONWEALTH BROADCASTING SERVICES : EXPENDITURE.

(£'000.)

Item.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Australian Broadcasting Control Board ..	59	61	56	77	83
Australian Broadcasting Commission— Salaries, general and programme expenses	2,010	2,254	2,497	2,590	2,702
Technical and other Services—Postmaster- General	1,509	1,807	1,988	2,006	2,068
Repairs, maintenance, etc.	13	13	15	11	18
<i>Total Working, etc., expenses</i>	<i>3,591</i>	<i>4,135</i>	<i>4,556</i>	<i>4,684</i>	<i>4,871</i>
Capital Works and Services	212	251	202	281	273
Grand Total	3,803	4,386	4,758	4,965	5,144

(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 1950-51 to 1954-55 is shown below.

COMMONWEALTH RAILWAYS : EXPENDITURE.(a)

(£'000.)

Item.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Working expenses—						
Trans-Australian	494	1,457	1,540	1,285	1,352	1,412
North Australia	55	69	91	115	139	158
Central Australia	214	867	1,178	1,297	1,359	1,322
Aust. Capital Territory	7	26	37	46	43	40
Interest and Exchange	455	420	415	413	406	410
Debt Redemption	75	134	141	148	155	163
Superannuation	14	34	43	44	50	58
Miscellaneous(b)	17	55	46	42	23	59
<i>Total Working, etc., ex- penses</i>	<i>1,331</i>	<i>3,062</i>	<i>3,491</i>	<i>3,390</i>	<i>3,527</i>	<i>3,622</i>
Capital Works and Services	142	1,461	2,637	4,746	3,382	3,100
Grand Total	1,473	4,523	6,128	8,136	6,909	6,722

(a) Excludes fare and freight concessions and contribution to South Australia—Port Augusta to Port Pirie Railway. (b) Includes loans redemption and conversion expenses, 1950-51, £1,000; 1952-53 £1,000; 1954-55, £19,000.

Additional details of the financial operations of the Commonwealth Railways to 1954-55 are given in Chapter XI.—Transport and Communication (Part I., Division B. Government Railways).

9. *Territories.*—The following table shows the expenditure on account of Commonwealth Territories for the years 1938-39 and 1950-51 to 1954-55. 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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Administration and Maintenance of Services—</i>						
Australian Capital Territory(a)	637	1,924	2,157	2,462	2,652	2,786
Northern Territory (a)	403	1,830	2,068	2,448	2,622	2,829
Papua	49	4,518	5,532	4,888	5,821	7,322
New Guinea	6					
Norfolk Island	5					
<i>Total</i>	<i>1,100</i>	<i>8,276</i>	<i>9,773</i>	<i>9,838</i>	<i>11,153</i>	<i>12,971</i>
<i>Capital Works and Services—</i>						
Australian Capital(a)	244	3,713	3,851	3,246	2,642	3,342
Northern(a)	495	1,361	1,281	1,206	1,452	1,818
Papua and New Guinea	..	11	21	369	417	8
<i>Total</i>	<i>739</i>	<i>5,085</i>	<i>5,153</i>	<i>4,821</i>	<i>4,511</i>	<i>5,168</i>

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

10. *Capital Works and Services.*—In the following table, details are given of Commonwealth expenditure on capital works and services during each of the years 1938-39 and 1950-51 to 1954-55. 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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Defence and War—</i>						
Navy	2,076	4,357	6,415	9,847	9,248	11,746
Army	1,547	7,153	18,410	20,960	11,172	14,033
Air Force	1,538	1,592	3,883	4,521	3,312	2,587
Munitions and other	1,173	a 62,024	a 16,418	6,989	4,781	4,637
<i>Repatriation Services—</i>						
War Service Homes	105	24,911	27,590	27,964	26,846	29,999
Other .. .. .	..	342	271	203	227	132
Postmaster-General's Department	3,849	34,897	28,818	28,427	25,986	25,837
Broadcasting Services .. .. .	..	212	251	202	281	273
<i>Railways—</i>						
Commonwealth	142	1,460	2,634	4,742	3,381	3,099
<i>Territories—</i>						
Australian Capital Territory	488	3,697	3,851	3,237	2,630	3,338
Northern Territory	244	1,361	1,281	1,206	1,452	1,818
Papua-New Guinea .. .. .	..	11	20	369	417	8
<i>Other—</i>						
Ships, yards and docks	-300	1,462	2,413	1,786	3,494	3,228
Civil Aviation	419	4,845	6,424	6,096	4,933	3,657
Snowy Mountains Scheme .. .. .	..	6,077	10,393	13,600	13,170	13,200
Immigration .. .. .	..	7,168	7,243	2,279	558	208
Coal Industry Act 1946 .. .. .	..	3,000	4,100	26	..	..
Health	35	271	490	416	409	383
Subscriptions to Capital(b) .. .. .	..	377	..	1,049	1,000	1,000
Advances(c) .. .. .	..	477	2,389	4,180	2,451	2,403
All other works, buildings, etc.	243	7,373	11,700	6,493	5,453	5,376
<i>Total</i>	<i>11,559</i>	<i>173,067</i>	<i>154,994</i>	<i>144,592</i>	<i>121,201</i>	<i>126,962</i>
<i>Source of Funds—</i>						
Consolidated Revenue Fund	6,715	148,185	154,999	144,606	121,214	126,969
Loan Fund	1,598	24,882	-5	-14	-13	-7
Trust Funds(d)	3,246	..	..	..	..	..
<i>Total</i>	<i>11,559</i>	<i>173,067</i>	<i>154,994</i>	<i>144,592</i>	<i>121,201</i>	<i>126,962</i>

(a) Includes Strategic Stores and Equipment Reserve, 1950-51, £57,048,000; 1951-52, £10,049,000.
 (b) Excludes Amalgamated Wireless (Aust.) Ltd. and Commonwealth New Guinea Timbers Ltd. included under Postmaster-General's Department and Territories respectively. (c) Excludes Overseas Telecommunications Commission included under Postmaster-General's Department. (d) From excess receipts of previous years and National Defence Contributions Trust Account.

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

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

(ii) *Amounts Paid.* (a) *Year 1954-55.* 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, 1954-55.(a)
(£'000.)

Particulars.	N.S.W.	Vic.	O'land.	S.A.	W.A.	Tas.	Total.
Interest on States' Debts ..	2,918	2,127	1,096	704	473	267	7,585
Sinking Fund on States' Debts(b) ..	1,430	880	497	503	397	240	3,947
Special Grants				2,250	7,450	2,600	12,300
Tax Reimbursement Grants	50,697	32,397	20,897	11,414	10,238	4,403	130,046
Special Financial Assistance	7,758	4,960	3,198	1,746	1,567	673	19,902
Commonwealth Aid Roads(c)	5,893	3,771	4,125	2,409	4,190	1,073	21,461
Tuberculosis Act 1948—Reimbursement of Capital Expenditure	817	46	576	54	198	18	1,709
Western Australian Waterworks Grant					366		366
Coal Mining Industry—Long Service Leave	469	1	89		32	9	600
Imported Houses—Grants ..	18			23	47		88
Contribution to South Australia—Port Augusta to Port Pirie Railway ..				20			20
Encouragement of Meat Production			101		160		261
Grants to Universities	629	367	180	184	122	62	1,544
Total	70,629	44,549	30,759	19,307	25,240	9,345	199,829

(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 £900,000 for road safety practices and Commonwealth strategic roads.

(b) 1938-39 and 1950-51 to 1954-55. 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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
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	2,241	2,557	3,011	3,463	3,947
Special Grants	2,020	12,175	10,522	15,934	15,400	12,300
Tax Reimbursement—						
Grants		70,107	86,268	108,623	120,415	130,046
Additional Grants		5,000				
Special Financial Assistance		15,000	33,577	27,146	21,915	19,902
Grants for Road Construction, etc.(c)	4,266	13,543	14,647	15,107	16,457	21,461
Commonwealth Aid Roads (Supplementary) Trust Account ..					5,000	
Tuberculosis Act 1948—Reimbursement of Capital Expenditure		408	734	1,292	1,380	1,709
Price Control Reimbursement		704	937	1,056	84	
Local Public Works—Interest and Sinking Fund	100					
Youth Employment	200					
Western Australian Waterworks		219	289	224	333	366
Coal Mining Industry—Long Service Leave		374	499	552	579	600
Imported Houses—Grants		170	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 ..		315	205	398	413	261
Grants to Universities			1,473	1,125	1,389	1,544
Total	15,669	127,861	161,101	183,603	195,043	199,829

(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, 1950-51 to 1953-54, £600,000, 1954-55, £900,000.

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. 12, 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, pages 685 to 690. Under this Agreement, the Commonwealth undertook to contribute £7,584,912 per annum towards interest payable on the State Debts for a period of 58 years from 1st July, 1927. This amount is to be distributed amongst the States as follows :—New South Wales, £2,917,411 ; Victoria, £2,127,159 ; Queensland, £1,096,235 ; South Australia, £703,816 ; Western Australia, £473,432 ; Tasmania, £266,859.

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

In addition, 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, page 795).

(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, page 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 1951–52 to 1955–56 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 1955–56 include an estimate of the indispensable need of the claimant State for 1955–56 and an adjustment to the estimated grant for 1953–54.

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

Particulars.	1938–39.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.
<i>South Australia—</i>						
Estimated grant	1,040	4,250	6,600	6,300	3,350	5,940
Adjustment(a) .. ..	..	308	-257	-200	-1,100	-540
<i>Net grant recommended</i> ..	<u>1,040</u>	<u>4,558</u>	<u>6,343</u>	<u>6,100</u>	<u>2,250</u>	<u>5,400</u>
<i>Western Australia—</i>						
Estimated grant	570	5,000	8,200	7,350	7,100	8,875
Adjustment(a) .. ..	..	88	-159	450	350	25
<i>Net grant recommended</i> ..	<u>570</u>	<u>5,088</u>	<u>8,041</u>	<u>7,800</u>	<u>7,450</u>	<u>8,900</u>
<i>Tasmania—</i>						
Estimated grant	410	750	1,550	1,650	3,200	4,384
Adjustment(a) .. ..	..	126	..	-150	-600	-184
<i>Net grant recommended</i> ..	<u>410</u>	<u>876</u>	<u>1,550</u>	<u>1,500</u>	<u>2,600</u>	<u>4,200</u>
Grand Total	2,020	10,522	15,934	15,400	12,300	18,500

(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, pages 635 to 637). These Acts provided for grants to the States as compensation for vacating the fields of Income Tax and Entertainments Tax. Grants under these Acts ceased after 1945–46 and were replaced by grants under the States Grants (Tax Reimbursement) Act 1946–1948.

This Act provided for 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, page 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 1950-51 to 1954-55, there were heavy additions to the financial needs of the States and special assistance grants amounting to £15,000,000, £33,577,000, £27,146,000, £21,915,000 and £19,902,000 respectively were made. For details of amounts paid to each State during 1954-55 see page 775 and for payments during 1950-51, 1951-52, 1952-53 and 1953-54, see Official Year Book No. 39, page 791, No. 40, page 698, No. 41, page 619 and No. 42, page 783.

(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. This expenditure is included in "Payments to the States" for the first time in 1954-55. It was previously classified under Capital Works and Services—Health Department.

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

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

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

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

12. **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 pages 758, 759 and 760*). 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—	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.
<i>Taxes—</i>						
Export Charges ..	Export Control Boards (a)	..	..	166	168	301
Stevedoring Industry ..	Stevedoring Industry Board ..	420	551	1,144	1,630	998
Charge ..	Wheat Industry Price Stabilization (b) ..	13,353	12,202	8,139	..	5,063
Wheat Export Charge	Wool Use Promotion and Disposals Plan ..	1,654	486	} 28	..	..
Wool Contributory Charge ..	Wool Reserve Prices Fund ..	43,190	1,744		675	772	784
Wool Tax ..	Wool Use Promotion ..	..	..	..	..	..
<i>Total</i> ..	..	<i>58,617</i>	<i>14,983</i>	<i>10,152</i>	<i>2,570</i>	<i>7,146</i>
<i>Other—</i>						
Advance Payments—	Atomic Energy Commission ..	..	..	1,174	2,791	1,082
Sales of Uranium ..	Wool Industry—Distribution of War-time Trading Profits ..	..	..	42,361	..	..
Wool Disposals Profit ..	Australian Wool Bureau ..	..	..	..	730	..
Wool Stores—Moneys paid by Wool Realization Commission	Hide and Leather Industries Trust Fund ..	..	..	..	..	5
Hide and Leather Industries — Moneys paid by Hide and Leather Industries Board	..	..	..	..	..	..
<i>Total</i> ..	..	..	..	<i>43,535</i>	<i>3,521</i>	<i>1,087</i>
<i>Grand Total</i> ..	..	<i>58,617</i>	<i>14,983</i>	<i>53,687</i>	<i>6,091</i>	<i>8,233</i>

(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 Wheat Prices Stabilization Fund.

§ 3. Commonwealth Trust Funds.

1. Receipts, Expenditure and Balances, 1954-55.—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, 1955.

COMMONWEALTH TRUST FUNDS : RECEIPTS, EXPENDITURE AND BALANCES, 1954-55.

(£'000.)

Fund.	Balance at 30th June, 1954.	Year ended 30th June, 1955.		Balance at 30th June, 1955.
		Receipts.	Expenditure.	
Australian New Guinea Production ..	1,488	50	..	1,538
Coal Mining Industry Long Service Leave	832	625	530	927
Coinage	3,891	2,142	2,142	3,891
Commonwealth Aid Roads No. 1 ..	1,394	4,087	5,481	..
Commonwealth Aid Roads No. 2 ..	..	18,273	15,682	2,591
Commonwealth Aid Roads (Supplementary)	5,000	..	1,882	3,118
Debt Redemption Reserve	56,271	70,151	..	126,422
Defence Equipment and Supplies ..	12,000	8,000	..	20,000
Defence Forces Retirement Benefits ..	6,119	2,400	1,331	7,188
Enemy Subjects	1,180	318	2	1,496
Insurance Deposits	4,481	639	362	4,758
International Development and Relief ..	1,069	2,576	3,417	228
Korean Operations Pool	10,905	3,542	4,057	10,390
Lend-Lease Settlement	1,560	46	156	1,450
Liquid Fuel Equalization	930	(a) Dr. 930	..	..
National Debt Sinking Fund	190,167	73,303	59,441	204,029
National Welfare	188,930	191,427	189,319	191,038
Parliamentary Retiring Allowances ..	135	46	14	167
Public Trustee and Custodian	3,521	113	3,464	170
Strategic Stores and Equipment Reserve..	48,869	..	Cr. 7	48,876
Superannuation	34,038	9,251	4,487	38,802
Temple Society	636	13	17	632
War Gratuity	264	..	61	203
War Service Homes .. .. .	..	30,901	30,901	..
War Service Homes—Insurance	575	146	394	327
Wheat Industry Stabilization	293	..	..	293
Wheat Prices Stabilization .. .. .	..	5,089	..	5,089
Wool Contributory Charge	8	..	..	8
Wool Disposals Profit	12,323	326	12,481	168
Wool Industry	7,133	209	406	6,936
Wool Research	560	432	713	279
Other	52,718	369,256	369,590	52,384
Total	647,290	792,431	706,323	733,398

(a) Surplus balance, £930,000 transferred to Consolidated Revenue Fund.

2. Summary, 1938-39 and 1950-51 to 1954-55.—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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Balances brought forward ..	25,609	278,647	363,051	489,729	566,571	647,290
Receipts	84,167	622,435	725,282	709,973	764,365	792,431
Expenditure	85,550	538,031	598,604	633,131	683,646	706,323
Balance carried forward ..	24,226	363,051	489,729	566,571	647,290	733,398

§ 4. Commonwealth Loan Fund.

Brief historical notes relating to the Commonwealth Loan Fund are given in earlier issues of the Official Year Book (*see* No. 37, page 640). In the following table, details are given of the net expenditure from the Commonwealth Loan Fund for the years 1938-39 and 1950-51 to 1954-55 and of the aggregate expenditure to 30th June, 1955. 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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	Total to 30th June, 1955.
War Loans—							
Defence and War (1914-18, 1939-45) Services .. ..	..	a 28,773	a 5,120	a 5,684	a 4,199	a 4,039	2,005,718
Other Loans—							
Capital Works and Services—							
Defence(b)	1,912	-12	..	..	..	..	8,682
Repatriation Services(b)—							
War Service Homes(b) .. ..	..	..	..	..	..	..	7,329
Other .. ..	..	..	..	..	..	..	47
Postmaster-General's Department	-1	-1	-1	-1	..	-2	40,422
Broadcasting Services .. ..	..	..	..	..	..	..	104
Railways .. ..	..	-1	-3	-4	-1	-1	13,749
Territories(c)	-7	-16	-1	-9	-12	-4	8,720
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 .. ..	..	21,640	26,547	30,000	37,200	29,150	207,359
Other	-4	..	..	..	..	..	5,976
Wheat Bounty .. ..	..	..	..	..	..	..	3,430
Total Capital Works and Services and Other Purposes	3,594	21,610	26,542	29,986	37,187	29,143	317,596
International Bank Dollar Loan(d) .. ..	..	4,044	23,831	17,935	21,468	23,575	90,853
Swiss Loan(e) .. ..	..	..	..	..	5,792	5,930	11,722
Grand Total	3,594	54,427	55,493	53,605	68,646	62,687	2,425,889

(a) Comprises expenditure under War Service Homes Acts—1950-51, £24,911,000 and financial assistance to the States in connexion with War Service Land Settlement—1950-51, £3,862,000; 1951-52, £5,120,000; 1952-53, £5,684,000; 1953-54, £4,199,000; 1954-55, £4,039,000. (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* pages 808 and 809. (e) Payment to Swiss Loan Trust Account. *See* page 808.

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 the State is paid into its Consolidated Revenue Fund, from which payments are made under the authority of an annual Appropriation Act passed by the Legislature, or by a permanent appropriation under a special act.

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

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

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

3. Inter-relation of Commonwealth and State Finances.—A statement in some detail, covering the inter-relation of Commonwealth and State Finances during the period from the inception of Federation to the passing of the Financial Agreement Act 1928, was published in Official Year Book No. 22, pages 379–80. Changes in the financial relations between the Commonwealth and States since the passing of the Financial Agreement Act have been described in issues of the Official Year Book from year to year (*see also* pages 795–797).

§ 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 consolidated revenue received by the several States during the years 1938–39 and 1950–51 to 1954–55.

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
1950–51 ..	128,298	63,546	44,723	31,072	28,974	7,819	304,432
1951–52 ..	167,095	81,661	55,753	37,588	33,955	10,469	386,521
1952–53 ..	180,908	96,995	63,171	44,251	38,725	12,061	436,111
1953–54 ..	186,642	106,748	69,696	48,376	43,596	13,285	468,343
1954–55 ..	193,039	116,789	73,820	48,684	46,070	14,495	492,897
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
1950–51 ..	39 12 4	28 6 8	37 0 11	43 0 11	50 16 0	27 11 7	36 16 9
1951–52 ..	50 9 1	35 7 1	44 19 4	50 11 4	57 11 3	35 13 9	45 10 9
1952–53 ..	53 14 10	40 17 8	49 13 1	57 14 7	63 7 2	39 17 4	50 3 7
1953–54 ..	54 16 2	44 1 2	53 11 10	61 11 0	69 2 5	42 18 8	52 17 10
1954–55 ..	55 16 0	46 18 9	55 14 0	60 5 10	70 19 10	46 6 3	54 10 2

(a) See § 1, para. 2, page 781.

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 1954–55 were as follows:—

STATE CONSOLIDATED REVENUE : SOURCES, 1954-55.

Source of Revenue.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL REVENUE. (£'000.)							
Taxation(b) ..	21,232	20,861	8,735	7,547	3,757	2,690	64,822
Business Under-takings ..	87,929	44,021	30,805	17,827	16,695	5	197,282
Lands ..	4,431	2,259	3,827	379	1,007	405	12,308
Interest, n.e.i. ..	1,050	3,664	1,720	3,334	1,234	2,349	13,351
Commonwealth Payments—							
Tax Reimburse-ments ..	50,697	32,397	20,898	11,414	10,238	4,403	130,047
Other(c) ..	10,676	7,087	4,294	4,700	9,490	3,540	39,787
Miscellaneous ..	17,024	6,500	3,541	3,483	3,649	1,103	35,300
Total ..	193,039	116,789	73,820	48,684	46,070	14,495	492,897
PER HEAD OF POPULATION. (£ s. d.)							
Taxation(b) ..	6 2 9	8 7 8	6 11 10	9 6 11	5 15 10	8 11 11	7 3 4
Business Under-takings ..	25 8 4	17 13 10	23 4 10	22 1 7	25 14 7	0 0 4	21 16 4
Lands ..	1 5 7	0 18 2	2 17 9	0 9 5	1 11 0	1 5 10	1 7 3
Interest, n.e.i. ..	0 6 1	1 9 5	1 6 0	4 2 7	1 18 0	7 10 1	1 9 6
Commonwealth Payments—							
Tax Reimburse-ments ..	14 13 1	13 0 5	15 15 4	14 2 8	15 15 6	14 1 4	14 7 8
Other(c) ..	3 1 9	2 17 0	3 4 10	5 16 5	14 12 6	11 6 3	4 8 0
Miscellaneous ..	4 18 5	2 12 3	2 13 5	4 6 3	5 12 5	3 10 6	3 18 1
Total ..	55 16 0	46 18 9	55 14 0	60 5 10	70 19 10	46 6 3	54 10 2

(a) See § 1, para. 2, page 781. (b) In all States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (c) Includes payments under Financial Agreement, Special Grants, Prices Control Reimbursement Grants and Special Financial Assistance.

(ii) *Revenue from Taxation.* (a) *General.* The following table shows, for the year 1954-55, 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) 1954-55.
(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<i>Motor Taxes—</i>							
Registration Fees and Taxes	8,702	4,533	4,075	2,841	1,227	600	21,978
Drivers', etc., Licences	783	364	(b) 139	308	112	42	1,748
Other	1,362	1,432	904	89	119	151	4,057
<i>Total Motor</i>	<i>10,847</i>	<i>6,329</i>	<i>5,118</i>	<i>3,238</i>	<i>1,458</i>	<i>793</i>	<i>27,783</i>
<i>Probate and Succession Duties</i>	9,589	6,305	2,513	1,661	1,062	472	21,602
Stamp Duties, n.e.i.	6,314	4,172	2,613	1,227	1,250	451	16,027
Land	2	2,624	1,206	568	391	207	4,998
Income (Arrears)	19	22	9	1	1	..	52
Liquor	2,418	2,108	523	58	287	169	5,563
Lotteries .. .. .	..	2,598	304	..	..	(c) 576	3,478
Racing	2,789	2,100	285	1,070	406	342	6,992
Entertainments .. .. .	..	996	..	..	225	120	1,341
Licences, n.e.i.	101	243	..	55	37	6	..
Other .. .. .	..	..	} 1,073	{ 42	93	..	} 1,650
Grand Total	32,079	27,497	13,644	7,920	5,210	3,136	89,486

(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 a driving fee is charged upon renewal of registration. (c) Includes income tax £392,000 on lottery prizes.

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

STATE REVENUE FROM TAXATION : PAYMENTS INTO SPECIAL FUNDS,
1954-55.
(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor	10,847	6,327	4,075	..	1,360	270	22,879
Stamp Duties, n.e.i. .. .. .	..	181	..	..	..	..	181
Liquor .. .. .	..	128	80	..	..	..	208
Racing .. .. .	..	..	..	373	..	176	549
Other .. .. .	..	..	754	..	93	..	847
Total	10,847	6,636	4,909	373	1,453	446	24,664

The table hereunder shows, for the year 1954-55, the proportions of collections under individual classes of tax to the total taxation revenue:—

STATE REVENUE FROM TAXATION : PROPORTIONS OF INDIVIDUAL TAXES TO TOTAL, 1954-55.
(Per Cent.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor	33.81	22.38	37.67	40.89	27.99	25.29	31.07
Probate and Succession Duties	29.89	23.12	18.50	20.98	20.38	15.04	24.15
Stamp Duties, n.e.i.	19.68	15.30	19.23	15.50	23.98	14.37	17.92
Land	0.01	9.62	8.87	7.17	7.49	6.61	5.59
Income (Arrears)	0.06	0.08	0.07	0.01	0.03	..	0.06
Liquor	7.54	7.73	3.85	0.73	5.51	5.41	6.22
Lotteries .. .. .	..	9.53	2.24	..	..	18.36	3.89
Racing	8.69	7.70	2.10	13.51	7.79	10.91	7.82
Entertainments .. .. .	..	3.65	..	..	4.32	3.82	1.50
Licences, n.e.i.	0.32	0.89	7.47	0.69	0.72	0.19	1.63
Other .. .. .	..	..	..	0.52	1.79	..	0.15
Grand Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(b) 1938-39 and 1950-51 to 1954-55. Prior to federation, customs and excise duties contributed 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. 776 and 782. 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 1950-51 to 1954-55 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.
TOTAL NET COLLECTIONS. (£'000.)							
1938-39(b) ..	20,263	12,023	8,657	4,199	3,597	1,779	50,518
1950-51 ..	20,850	13,226	7,755	4,347	2,977	2,756	51,911
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
PER HEAD OF POPULATION. (£ 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
1950-51 ..	6 8 9	5 17 11	6 8 6	6 0 5	5 4 5	9 14 4	6 5 8
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 0	10 5 11	9 16 2	8 0 7	10 0 4	9 17 11

(a) Excluding Commonwealth Tax Reimbursements.

(b) Includes Income Taxes.

The following table shows, for the years 1938-39 and 1950-51 to 1954-55 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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Motor	6,961	15,579	20,523	23,321	25,877	27,783
Probate and Succession Duties	5,000	13,004	15,394	17,756	18,700	21,602
Stamp Duties, n.e.i.	3,466	11,961	12,228	12,297	14,543	16,027
Land	1,408	1,362	2,511	3,416	4,138	4,998
Income Taxes	29,796	(b) 291	(b) 155	(b) 132	(b) 92	(b) 52
Liquor	1,045	2,726	3,681	4,429	5,346	5,563
Lotteries	532	1,502	1,642	1,756	1,804	3,478
Racing	1,251	4,540	5,990	6,794	7,503	6,992
Entertainments	633				906	1,341
Licences and all other	426	946	1,026	1,257	1,491	1,650
Total	50,518	51,911	63,150	71,158	80,400	89,486

(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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Unemployment Relief	1,119	..	..	..	..	..
Hospital	264	..	..	..	..	..
Motor	5,858	13,309	16,934	19,316	20,774	22,879
Stamp Duties, n.e.i. .. .. .	..	125	137	122	155	181
Liquor	92	137	149	173	185	208
Racing	83	562	588	520	554	549
Other	173	294	357	638	765	847
Total	7,589	14,427	18,165	20,769	22,433	24,664

(iii) *Business Undertakings.* (a) 1954-55. 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 1954-55 the revenue from these sources was £197,282,000 or 40.0 per cent. of the revenue from all sources. Details of revenue are as follows:—

STATE REVENUE FROM BUSINESS UNDERTAKINGS, 1954-55.
(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.(a)	Total.
Railways(b)	73,361	(c) 37,695	30,805	13,106	12,470	..	167,437
Tramways and Omnibuses	11,475	..	..	..	986	..	12,461
Harbours, Rivers, Lights	3,093	(d) 561	..	1,804	429	..	5,887
Water Supply, Sewerage, Irrigation and Drainage .. .. .	..	2,745	..	2,691	2,436	..	7,872
Electricity Supply .. .. .	..	1,946	..	..	..	5	1,951
Other .. .. .	..	1,074	..	226	374	..	1,674
Total	87,929	44,021	30,805	17,827	16,695	5	197,282

(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; Victoria, £2,148,000; South Australia, £3,200,000. (c) Includes electric tramways operated by the Railways Department. (d) Includes Harbour Trust Fund contribution, £394,000.

(b) 1938-39 and 1950-51 to 1954-55. The total revenue from Business Undertakings and the revenue per head in each State are shown in the following table:—

STATE REVENUE FROM BUSINESS UNDERTAKINGS.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL REVENUE. (£'000.)							
1938-39 ..	24,676	11,649	7,642	4,957	5,633	(a) 511	55,068
1950-51 ..	61,675	22,646	18,876	10,120	9,782	4	123,103
1951-52 ..	82,454	29,180	22,391	12,938	12,430	4	159,397
1952-53 ..	86,223	36,845	24,868	15,366	11,475	4	174,781
1953-54 ..	88,616	41,163	28,952	16,753	15,271	4	190,759
1954-55 ..	87,929	44,021	30,805	17,827	16,695	5	197,282

PER HEAD OF POPULATION.

(£ s. d.)

1938-39 ..	9 0 5	6 2 6	7 11 7	8 6 6	12 1 4	(a) 2 3 0	7 19 3
1950-51 ..	19 0 11	10 1 11	15 12 9	14 0 5	17 3 0	0 0 3	14 17 11
1951-52 ..	24 17 11	12 12 8	18 1 2	17 8 2	21 1 6	0 0 3	18 15 7
1952-53 ..	25 12 3	15 10 7	19 10 11	20 0 11	18 15 6	0 0 3	20 2 2
1953-54 ..	26 0 5	16 19 10	22 5 3	21 6 4	24 4 3	0 0 3	21 10 10
1954-55 ..	25 8 4	17 13 10	23 4 10	22 1 7	25 14 7	0 0 4	21 16 4

(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 1950-51 to 1954-55:—

STATE REVENUE FROM BUSINESS UNDERTAKINGS.

(£'000.)

Source.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Railways, Tramways and Omnibuses	48,154	112,396	146,720	161,479	176,147	179,898
Harbour Services ..	2,357	3,939	4,569	4,058	4,782	5,887
Water Supply, Sewerage, Irrigation and Drainage	2,543	4,745	5,568	6,142	6,535	7,872
Other	2,014	2,023	2,540	3,102	3,295	3,625
Total	55,068	123,103	159,397	174,781	190,759	197,282

(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 1954-55.

STATE LAND REVENUE, 1954-55.

(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Sales ..	213	96	..	96	99	14	518
Conditional Purchases ..	292	..	..	3	173	..	468
Rentals(a) ..	2,811	291	2,516	280	173	24	6,095
Forestry ..	1,049	1,774	1,205	..	562	362	4,952
Other ..	66	98	106	..	..	5	275
Total ..	4,431	2,259	3,827	379	1,007	405	12,308

(a) Includes mining royalties, rents, etc.

The total land revenue for all States for the years 1938-39 and 1950-51 to 1954-55 respectively was:—£4,144,000, £7,858,000, £11,722,000, £12,589,000, £11,903,000, and £12,308,000.

(v) *Commonwealth Payments.* Commonwealth payments to the States represent a considerable proportion of the States' Revenue. In 1954-55, the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was £169,834,000 (34.5 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, £12,300,000, special financial assistance, £19,902,000 and tax reimbursement grants, £130,047,000.

In addition to these, the States receive a number of other payments which are paid to trust funds. The main items in this class are the contribution towards the sinking fund on States' debts (£3,947,000 in 1954-55) paid to the National Debt Sinking Fund and grants for Commonwealth Aid Roads (£21,461,000 in 1954-55) paid to State trust funds.

More detailed information concerning Commonwealth payments to the States is given in § 2 of Division A of this Chapter (page 775).

(vi) *Interest and Miscellaneous.* In addition to the forgoing, there are in each State several miscellaneous sources of revenue, including such items as interest, fines, fees, etc. In 1954-55, interest, mainly from loans to local governing bodies, on public account balances and for soldier land settlement amounted to £13,351,000, whilst "Miscellaneous" revenue which includes fines of the courts and fees for services, amounted to £35,300,000.

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 and industrial undertakings; (c) Education; (d) Health and charitable expenditure; (e) Justice; (f) Police; (g) Penal establishments; and (h) all other expenditure, under which heading is included public works, lands and surveys, agriculture and forestry, legislative and general administration, pensions and miscellaneous.

In earlier years, the working expenses of railways and tramways were the most important item of State Governmental expenditure but for a period prior to 1941-42 public debt charges were the heaviest item. Since then, however, railways and tramways expenditure has again taken the major place. In the year 1954-55, the working expenses of the railways, tramways and omnibuses were 35.0 per cent. of the total expenditure from the State Consolidated Revenue Funds; next in importance were education, 15.4 per cent.; public debt charges, 14.2 per cent.; charitable, public health and hospitals, 13.1 per cent.; and law, order and public safety, 5.2 per cent.

2. **Total Expenditure.**—The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1938–39 and 1950–51 to 1954–55 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
1950–51 ..	128,265	63,889	44,625	30,842	28,814	8,066	304,501
1951–52 ..	166,997	84,067	55,708	37,499	34,547	10,871	389,689
1952–53 ..	180,811	97,360	62,980	44,226	39,233	11,763	436,373
1953–54 ..	186,514	106,037	69,353	46,566	43,699	13,270	465,439
1954–55 ..	195,187	115,453	73,602	50,918	46,554	14,707	496,421

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
1950–51 ..	39 12 2	28 9 8	36 19 4	42 14 7	50 10 5	28 9 0	36 16 11
1951–52 ..	50 8 6	36 7 11	44 18 7	50 9 0	58 11 4	37 1 2	45 18 3
1952–53 ..	53 14 3	41 0 9	49 10 1	57 13 11	64 3 10	38 17 8	50 4 2
1953–54 ..	54 15 5	43 15 4	53 6 7	59 4 11	69 5 8	42 17 9	52 11 3
1954–55 ..	56 8 5	46 8 0	55 10 8	63 1 2	71 14 9	46 19 9	54 18 0

(a) See § 1, para. 2, page 781.

3. **Details of Expenditure.**—(i) 1954–55. The following table shows the total expenditure and expenditure per head for each of the principal items:—

STATE EXPENDITURE: DETAILS, 1954–55.

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.) ..	22,186	16,782	10,158	9,725	7,327	4,216	70,394
Railways ..	64,562	35,618	30,041	14,556	14,497	..	159,274
Tramways and Omnibuses ..	13,506	..	..	..	1,137	..	14,643
Harbours and Rivers, etc. ..	2,316	441	..	1,299	388	..	4,444
Water Supply, Sewerage, Irrigation and Drainage ..	..	2,628	..	2,364	2,059	..	7,051
Other Business and Industrial Undertakings ..	..	1,064	250	206	1,037	997	3,554
Education ..	32,157	19,423	8,769	6,238	6,568	3,133	76,288
Health and Charitable ..	22,699	19,333	10,183	5,021	5,133	2,568	64,937
Justice ..	2,448	1,235	761	325	375	204	5,348
Police ..	6,199	4,464	2,862	1,203	1,316	635	16,579
Penal establishments ..	1,541	628	208	262	182	106	2,927
Public Safety ..	331	50	267	55	103	46	852
Adjustment of surplus of previous years(c)	..	..	..	..	350	—600	—250
All other expenditure ..	27,242	13,787	10,103	9,664	6,082	3,402	70,280
Total ..	195,187	115,453	73,602	50,918	46,554	14,707	496,421

(a) See § 1, para. 2, page 781.

(b) Tasmanian transport services are under the separate control of the Transport Commission.

(c) Balance of Special Grant, 1952–53. The Special Grant for 1954–55 was brought into the Western Australian Consolidated Revenue Fund as £7,100,000, although the Commonwealth payment was £7,450,000. The Special Grant for 1954–55 taken into Tasmanian Consolidated Revenue Fund was £3,200,000, although the Commonwealth payment was £2,600,000. The difference was offset in the Tasmanian accounts against the adjusted surplus for 1952–53.

STATE EXPENDITURE : DETAILS, 1954-55—*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 8 3	6 14 11	7 13 4	12 0 11	11 5 10	13 9 5	7 15 8
Railways	18 13 3	14 6 4	22 13 4	18 0 6	22 6 10	..	17 12 3
Tramways and Omnibuses	3 18 1	..	..	..	1 15 0	..	1 12 5
Harbours and Rivers, etc.	0 13 5	0 3 6	..	1 12 2	0 12 0	..	0 9 10
Water Supply, Sewerage, Irrigation and Drainage	..	1 1 1	..	2 18 6	3 3 6	..	0 15 7
Other Business and Industrial Undertakings	..	0 8 7	0 3 9	0 5 1	1 12 0	3 3 8	0 7 10
Education	9 5 11	7 16 1	6 12 4	7 14 6	10 2 5	10 0 2	8 8 9
Health and Charitable	6 11 2	7 15 5	7 13 8	6 4 4	7 18 1	8 4 1	7 3 8
Justice	0 14 2	0 9 11	0 11 6	0 8 2	0 11 6	0 13 0	0 11 10
Police	1 15 10	1 15 10	2 3 2	1 9 10	2 0 7	2 0 7	1 16 11
Penal establishments	0 8 11	0 5 1	0 3 2	0 6 6	0 5 7	0 6 10	0 6 6
Public safety	0 1 11	0 0 5	0 4 0	0 1 4	0 3 2	0 2 11	0 1 11
Adjustment of surplus of previous years	..	..	..	..	0 10 10	-1 18 4	-0 0 7
All other expenditure	7 17 6	5 10 10	7 12 5	11 19 4	9 7 5	10 17 5	7 15 5
Total	56 8 5	46 8 0	55 10 8	63 1 2	71 14 9	46 19 9	54 18 0

(ii) 1938-39 and 1950-51 to 1954-55. 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.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Public Debt (interest, exchange, debt redemption, etc.)	40,158	46,231	50,545	54,449	61,225	70,394
Railways, Tramways and Omnibuses (working expenses)	38,138	115,366	151,710	165,863	170,209	173,917
Harbours and Rivers, etc.	680	2,155	3,067	3,155	3,916	4,444
Water Supply, Sewerage, Irrigation and Drainage	1,076	4,137	5,233	6,151	6,438	7,051
Other Business and Industrial Undertakings	1,035	2,319	2,809	3,405	3,522	3,554
Education	12,639	39,973	51,025	61,758	67,221	76,288
Health and Charitable	15,307	34,822	48,404	54,797	58,622	64,937
Justice	1,323	3,376	4,240	4,731	5,071	5,348
Police	3,733	9,831	12,575	14,837	15,688	16,679
Penal establishments	646	1,731	2,338	2,537	2,747	2,927
Public Safety	297	711	962	930	867	852
Reduction of previous deficits or adjustment of surpluses	..	1,196	126	-159	300	-250
All other expenditure	13,127	42,653	56,655	63,919	69,613	70,280
Total	128,159	304,501	389,689	436,373	465,439	496,421

Division III.—Surplus Revenue.

The following table shows for each of the years 1938–39 and 1950–51 to 1954–55 the total amount and amount per head of the surplus or deficit of each State:—

STATE SURPLUS REVENUE.

Year.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL AMOUNT. (£'000.)							
1938–39 ..	-2,459	— 787	14	-397	-221	- 26	-3,876
1950–51 ..	33	— 343	98	230	160	-247	- 69
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
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
1950–51 ..	0 0 2	-0 3 1	0 1 8	0 6 4	0 5 7	-0 17 5	-0 0 2
1951–52 ..	0 0 7	-1 0 10	0 0 9	0 2 5	-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 7	0 19 9	-0 0 7
1953–54 ..	0 0 9	0 5 10	0 5 3	2 6 1	-0 3 3	0 1 0	0 6 7
1954–55 ..	-0 12 5	0 10 9	0 3 3	-2 15 4	-0 14 11	-0 13 6	-0 7 10

(a) See § 1, para. 2, page 781.

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 of the years 1939 and 1951 to 1955 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
1951	43,169	18,725	33,907	6,184	12,090	360	114,435
1952	39,419	20,084	35,097	1,896	10,537	625	107,658
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

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

Statements relating to "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. 46, 1954-55. 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) 1954-55. Particulars of gross loan expenditure on works, services, etc., are shown in the following table:—

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1954-55.

(£'000.)

Particulars.	N.S.W.	Vic.(a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
<i>Public Works and Services—</i>							
Railways	12,500	8,183	4,202	1,867	5,881	295	32,928
Tramways and Omnibuses	350	..	..	700	67	131	1,248
Roads	200	{ 1,107	{ -204	200	..	..	..
Bridges .. .. .	..	{ 19	..	..	..	..	..
Harbours and Rivers	1,850	{ 288	{ 16	824	{ 1,213	{ 740	6,253
Lights and Lighthouses .. .. .	..	..	..	..	..	..	..
Water Supply	2,349	{ 9,312	{ 1,253	6,225	{ 2,125	{ 291	23,190
Sewerage .. .. .	..	{ 252	..	988	{ 395	..	..
Electricity Supply	11,500	{ 2,000	..	5,000	{ 705	{ 7,530	26,735
Public Buildings	12,389	{ 11,234	{ 3,271	2,353	{ 2,036	{ 2,324	33,607
Loans and Grants to Local Bodies	149	86	6,571	..	..	..	6,806
Unemployment Relief Works .. .. .	..	..	..	..	..	..	..
Housing(h)	501	147	890	2,441	1,575	3,706	9,260
Other Public Works, etc.	281	199	..	107	228	473	1,288
<i>Primary Production—</i>							
Soldier Settlement	3,550	4,999	427	2	..	248	9,226
Land for Settlement .. .. .	..	..	220	58	..	3	281
Advances to Settlers .. .. .	..	..	..	304	..	227	531
Water Conservation	6,189	..	1,955	{ 261	{ 229	..	9,520
Irrigation and Drainage .. .. .	..	..	..	{ 773	{ 113	..	..
Vermin-proof Fencing .. .. .	..	..	(c) 112	(d) ..	..	..	112
Agriculture	421	..	..	..	43	..	464
Agricultural Bank .. .. .	..	..	455	..	..	..	455
Forestry	130	899	1,381	1,397	108	311	4,226
Mines and Mineral Resources	415	7	-51	2,282	230	..	2,883
Other	562	70	..	95	25	1	753
<i>Other Purposes</i> .. .. .	..	(e) 2,150	..	1,020	1,460	931	5,561
Total Public Works, Services, etc.	53,336	40,952	20,498	26,897	16,433	17,211	175,327
Per Head of Population	£15 8 4	£16 9 2	£15 9 4	£33 6 2	£25 6 6	£54 19 10	£19 7 9

(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) £112,000 transferred to Barrier Fences Trust Fund. (d) Included with Advances to Settlers. (e) Includes Gas and Fuel Corporation advances and share capital, £1,195,000, and Rural Finance Corporation, for advances to rural industries, £800,000.

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

(ii) 1938-39 and 1950-51 to 1954-55. 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
1950-51 ..	41,168	35,309	17,698	20,601	11,404	15,200	141,380
1951-52 ..	65,354	55,084	23,662	31,198	18,758	16,882	210,938
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
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
1950-51 ..	12 14 3	15 14 10	14 13 2	28 10 10	19 19 11	53 12 2	17 2 2
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

(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 1952-53 to 1954-55 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, 1952-53 to 1954-55.

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

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1952-53.							
<i>Works and Services—</i>							
Gross Expenditure ..	54,551	41,575	21,854	25,393	19,012	19,830	182,215
Net Expenditure ..	51,547	37,763	19,382	21,981	17,606	12,822	161,101
Repayments ..	3,004	3,812	2,472	3,412	1,406	7,008	21,114
<i>Other than Works, etc.(a)—</i>							
Gross Expenditure ..	596	2,510	150	9	42	247	3,554
Net Expenditure ..	596	2,510	150	9	36	247	3,548
Repayments ..	..	..	..	..	(b) 6	..	6
Total Loan Expenditure—							
Gross	55,147	44,085	22,004	25,402	19,054	20,077	185,769
Net	52,143	40,273	19,532	21,990	17,642	13,069	164,649
Repayments	3,004	3,812	2,472	3,412	1,412	7,008	21,120

For footnotes see next page.

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

Particulars.	N.S.W.	Victoria.	O'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
Total Loan Expenditure—							
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
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
Total Loan Expenditure—							
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

(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 (pages 797 and 799).

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 1950-51 to 1954-55. 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 on account of tax reimbursements, interest under the Financial Agreement, special grants, special financial assistance, coal strike emergency grants, price control reimbursements and estimated payments of pay-roll tax by the States to the Commonwealth.

COMMONWEALTH AND 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	94,437	128,159	212.8
1951.. ..	841,792	304,432	1,032.0	841,792	304,501	1,032.0
1952.. ..	1,016,828	386,521	1,260.1	1,016,828	389,689	1,263.3
1953.. ..	1,040,067	436,111	1,310.7	1,026,667	436,373	1,297.6
1954.. ..	1,022,790	468,343	1,320.3	966,519	465,439	1,261.1
1955.. ..	1,067,441	492,897	1,384.8	997,290	496,421	1,318.2

(ii) *Loan Expenditure.* The aggregate gross loan expenditures of the Commonwealth and States on works and services for the years 1938-39 and 1950-51 to 1954-55 are shown in the following table :—

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

Gross Loan Expenditure.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Commonwealth(b)	3,913	50,413	31,667	35,684	41,399	33,189
State	21,399	141,380	210,938	182,215	182,948	175,327
Total	25,312	191,793	242,605	217,899	224,347	208,516

(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 and payments to Swiss Loan Trust account from proceeds of Swiss Loan (see page 808).

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 1950-51 to 1954-55. 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.	1950-51	1951-52.	1952-53.	1953-54.	1954-55.
NET COLLECTIONS. (£'000.)						
Customs and Excise Duties ..	47,632	165,004	213,917	183,824	220,217	244,403
Sales Tax	9,308	57,173	95,459	89,067	95,689	100,446
Land Tax	2,897	4,953	8,710	4,666	4,359	5,011
Pay-roll Tax		28,721	37,170	40,171	40,384	41,455
Income Taxes (b)	41,679	451,779	551,297	554,869	528,273	532,968
Probate and Succession Duties	6,916	19,405	23,172	26,149	28,525	31,216
Stamp Duties n.e.i.	3,466	11,961	12,228	12,297	14,543	16,027
Motor Taxes	6,961	15,579	20,523	23,321	25,877	27,783
Liquor Taxes	1,045	2,726	3,681	4,429	5,346	5,563
Racing	1,251	4,540	5,990	6,794	7,503	6,992
Entertainments Tax	633	5,148	6,161	6,708	2,883	1,339
Licences, n.e.i., and other Taxes	2,841	62,109	18,853	14,327	7,251	13,891
Total	124,629	829,098	997,161	966,622	980,850	1,027,094

PER HEAD OF POPULATION.
(£ s. d.)

Customs and Excise Duties ..	6 17 5	19 17 5	25 1 8	21 0 11	24 14 10	26 17 9
Sales Tax	1 6 10	6 17 9	11 3 10	10 3 11	10 15 0	11 1 0
Land Tax	0 8 4	0 11 11	1 0 5	0 10 8	0 9 10	0 11 0
Pay-roll Tax		3 9 2	4 7 2	4 12 0	4 10 9	4 11 2
Income Taxes(b)	6 0 3	54 8 3	64 12 10	63 10 7	59 7 1	58 12 7
Probate and Succession Duties	0 19 11	2 6 9	2 14 4	2 19 10	3 4 1	3 8 8
Stamp Duties n.e.i.	0 10 0	1 8 10	1 8 8	1 8 2	1 12 8	1 15 3
Motor Taxes	1 0 1	1 17 6	2 8 2	2 13 5	2 18 2	3 1 2
Liquor Taxes	0 3 0	0 6 7	0 8 8	0 10 2	0 12 0	0 12 3
Racing		0 10 11	0 14 1	0 15 7	0 16 10	0 15 5
Entertainments Tax	0 5 6	0 12 5	0 14 5	0 15 4	0 6 6	0 3 0
Licences, n.e.i., and other Taxes	0 8 1	7 9 7	2 4 2	1 12 10	0 16 4	1 10 7
Total	17 19 5	99 17 1	116 18 5	110 13 5	110 4 1	112 19 10

(a) For separate details of Commonwealth and State taxation collections, see pages 755 and 783. (b) Includes Wool Deduction, 1950-51, £109,531,000 (£13 3s. 10d. per head); 1951-52, £5,963,000 (14s. per head); 1952-53, —£2,223,000 (—5s. 1d. per head); 1953-54, —£239,000 (—6d. per head).

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 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 cent. on the net public debts of the States existing at 30th June, 1927, and each State contributes annually 5s. per cent. on the net public debt of such State at 30th June, 1927. The payments of the Commonwealth and of all States except New South Wales will continue for a period of 58 years from 1st July, 1927, and those of New South Wales for a similar period from 1st July, 1928.

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

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

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

(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, 1955.**—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, 1955.

COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1955.

Particulars.	Maturing in—				Total.
	Australia.	London.	New York.	Switzerland.	
DEBT.					
<i>Commonwealth Debt—</i>	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)
War (1914–18) Debt(b)—					
Stock and Bonds	126,444	7,534	..	..	133,978
Other Debt(c)	101	..	..	..	101
<i>Total War (1914–18) Debt</i> ..	<i>126,545</i>	<i>7,534</i>	<i>..</i>	<i>..</i>	<i>134,079</i>
War (1939–45) Debt—					
Stock and Bonds	1,018,173	5,725	..	..	1,023,898
Treasury Bills, Internal	228,990	..	..	..	228,990
Treasury Bills, Public	160,000	..	..	..	160,000
Other Debt(d)	31,944	..	..	..	31,944
<i>Total War (1939–45) Debt</i> ..	<i>1,439,107</i>	<i>5,725</i>	<i>..</i>	<i>..</i>	<i>1,444,832</i>
Works and Other Purposes—					
Stock and Bonds	221,987	48,816	8,880	12,251	291,934
Treasury Bills and Debentures ..	..	220	..	..	220
Treasury Bills, Internal	10,810	..	..	..	10,810
International Bank Dollar Loan ..	..	..	41,842	..	41,842
<i>Total Works and Other Purposes</i>	<i>232,797</i>	<i>49,036</i>	<i>50,722</i>	<i>12,251</i>	<i>344,806</i>
<i>Total Commonwealth Debt</i> ..	<i>1,798,449</i>	<i>62,295</i>	<i>50,722</i>	<i>12,251</i>	<i>1,923,717</i>
<i>State Debt—</i>					
Stock and Bonds	1,478,419	258,415	21,520	..	1,758,354
Debentures	37,064	4,691	..	..	41,755
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>1,515,483</i>	<i>288,724</i>	<i>21,520</i>	<i>..</i>	<i>1,825,727</i>
<i>Grand Total Commonwealth and State Debt</i>	<i>3,313,932</i>	<i>351,019</i>	<i>72,242</i>	<i>12,251</i>	<i>3,749,444</i>

(a) See § 1, page 795. (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, 1955—continued.**

Particulars.	Maturing in—				Total.
	Australia.	London.	New York.	Switzer-land.	
DEBT PER HEAD OF POPULATION.					
	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
<i>Commonwealth Debt—</i>					
War (1914–18) Debt(b)	13 15 1	0 16 5	..	..	14 11 6
War (1939–45) Debt	156 8 3	0 12 5	..	..	157 0 8
Works and Other Purposes	25 6 0	5 6 7	5 10 3	1 6 8	37 9 6
<i>Total Commonwealth Debt</i>	<i>195 9 4</i>	<i>6 15 5</i>	<i>5 10 3</i>	<i>1 6 8</i>	<i>209 1 8</i>
<i>Total State Debt</i>	<i>165 12 3</i>	<i>31 11 1</i>	<i>2 7 0</i>	<i>..</i>	<i>199 10 4</i>
<i>Grand Total Commonwealth and State Debt</i>	<i>360 3 8</i>	<i>38 3 0</i>	<i>7 17 0</i>	<i>1 6 8</i>	<i>407 10 4</i>

ANNUAL INTEREST PAYABLE.

	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)
<i>Commonwealth Debt—</i>					
War (1914–18) Debt(b)	4,273	228	..	..	4,501
War (1939–45) Debt	38,351	229	..	..	38,580
Works and Other Purposes	8,183	1,634	2,196	475	12,488
<i>Total Commonwealth Debt</i>	<i>50,807</i>	<i>2,091</i>	<i>2,196</i>	<i>475</i>	<i>55,569</i>
<i>Total State Debt</i>	<i>54,033</i>	<i>9,272</i>	<i>741</i>	<i>..</i>	<i>64,046</i>
<i>Grand Total Commonwealth and State Debt</i>	<i>104,840</i>	<i>11,363</i>	<i>2,937</i>	<i>475</i>	<i>119,615</i>

ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION.

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

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

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
<i>Commonwealth Debt—</i>					
War (1914–18) Debt(b)	3 7 9	3 0 5	..	..	3 7 5
War (1939–45) Debt	2 13 4	4 0 0	..	..	2 13 5
Works and Other Purposes	3 10 4	3 6 8	4 6 7	3 17 6	3 12 6
<i>Total Commonwealth Debt</i>	<i>2 16 6</i>	<i>3 7 2</i>	<i>4 6 7</i>	<i>3 17 6</i>	<i>2 17 10</i>
<i>Total State Debt</i>	<i>3 11 4</i>	<i>3 4 3</i>	<i>3 8 11</i>	<i>..</i>	<i>3 10 2</i>
<i>Grand Total Commonwealth and State Debt</i>	<i>3 3 3</i>	<i>3 4 9</i>	<i>4 1 4</i>	<i>3 17 6</i>	<i>3 3 10</i>

(a) See § 1, page 795. (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 1951 to 1955.—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 1951 to 1955. A dissection of debt for these years into debt payable in Australia, London, New York and Switzerland may be found in the annual bulletin *Finance*.

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

Particulars.	1939.	1951.	1952.	1953.	1954.	1955.
DEBT. (£'000.) (a)						
<i>Commonwealth Debt</i> —						
War (1914–18) Debt ..	186,214	157,360	156,095	152,333	145,964	134,079
War (1939–45) Debt ..	131,313	1,505,176	1,484,915	1,472,777	1,464,767	1,444,832
Works and Other Purposes ..		189,613	227,809	263,105	307,124	344,806
<i>Total Commonwealth Debt</i>	<i>317,527</i>	<i>1,852,149</i>	<i>1,868,819</i>	<i>1,888,215</i>	<i>1,917,855</i>	<i>1,923,717</i>
<i>State Debt</i>	<i>897,772</i>	<i>1,208,338</i>	<i>1,395,676</i>	<i>1,543,648</i>	<i>1,688,948</i>	<i>1,825,727</i>
Grand Total Commonwealth and State Debt	1,215,299	3,060,487	3,264,495	3,431,863	3,606,803	3,749,444

ANNUAL INTEREST PAYABLE.
(£'000.) (a)

<i>Commonwealth Debt</i> —						
War (1914–18) Debt ..	7,376	5,043	5,022	4,884	4,851	4,501
War (1939–45) Debt ..		38,284	37,509	38,853	38,758	38,580
Works and Other Purposes ..	5,150	6,017	7,159	8,507	10,490	12,488
<i>Total Commonwealth Debt</i>	<i>12,526</i>	<i>49,344</i>	<i>49,690</i>	<i>52,244</i>	<i>54,099</i>	<i>55,569</i>
<i>State Debt</i>	<i>33,644</i>	<i>37,100</i>	<i>41,631</i>	<i>48,140</i>	<i>55,022</i>	<i>64,046</i>
Grand Total Commonwealth and State Debt	46,170	86,444	91,321	100,384	109,121	119,615

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

(a) See § 1, page 795.

3. State Public Debt and Annual Interest Payable at 30th June, 1955.—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, 1955, 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, 1955.

State.	Maturing in Australia.	Maturing Oversea.			Grand Total.
		London.	New York.	Total Oversea.	
DEBT.					
	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)
New South Wales	522,978	122,141	10,480	132,621	655,599
Victoria	363,246	44,777	3,176	47,953	411,199
Queensland	188,735	43,583	4,156	47,739	236,474
South Australia	196,858	35,461	2,450	37,911	234,769
Western Australia	141,073	35,770	1,038	36,808	177,881
Tasmania	102,593	6,992	220	7,212	109,805
Total	1,515,483	288,724	21,520	310,244	1,825,727

DEBT PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d. (a)	£ s. d. (a)	£ s. d. (a)
New South Wales	149 16 9	34 19 11	3 0 0	37 19 11	187 16 8
Victoria	143 19 6	17 14 11	1 5 2	19 0 1	162 19 7
Queensland	140 7 4	32 8 3	3 1 10	35 10 1	175 17 5
South Australia	240 4 1	43 5 4	2 19 10	46 5 2	286 9 3
Western Australia	214 4 5	54 6 4	1 11 6	55 17 10	270 2 3
Tasmania	326 0 6	22 4 4	0 14 0	22 18 4	348 18 10
Total	165 12 3	31 11 1	2 7 0	33 18 1	199 10 4

ANNUAL INTEREST PAYABLE.

	£A.'000.	£Stg.'000.	£'000.(a)	£'000.(a)	£'000.(a)
New South Wales	18,381	3,915	353	4,268	22,649
Victoria	13,254	1,448	110	1,558	14,812
Queensland	6,631	1,446	143	1,589	8,220
South Australia	7,058	1,123	91	1,214	8,272
Western Australia	4,940	1,108	37	1,145	6,085
Tasmania	3,769	232	7	239	4,008
Total	54,033	9,272	741	10,013	64,046

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 10 4	3 4 1	3 7 4	3 4 4	3 9 1
Victoria	3 12 11	3 4 8	3 9 1	3 4 11	3 12 0
Queensland	3 10 3	3 6 4	3 8 10	3 6 7	3 9 6
South Australia	3 11 9	3 3 4	3 14 6	3 4 0	3 10 6
Western Australia	3 10 0	3 1 11	3 11 5	3 2 3	3 8 5
Tasmania	3 13 6	3 6 1	3 7 6	3 6 2	3 13 0
Total	3 11 4	3 4 3	3 8 11	3 4 7	3 10 2

(a) See § 1, page 795.

4. State Public Debt, 1939 and 1951 to 1955.—In the following table, the debt of each State and the amounts outstanding per head of population at 30th June, 1939 and 1951 to 1955 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
1951	462,241	250,933	166,157	148,388	123,186	57,433	1,208,338
1952	522,491	302,499	187,310	173,436	138,288	71,652	1,395,676
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

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
1951	139 6 11	110 11 7	137 3 7	206 1 8	211 17 0	197 9 6	144 0 5
1952	154 4 0	129 10 6	151 5 0	234 10 3	229 19 11	237 3 5	162 3 9
1953	165 5 4	142 7 11	161 7 10	255 17 7	246 0 4	270 9 2	175 15 2
1954	179 9 8	153 14 4	167 3 5	267 19 6	259 3 0	316 7 6	188 18 4
1955	187 16 8	162 19 7	175 17 5	286 9 3	270 2 3	348 18 10	199 10 4

(a) See § 1, page 795.

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 804 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 1954-55.

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 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 gives no indication to the amount that the Australian Government would have to find to repay the debt. In the following tables, the public debt and the interest payable are shown in terms of Australian currency throughout. Debt in London, New York and Switzerland has been converted to Australian currency at the selling rate of exchange on 30th June, 1955.

COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE
AT 30th JUNE, 1955 : AUSTRALIAN CURRENCY.
(£A.'000.)

Particulars.	Maturing in—				Total.
	Australia.	London. (a)	New York. (b)	Switzer- land. (c)	
DEBT.					
<i>Commonwealth Debt—</i>					
War (1914-18) Debt	126,545	9,455	..	..	136,000
War (1939-45) Debt	1,439,107	7,185	..	..	1,446,292
Works and Other Purposes	232,797	61,540	111,396	12,398	418,131
<i>Total Commonwealth Debt</i>	<i>1,798,449</i>	<i>78,180</i>	<i>111,396</i>	<i>12,398</i>	<i>2,000,423</i>
<i>State Debt—</i>					
New South Wales	522,978	153,287	23,015	..	699,280
Victoria	363,246	56,195	6,975	..	426,416
Queensland	188,735	54,696	9,128	..	252,559
South Australia	196,858	44,504	5,381	..	246,743
Western Australia	141,073	44,891	2,280	..	188,244
Tasmania	102,593	8,775	484	..	111,852
<i>Total State Debt</i>	<i>1,515,483</i>	<i>362,348</i>	<i>47,263</i>	<i>..</i>	<i>1,925,094</i>
<i>Commonwealth and State Debt—</i>					
Short-term Debt	399,800	32,991	..	..	432,791
Other Debt	2,914,132	407,537	158,659	12,398	3,492,726
<i>Grand Total Commonwealth and State Debt</i>	<i>3,313,932</i>	<i>440,528</i>	<i>158,659</i>	<i>12,398</i>	<i>3,925,517</i>

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

(b) Converted at rate of \$2.2159 = £A.1

(c) Converted at rate of 9.678 francs = £A.1.

COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE
AT 30TH JUNE, 1955 : AUSTRALIAN CURRENCY—*continued.*
(£A.'000.)

Particulars.	Maturing in—				Total.
	Australia.	London. (a)	New York. (b)	Switzer- land. (c)	
ANNUAL INTEREST PAYABLE.					
<i>Commonwealth Debt—</i>					
War (1914-18) Debt	4,273	286	..	..	4,559
War (1939-45) Debt	38,351	287	..	..	38,638
Works and Other Purposes	8,183	2,052	4,823	480	15,538
<i>Total Commonwealth Debt</i>	<i>50,807</i>	<i>2,625</i>	<i>4,823</i>	<i>480</i>	<i>58,735</i>
<i>State Debt—</i>					
New South Wales	18,381	4,914	775	..	24,070
Victoria	13,254	1,817	241	..	15,312
Queensland	6,631	1,815	314	..	8,760
South Australia	7,058	1,410	201	..	8,668
Western Australia	4,940	1,390	81	..	6,412
Tasmania	3,769	290	16	..	4,075
<i>Total State Debt</i>	<i>54,033</i>	<i>11,636</i>	<i>1,628</i>	<i>..</i>	<i>67,297</i>
Grand Total Commonwealth and State Debt	104,840	14,261	6,451	480	126,032

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

(b) Converted at rate of \$2.2159 = £A.1.

(c) Converted at rate of 9.678 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, 1955, at each rate of interest :—

COMMONWEALTH AND STATE PUBLIC DEBT AT 30TH JUNE, 1955 : AMOUNTS AT EACH RATE OF INTEREST.

Rate of Interest.	Maturing in—								Total.
	Australia.		London.		New York.		Switzer- land.	Total.	
	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)
5.0 ..	..	..	..	1	..	..	..	..	1
4.75 ..	..	..	..	..	20,182	..	..	20,182	..
4.625 ..	..	..	..	..	1,112	..	..	1,112	..
4.5 ..	148,893	509,572	..	11,790	..	..	..	148,893	521,362
4.2625 ..	77	..	..	..	..	..	..	77	..
4.25 ..	45	..	..	..	20,548	..	..	20,593	..
4.0 ..	..	568	5,725	22,798	..	1,220	6,126	11,851	24,586
3.875 ..	..	22,698	..	..	..	..	..	1,789	22,698
3.8 ..	1,789	..	..	3,200	..	..	..	..	3,200
3.75 ..	13,751	66,838	6,951	..	3,417	1,721	6,125	30,244	68,559
3.625 ..	..	107	..	..	..	..	..	..	107
3.5 ..	..	2,388	5,842	46,158	1,105	7,140	..	6,947	55,686
3.4875 ..	..	2	..	..	..	..	..	..	2
3.375 ..	..	..	..	..	3,244	5,193	..	3,244	5,193
3.25 ..	859,532	113,412	33,767	56,848	1,114	6,246	..	894,413	176,506
3.2391 ..	17,514	..	..	..	..	..	..	17,514	..
3.125 ..	263,852	530,078	..	..	..	..	..	263,852	530,078
3.1 ..	..	3,857	..	..	..	..	..	..	3,857
3.0 ..	83,323	223,180	9,790	90,669	..	..	..	93,113	313,849
2.8347 ..	9,102	..	..	..	..	..	..	9,102	..
2.75 ..	..	..	220	37,326	..	..	..	220	37,326
2.7125 ..	..	417	..	..	..	..	..	..	417
2.5 ..	..	2	..	19,932	..	..	..	..	19,934
2.325 ..	..	1,728	..	..	..	..	..	..	1,728
1.5 ..	..	3,572	..	..	..	..	..	..	3,572
1.0 ..	399,800	37,064	..	..	..	..	..	399,800	37,064
Miscellaneous (c)	771	..	..	2	..	..	..	771	2
Total Debt ..	1,798,449	1,515,483	62,295	288,724	50,722	21,520	12,251	1,923,717	1,825,727

(a) Excludes War (1914-18) Debt due to United Kingdom Government, £79,724,000 (rate of interest 4.91667 per cent.). (b) See § 1, page 795. (c) 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, 1955 is classified according to the earliest and the latest years of maturity.

COMMONWEALTH PUBLIC DEBT AT 30th JUNE, 1955(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.	Switzer- land.		Aus- tralia.	Lon- don.	New York.	Switzer- land.	
£A.'000.	£Stg. '000.	£'000b	£'000.(b)	£'000.(b)	£A.'000.	£Stg. '000.	£'000.b	£'000.(b)	£'000.(b)	
Before 30th June, 1955 ..	737,389	6,951	1,114	..	745,454	..	..	..	..	..
1955-56(c) ..	563,438	16,386	..	..	579,824	441,296	220	..	..	441,516
1956-57 ..	118,236	17,309	4,349	..	139,894	81,099	6,951	1,114	..	89,164
1957-58 ..	9,872	..	..	..	9,872	43,479	..	..	..	43,479
1958-59 ..	..	..	..	..	..	237,221	..	..	..	237,221
1959-60 ..	..	..	..	..	..	240,034	..	..	..	240,034
1960-61 ..	72,433	5,725	..	..	78,158	227,752	16,166	..	..	243,918
1961-62 ..	72,005	5,842	..	..	77,847	77,847	..	3,244	..	167,757
1962-63 ..	78,319	..	..	..	78,319	64,525	..	..	..	64,525
1963-64 ..	..	..	..	..	..	72,433	5,725	..	..	78,158
1964-65 ..	..	292	..	6,125	6,417	65,545	..	..	..	65,545
1965-66 ..	..	..	..	6,126	6,126	13,795	..	..	..	13,795
1966-67 ..	11,671	..	..	..	11,671	11,671	5,842	1,105	..	18,618
1967-68 ..	30,877	..	..	..	30,877	30,877	..	..	..	30,877
1968-69 and later ..	76,629	9,790	3,416	..	89,835	76,629	27,391	3,416	12,251	119,687
Miscellaneous (d) ..	27,580	..	e41843	..	69,423	27,580	..	e41843	..	69,423
Total ..	1,798,449	62,295	50,722	12,251	1,923,717	1,798,449	62,295	50,722	12,251	1,923,717

(a) See note (a) to previous table. (b) See § 1, page 795. (c) Includes Short-term Debt. (d) 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. (e) 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, 1955 have been classified in the following table according to the earliest and the latest years of maturity.

STATE PUBLIC DEBT AT 30th JUNE, 1955 : 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)	£'000.(a)	£A.'000.	£Stg. '000.	£'000.(a)	£'000.(a)	
Before 30th June, 1955 ..	142,469	42,740	6,246	191,455	..	..	..	121,859
1955-56 ..	83,720	(b)41,606	..	125,326	95,791	(b)26,068	..	130,498
1956-57 ..	185,611	39,448	12,333	237,392	124,252	..	6,246	57,200
1957-58 ..	38,854	..	..	38,854	37,110	20,090	..	55,222
1958-59 ..	1,669	13,935	..	15,604	34,413	20,809	..	74,981
1959-60 ..	2,732	..	..	2,732	74,981	..	..	82,851
1960-61 ..	108,071	11,790	..	119,861	64,413	18,438	..	53,575
1961-62 ..	196,424	23,509	..	219,933	48,382	..	5,193	171,639
1962-63 ..	266,916	12,871	..	279,787	159,849	11,790	..	107,868
1963-64 ..	4,076	10,000	..	14,076	107,868	..	..	191,391
1964-65 ..	2,105	12,896	..	15,001	178,521	12,870	..	118,151
1965-66 ..	1,084	25,549	..	26,633	108,151	10,000	..	93,749
1966-67 ..	63,100	..	..	63,100	63,100	23,509	7,140	155,722
1967-68 ..	130,173	15,950	..	146,123	130,173	25,549	..	205,117
1968-69 ..	205,117	..	..	205,117	205,117	..	..	46,252
1969-70 ..	3,242	18,441	1,721	23,404	3,242	41,289	1,721	13,405
1970-71 ..	2,369	..	..	2,369	2,369	11,036	..	18,127
1971-72 ..	2,177	12,175	..	14,352	2,177	15,950	..	2,711
1972-73 ..	2,711	..	..	2,711	2,711	..	..	15,511
1973-74 ..	3,336	..	..	3,336	3,336	12,175	..	35,715
1974-75 ..	4,378	..	..	4,378	4,378	31,337	..	7,338
1975-76 ..	7,338	4,351	..	11,689	7,338	..	..	6,001
1976-77 ..	6,001	..	..	6,001	6,001	..	..	31,098
1977-78 and later ..	26,747	..	..	26,747	26,747	4,351	..	29,746
Miscellaneous (c) ..	25,063	3,463	1,220	29,746	25,063	3,463	1,220	1,825,727
Total ..	1,515,483	288,724	21,520	1,825,727	1,515,483	288,724	21,520	1,825,727

(a) See § 1, page 795. (b) Includes short-term debt, £26,068,000. (c) Consists of overdue indefinite and interminable debt, debt due at 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, 1951, to 30th June, 1955, are shown in the following table. This debt is included in the public debt as shown elsewhere.

COMMONWEALTH AND STATE SHORT-TERM DEBT.(a)

Date.	Maturing in Australia. (£A.'000.)			Maturing in London. (£Stg.'000.)		
	Commonwealth.	States.	Total.	Commonwealth.	States.	Total.
30th June, 1939 ..	..	50,228	50,228	4,220	23,155	27,375
„ „ 1951 ..	108,280	2,400	110,680	1,220	22,868	24,088
„ „ 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
30th September, 1954 ..	185,000	..	185,000	470	22,868	23,338
31st December, 1954 ..	215,000	..	215,000	220	22,868	23,088
31st March, 1955 ..	220,000	..	220,000	220	22,868	23,088
30th June, 1955 ..	160,000	..	160,000	220	26,068	26,288

(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, 2¾ 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 ; ¾ per cent. from 1st May, 1949 ; 1 per cent. from 1st August, 1952.

9. **State and Municipal and Semi-Governmental Authority Public Debt.**—For the reasons indicated on page 801, direct comparisons of the debts of the several States should be made with caution. The table following shows, for 1938-39 and 1950-51 to 1953-54, 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-Gov- ernmental. (a)	Total.	
DEBT. (£'000.) (b) 1954-55.					
New South Wales	655,599	62,146	163,663	881,408	
Victoria	411,199	24,337	259,626	695,162	
Queensland	236,474	58,166	44,536	339,176	
South Australia	234,769	2,047	18,429	255,245	
Western Australia	177,881	5,340	9,011	192,232	
Tasmania	109,805	7,661	9,460	126,926	
Total	1954-55	1,825,727	159,697	504,725	2,490,149
	1953-54	1,688,948	142,628	439,616	2,271,192
	1952-53	1,543,648	127,041	381,880	2,052,569
	1951-52	1,395,676	112,176	316,381	1,824,233
	1938-39	897,772	78,126	120,512	1,096,410

(a) Due to the public and excludes amounts due to Central Government. Includes bank overdrafts.
(b) See § 1, page 795.

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) 1954-55.				
New South Wales	187.8	17.8	46.9	252.5
Victoria	163.0	9.6	102.9	275.5
Queensland	175.9	43.3	33.1	252.3
South Australia	286.5	2.5	22.4	311.4
Western Australia	270.1	8.2	13.6	291.9
Tasmania	348.9	24.3	30.2	403.4
Total	1954-55	199.5	17.4	217.0
	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, page 795.

§ 4. Commonwealth Loan Raisings.

1. **New Loans Raised, 1952-53 to 1954-55.**—Under the Financial Agreement between the Commonwealth and the States, the Commonwealth is responsible for raising all loan moneys required by both the Commonwealth and the State Governments. Details of loan transactions given in this section relate, therefore, to all loans raised for the Commonwealth and the States. The following table shows details of new loans raised in Australia by the Commonwealth during the three years 1952-53 to 1954-55. No new loans were raised in London during this period, and the only new loans raised in New York were those from the International Bank for Reconstruction and Development. Details of these loans are given in para. 3, below.

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 (1952- 45) etc.	Other Pur- poses.	
1952-53—	£'000.	£'000.	%		£	£'000.	£'000.	£'000.
November (Sixteenth Security Loan)	20,000	20,269	4½	1961	100	..	2,459	17,810
March (Seventeenth Security Loan)	29,789	13,981 18,037	3 4½	1955 1962	99 10s. 100	} 92	} 3,595	} 28,331
June(b)	123,000	35,000 88,000	3 4½	1955 1962	99 10s. 100				..	15,327	107,673
1953-54—								
September (Eighteenth Security Loan)	50,000	11,313 55,005	3 4½	1955 1966	100 100	..	6,850	59,468
March (Nineteenth Security Loan)	35,000	8,603 43,462	3 4½	1957 1967	98 10s. 100	..	65	52,000
June(b)	80,000	16,000 64,000	3 4½	1957 1967	98 10s. 100	5,407	30,475	44,118
1954-55—								
August (Twentieth Security Loan)	37,594	7,180 39,320	3 4½	1957 1967	98 10s. 100	..	..	46,500
November (Twenty-first Security Loan)	50,106	5,698 31,461	3 4½	1957 1968	98 15s. 100	..	..	37,159
March (Twenty-second Security Loan)	40,000	12,526 31,570	3 4½	1957 1968	99 5s. 100	..	..	44,095
June(b)	48,000	10,000 38,000	3 4½	1957 1968	99 5s. 100	3,452	29,201	15,347

(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.

The loans of £123,000,000, £80,000,000 and £48,000,000 issued in June, 1953, 1954 and 1955 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 £190,182,000 in 1952-53, £200,000,000 in 1953-54 and £180,000,000 in 1954-55. Subscriptions to these special loans came from the following sources :—

—	1952-53.	1953-54.	1954-55.
	£	£	£
National Debt Commission—			
Investment of surplus received from Commonwealth Revenue .. .. .	..	..	..
Investment of Australian currency proceeds of International Bank Loan	18,500,000	18,000,000	22,150,000
Swiss Loan Trust Account .. .. .	..	5,750,000	6,150,000
Commonwealth Trust Moneys—Investment	104,500,000	56,250,000	19,700,000
Total	123,000,000	80,000,000	48,000,000

Finance for the approved Loan Council programmes from 1952-53 to 1954-55 was provided from the following sources—

—	1952-53.	1953-54.	1954-55.
	£	£	£
Public Loans, domestic raisings, etc.	67,357,000	125,647,000	135,527,000
Special Commonwealth Loan	122,825,000	74,353,000	44,473,000
Total	190,182,000	200,000,000	180,000,000

In addition to the new loans raised shown in the foregoing table, and the redemption and conversion loans shown in the following table, there were other miscellaneous debt operations during 1954-55, namely :—Savings Certificates and War Saving Certificates (Five and Seven Years' Series), decrease of £3,693,000 ; War Savings and Savings Stamps, decrease of £1,000 ; National Savings Bonds and Stamps, decrease of £13,000 ; "Over the Counter Sales" (small amounts borrowed by virtue of certain statutory rights) £8,138,900. Advance loan subscriptions in hand decreased from £9,894,000 at the end of 1953-54 to £5,175,000 at the end of 1954-55.

2. Conversion and Redemption Loans, 1952-53 to 1954-55.—(i) *Australia*. Particulars of conversion loans raised in Australia during the three years 1952-53 to 1954-55 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.
1952-53—							
March ..	47,211	2	{ 30,196 17,015	{ 3 4½	{ 99 10s. 100	{ 1955 1962	{ 727
1953-54—							
September ..	32,926	2	{ 12,235 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	{ 11,657 48,303	{ 3 4½	{ 98 15s. 100	{ 1957 1968	{ 418
March ..	198,942	2	{ 64,652 124,222	{ 3 4½	{ 99 5s. 100	{ 1957 1968	{ 3,752

(ii) *London*. The following table shows particulars of loans raised in Australia and London during the years 1952-53 and 1953-54 for the purpose of redeeming and converting London loans. There were no loans raised for this purpose in 1954-55.

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

Month of Raising.	Old Loan.		New Loan.				Increase in Annual Liability for Interest and Exchange. (a)	
	Amount.	Rate of Interest per annum.	Amount raised in—		Rate of Interest per annum.	Price of Issue per £100.		Year of Maturity.
			Australia.	London.				
	£Stg. '000.	%	£A. '000.	£Stg. '000.	%	£	£A. '000.	
1952-53—								
July ..	11,790	3½	..	11,790	4½	98	1960-62 148	
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 that redemption loan.

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.	Aus-tralian Currency.
	\$'000.	%	\$'000.	%	\$.		\$'000.	£A.'000.
1954-55—								
December ..	25,000	5	25,000	3½	99	1969	312½	(b) 141

(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.

3. *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 ¾ per cent. per annum on the amount of the loan not withdrawn from time to time. Repayment of the loan is to be made in half-yearly instalments commencing on 1st September, 1955. The last instalment is payable on 1st September, 1975. 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 ¾ per cent. per annum similar to that of the previous loan. Repayment of the loan is to be made in half-yearly instalments from 1st June, 1957 to 1st December, 1972. 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. Up to 30th June, 1955, \$48,214,957 had been drawn on the loan.

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 ¾ 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, 1955, \$5,411,552 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.

4. **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 whole 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 3½ 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.

5. **Summary of Loan Transactions, 1950-51 to 1954-55.**—The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the five years 1950-51 to 1954-55.

COMMONWEALTH LOAN TRANSACTIONS : SUMMARY.

Details.	Year ended 30th June—				
	1951.	1952.	1953.	1954.	1955.
New Loans—					
New Loans (a) raised in—					
Australia .. £A.'000.	127,567	223,695	175,287	198,387	175,755
New York(b) .. \$'000.	9,059	53,380	40,223	48,144	52,821
Switzerland Francs '000.	..	..	..	60,000	60,000
Miscellaneous Debt in Australia (c) .. £A.'000.	-16,443	7,405	24,512	13,273	3,429
Net Increase in Short Term Debt—					
Australia—Public .. £A.'000.	2,400	42,600	71,720	-35,000	-30,000
Internal .. £A.'000.	87,000	-37,000	-75,610	29,000	34,600
London .. £Stg.'000.	-250	-250	-250	-250	2,950
Loans raised for Conversion or Redemption of existing Debt maturing in—					
Australia .. £A.'000.	153,928	71,234	47,211	43,171	253,793
London—					
Raised in Australia £A.'000.	11,785	..	..	..	..
London £Stg.'000.	..	..	11,790	10,796	..
New York .. \$'000.	..	..	..	..	25,000

(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 1950-51 to 1954-55 were as follows:—

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

Items.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
Receipts—						
From Consolidated Revenue	3,918	17,225	(a) 116,928	18,471	18,154	14,115
Loans and Advances Repaid	17	4,381	2,094	2,508	2,276	2,007
War Service Homes Money Repaid	629	3,147	4,046	4,050	5,326	5,734
Half Net Profit Commonwealth Bank	321	1,140	1,336	1,764	2,127	2,835
Reparation Moneys	..	..	..	..	..	2,662
Interest on Investments	32	70	76	(b) 2,144	(c) 3,371	(d) 4,621
Loan (International Bank for Reconstruction and Development) Act	..	4,044	23,831	17,935	21,467	23,575
Other Contributions	14	12	12	10	6	3
Total Receipts	4,931	30,019	148,323	46,882	52,727	55,552
Expenditure—						
Securities Repurchased and Redeemed in—						
Australia	4,230	28,762	25,382	16,011	16,993	36,218
London	608	1,688	411	436	722	609
New York	214	449	448	455	8,998	4,488
Total Expenditure	5,052	30,899	26,241	16,902	26,713	41,315
Balance at 30th June	1,131	9,997	132,079	162,059	188,073	202,310
Face Value of Securities Repurchased and Redeemed in—						
Australia	4,199	28,828	26,882	16,860	18,561	37,312
London	498	1,409	335	363	593	492
New York	167	210	211	212	4,152	2,065
Total Face Value	4,864	30,447	27,428	17,435	23,306	39,869

(a) Includes £98,500,000 Consolidated Revenue Fund surplus. (b) Includes £1,562,000 interest received under National Debt Sinking Fund (Special Payment) Act 1951. (c) Includes £1,970,000 interest received under National Debt Sinking Fund (Special Payment) Act 1951. (d) Includes £2,149,000 interest received under National Debt Sinking Fund (Special Payment) Act 1951.

2. State Public Debt.—(i) States, 1954-55. 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 page 796. Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1954-55 are shown below.

NATIONAL DEBT SINKING FUND: STATE ACCOUNT, 1954-55.
(£'000.)

Items.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Receipts—							
Contributions under Financial Agreement—							
Commonwealth	1,429	880	497	504	397	240	3,947
States	5,045	3,181	1,776	1,733	1,303	642	13,680
Interest from States on cancelled Securities	8	3	3	1	2	1	18
Special Contributions by States	81	5	..	2	1	1	90
Interest on Investments, etc.	6	5	1	2	1	1	16
Total Receipts	6,569	4,074	2,277	2,242	1,704	885	17,751
Expenditure—							
Securities Repurchased and Redeemed in—							
Australia	6,176	3,176	1,444	1,764	1,136	844	14,540
London	174	160	363	127	59	15	898
New York	268	922	429	363	699	7	2,688
Total Expenditure	6,618	4,258	2,236	2,254	1,894	866	18,126
Balance at 30th June, 1955	508	409	307	222	221	52	1,719
Face Value of Securities Repurchased and Redeemed in—							
Australia	6,282	3,242	1,449	1,780	1,167	860	14,780
London	140	131	295	104	49	13	732
New York	123	424	197	167	322	3	1,236
Total Face Value	6,545	3,797	1,941	2,051	1,538	876	16,748

(ii) *All States, 1938-39 and 1950-51 to 1954-55.* The following table is a summary of the transactions of the National Debt Sinking Fund (State Account) for the years 1938-39 and 1950-51 to 1954-55:—

NATIONAL DEBT SINKING FUND: STATE ACCOUNT.

(£'000.)

Items.	1938-39.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.
<i>Receipts—</i>						
<i>Contributions under Financial Agreement—</i>						
Commonwealth ..	1,478	2,241	2,557	3,011	3,463	3,947
States ..	4,327	9,418	10,325	11,362	12,357	13,680
Interest from States on cancelled Securities ..	15	25	41	49	45	18
<i>Commonwealth Contributions under Federal Aid Roads and Works Act ..</i>						
Special Contributions by States ..	61	147	151	155	203	90
Interest on Investments, etc.	56	8	4	25	33	16
<i>Total Receipts ..</i>	<i>6,006</i>	<i>11,839</i>	<i>13,078</i>	<i>14,602</i>	<i>16,101</i>	<i>17,751</i>
<i>Expenditure—</i>						
<i>Securities Repurchased and Redeemed in—</i>						
Australia ..	4,008	8,877	9,280	10,602	13,576	14,540
London ..	1,722	5,307	474	973	1,362	898
New York ..	347	462	430	483	4,792	2,688
<i>Total Expenditure ..</i>	<i>6,077</i>	<i>14,646</i>	<i>10,184</i>	<i>12,058</i>	<i>19,730</i>	<i>18,126</i>
<i>Balance at 30th June ..</i>	<i>1,885</i>	<i>285</i>	<i>3,179</i>	<i>5,723</i>	<i>2,094</i>	<i>1,719</i>
<i>Face Value of Securities Repurchased and Redeemed in—</i>						
Australia ..	3,996	8,859	9,661	11,644	14,445	14,780
London ..	1,561	4,345	420	838	1,154	732
New York ..	285	229	220	241	2,214	1,236
<i>Total Face Value ..</i>	<i>5,842</i>	<i>13,433</i>	<i>10,301</i>	<i>12,723</i>	<i>17,813</i>	<i>16,748</i>

E. TAXES ON INCOME.

NOTE.—The following section contains details of taxes on individuals and companies for the 1956-57 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 1936-1956 and the Income Tax and Social Services Contribution Act 1956. 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 1956-57 is levied on the income of individuals in 1956-57 and on the income of companies in 1955-56.

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 1947-1955 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, (v) pay and allowances earned by a member of the Defence Forces while serving in Korea after 26th June, 1950, and Malaya after 28th June, 1950, and (vi) 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.

Assessable income is divided into two main groups—personal exertion and property. Personal exertion income includes all wage, salary, business and professional incomes, while property income includes all rents, dividends and interest. No distinction between personal exertion and property income is made for companies. 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.

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 for a housekeeper employed by the taxpayer for the financial year 1956–57 is shown in the following table.

CONCESSIONAL DEDUCTIONS FOR DEPENDANTS, ETC.

(£.)

Dependant, etc. (Resident).	Maximum Deduction. (a)
Spouse	130
Daughter-housekeeper (b)	130
Housekeeper (b) having care of taxpayer's children under 16 years of age	130
Parent	130
One child under 16 years of age	78
Other children under 16 years of age	52
Invalid relative(c)	78
Child 16 to 21 years receiving full-time education (d)	78

(a) These deductions are allowed only if the dependant or parent 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 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 1956–57 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, medical, hospital and similar funds and friendly societies, not exceeding an aggregate of £300, (ii) funeral expenses of a dependant not exceeding £30, and (iii) 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 1956–57, 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.
No dependants	104	104
Wife	208	234
Wife and one child	286	312
„ „ two children	338	364
„ „ three children	390	416
„ „ four children	442	468

For the 1956–57 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 £390. A married couple both of whom qualify by age for the concession, are exempt from tax if their combined net incomes do not exceed £780.

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 1956–57.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—INDIVIDUALS : RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—1953-54 TO 1956-57.

Total Taxable Income.		1953-54.		1954-55 to 1956-57.	
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 1950-51 to 1956-57 :—

COMMONWEALTH TAXES ON INCOME.
(£.)

Income.	Income Tax and Social Services Contribution.				
	1950-51 Financial Year.	1951-52 Financial Year.	1952-53 Financial Year.	1953-54 Financial Year.	1954-55 to 1956-57 Financial Years.
INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH NO DEPENDANTS.					
150	1.65	1.80	1.65	1.25	1.05
200	3.95	4.35	3.95	3.10	2.50
250	7.30	8.05	7.30	5.85	4.80
300	11.65	12.80	11.65	9.35	7.90
350	17.10	18.80	17.10	13.95	12.10
400	22.50	24.75	22.50	18.55	16.25
500	35.85	39.45	35.85	30.20	27.10
600	51.65	56.80	51.65	43.95	39.60
800	90.00	99.00	90.00	77.30	69.60
1,000	135.00	148.50	135.00	117.30	106.25
1,500	281.65	309.80	281.65	246.85	225.85
2,000	468.35	515.20	468.35	412.30	376.25
3,000	928.35	1,021.20	928.35	823.10	753.75
5,000	2,088.35	2,297.20	2,088.35	1,857.30	1,701.25
INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE.					
150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250	1.55	1.70	1.55	0.75	0.65
300	3.75	4.10	3.75	2.00	1.60
350	7.00	7.70	7.00	4.20	3.60
400	11.30	12.45	11.30	7.25	6.05
500	22.05	24.25	22.05	15.80	13.75
600	35.30	38.85	35.30	26.70	23.85
800	69.25	76.15	69.25	55.05	49.50
1,000	110.80	121.90	110.80	90.70	81.85
1,500	247.15	271.85	247.15	209.30	191.35
2,000	426.75	469.40	426.75	366.25	334.55
3,000	876.35	964.00	876.35	765.15	700.10
5,000	2,022.45	2,224.70	2,022.45	1,783.60	1,634.10

COMMONWEALTH TAXES ON INCOME—*continued.*

(£.)

Income.	Income Tax and Social Services Contribution.				
	1950-51 Financial Year.	1951-52 Financial Year.	1952-53 Financial Year.	1953-54 Financial Year.	1954-55 to 1956-57 Financial Years.
INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD.					
150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	..	..	..	..	..
300	0.85	0.95	0.85	..	..
350	2.50	2.75	2.50	1.10	0.95
400	5.15	5.65	5.15	2.80	2.25
500	13.60	14.95	13.60	8.80	7.40
600	24.90	27.40	24.90	17.80	15.60
800	54.95	60.45	54.95	42.85	38.60
1,000	93.90	103.30	93.90	75.90	68.30
1,500	223.75	246.10	223.75	188.50	172.20
2,000	395.55	435.10	395.55	338.85	309.70
3,000	837.35	921.10	837.35	730.60	668.20
5,000	1,973.05	2,170.35	1,973.05	1,739.40	1,593.80
INCOME FROM PERSONAL EXERTION.—TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN.					
150 .. .. .	..	..	..	..	..
200 .. .. .	..	..	..	..	..
250 .. .. .	..	..	..	..	..
300 .. .. .	..	..	..	..	..
350	0.80	0.90	0.80	..	..
400	2.40	2.65	2.40	1.10	0.90
500	8.70	9.55	8.70	5.30	4.35
600	18.80	20.70	18.80	13.05	11.25
800	46.30	50.90	46.30	35.70	32.10
1,000	83.20	91.50	83.20	66.80	60.10
1,500	208.15	228.90	208.15	174.60	159.40
2,000	375.85	413.45	375.85	321.95	294.35
3,000	812.45	893.70	812.45	708.95	648.25
5,000	1,940.15	2,134.15	1,940.15	1,709.95	1,566.90
INCOME FROM PROPERTY.—TAXPAYER WITH NO DEPENDANTS.					
150	1.65	1.80	1.65	1.25	1.05
200	3.95	4.35	3.95	3.10	2.50
250	7.30	8.05	7.30	5.85	4.80
300	11.65	12.80	11.65	9.35	7.90
350	17.10	18.80	17.10	13.95	12.10
400	22.50	24.75	22.50	18.55	16.25
500	40.85	44.95	40.85	30.20	27.10
600	61.65	67.80	61.65	43.95	39.60
800	110.00	121.00	110.00	77.30	69.60
1,000	165.00	181.50	165.00	117.30	106.25
1,500	345.00	379.50	345.00	246.85	225.85
2,000	565.00	621.50	565.00	412.30	376.25
3,000	1,091.70	1,200.85	1,091.70	823.10	753.75
5,000	2,351.70	2,586.85	2,351.70	1,857.30	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 1956-57, 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 1956-57 FINANCIAL YEARS.
(Pence per £.)

Type of Company.	Rate of Tax—				
	1953-54 to 1955-56.		1956-57.		1953-54 to 1956-57.
	Up to £5,000.	On Remainder of Taxable Income.	Up to £5,000.	On Remainder of Taxable Income.	
Private	48	72	60	84	120
Co-operative and Non-profit(a)	60	84	72	96	..
Life Assurance—					
Mutual	48	72	60	84	..
Other—					
(1) Mutual Income ..	48	72	60	84	..
(2) Other Income(b) ..	(c) 72	84	(c) 84	96	..
Other	(c) 72	84	(c) 84	96	..
Interest paid to a Non-resident(d)	84	84	96	96	..

(a) Non Profit companies with taxable incomes not exceeding £104 are exempted from tax and if the taxable income does not exceed £208 the tax may not exceed one-half (1953-54 to 1955-56) or eleventwentieths (1956-57) of the amount by which the taxable income exceeds £104. (b) The rate of 72d. (1953-54 to 1955-56) or 84d. (1956-57) is levied on the amount by which the £5,000 exceeds the mutual income. (c) For non-resident companies dividends included in this part of the taxable income are taxed at 60d. (1953-54 to 1955-56) and 72d. per £1 (1956-57). (A resident company is allowed a rebate of tax in respect of dividends received.) (d) 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 1956-57, the retention allowance is the following proportion of the reduced distributable income :—

- On first £1,000 or part, 50 per cent.
- On next £1,000 or part, 40 per cent.
- On next £1,000 or part, 35 per cent.
- On next £1,000 or part, 30 per cent.
- On 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 1956-57, 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 1950-51 to 1954-55 :—

INCOME TAX COLLECTIONS.
(£'000.)

Year.	Total.		
	Commonwealth.(a)	State.(b)	Total.
1938-39	11,883	29,796	41,679
1950-51	451,488	291	451,779
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

(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.	1950-51.	1951-52. (a)	1952-53.	1953-54.	1954-55.
Individuals—						
Income Tax	7,423	b 98,178.	} 332,956	340,175	351,147	320,174
Social Services Contribution .. .. .	..	b 100,057				
Companies—						
Income Tax	8,041	74,770	156,163	151,246	119,348	158,887
Super Tax .. .. .	..	7,040	..	..	..	..
Undistributed Income Taxes(c)						
Private Companies	688	8,253	11,219	5,824	4,266	4,001
Non-Private Companies .. .. .	..	4,847	..	..	..	..
Total	16,152	293,145	500,338	497,245	474,761	483,062

(a) Income Tax and Social Services Contributions were consolidated in 1951-52. (b) Includes assessments issued to 30th June, 1954. (c) Approximate.

(iii) *Commonwealth Income Tax and Social Services Contribution, 1954-55 Assessment Year.* The following tables show, for the 1954-55 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 :
1954-55 ASSESSMENT(a)—NUMBER OF TAXPAYERS, ACTUAL INCOME,
TAXABLE INCOME AND NET INCOME TAX AND SOCIAL SERVICES CON-
TRIBUTION ASSESSED—INDIVIDUALS.**

(Incomes derived in year 1953-54.)

Grade of Actual Income(b) and State or Territory of Assessment.	Number of Taxpayers.			Actual Income.	Taxable Income.				Net Income Tax and Social Ser- vices Contri- bution As- sessed.	
	Males.	Fe- males.	Total.		Total.	Personal Exertion.		Pro- perty.		Total.
				Salary and Wages.		Total.	Total.			
£	£	No.	No.	No.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
105- 200 ..	60,071	106,478	166,549	25,837	20,798	23,144	1,726	24,870	258	
201- 300 ..	88,436	131,802	220,238	55,468	43,542	49,094	2,821	51,915	1,181	
301- 400 ..	106,717	140,933	247,650	86,938	66,333	75,757	3,782	79,539	2,903	
401- 500 ..	122,888	158,568	281,456	127,263	94,966	108,903	4,831	113,734	5,614	
501- 600 ..	147,582	182,285	329,867	181,160	136,057	154,240	4,883	159,123	9,645	
601- 700 ..	242,025	97,283	339,308	221,359	155,378	177,300	4,831	182,131	12,540	
701- 800 ..	425,361	47,569	472,930	355,466	250,260	274,746	5,011	279,757	23,229	
801- 900 ..	405,212	22,989	428,201	362,936	250,039	275,062	5,013	280,075	23,229	
901- 1,000 ..	295,035	13,429	308,464	292,231	195,899	220,282	4,786	225,068	20,564	
1,001- 1,250 ..	365,028	17,700	382,728	421,095	257,501	312,568	10,053	322,621	33,422	
1,251- 1,500 ..	125,517	8,868	134,385	182,232	87,750	135,088	7,990	143,078	17,922	
1,501- 2,000 ..	91,265	9,865	101,130	172,527	54,395	129,094	12,122	141,216	21,930	
2,001- 3,000 ..	61,745	8,298	70,043	168,702	29,609	128,647	16,110	144,757	30,330	
3,001- 4,000 ..	24,381	3,381	27,762	95,414	12,340	74,101	10,590	84,691	22,690	
4,001- 5,000 ..	11,551	1,604	13,155	58,379	7,001	45,111	7,647	52,758	16,681	
5,001-10,000 ..	14,699	2,296	16,995	112,677	12,607	85,499	17,931	103,430	42,617	
10,001-15,000 ..	2,349	446	2,795	33,351	2,724	24,819	6,339	31,158	16,212	
15,001 and over ..	1,295	233	1,528	36,476	2,265	25,691	7,778	33,469	20,241	
<i>Total Residents</i>	<i>2,591,157</i>	<i>954,027</i>	<i>3,545,184</i>	<i>2,989,511</i>	<i>1,679,464</i>	<i>2,319,146</i>	<i>134,244</i>	<i>2,453,390</i>	<i>319,108</i>	
Central Office ..	8,172	4,459	12,631	38,900	5,238	23,251	11,595	34,846	13,826	
New South Wales	962,772	368,470	1,331,242	1,129,790	665,404	881,594	46,187	927,781	118,700	
Victoria ..	729,707	295,999	1,025,706	846,543	495,387	659,711	39,997	699,708	85,287	
Queensland ..	366,470	115,242	481,712	391,042	196,564	301,985	12,822	314,807	41,793	
South Australia ..	240,958	80,481	321,439	271,416	144,239	209,710	12,673	222,383	27,639	
Western Australia	184,606	58,127	242,733	207,868	109,806	162,732	7,479	170,211	22,628	
Tasmania ..	83,424	26,657	110,081	85,945	50,672	65,952	3,147	69,099	7,448	
Northern Territory	4,490	1,047	5,537	5,226	3,411	4,085	53	4,138	484	
Aust. Cap. Terr. . .	10,558	3,545	14,103	12,781	8,743	10,126	291	10,417	1,303	
<i>Total Residents</i>	<i>2,591,157</i>	<i>954,027</i>	<i>3,545,184</i>	<i>2,989,511</i>	<i>1,679,464</i>	<i>2,319,146</i>	<i>134,244</i>	<i>2,453,390</i>	<i>319,108</i>	
<i>Total Non-Resi- dents</i>	<i>1,913</i>	<i>2,040</i>	<i>3,953</i>	<i>4,781</i>	<i>189</i>	<i>1,143</i>	<i>3,342</i>	<i>4,485</i>	<i>1,066</i>	
Grand Total . .	2,593,070	956,067	3,549,137	2,994,292	1,679,653	2,320,289	137,586	2,457,875	320,174	

(a) Assessments in respect of 1953-54 incomes issued to 30th September, 1955. Assessments issued after that date are not included. (b) Actual income is the total income (less any expenses of earning the income) and includes any exempt income and any concessional deductions or expenses of a capital nature which are allowed as a deduction for the purpose of assessing taxable income.

COMMONWEALTH INCOME TAX AND SOCIAL SERVICES CONTRIBUTION,
1954-55 ASSESSMENT(a)—NUMBER OF TAXPAYERS, ACTUAL INCOME,
TAXABLE INCOME AND NET TAX ASSESSED—RESIDENT AND NON-
RESIDENT COMPANIES.

(Incomes derived in 1953-54.)

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	17,916	32,813	26,043	5,278
5,001- 10,000	3,716	27,759	26,158	6,001
10,001- 20,000	2,590	38,062	36,474	9,433
20,001- 50,000	2,031	64,881	63,018	17,564
50,001-100,000	858	61,787	59,871	17,400
100,001-200,000	469	67,908	65,857	19,788
200,001-500,000	264	90,640	80,478	23,819
500,001 and over	134	213,937	191,176	59,604
<i>Total</i>	<i>27,978</i>	<i>597,787</i>	<i>549,075</i>	<i>158,887</i>
Central Office	2,943	309,545	271,317	82,697
New South Wales	11,096	122,019	118,294	32,570
Victoria	7,510	82,876	80,407	21,377
Queensland	1,936	28,884	27,553	8,143
South Australia	2,525	28,296	27,648	7,193
Western Australia	1,215	18,841	16,664	4,894
Tasmania	622	6,586	6,527	1,897
Northern Territory	28	164	137	31
Australian Capital Territory	103	576	528	85
<i>Total</i>	<i>27,978</i>	<i>597,787</i>	<i>549,075</i>	<i>158,887</i>

(a) Assessments in respect of 1953-54 incomes issued to 31st December, 1955. 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 £4,001,000.

(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.		1951-52.(a)		1952-53.(a)		1953-54.(a)		1954-55.(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			266,134	517	200,711	434	171,542	333	166,549	258
201- 300	(c) 47,732	27	351,062	2,282	270,729	1,985	236,185	1,545	220,238	1,181
301- 400	104,210	126	412,396	5,778	307,080	4,860	267,598	3,790	247,650	2,903
401- 500	68,168	182	440,555	9,176	363,271	9,569	309,511	7,403	281,456	5,614
501- 600	38,939	197	551,803	15,008	371,461	13,350	338,499	11,574	329,867	9,645
601- 700	d 29,912	294	427,288	15,406	486,388	22,031	386,310	16,830	339,308	12,540
701- 800			262,954	12,398	434,711	24,955	512,708	27,291	472,930	21,129
801- 900	e 23,070	460	145,231	8,721	306,206	21,846	387,149	25,140	428,201	23,229
901- 1,000			83,028	6,340	196,872	17,093	248,599	19,636	308,464	20,564
1,001- 1,250	10,922	372	101,209	10,921	214,482	25,203	290,659	30,365	382,728	33,422
1,251- 1,500	6,281	306	48,123	7,823	80,306	14,657	106,361	16,915	134,385	17,922
1,501- 2,000	7,987	691	49,840	12,618	72,535	21,019	86,565	22,042	101,130	21,930
2,001- 3,000	4,549	686	47,681	22,152	56,460	31,511	65,865	32,713	70,043	30,330
3,001- 4,000	2,045	615	24,374	19,662	23,868	24,598	27,722	25,628	27,762	22,690
4,001- 5,000	984	484	14,102	17,761	12,018	19,168	13,877	19,983	13,155	16,681
5,001-10,000	1,298	1,321	23,366	66,729	15,086	47,391	17,527	49,956	16,995	42,617
10,001-15,000	205	504	4,917	33,056	2,354	17,027	2,624	17,022	2,795	16,212
15,001-30,000	(f) 92	393	3,124	38,841	1,091	14,357	1,302	15,094	1,286	13,716
30,001-50,000	(g) 39	316	612	15,255	164	4,196	200	4,383	185	3,993
50,001 and over	8	141	216	11,263	68	3,680	63	2,412	57	2,532
Total ..	346,441	7,115	3,260,015	331,707	3,415,861	338,930	3,470,866	350,055	3,545,184	319,108

(a) Includes Social Services Contribution. (b) Actual income is the total income (less any expenses of earning the income) and includes any exempt income and any concessional deductions or expenses of a capital nature which are allowed as a deduction for the purpose of assessing taxable income. (c) Grade £251-£300. (d) Grade £601-£750. (e) Grade £751-£1,000. (f) Grade £15,001-£25,000. (g) Grade £25,001-£50,000.